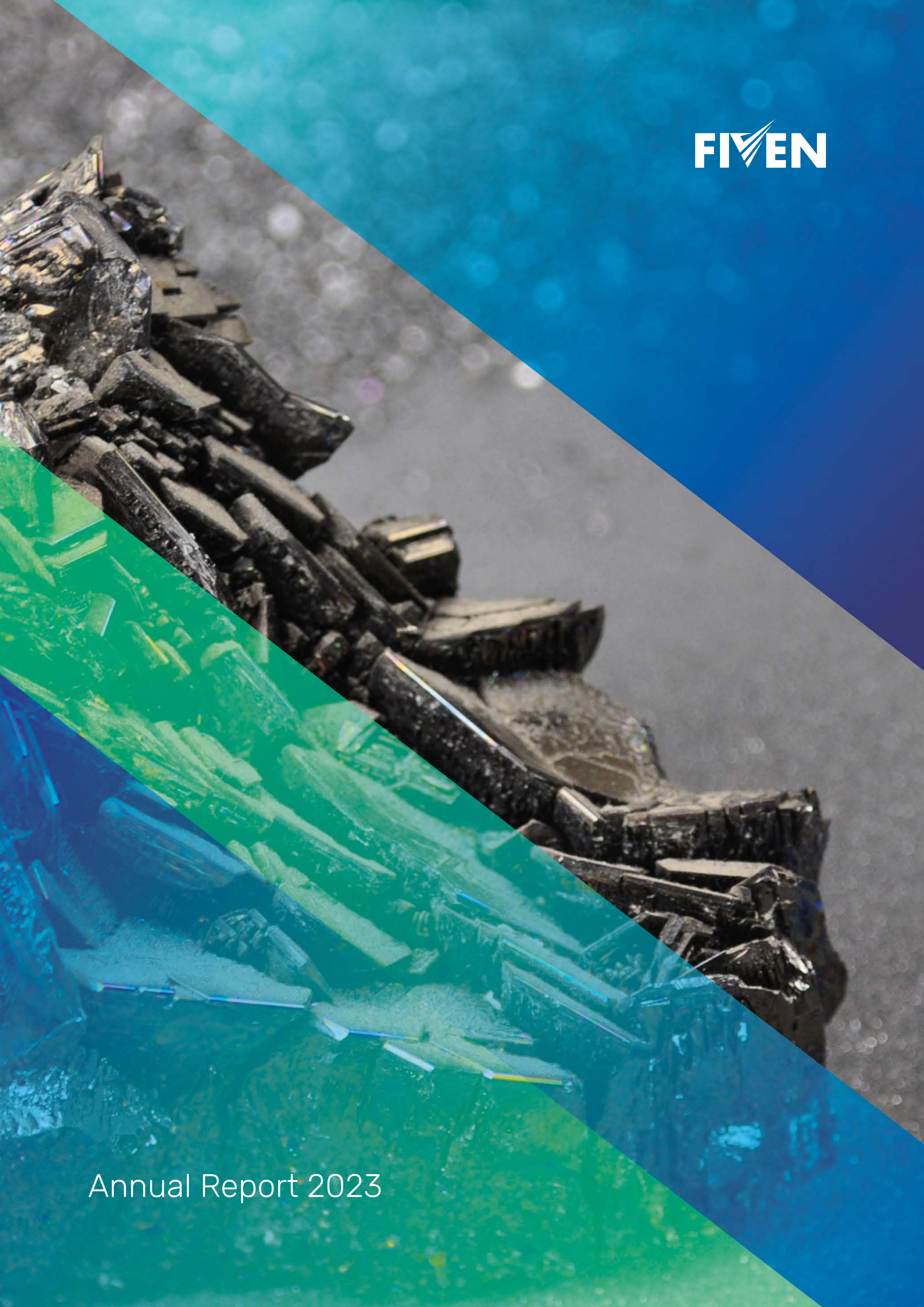


# Annual Report 2023

# Content

# A worldwide leader

As worldwide leader in the production of silicon carbide grains and powders, Fiven is dedicated to delivering innovative and sustainable solutions for the current and future industries.


| €151.4 M | €44.7 M | >400 | 4 | 399 |
|---|---|---|---|---|
| Revenue<br>1 January - 31 December 2023 | EBITDA Adjusted<br>1 January - 31 December 2023 | Customer groups | Production Sites | Employees |

Selling to 49 countries on 5 continents

4 production sites

4 office locations

# Key financials

| P&L Euro Millions | 2023 | 2022 |
|---|---|---|
| Revenue | 151.4 | 192.3 |
| Adjusted EBITDA [1] | 44.7 | 61.5 |
| Net Income (loss) [2] | (2.0) | 53.7 |

| Balance sheet Euro Millions | 2023 | 2022 |
|---|---|---|
| Assets | 175.9 | 189.0 |
| Cash and Cash Equivalents | 33.4 | 18.9 |

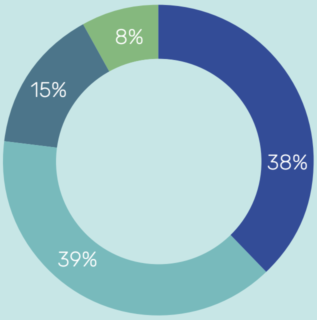
| Cash flow Euro Millions | 2023 | 2022 |
|---|---|---|
| Cash flow from operations | 33.2 | 41.5 |
| Cash flow from investments | (10.8) | (7.6) |
| Cash flow from financing activities | (7.8) | (38.7) |

1 Adjusted EBITDA excludes non-recurring/non-financial items and monitoring fees
2 Of which (20,904) kEUR come from changes in the fair value of the financial instruments for power contracts (2022: 17,463 kEUR).

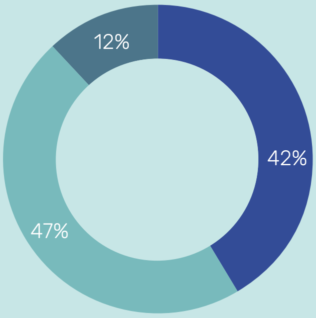
## Revenue breakdown

31% Customized products share of sales in 2022

69% Core products share of sales 2022




Europe
South America
North America
Asia




Fiven Norway
Fiven Brazil
Fiven Belgium

# Building Strong Communities Together

## At Fiven, we understand that we are part of many communities. As a responsible corporate citizen, we aim to actively engage with and support the communities where we live and work. By collaborating with local partners, we can make a positive impact and help create an environment where everyone can thrive.

Over the past few years, Fiven has focused on developing meaningful partnerships with our neighbors, government agencies, academic institutions, industry groups, and nonprofits.

### Fostering Partnerships with Academia

We have built strong relationships with academic and research institutions that align with Fiven's focus areas. We maintain an active presence at universities in Norway, Brazil, and Belgium, engaging with students through presentations, project collaborations, bachelor and master thesis, and more.

Over the past years, we have collaborated with universities on research projects applying our silicon carbide materials, pursued industrial PhD partnerships, published joint papers with university researchers, served as co-advisors for student theses, and supplied silicon carbide for universities to test new applications. We meet regularly with university teams to monitor progress and plan future partnerships.

By engaging closely with academic researchers and students internationally, we gain valuable insights while also contributing our expertise. These mutually beneficial partnerships with technical clusters, universities, and institutes allow us to stay abreast of emerging technologies and best practices.

Fiven partners with NORCE, the Norwegian Research Centre, combining their modeling expertise with our process knowledge. Together, we analyze gas dynamics inside and outside our Acheson furnaces used for silicon carbide production. This allows us to optimize gas flows, improve efficiency, and enhance our manufacturing performance – staying at the cutting edge of process technology.

Fiven Brazil teamed up with volunteers and staff at Irmãos do Caminho Day Care Center in Barbacena as part of SiC Solidário. This community collaboration rejuvenated the nursery facilities, reflecting Fiven's commitment to social responsibility and local impact.

## Driving Local Community Development

We also prioritize initiatives that support the communities surrounding our facilities. At our Barbacena, Brazil location, we have undertaken extensive reforestation efforts, planting over 110,000 trees across 70 hectares of land. This helps restore and preserve the local ecosystem. We have also set up a local tree nursery through a partnership with the city government, distributing over 8,000 seedlings to the public along with environmental education.

Additionally, our "SiC Solidario" social program has renovated multiple local schools and childcare facilities over the past five years, directly benefiting more than 5,000 children. We work closely with local government, families, and our own employee volunteers to transform these learning environments by improving infrastructure, providing teacher training, and more.

## Industry Collaboration

We are convinced that a continuous exchange within expert committees is an important component for the further development of our industry and the development of new qualitative products for our customers. As such, Fiven maintains active memberships and participation in several key industry associations:

- SiCMa (Silicon Carbide Manufacturers Association)
- FEPA (Federation of European Producers of Abrasives)
- DFFI (Deutsche Feuerfest Industrie e.v.)
- ABIFA (Associação Brasileira de Fundição)
- ALAFAR (Asociación Latinoamericana de Fabricantes de Refractarios)
- The American Ceramic Society

Through these memberships, our experts collaborate with peers to share best practices, advance technical standards, promote health and environment best practices, and drive innovation across different industries. We contribute our deep material expertise while also gaining valuable insights from partners around the world.

These partnerships are not just the right thing to do, they also make good business sense. By building inclusive relationships locally, we gain valuable insights and perspectives. Our partnerships with technical clusters and industry groups also allow us to stay on top of emerging trends and best practices. At the end of the day, Fiven's success is intertwined with our surrounding communities. As we continue to grow, we want to ensure we are growing together.

# Letter from the Chairman

As we reflect on this past year, while economic conditions remained challenging, our company showed resilience and made significant strides.

Fiven's two-pillar strategy of serving specialty and standard products again proved its strength. Demand held steady for our high-margin specialty products, even as broader economic forces led to softened demand for some of our standard commodity offerings. This highlights the power of our diversified product portfolio.

We continue actively investing in co-development projects and partnerships to maintain and expand our leadership in key specialty areas like the EV market. At the same time, we remain firmly committed to serving our long-standing standard silicon carbide customers with the same excellence we have delivered for decades. The volume of the standard segment and growth opportunities in specialties give us confidence in the balanced approach of our two-pillar strategy. With our specialty innovation and operational excellence in standards, we are well-positioned to deliver robust performance through varied economic cycles.

In 2023, we took an important step further to clarify our communication around our comprehensive ESG strategy. We confirmed our goal to become a Net-Zero company that cultivates a safe, positive, and inclusive working environment, upholds strong business ethics, and fosters local anchorage worldwide. We aim to leave behind a positive handprint for future generations to prosper. To bring more focus to

our efforts, we updated our messaging to describe our ambitions more precisely across environmental sustainability, social responsibility, and governance integrity. This refined communication will help stakeholders better understand our ESG priorities as we execute our strategy in the years ahead. We remain committed to transparency and accountability in pursuit of our goals.

I am proud to share that our progress on ESG initiatives is being recognized externally. We received a sustainability award from one of our biggest customers in South America this year, validating our efforts to operate responsibly and help build a more sustainable future.

While uncertainties remain in the broader economic climate, the diversity of our product portfolio and the commitment of our team give us confidence. We have the right strategy to drive growth and create long-term value.

Thank you for your continued support as bondholders.

Sincerely,

Falk Ast
Chairman of the Board
Fiven ASA

# Board and Management

Falk Ast
Chairman of the Board Fiven ASA

Betty Lunøe Åsheim
CCO Fiven Group
Member of the Board of Fiven ASA

Helén Borchgrevink
Member of the Board of Fiven ASA

Stein Erik Ommundsen
CFO Fiven Group and General Manager Fiven ASA

Terrance Blanchard
COO Fiven Group
General Manager Norway

Trygve Eidet
CRO Fiven Group

Sabine Radoux
Chief Sustainability Officer

Thiago Barros
General Manager Brazil & Sales Director Americas

Isabelle Bouteille
General Manager Belgium

# Environment, Social, and Governance (ESG)

## Introduction by the Chairman

We are determined to limit all adverse effects of our activities on the environment, people, and communities. We thereby go one step further and focus on driving positive change across our value chain by offering our customers premium products that enable them to improve their own impact.

In 2023, we reviewed our sustainability approach and transformed it into a complete ESG strategy with global targets across Environmental, Social and Governance. We then linked tangible KPIs to each target, ensuring that we keep track of our performance.

Falk Ast, Chairman of the Board

## Our Principles

We live and are guided in our activities by our principles called the 'Fiven 5'. These principles are:

**Respect** – We treat everybody with respect independent of their background, culture, and origins.

**Integrity** – We are honest people and have strong moral principles helping us to stay undivided.

**Solidarity** – We stand by each other and help one another to reach our common goals. We encourage teamwork, and we bring out the best of each person.

**Trust** – We act with trust in people's honesty and sincerity.

**Transparency** – We foster a climate of direct, honest, and open communication.

Adherence to these principles is a requirement for belonging to Fiven Group.

## Certification

All our Fiven entities are certified ISO 9001, ISO 14001 and ISO 45001 meaning that all key production entities of the Group have health and safety certifications:

- Fiven Norge AS: ISO 9001, ISO 14001, ISO 45001
- Carbeto de Silicio Sika Brazil: ISO 9001, ISO 14001, ISO 45001
- Materiaux Céramiques SA: ISO 9001, ISO 14001, ISO 45001

Fiven is currently awarded with the EcoVadis Silver Medal. The rating places Fiven in the top 25 percent of all companies assessed by EcoVadis.

Six years award ceremony in Belgium


One year award ceremony in Arendal, Norway

# Health and Safety

Our goals stated in our H&S policy is ZERO accidents and ensuring Safety and Health protection for all our employees. No matter the plant location, all our people are protected following the same Fiven standards.

In 2023, one lost time accident was reported within Fiven, and therefore TF1 (defined as the number of lost time accidents divided by the working hours multiplied by 1000000) was at 0.9 compared to 0 in 2022. The TF2, which is the frequency rate of lost time accident and non-lost time accident (defined as the sum of lost time accidents and non-lost time accidents divided by the working hours multiplied by 1000000) decreased to 1.9 compared to 2.6 in 2022. This represents 1 non lost time accident compared to 3 lost time accidents in 2022.

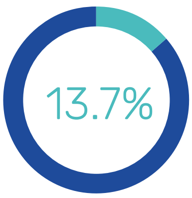
In 2023, our Fiven entity in Belgium achieved six consecutive years without any lost time or non-lost time accidents. Additionally, our plant in Arendal, Norway, celebrated one year of operation without any accidents.

| 1 | 1 | 9 | 52 | 3 955 | 2 011 |
|---|---|---|---|---|---|
| LTA [1] | NLTA [2] | First Aid | Near Misses | Unsafe Acts/ Unsafe Conditions | SMAT [3] |

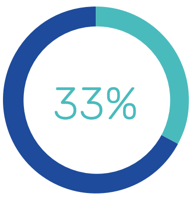
# Diversity

Fiven has more than 15 nationalities out of its 399 employees.

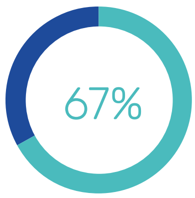
Female share of the total FTE




Female share of Fiven management team




Female share of the board of directors




[1] LTA Lost Time Accident
[2] NLTA Non-Lost Time Accident
[3] SMAT (Safety Management Audit, which is a behavioral observation)

# Environment

## Fiven is committed to managing its activities responsibly and minimizing the environmental impact of its production processes. In 2023, Fiven finalized investments to capture gases from furnaces at its plant in Lillesand, Norway.

By the end of 2023, Fiven issued a new environmental policy formalizing its commitment to environmental sustainability. This policy aims to integrate sustainable practices throughout the organization and promote best environmental practices in its operations.

# Environmental Roadmap

| | Air | Water withdrawn | Non-recovered waste |
|---|---|---|---|
| 2025 | -9% | -10% | -15% |
| 2030 | -20% | -20% | -30% |
| 2050 | Net Zero | Net Zero | Net Zero |

In connection with its Environmental roadmap set up in 2020, the Group has pursued on implementing the different actions listed in the roadmap. Fiven has made the following progress on the main projects and actions:

- Completion of the covering furnace project in Fiven Norge
- Completion of the pre-engineering study to cover furnaces in Fiven Brazil
- Making good progress on the biocarbon source project
- Completion of trees nursery project where more than 8000 seeds were donated during the year.
- Increase the use of internal recycled material in the Acheson furnaces in Fiven Brazil

*“In 2023, we undertook a comprehensive review of our sustainability approach, evolving it into a holistic Environmental, Social, and Governance (ESG) strategy with overarching targets spanning all three pillars. This transformation underscores our commitment to driving positive change across our operations, communities, and governance practices."*

Sabine Radoux
Chief Sustainability Officer

# Board of Directors' Report

## About Fiven

Fiven is a global leader in silicon carbide (SiC), a material used in a variety of industrial applications. SiC is recognized for superior hardness, high thermal conductivity and chemical inertness, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses. Fiven product brand "SIKA" is recognized as a premium brand with high quality and supply consistency.

Fiven ASA is headquartered in Oslo, Norway, and is the parent company in the Fiven Group. The Group was established in 2019 in connection with the acquisition of the silicon carbide business from Compagnie de Saint-Gobain S.A, and the operational history can be traced back more than 100 years.

Fiven has manufacturing entities in Arendal and Lillesand (Norway), Hody (Belgium) and Barbacena (Brazil). Fiven GmbH located in Cologne (Germany) is a management office, and Fiven North America Inc. is a sales office operating in Pittsburgh (USA). There is also a sales representation office operating in Shanghai (China).

## The Market

2023 was a challenging year globally: heightened geopolitical tensions, significant disruptions in European energy supply chains, and a macroeconomic climate shadowed by rising interest rates and inflation. Fiven demonstrated remarkable flexibility and determination despite these headwinds, effectively navigating these complex market conditions.

The silicon carbide market is diverse, with varying trends across regions and end-use industries.

In Europe, Fiven faced persistent challenges, particularly in the construction and broader economic landscape. Revenue in Europe saw a year-over-year decline of 26 per cent, with core products facing steeper decreases compared to customized products. This downturn was mainly due to subdued demand and market contractions, especially in the steel and construction sectors.

In North America, Fiven experienced a notable decrease in sales, attributed to cyclical projects and validation processes. Despite these temporary market headwinds, the management team remained focused on adapting strategies to emerging market needs.

In Latin America, the market witnessed a dip in sales compared to the record levels of 2022. The decline was primarily driven by slowdowns in key sectors, including automotive, steel, and construction.

Asia emerged as a bright spot for Fiven in 2023. The region saw significant growth in sales, fueled by increased co-development activities and strategic partnerships. This success underlines the effectiveness of Fiven's innovation-led approach.

The global competitive landscape varies from one region to another. Fiven maintains a strong market position in Europe and Latin America. Local players and global Asian producers influence the competition in North and Latin America and Europe.

## Fiven's Strategy

Fiven's strategy focuses on achieving profitable growth through two main pillars:

1. Accelerating growth in customized products by targeting high-growth applications, emphasizing innovation, and fostering collaboration with key customers through co-development.
2. Selectively serving core markets, enhancing cost competitiveness and providing exceptional service offerings.

Fiven remains well-positioned to maintain solid financial results despite current market uncertainties. The Group's confidence in its strategic execution, combined with its proven ability to respond to dynamic market conditions, sets the stage for sustained performance and resilience in the face of future challenges.

## Financial Review

*Presentation of accounts*

Fiven's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company's annual financial statements have been prepared in compliance with the Norwegian Accounting Act and accounting principles generally accepted in Norway. For further information, please refer to the financial statements and note disclosures.

*Operating Profit and profitability*

Fiven delivered another strong financial performance in 2023 in times of weaker global economies and headwinds in key end markets. It demonstrated that the extraordinary 2022 performance was not a coincidence and that profitability reach the second-best performance in Fiven history.

The total consolidated revenues for the 12-month period reached 151.4 mEUR, a Year-on Year decline by 21 percent (2022: 192.3mEUR). The result is in line with trends observed by other players in the silicon carbide industry.

In terms of revenues by customer location, Europe revenues at 57.3mEUR decreased by 26 percent from previous year, North America reported at 22.4mEUR were down by 25 percent, the 59.0mEUR revenues from South America represented a YoY decrease of 22 percent, whilst Asian revenues were 12.8mEUR, up from 2022 levels by 39 percent. As for products, the core product products decreased by 28 percent to 103.8mEUR, and the Customized product sales reached 47.7mEUR, on par with 2022 (47.9mEUR).

The Operating Profit for the year ended at 9.5mEUR (2022: 84.0mEUR).

The 2023 operating results are negatively impacted by the changes in the fair value of power derivatives (IFRS 9). The result reflects the change in the forward market prices for power contracts in Norway and has zero cash impact to Fiven. It has no operational adverse impact for the business and is only an accounting consideration. The change of the hedge amounts is also impacted by the consumption and sales of power leading to settlement of the power contracts. Excluding the impact from IFRS 9 fair value adjustment in the Operating profit, the 2023 adjusted result would be 36.3mEUR (2022: 61.6mEUR). The operating result also includes gains from the sales of power hedge contracts of 1.2mEUR whilst sales of hedged power contracts in 2022 amounted to 15.1mEUR.

The Net Finance expenses of 9.2mEUR (2022: 9.0mEUR). Net Loss of the year was 2.0mEUR (2022: Net Income 53.7mEUR).

Fiven uses Adjusted EBITDA to measure operating performance at the Group and segment level. The Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization including the positive impact from IFRS 16 and excluding non-recurring/ non-financial items and monitoring costs) showed 44.7mEUR (2022: 61.5mEUR).

The lower Adjusted EBITDA is driven by decreased revenues (21% YoY) arising from lower demand in the core product markets as a consequence of slow growth in Global economies, ongoing wars, rising inflation and interest rates. Under the current market conditions, it has been necessary to enforce a strict costs discipline in all areas of activity to protect the Adjusted EBITDA margin.

*Cash Flow and Liquidity reserve*

Total cash and cash equivalents at year-end were 33.4mEUR, up from 18.9mEUR for year-end 2022.

Cash flow from operating activities was 33.2mEUR (2022: 41.5mEUR). The sales of hedged power contracts had a positive impact to cash flow by 1.2mEUR (2022: 15.1mEUR).

The cash flow from investing activities amounted to -10.8mEUR (2022: -7.6mEUR). In 2023 Fiven completed the gas cleaning and emission control system in Norway for 2 furnace groups. By the end of 2023 6 out of 8 furnace group in Norway were completed. Other important investments included crude production capacity expansion in Brazil for the cover of expected higher SiC demand, build-up of e-SiC production capacity, product development, productivity improvements as well as for necessary maintenance needed to run the factories.

The full year cash flow from financing activities was -7.8mEUR (2022: -38.7mEUR). In December, Fiven ASA refinanced with a new bond of 110mEUR, and at the same time redeeming the bond from 2021 for an amount of 70mEUR. This operation permitted a distribution to owners of 38mEUR and taking into account fees and call option premium, the whole operation was cash neutral for 2023.

*Debt and financial position*

Fiven's total liabilities at 31.12.2023 were 167.0mEUR in comparison to 139.2mEUR year-end 2022.

The non-current liabilities at YE 2023 end were EUR 112.9m, an increase from year end 2022 at EUR 80.0m. The change is coming from the increase in bond financing (EUR 39.4m), from decrease in deferred tax liabilities (EUR 5.9m) and a decrease in other non-current liabilities (EUR 0.7m).

Total current liabilities were EUR 54.1m at year end, down from EUR 59.3m at Year End 2022. Income tax payable accounts for EUR 5.9m of the reduction, all other current liabilities have increased by EUR 0.7m.

*Total assets and equity*
Total assets at year-end amounted to 175.9mEUR compared to 189.0mEUR year-end 2022. The power hedge contracts reported at fair value decreased the assets by EUR 26.8m from year end 2022, of which EUR 16.6m of the decrease is reported under Other non-current assets and EUR 10.2m is reported as Other Current Assets. Cash and cash equivalents and Plant and Equipment (Net Capex additions) increased total assets by respectively EUR 14.5m and EUR 5.7m. Other assets show a net reduction from year end 2022 by EUR 6.5m, mainly from lower inventories and trade receivables.

Equity reported at year-end was 8.9mEUR compared to 49.8mEUR at end of 2022. In December a distribution of EUR 38m was paid to shareholders, and the 2023 Net Loss of EUR 2.0m was transferred to the account for retained earnings. The impact on equity from changes in foreign currency translation reserve was -0.8mEUR. The Equity ratio end of 2022 was hence 5 percent (2022: 26 percent).

## Going Concern

Pursuant to Section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern, and that the assumption is valid. The consolidated equity as per 31.12.2023 was 8.9mEUR (2022: 49.8mEUR). The Fiven ASA equity was 22.8mEUR at 31.12.2023 compared with 25.3mEUR as of year-end 2022.

In December 2023 Fiven ASA has been refinanced through a new sustainability linked bond for an amount 110 mEUR. The new bond has a duration of 3 years from issue date (11 December 2023) and replaces the 2021 bond.

The Board of Directors has based the going concern assumption on the current financial position, long-term funding, and the forecasted net cash flows.

## Segment Review

*Fiven Norway*
Fiven's product portfolio in Norway primarily comprises customized products catering to diverse market segments and customer requirements. External revenues from Fiven Norway (excluding other income) declined by 15% in 2023 compared to a record level in 2022.

The adjusted EBITDA was 17.3mEUR (2022: 27.6mEUR). The variation to last year was mainly coming from the lower sales and the selling of excess power benefitting adjusted EBITDA of last year for an amount of 0.1mEUR whilst the corresponding number for 2022 was 7.1mEUR.

Full time equivalents (FTE's) at year end 2023 was 161, a reduction from 179 at year end 2022.

*Fiven Brazil*
Fiven Brazil's external revenues declined by 25% in 2023 year-on-year. The result is due to a slowdown in all market segments within Latin America and an unusually high level of demand and customers building up inventories in 2022.

The adjusted EBITDA of 25.0mEUR was lower than 2022 of 33.9mEUR caused by lower sales during 2023.

The number of full-time equivalents (FTEs) at year end 2023 was 206, a reduction by 14 from year end 2022.

*Fiven Belgium*
Revenues in Fiven Belgium saw a 27% decline, which is primarily attributed to the diminishing European market demand for core applications, compounded by uncertain market dynamics.

As for adjusted EBITDA, the reported 2023 result of 1.0mEUR was higher than the 2022 performance of -0.7mEUR. The 2023 performance is impacted by lower prices and low demand in comparison with 2022. Last year carries a write-off of inventory for an amount of 5.0mEUR.

In 2023, Fiven Belgium received the first supplies of silicon carbide material from the plant in Venezuela, which was previously owned by Fiven until end of November 2022.

As for FTEs, the year ended with 19 compared to 17 FTEs end of 2022.

*Parent Company Review*
Fiven ASA is the parent company of the Group. The revenues of the period reached 5.3 mEUR (2022: 5.8 mEUR) and the Operating profit amounted to 0.3 mEUR (2022: -0.1 mEUR). The Net Income was 35.6 mEUR (2022: 28.0 mEUR).

The Board of Directors proposes to transfer the Net Income of 35.6 mEUR to retained earnings. During 2023 Fiven ASA has issued an extraordinary dividend of 38 mEUR.

*R&D Activities*
Fiven's R&D activities are focused around four key business areas: New Product Development, Sales Support, ESG, and Production Support. Product development projects and the activities in R&D is a vital part of Fiven's growth strategy in customized products. The product development topics in focus are e-SiC, high purity silicon carbide for power electronic applications, and advanced technical ceramic solutions for a wide range of applications, including ballistic protection and 3D printing.

SIKA e-SiC is continuing a very good development and products delivered more than tripled since 2022. Quality performance of the e-SiC production met the high micro electronic industry standards, and the production system of Fiven SIKA e-SiC was formally approved by world leading SiC electronics customers.

Strong development also in the ballistic products segment where new product solutions and alternative process routes were developed enabling new qualities to be offered and facilitating higher volume output.

For the first time complex shape, full density, 3-D printed SiC was exhibited at the 2023 Formnext conference. This breakthrough was exhibited by the company Durst with large scale parts printed from custom supplied S-Cast product from Fiven.

R&D supports the implementation and operationalization of Fiven's environmental roadmap. The environmental technology development is now entering into a new phase where optimization of the interaction between process and furnace coverage technology is developed. The optimization of the newly invested semi-closing of Acheson SiC furnaces includes new measured furnace mass balance which showed improved environmental performance of the technology.

## Corporate governance

Fiven ASA does not have a corporate assembly, and therefore the general meeting elects the Board. Fiven's board consists of 3 members, and the Board of Directors elects its own chair.

The composition of the Board of Directors attends to the interests of the shareholder and to meet the Fiven's need for expertise through executive personnel. In accordance with the Norwegian Public Limited Liability Act (Allmennaksjeloven) and supplementary policies and procedures provided by the shareholder, the Board of Directors exercises the overall governance of Fiven ASA.

The Audit Committee operates as a working committee, reporting to the Board of Directors in accordance with the mandate prepared and approved by the Board of Directors.

The Executive Chairman of the Board of Directors facilitates the reporting to the shareholder of Fiven ASA. Two of the three Board members have long term experience from the inside of the silicon carbide industry, assuring that the Board of Directors has sufficient operational expertise as well as comprehensive knowledge of the business conducted in the Fiven Group.

The General Manager of Fiven ASA, currently also being the Fiven Group CFO, is responsible for the day-to-day management of Fiven ASA. The General Manager governs the operations through policies and procedures, management meetings, Board meetings and through the Audit Committee interaction.

The General Manager of Fiven ASA meets with the extended management team of the Fiven Group. These management meetings are called by the Chairman, and in addition to the executive management team, also include production site general managers and Chief Sustainability Officer. The purpose of the meetings is to monitor the status of the operations and key performance indicators. The market situation and business development issues are also addressed, as well as health, environment, safety and security indicators and human resource issues. These meetings are a vehicle for scrutiny of the segment units' performance relative to budgets and targets. The market situation, order intake, new opportunities and other significant items at the time are also addressed.

The internal controls over financial reporting are governed by the Group Accounting Policies and a set of procedures and internal controls. The Audit Committee reinforces the focus on internal controls over financial reporting. Monthly management reporting is submitted by the management team of each segment to assist the Board in its work on monitoring and controlling the Group's operations. The reports cover financial information of the Group's key figures, matters related to health and safety, market development, operations and financial performance, and the status of other business-related matters. Quarterly and annual financial statements are reviewed by the Audit Committee and the Board.

In 2023 Fiven released the first report on supplier code of conduct to comply with the Norwegian Transparency Act.

## Risk Factors and risk management

*Market risk*

Automotive and construction are two of the largest markets to Fiven. The Board monitors the implications of unsettling trends such as lack of semiconductors in automotive, and material cost inflation and supply chain disruption in the construction market. To reduce these risks, the Board focuses heavily on developing new specialty products and diversifying into other markets, which shield the group from any acute risk on revenue.

The Asian competition can exert intense pressure by sudden reducing standards products' prices. In Europe, the market is dynamic, with many players competing in an inflationary cost environment and sudden changes in demand. In addition, the geopolitical tensions from the Ukrainian - Russian war have caused spikes in energy prices and fueled inflation. Globally, Fiven will keep facing fierce competition from players in Germany, China, Spain, and the US. However, Fiven will continue to counter the risk through its customer-centricity, superior delivery performance, and innovation.

*Operational risk*
The Group's business includes several operational risks associated with the running of the industrial factories.

The manufacturing of silicon carbide is highly depending on raw material such as petroleum coke and sand as well as energy for production and processing. Through forward contracts on energy, Fiven entities are able to secure a stable supply of power for production. For petroleum coke there is no forward market, but through multiple sourcing, the Group has what is considered a steady supply. Fiven has its own sand mine in Brazil.

Adverse changes in the general economic conditions and business environment in the countries in which the Group manufactures, i.e. Norway, Belgium and Brazil, may have an adverse effect on the Group's business, financial position and results of operations. With production and processing capabilities in several locations including an exclusive supply agreement with the new owner of the companies in Venezuela formerly owned by Fiven until 2022, Fiven has the possibility to shift sourcing among plants when these regional risks materialize.

The Group's high consumption of petroleum coke in the production of silicon carbide has led to exposure against different types of emission such as dust, PAH, B(a)P and SO2 and related costs to satisfy local laws and regulation.

At the end of 2023, the Lillesand plant in Fiven Norge has completed its gas cleaning project. In total, six furnace groups are connected to a gas cleaning system. Fiven is confident that the investment into the technology developed by Fiven itself will enable full compliance to requirements.

In 2023, Fiven also obtained the renewal of the permit for Fiven Norge, Eydehavn facility, this new licence is valid for the next 10 years.

Safety is a key priority to Fiven, and the manufacturing locations have established routines and procedures designed to minimize overall operational risk. KPIs are recorded, analyzed, and actioned systematically. Health, environment, and safety performance is reviewed monthly on management level and with owners.

*Political risk*
Since the Group is present in several geographic markets, Fiven is also subject to external risks, such as political risks.

The Group's operations in Brazil are subject to detailed regulation and complicated rules regarding, inter alia, tax, labor, financing, the environment, and other regulatory requirements. The complexity of the legislative framework may expose the Group to risks such as legal uncertainties, increased costs in the compliance work and a lack of foreseeability, which could have a material adverse effect on the Group's business and financial position. Under the existence of Fiven, the Group has managed well the challenges in Brazil.

*Financial risk*
Fiven is exposed to different risks in the various market it operates. The objective is to minimize the impact from such risks to the financial statement.

Fiven operates in an international industry which exposes the business to a variety of financial risks. Through its global operations, Fiven is impacted by fluctuations in exchange rates of other currencies. Major trading currencies are USD, EUR and BRL. Fiven Group's reporting currency is EUR, and the Group both hedges through financial instruments and actively uses natural hedge to reduce the risk for currency exposure. Similarly, denomination of currency for loans and bonds seeks to reduce the impact of fluctuations in exchange rates.

Customer credit risk is considered low, and credit management ensures that a substantial portion of the receivables is insured against credit risk. Fiven Norge and Fiven Belgium (Matériaux Céramiques S.A) have a factoring arrangement where there is no recourse.

Liquidity risk is related to difficulty in meeting financial obligations. In 2023 the Group has secured its long terms financing through a new Bond of 110mEUR being listed on the NASDAQ Stockholm and Frankfurt Open Market stock exchanges from February 2024. In parallel, the factoring agreement for Fiven Norge and Fiven Belgium constitutes another source of funding. There is also an export credit facility in Brazil. Other than that, liquidity needs are covered through cash generated from operations. The 2023 cash generation has been positive, and cash performance and liquidity situation have enabled Fiven ASA to pay out a dividend to owners of 38mEUR.

***Insurance for board members and general manager***
The Group has procured Directors and Officers liability insurance on behalf of the members of the Board of Directors and Fiven management. This is standard insurance to protect against certain risks including (but not limited to) civil fines and penalties, emergency costs, public relations expenses, tax extensions, foreign corruption and securities claims.

## Corporate Social Responsibility

*General*
At the end of 2022, Fiven performed the second ESG self-assessment by the company Ecovadis. Ecovadis awarded Fiven in January 2023 for the 2nd time a Silver Medal with a score of 59/100 compared to 56/100 in 2021. The silver rating places Fiven in the top 25 percent of all companies assessed by Ecovadis. The progress made in 2022 was mostly performed on the business ethics axis. Fiven will be reassessed beginning of 2024

Similar to the bond financing executed in June 2021, the refinancing of a new a bond in December 2023 is also sustainability linked. The same Key performance indicators were kept as in the previous sustainability linked bond, being $CO_2$ and $SO_2$ emissions (expressed in tons/tons of crude produced), and quantity water withdrawals (in absolute value). At the exit of the first sustainability linked bond, DNV reviewed Fiven's sustainability action plan, the report is disclosed on Fiven website. For the new bond, the KPI's achievement for 2023 will be reported in the Sustainability Linked Bond progress report 2023 that will be published on Fiven website (www.fiven.com/company-information/investor-relations/reports) by end of March 2024.

Fiven started its sustainability Link Bond financing approach in 2021 to create a stronger link between the operations and how they affect the environment that Fiven operates in, and to better align the objectives of the Environmental Roadmap with Fiven's financing strategy. The Group objective is to reduce CO2 emissions by 9 percent, SO2 emissions by 15 percent and water withdrawal by 10 percent within 2025. 2023 new Sustainability linked bond is part of the strategy.

*Environment*
Fiven is committed to manage its activities to limit the impact of the production processes on the environment.

In 2023 Fiven has been finalizing its investments of capturing gases at the plant in Lillesand coming from the furnaces. During the year and up to present in 2024, furnace production in Norway has been limited to testing and small-scale production. Fiven Norway has covered its need for crude production from the plant in Brazil for financial reasons as raw materials and energy prices have been more favourable in South America. The processing of the material in Norway continues as normal.

In 2023 we were compliant with all permit limits for the Lillesand and Eydehavn plants, and it is expected that Fiven will stay within the permit limits during the duration of the permit. This applies also to other Fiven locations. Fiven Norge will resume to crude production when it makes financially sense.

By end of 2023, Fiven has issued a new environmental policy that formalizes the commitment to supporting the principles of environmental sustainability and recognizes that a sustainable environment is central to our lives and our work. The aim of this policy is to integrate a philosophy of environmental sustainability into the whole organization and to establish and promote best environmental practices in our operations.

In connection with Fiven's environmental roadmap set up in 2020, Fiven management has pursued on implementing the different actions listed in the roadmap. The following achievement was made on the main projects and actions:

- Completion of the covering furnace project in Fiven Norge
- Completion of the pre-engineering study to cover furnaces in Fiven Brazil
- Increase the proportion of biocarbon used in Acheson furnaces in Brazil
- Completion of trees nursery project where more than 8000 seeds were donated during the year.
- Increase the use of internal recycled material in the Acheson furnaces in Fiven Brazil

*Governance*
Fiven is aware that company decisions and actions may have a repercussion on society. The general rule of Fiven is that all parties shall comply with national and all other applicable laws, prevailing industry standards and other requirements to which company subscribes. When laws and industry standards address the same issues, the most favorable provision shall apply to Fiven people.

In 2023, Fiven initiated the implementation of e-learning on the Fiven Code of Conduct. As of end of 2023, 47% of Fiven employees have performed the training. In 2024, this e-learning will be deployed to all Fiven employees.

A whistleblowing line, called Fiven Integrity line, allowing Fiven Board of Director's to be warned about any potential business ethics breach, has been deployed within all Fiven entities. As of today, no warning has been reported through the Integrity line.

By end of June 2023, Fiven published its first due diligence report on suppliers' transparency and work on fundamental human rights and decent working conditions (Transparency Act) www.fiven.com/company-information/investor-relations/reports.

Finally, Fiven is committed to fostering inclusive and sustainable value creation within the communities surrounding the production plants in Barbacena (Brazil), Arendal and Lillesand (Norway), and Hody (Belgium). In this respect, this year, for example, the Brazilian entity supported again different local associations in offering food parcels to disadvantage families, they participating to the cooperation day in organizing a leisure and fun day for children in collaboration with Unimed, they also celebrated their 20TH collaboration anniversary with the Sao Miguel Society Orchestra (children orchestra). Fiven Norge entity continue its support to local sportive association and to local association helping youth in difficulties.

## Social

*People*
Fiven believes in equal treatment of people in respect of ethnicity, religion, belief, disabilities sexual orientation, gender identity and gender expression and the Group recognizes and respects the uniqueness of everybody working in Fiven.

At year end, the number of full-time equivalents (FTEs) were 399 compared to 428 end of 2022. In 2023, some departures mainly in production department occurred in Fiven Norge.

The short-term sickness rate for the period showed 1,8 percent compared to 3.5 percent in 2022, the reduction of the percentage is mainly linked to Fiven Brazil short term absenteeism.

Fiven management works to extend the share of women into various positions. The number of women has increased in 2023 compared to 2022 and represented 13,7 percent of the total FTE at year end compared to 12.7 in 2022. In the board of Directors and the senior management team, the female share was stable compared to 2022 and represented respectively 67 percent and 33 percent.

In December 2023, Fiven organized the first employee survey at group level. Results will be shared in the course of the first quarter 2024.

*Health and Safety*
The company has implemented EHS prevention programs and procedures to mitigate inherent risks of the Acheson process as well as risks associated with silicon carbide processing. The Group is following several KPIs on a monthly basis. In 2023, we had one lost time accident and one non-lost time accident, therefore the TF1 (defined as the number of lost time accidents divided by the working hours multiplied by 1000000) was at 0,9 compared to 0 in 2022. The TF2, which is the frequency rate of lost time accident and non-lost time accident (defined as the sum of lost time accidents and non-lost time accidents divided by the working hours multiplied by 1000000) decrease to 1,9 compared to 2.6 in 2022. The Group target remains zero accidents.

In August 2023, Fiven entity in Belgium reached six years without lost time and non-lost time accidents. In November 2023, Fiven Norge, Eydehavn reached one year without lost time and non-lost time accidents.

In 2023, Fiven performed at Fiven Belgium (Matérieux Céramiques SA) an audit of the 'Fiven Roadmap' which includes 29 standards that should be applied in all Fiven plants. Fiven Belgium has reached the Label Level which means they reach minimum 80% for the safety standards that are specific to silicon carbide production and minimum 90% for the standards called the 'Fiven Stars' which are permits to work, subcontractors, working at height, log out tag out and machine guarding standards. They have joined Fiven Brazil in the club of Fiven plants having reached the Label level of the safety roadmap

## Outlook for Fiven Group

Fiven, operating in a landscape of escalating geopolitical tensions, European energy supply chain disruptions, and a macroeconomic environment burdened by surging interest rates and inflation, has exhibited both flexibility and agility. The group's steadfast adherence to its dual-pillar strategy showcases its capacity to adeptly maneuver through diverse economic challenges, reinforcing its sustained success across various markets. Confident in its strategic direction, Fiven will uphold robust financial performance amidst prevailing market uncertainties.

The Board of Directors of Fiven ASA - Oslo, 19 March 2024

| | |
|---|---|
| Falk Ast | Betty Lunøe Åsheim |
| Chairman | Member of the Board |
| Helén Borchgrevink | Stein Erik Ommundsen |
| Member of the Board | General Manager |

# Consolidated financial statements

# Consolidated statement of income

| Amounts in EUR thousand | Note | 2023 | 2022 |
|---|---|---|---|
| **1 January to 31 December** | | | |
| Revenue | 5,6 | 151 417 | 192 258 |
| Other Income | 6 | 1 380 | 15 174 |
| **Total revenue and other income** | | **152 796** | **207 432** |
| Raw materials, energy cost and change in inventory | 19 | (62 278) | (77 552) |
| Employee benefit expenses | 8,9,10 | (22 828) | (27 931) |
| Depreciation and amortization | 12,15,16 | (5 826) | (5 437) |
| Other operating expenses | 11 | (25 583) | (34 930) |
| **Total operating expenses** | | **(116 515)** | **(145 850)** |
| Other gains and losses | 23 | (26 800) | 22 388 |
| **Operating profit (loss)** | | **9 482** | **83 971** |
| Finance income | 13 | 240 | 371 |
| Finance expense | 13 | (10 438) | (10 627) |
| Other financial items (net) | 13 | 988 | 1 238 |
| **Net finance income (expense)** | | **(9 210)** | **(9 019)** |
| **Net income (loss) before income taxes** | | **272** | **74 952** |
| Income tax expense | 14 | (2 306) | (21 228) |
| **Net income (loss)** | | **(2 033)** | **53 724** |
| Net income (loss) attributable to: | | | |
| Shareholders of the parent | | (2 033) | 53 724 |
| **Total net income (loss) attributed to shareholders** | | **(2 033)** | **53 724** |

# Consolidated statement of comprehensive income

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| **1 January to 31 December** | | |
| **Net income (loss)** | **(2 033)** | **53 724** |
| **Other comprehensive income:** | | |
| **Items that may be reclassified to net income (loss) attributed to the shareholders of the parent:** | | |
| Exchange differences on translation of foreign operations | (794) | 3 337 |
| **Total comprehensive income (loss), net of tax, attributed to shareholders of the parent** | **(2 827)** | **57 061** |

# Consolidated statement of financial position

| Amounts in EUR thousand | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| Buildings and land | 15 | 9 165 | 9 253 |
| Plant and equipment | 15 | 29 692 | 24 020 |
| Right-of-use-assets | 15,12 | 1 948 | 1 301 |
| Other Intangible assets | 16,17 | 13 320 | 13 890 |
| Goodwill | 16,17 | 5 390 | 5 390 |
| Other non-current financial assets | 18,23 | 311 | 10 378 |
| Deferred tax assets | 14 | 166 | 1 088 |
| **Total non-current assets** | | **59 993** | **65 321** |
| | | | |
| Inventories | 19 | 47 696 | 49 454 |
| Trade receivables | 20,23 | 20 488 | 28 003 |
| Other receivables | 18,23 | 12 249 | 8 626 |
| Prepayments | 18 | 783 | 734 |
| Other current financial assets | 18,23 | 1 332 | 17 976 |
| Cash and cash equivalents including restricted cash | 21 | 33 382 | 18 881 |
| **Total current assets** | | **115 930** | **123 673** |
| **TOTAL ASSETS** | | **175 923** | **188 995** |

| Amounts in EUR thousand | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 27 | 101 | 101 |
| Other paid in capital | 27 | 5 575 | 5 575 |
| Retained earnings | | 10 427 | 50 460 |
| Foreign currency translation reserve | | (7 176) | (6 383) |
| **Total equity** | | **8 927** | **49 754** |
| | | | |
| Bond loan | 22,23 | 108 593 | 69 146 |
| Non-current lease liabilities | 12 | 1 013 | 477 |
| Non-current other liabilities | 23 | 142 | - |
| Deferred tax liabilities | 14 | 2 698 | 8 565 |
| Employee benefit obligations | 9 | 216 | 265 |
| Provisions | 24 | 252 | 1 523 |
| **Total non-current liabilities** | | **112 913** | **79 976** |
| | | | |
| Trade payables | 23,28 | 26 905 | 28 634 |
| Other payables | 23,28 | 5 490 | 6 948 |
| Current other interest-bearing liabilities | 22 | 16 346 | 14 211 |
| Current lease liabilities | 12 | 1 052 | 958 |
| Income tax payable | 14 | 2 090 | 8 023 |
| Other current liabilities | 23 | 83 | 84 |
| Provisions (current) | 24 | 2 116 | 406 |
| **Total current liabilities** | | **54 083** | **59 264** |
| **Total liabilities** | | **166 996** | **139 241** |
| **TOTAL EQUITY AND LIABILITIES** | | **175 923** | **188 995** |

The Board of Directors of Fiven ASA - Oslo, 19 March 2024

Falk Ast
Chairman

Betty Lunøe Åsheim
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

# Consolidated statement of changes in equity

| Amounts in EUR thousand | Share capital | Other paid in capital | Retained Earnings | Foreign currency translation reserve | Total Equity |
|---|---|---|---|---|---|
| **Opening balance 1 January, 2023** | **101** | **5 575** | **50 460** | **(6 383)** | **49 754** |
| Net income (loss) | - | - | (2 033) | - | (2 033) |
| Other comprehensive income (loss) | - | - | - | (794) | (794) |
| **Total comprehensive income (loss) of the year** | **-** | **-** | **(2 033)** | **(794)** | **(2 827)** |
| Dividends to owners | - | - | (38 000) | - | (38 000) |
| **Closing balance as of 31 December 2023** | **101** | **5 575** | **10 427** | **(7 176)** | **8 927** |
| | | | | | |
| **Opening balance 1 January, 2022** | **101** | **5 575** | **(451)** | **(9 719)** | **(4 494)** |
| Net income (loss) | - | - | 53 724 | - | 53 724 |
| Other comprehensive income (loss) | - | - | - | 3 337 | 3 337 |
| **Total comprehensive income (loss) of the year** | **-** | **-** | **53 724** | **3 337** | **57 061** |
| Dividends to owners | - | - | (2 813) | - | (2 813) |
| **Closing balance as of 31 December 2022** | **101** | **5 575** | **50 460** | **(6 383)** | **49 754** |

# Consolidated statement of cash flows

| Amounts in EUR thousand | Note | 2023 | 2022 |
|---|---|---|---|
| **1 January to 31 December** | | | |
| **Net income (loss) before income taxes** | | **272** | **74 952** |
| Adjustments to reconcile net income (loss) before income tax to net cash flows: | | | |
| Corporate income tax paid | | (11 728) | (10 435) |
| Depreciation and amortization | 15,16 | 5 826 | 5 437 |
| Net (gain)/loss on disposal of buildings, plant and equipment | | (397) | (355) |
| Net (gain)/loss on fair value of power derivatives | 23, 30 | 26 819 | (22 388) |
| Net finance expense | 13 | 9 213 | 9 019 |
| Change in inventory, trade receivables and trade payables | | 7 689 | (20 625) |
| Change in other receivables, prepayments, and other payables | | (5 357) | 5 156 |
| Change in provisions | | 824 | 1 254 |
| Other changes | | 10 | (499) |
| **Cash flows from operating activities** | | **33 170** | **41 516** |
| Payments for buildings, plant and equipment, and intangible assets | 15,16 | (11 061) | (7 963) |
| Proceeds from sale of assets | | 151 | 20 |
| Interest received | | 234 | 354 |
| Other investing activity | | (83) | - |
| **Cash flows from investing activities** | | **(10 760)** | **(7 589)** |
| Proceeds from issues of bonds | 22,23 | 110 000 | - |
| Repayment Bond loan | 22,23 | (70 000) | - |
| Repayment Shareholders loan | 22,23 | - | (21 977) |
| Net proceeds from factoring/export financing | 22 | 2 281 | (1 576) |
| Interest, placement fee and other financial expenses paid | | (10 508) | (11 091) |
| Payment of principal portion of lease liabilities | 12 | (1 586) | (1 263) |
| Payments to companys shareholders | | (38 000) | (2 813) |
| Cash Flow from Other Financing Activities | | (23) | - |
| **Cash flows from financing activities** | | **(7 836)** | **(38 720)** |
| Net increase (decrease) in cash and cash equivalents | | 14 575 | (4 793) |
| Net foreign exchange differences | | (74) | 36 |
| Cash and cash equivalents including restricted cash at 1 January | | 18 881 | 23 637 |
| **Cash and cash equivalents including restricted cash as of 31 December** | 21 | **33 382** | **18 881** |
| Restricted cash at 1 January | | 194 | 112 |
| Change in restriced cash | | 145 | 82 |
| **Restricted cash as of 31 December** | 21 | **339** | **194** |
| **Total cash and cash equivalents excluding restricted cash 31 December** | 21 | **33 042** | **18 687** |

# Notes to the consolidated financial statements

## Note 1 General information

Fiven ASA is a public limited liability company incorporated in Oslo, Norway, and whose bonds are publicly traded at the Stockholm and Frankfurt stock exchanges. Fiven ASA's registered office is at Apotekergata 10, Oslo, Norway. Fiven ASA is owned 100 percent by Tosca Intermediate Holdings Sàrl, a company controlled by OpenGate Capital, a private equity firm specialized in acquiring and optimizing lower middle market businesses throughout North America and Europe.

Fiven is a global leader in silicon carbide ("SiC"), a material used in a variety of industrial applications. SiC is recognized for superior hardness and thermal conductivity, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses. The Fiven Group is headquartered in Oslo (Norway), and has significant manufacturing operations in Arendal and Lillesand (Norway), Hody (Belgium), and Barbacena (Brazil).

The consolidated financial statements of Fiven ASA and its subsidiaries (hereafter Fiven or the Group), including notes, for the year 2023 were approved by the Board of Directors of Fiven ASA on 19 March 2024.

## Note 2 Material accounting policies

### Note 2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU (IFRS).

The presentation currency of Fiven is Euro, which is the functional currency of Fiven ASA. All financial information is presented in Euro thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more columns included in the consolidated financial statements, may not add up to the total.

The financial statements have been prepared on a historical cost basis, except for derivative instruments and defined benefit pension plans that are measured at fair value.

The consolidated financial statements have been prepared based on the going concern assumption.

## Note 2.2 Foreign currency

### Foreign currency transactions

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Foreign currency differences are recognized in other comprehensive income ("OCI") and accumulated in the foreign currency translation reserve.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognized in the statement of comprehensive income in the same period as the gain or loss on the sale is recognized.

## Note 2.3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position as either current or non-current.

The Group classifies an asset as current when it:
- Expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the purpose of trading
- Expects to realize the asset within twelve months after the reporting period

Or
- The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current, including deferred tax assets.

The Group classifies a liability as current when it:
- Expects to settle the liability in its normal operating cycle
- Is due to be settled within twelve months after the reporting period

Or
- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

## Note 2.4 Changes in accounting principles

### Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but will affect the company's financial position in the future, are disclosed if significant.

### New standards and interpretations adopted by the Group

New or revised accounting standards and interpretations implemented as of 1 January 2023 are among others, IFRS 17 Insurance contracts, Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies, Amendments to IAS 8 - Definition of Accounting Estimates, Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, and Amendments to IAS 12 – International Tax reform – Pillar Two Model Rules

The new or revised standards and interpretations effective for the annual reporting period commencing 1 January 2023 did not have any significant impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

### New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on Fiven in the current or future reporting periods and on foreseeable future transactions.

# Note 3 Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity.

The areas involving significant estimates or judgements are:

### Impairment indicators

Fiven has made an assessment to identify any indications to the effect that material tangible or intangible assets with a finite life may be impaired. Such indications have not been identified and therefore a full estimation of recoverable amounts has not been made. The evaluation of external and internal sources and the potential effect involves considerable judgement.

### Impairment testing of goodwill and intangible assets with an indefinite life.

Goodwill and intangible assets with an indefinite useful life are not amortized. These assets are therefore tested at least annually for impairment. The test process involves identifying expected cash flows relating to the assets and discounting the cash flows to arrive at an estimated value. Future cash flows are based on specific assumptions and plans adopted by the company.

The impairment testing process involves considerable judgement and estimation with regard to the specific assumptions and plans made. See note 17 Impairment Assessments.

### Estimation and judgements regarding environmental liabilities

Fiven has operations in Norway, Brazil and Belgium representing potential exposure towards environmental consequences. A provision is recognized when the group has a present obligation, and it is probable that an outflow of resources is required to settle the obligation.

Any significant contingent liabilities are disclosed in the notes. Contingent liabilities are liabilities which are not recognized because they are possible obligations that have not yet been confirmed, or they are present obligations where an outflow of resources is not probable.

The process and procedures used in assessing the need for a provision or alternatively information regarding contingent liabilities involves considerable judgements with regard to assessing potential obligations in terms of probability and potential outflow of resources. See note 24 Provisions.

### Estimation and judgements regarding contingent liabilities

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

# Note 4 Composition of the group

## Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2023. An entity has been assessed as being controlled by the Group when the Group is exposed to, or have the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Thus, the Group controls an entity if and only if the Group has all the following:
- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect its returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including voting rights, ownership structure and relative power, and other contractual arrangements and rights thereto.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For description of the measurement of non-controlling interest, see below. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received.

The consideration paid in a business combination is measured at fair value at the acquisition date and consist of cash.

When acquiring a business are all financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening group balance (unless other measurement principles should be applied in accordance with IFRS 3).

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation may be amended within 12 months of the acquisition date.

The measurement principle is done for each business combination separately.

When the business combination is achieved in stages are the previously held equity interest re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss.

Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest, and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated, but is tested at least annually for impairment.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognized as income immediately on the acquisition date.

Fiven ASA and the following subsidiaries make up the composition of the group and are included in the consolidated financial statements:

| Company | Functional Currency | Country of incorporation | 31 Dec 2023 Equity Interests | 31 Dec 2022 Equity Interests | Owner |
|---|---|---|---|---|---|
| Fiven Norge AS | NOK | Norway | 100% | 100% | Fiven ASA |
| Fiven GmbH | EUR | Germany | 100% | 100% | Fiven ASA |
| Materiaux Ceramiques SA | EUR | Belgium | 100% | 100% | Fiven ASA |
| Carbeto de Silício Sika Brasil Ltda | BRL | Brazil | 100% | 100% | Fiven ASA |
| Fiven North America Inc | USD | US | 100% | 100% | Fiven ASA |

## Changes in composition of the Group

In November 2022 Fiven sold its two Venezuelan subsidiaries for 1 (one) EUR. These subsidiaries have never been included in the consolidated financial statements. The assessment was that although the two Venezuelan subsidiaries were controlled by the Group as defined in IFRS 10, as they were integrated cost centers under the business model of the Belgian production facility there was no material impact on the financial information being relevant and faithfully represented by their exclusion. The sale was at no material consideration and there was no gain or loss on sale, and the disposal has no impact on the consolidated financial statement.

The following disposed subsidiaries have not been included in the consolidated financial statements:

| Company | Functional Currency | Country of incorporation | 31 Dec 2023 Equity Interests | 31 Dec 2022 Equity Interests | Owner |
|---|---|---|---|---|---|
| Materials Ceramicos CA | USD | Venezuela | - | - | Fiven Norge AS |
| Carburo del Caroni CA | VEF | Venezuela | - | - | Materials Ceramicos CA |

# Note 5 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). At Fiven this is defined as the Chairman, for the purpose of assessing performance and allocating resources.

Fiven identifies its segments according to the organization and reporting structure as decided and followed up by group management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker, defined as the Chairman, for the purpose of assessing performance and allocating resources.

Fiven has three reportable segments: Fiven Norway, Fiven Brazil and Fiven Belgium.

Fiven Norway - The two plants in Norway in respectively Lillesand and Arendal are focused on customized products as well as abrasive applications. Arendal is the oldest still running silicon carbide plant in the world.

Fiven Brazil - The largest silicon carbide plant within the Fiven Group is located in Barbacena, Brazil. Mainly supplying the American continent market, the plant provides solutions for refractory and metallurgical applications.

Fiven Belgium - The processing plant in Hody, Belgium, delivers mainly products for metallurgical and refractory applications. Fiven Belgium's source of crude silicon carbide has traditionally been Fiven entities in Venezuela acting as an extension of the Belgian operations with no other customers than the Belgian entity. In November 2022 the Venezuelan production entities were sold, and a supply agreement was entered into with the new owner. Fiven Belgium is also receiving material from Fiven Brazil.

Other - Fiven ASA has offices in Oslo, Norway. Together with Fiven GmbH in Cologne, Germany, they are performing headquarter and management activities for the Fiven Group. Fiven also has a subsidiary in Pittsburgh (USA) performing sales and marketing services, and a sales representation office in Shanghai (China).

## Operating segment information

Segment performance is evaluated based on Adjusted EBITDA (as defined in the APM attachment). Adjusted EBITDA shows the Group's operating profit (loss) before depreciation and amortization, before items that require special explanation. "Other income and expenses" (OIE) include one-off and non-recurring operating expenses, but excludes operating income excess power sales. The Alternative Performance Measures (APMs) are further explained in the APM attachment to the annual report.

Fiven's financing and taxes are managed on a group basis and are not allocated to operating segments. Eliminations comprise mainly of intersegment sales. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties. The accounting policies used for segment reporting reflect those used for the group.

## SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2023

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 63 496 | 70 421 | 17 500 | - | 151 417 |
| Other income | 1 369 | - | 11 | - | 1 380 |
| **Total revenue and other income from external customers** | **64 864** | **70 421** | **17 511** | **-** | **152 796** |
| Revenue from other group segments | 236 | 20 302 | 2 260 | (22 798) | - |
| **Total revenue and other income** | **65 100** | **90 723** | **19 772** | **(22 798)** | **152 796** |
| Operating expenses (excluding depr. and amort.) | (49 069) | (65 937) | (18 864) | 23 181 | (110 689) |
| Other gains and losses [1] | (26 800) | - | - | - | (26 800) |
| **Operating profit (loss) before depreciation and amortization** | **(10 768)** | **24 786** | **908** | **383** | **15 308** |
| Non-recurring & other non-financial items [2] | 28 098 | 241 | 83 | 940 | 29 361 |
| **Adjusted EBITDA** | **17 329** | **25 026** | **990** | **1 323** | **44 669** |
| | | | | | |
| **Operating profit (loss) before depreciation and amortization** | **(10 768)** | **24 786** | **908** | **383** | **15 308** |
| Depreciation and amortization | (2 841) | (1 685) | (229) | (1 071) | (5 826) |
| **Operating profit (loss)** | | | | | **9 482** |

1 Other items relate to the gain or loss on fair value of a power contract, refer to note 23 for further information.

2 Of non-recurring & other non-financial items kEUR 25 583 is related to power contract income.

## SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 74 721 | 93 593 | 23 943 | - | 192 258 |
| Other income | 15 161 | 1 | 11 | 2 | 15 174 |
| **Total revenue and other income from external customers** | **89 882** | **93 594** | **23 955** | **2** | **207 432** |
| Revenue from other group segments | 2 842 | 23 903 | 1 492 | (28 236) | - |
| **Total revenue and other income** | **92 724** | **117 497** | **25 447** | **(28 235)** | **207 432** |
| Operating expenses (excluding depr. and amort.) | (57 199) | (83 908) | (26 951) | 27 645 | (140 413) |
| Other gains and losses [1] | 22 388 | - | - | - | 22 388 |
| **Operating profit (loss) before depreciation and amortization** | **57 913** | **33 588** | **(1 505)** | **(589)** | **89 408** |
| Non-recurring & other non-financial items [2] | (30 302) | 306 | 779 | 1 267 | (27 950) |
| **Adjusted EBITDA** | **27 611** | **33 894** | **(725)** | **677** | **61 457** |
| | | | | | |
| **Operating profit (loss) before depreciation and amortization** | **57 913** | **33 588** | **(1 505)** | **(589)** | **89 408** |
| Depreciation and amortization | (2 486) | (1 535) | (229) | (1 186) | (5 437) |
| **Operating profit (loss)** | | | | | **83 971** |

1 Other items relate to the gain or loss on fair value of a power contract, refer to note 23 for further information.

2 Of non-recurring & other non-financial items kEUR (30 353) is related to power contract income

## NON-CURRENT ASSETS IN THE SEGMENTS AS OF 31 DECEMBER 2023

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| Buildings and land | 4 780 | 4 091 | 294 | - | 9 165 |
| Plant and equipment | 15 315 | 13 569 | 795 | 13 | 29 692 |
| Right-of-use-assets | 1 103 | 576 | 270 | - | 1 948 |
| Other Intangible assets | 12 525 | 680 | 115 | - | 13 320 |
| Goodwill | 5 390 | - | - | - | 5 390 |
| Other non-current financial assets | 90 | 208 | - | 13 | 311 |
| Deferred tax assets | - | 166 | - | - | 166 |
| **Non-current assets** | **39 203** | **19 290** | **1 474** | **26** | **59 993** |

## NON-CURRENT ASSETS IN THE SEGMENTS AS OF 31 DECEMBER 2022

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| Buildings and land | 4 937 | 4 009 | 308 | - | 9 253 |
| Plant and equipment | 12 682 | 10 586 | 742 | 11 | 24 020 |
| Right-of-use-assets | 380 | 616 | 306 | - | 1 301 |
| Other Intangible assets | 12 894 | 836 | 161 | - | 13 890 |
| Goodwill | 5 390 | - | - | - | 5 390 |
| Other non-current financial assets | 10 249 | 114 | - | 14 | 10 378 |
| Deferred tax assets | - | 1 088 | - | - | 1 088 |
| **Non-current assets** | **46 532** | **17 248** | **1 517** | **24** | **65 321** |

# Note 6 Revenue

Fiven's main performance obligations are related to sale of goods, where the performance obligation is the delivery of an agreed volume of products within the agreed specification.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price would need to be allocated. The Group has concluded that the current sales contracts do not include any other material promises that are separate performance obligations.

Fiven has both short term and long-term contracts. Short term contracts, normally within one month, cover delivery of an agreed volume at market price at the date the order is placed. The long-term contracts cover a period of a few months and up to one year, where the prices normally are fixed within a volume range.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group recognizes revenue from the sale of goods at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. The transfer of control is determined based on the individual Incoterms rules agreed in the customer contract. Revenue is recognized at the point in time where the risk is transferred to the buyer. The main incoterms in use are:

FOB- Free on Board- means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

FCA- Free Carrier -means that the seller delivers the goods to the carrier, or another person nominated by the buyer at the seller's premises, or another named place. The risk passes to the buyer at that point.

CPT- Carriage Paid To- means that the seller delivers the goods to the carrier, or another person nominated by the seller at an agreed place and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination. The risk passes to the buyer when the goods have been delivered to the named place.

CIF – Cost, Insurance and Freight means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.

DDP- Delivered Duty Paid-means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods for all custom duties.

Fiven in certain instances provides retrospective volume discounts (or bonuses) once the quantity of products purchased during a period exceeds a threshold specified in the contract.

When the consideration in a contract includes a variable amount, such as retrospective discounts and bonuses, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The retrospective bonuses and discounts are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur, when the associated uncertainty with the variable consideration is subsequently resolved. Constrained amounts are set off against amounts payable by the customer.

To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than a single-volume threshold. The Group recognizes refund liabilities for the expected volume rebates.

The Group sometimes receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for the particular good or service will be one year or less.

The Group has chosen to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense such costs when the related revenue is expected to be recognized within one year. When revenues will be recognized over several reporting periods the Group recognizes incremental costs of obtaining a contract with a customer as an asset, provided that the costs are expected to be recovered throughout the contract. The costs are amortized on a systematic basis that is consistent with the transfer of the related goods or services to the customer and subsequently re-assessed at the end of each reporting period.

## Revenue from contracts with customers

### DETAILS OF REVENUE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2023

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Total |
|---|---|---|---|---|
| Core products | 18 271 | 67 999 | 17 500 | 103 770 |
| Customized products | 45 225 | 2 422 | - | 47 647 |
| **Total revenue** | **63 496** | **70 421** | **17 500** | **151 417** |

### DETAILS OF REVENUE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Total |
|---|---|---|---|---|
| Core products | 29 273 | 91 154 | 23 943 | 144 371 |
| Customized products | 45 448 | 2 439 | - | 47 887 |
| **Total revenue** | **74 721** | **93 593** | **23 943** | **192 258** |

Sales are recognized in income at the expected value of the consideration after deducting benefits to customers, mainly estimated bonus payments. At 31 December 2023 the accrued, unpaid volume discounts bonus was 53 kEUR compared to 117 kEUR at 31 December 2022.

### REVENUE FROM CONTRACTS WITH CUSTOMERS BASED ON CUSTOMER LOCATION

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Europe | 57 252 | 77 883 |
| Asia | 12 751 | 9 143 |
| North America | 22 432 | 29 718 |
| South America | 58 982 | 75 514 |
| Other | - | - |
| **Total revenue** | **151 417** | **192 258** |

Fiven has several large customers, of which top 10 customers accounted for 51% percent of revenues in 2023 (2022: 48 percent).

### OTHER INCOME

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Realized portion of economic hedge power derivatives | 1 218 | 15 141 |
| Gain on sale of property, plant and equipment | 151 | 20 |
| Other income | 11 | 14 |
| **Total other income** | **1 380** | **15 174** |

In Norway Fiven enters into power contracts to hedge prices related to forecast future production needs. During 2023 Fiven sold power contracts that were in excess of forecast power needs which resulted in gains of EUR 1.2 million. (EUR 15.1 million 2022) Refer to note 23 for further information on derivative contracts.

# Note 7 Grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are recognized as a deduction of the related expense. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized as a deduction of the asset's carrying amount.

| | 1 Jan-31 Dec 23 | | 1 Jan-31 Dec 22 | |
|---|---|---|---|---|
| Amounts in EUR thousand | Income statement | Deduction of carrying amount fixed assets | Income statement | Deduction of carrying amount fixed assets |
| SkatteFUNN R&D tax incentive scheme | 215 | - | 23 | - |
| Innovation Norway grants from the Norwegian Government | - | - | 160 | 371 |
| CO2 compensation from the Norwegian Government | 866 | - | 2 141 | - |
| R&D grants from Brasilian Goverment | 190 | - | - | - |
| Staff training grant from the Belgian government | - | - | 2 | - |
| R&D grants from Norwegian Government (Forskningsrådet) | 70 | - | - | - |
| **Total Government grants** | **1 341** | **-** | **2 326** | **371** |
| R&D grants from Miljøfondet | - | 347 | - | 904 |
| R&D Grants from GassNova | 85 | - | - | |
| R&D grants from SINTEF, EU project | 77 | - | - | - |
| **Grants from other than Government** | **162** | **347** | **-** | **904** |
| **Total grants** | **1 502** | **347** | **2 326** | **1 275** |

## SkatteFUNN R&D tax incentive scheme

In 2023 215 kEUR is recognized as a reduction in tax expense, all related to development of new product as well as projects for reducing the environmental footprint in relations with processing of crude. In 2022 23 kEUR is recognized as a reduction in tax expense, which comprises 110 kEUR in tax deductions received in relation to the development of new products, and an 87 kEUR reversal of excess funding recognized in 2021.

## R&D grants from Norwegian Government (Forskningsrådet)

Fiven received grants from Forskningsrådet for the research regarding how transparency and particle size in Silicon Carbide influence the possibilities for 3D-printing with Digital Light Processing.

## R&D grants from GassNova

The project is a pre study on how to perform carbon capture in the processing of silicon carbide crude.

## EU-product

The project relates to how recycle SiC raw materials in Acheson's ovens.

## Miljøfondet grants to improve gas cleaning

Research and development grants of 347 kEUR (904 kEUR 2022) received from Miljøfondet (the Norwegian environmental fund) for gas cleaning of the furnace hall at the plant in Lillesand, Norway.

In total 636 kEUR in R&D grants was recognized in other operating expense, and 347 kEUR as a deduction in the carrying amount of fixed assets.

In 2022 531 kEUR of funding was received for the development and demonstration of new furnace technology and gas cleaning expansion linked to the demonstration of new environmental technology for SiC production). Of this 160 kEUR was recognized in other operating expense, and 371 kEUR as a deduction in the carrying amount of fixed assets.

## $CO_2$ compensation

The Norwegian government established a scheme for $CO_2$ compensation for power intensive industries, with the purpose to counteract carbon leakage from Europe due to increased power prices as a result of the EU's climate quota system, and in this way prevent increased global emissions. The annual costs of $CO_2$ compensation are directly linked to the quota price. The $CO_2$ compensation scheme only applies for Fiven's Norwegian plants and is recognized where there is reasonable assurance that the entity will comply with the conditions attached and the grants will be received. 866 kEUR is recognized as a reduction in the income statement line Raw materials, energy cost and change in inventory for 2023 - compared to 2 141 kEUR in 2022.

# Note 8 Employee benefit expenses

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Salaries incl. bonuses | 17 902 | 22 229 |
| Social security cost | 3 273 | 3 575 |
| Pension cost (Note 9) | 1 024 | 1 089 |
| Other personnel related cost | 629 | 1 038 |
| **Total employee benefit expenses** | **22 828** | **27 931** |

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Average full time equivalents | 409 | 453 |
| Full time equivalents 31.12 | 399 | 428 |

Expenses relating to research activities are recognized in the statement of income as they incur. Expenses relating to development activities are capitalized to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work.

## DEVELOPMENT EXPENSES

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Total research and development expenses | 1 944 | 1 830 |
| Less: R&D Grants not qualified for capitalization | (636) | (183) |
| Less: Capitalized development excluded from employee benefit expenses | (298) | (264) |
| **Net expensed research and development expenses** | 1 010 | 1 383 |

# Note 9 Employee benefit obligations (pensions)

## Defined contribution plans

Fiven's pension plans are mainly defined contribution plans. These plans comprise arrangements whereby the company makes annual contributions to the employee's pension plan, and where the employee's future pension is determined by the amount of the contributions and the return on the pension plan asset. The Group's contributions to these plans are recognized as an expense when they incur.

Defined contribution plans are the main pensions plan for Fiven's Norwegian entities. In Fiven Norge AS the contribution is 4% of annual salary up to 7.1G and 15% from 7.1G to 12G. In Fiven ASA the contribution is 5% of annual salary up to 7.1G and 8% from 7.1G to 12G. 1G refers to the Norwegian national insurance scheme's basic amount, which was 118 620 as of 1 May 2023.

In addition, Fiven Norge AS participates in a Norwegian multi-employer early retirement scheme called AFP, where sufficient information to calculate each participant's pension obligation is not available, is accounted for as it is a defined contribution plan in accordance with the Ministry of Finance's conclusion. The participants in the pension plan are jointly responsible for 2/3 of the plan's pension obligation, the government is responsible for the remaining part. The yearly pension premium in 2023 is 2.6 percent of the employees' salary between 1G and 7.1G, covering this year's pension payments and contribution to a security fund for future pension obligations.

The subsidiary in Brazil has a defined contribution plan with a contribution from the company. The employee participates in the plan with a percentage that may vary from 2 percent up to 7 percent of their salary. The company contributes with 150 percent of the employee contribution.

The subsidiary in Belgium has a defined contribution plan with a contribution from the company and from the employee. The company contribution varies from 1.4 percent to 4.23 percent of the monthly salary, the employee contribution is equal to 50 percent of the company contribution.

### BREAKDOWN OF NET PENSION EXPENSES

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Pension costs def. contrib. plan | 1 024 | 1 167 |
| Pension costs (net gain) def. benefit plan | (5) | (78) |
| **Total pension cost** | **1 019** | **1 089** |

### DEFINED BENEFIT PLANS

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Present value of pension obligations | 216 | 265 |
| Fair value of plan assets | - | - |
| **Net unfunded pension obligations** | **216** | **265** |

## Defined benefit plans

Defined benefit plans are pension plans where the group is responsible for paying pensions at a certain level, based on employees' salaries when retiring. The current service cost and net interest income/costs are recognized in profit or loss and is presented in the salary and personnel cost in the income statement.

Fiven Norge AS has an unfunded benefit plan covering retired employees only. There are no new pensioners entering the plan. In 2023 a net gain of 5 kEUR was recorded as the remeasurement gain was greater than interest and service cost during the year (78 kEUR gain in 2022).

# Note 10 Management remuneration

The key principles for determination of the Group's remuneration are to encourage a strong, sustainable and performance-based culture. The remuneration policy should also ensure that Fiven has a strong ability to attract, retain and develop qualified people with adequate leadership and professional competencies and skills, in order to support and contribute to profitable growth and creation of shareholder value. Determination of remuneration also takes into account the breadth and complexity of the company's worldwide operations and reflects the company's objections for sustainability and growth.

The company shall seek to offer a remuneration level on market terms satisfying the company's need to recruit and keep highly qualified personnel on executive management level. More specifically, this implies that the total compensation of the executive management consists of a fixed compensation and other remuneration at a level reflecting the principles mentioned above.

## Remuneration includes

1. Salary - The fixed base salary will be determined based on the following criteria: job level, local conditions in the labor market, performance level, budget and guidelines for annual salary review in line with general salary trends. The fixed compensation shall be reasonable and competitive and represent a significant component in the executive management compensation.

2. Bonus – The executive management participates in an annual bonus scheme linked to achievements of both financial, strategic and operational targets. The financial targets are linked to Adjusted EBITDA and cash flow from operations.

3. Other – Benefits and insurances – The benefits are determined considering market standards and job level and include elements such as mobile phone, laptop and car allowance / company car. The executive management is covered by insurance arrangements applicable to Fiven employees in their respective countries of residence.

4. Pension – The executive management participate in the relevant local pension schemes in their countries of residence in line with established market practices.

Loan and guarantees - There are no loans or guarantees to the executive management or board members.

Termination of employment - The employment agreements for the executive management have a minimum 6-month period of notice from last day of the month in which the written notice is given, and an equivalent period severance pay if employment is terminated by Fiven.

Board members and group management personnel, including their close family members or controlled entities, do not own any shares directly in Fiven ASA. Indirect shareholdings are discussed under Management investment scheme details below.

The table below details compensations paid to group management in the year:

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2023

| Amounts in EUR thousand | Company Position | Salary | Bonus | Other | Pension cost | Total |
|---|---|---|---|---|---|---|
| Falk Ast | Chairman | 332 | 200 | 82 | 8 | 622 |
| Stein Erik Ommundsen | Chief Financial Officer | 211 | 79 | 16 | 8 | 313 |
| Terrance Blanchard | Chief Operating Officer | 151 | 22 | 6 | 8 | 187 |
| Betty Lunøe Åsheim | Chief Commercial Officer | 164 | 75 | 15 | 8 | 262 |
| Trygve Eidet | Chief Research Officer | 148 | 8 | 14 | 8 | 178 |
| **Total** | | **1 005** | **384** | **134** | **39** | **1 563** |

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022

| Amounts in EUR thousand | Company Position | Salary | Bonus | Other | Pension cost | Total |
|---|---|---|---|---|---|---|
| Falk Ast | Chairman | 307 | 86 | 82 | 8 | 482 |
| Stein Erik Ommundsen | Chief Financial Officer | 226 | 61 | 18 | 9 | 313 |
| Fernando Miquel Peraire | Chief Operating Officer (until 31.5.2022) | 92 | 45 | 7 | 3 | 146 |
| Terrance Blanchard | Chief Operating Officer (from 1.7.2022) | 78 | - | 9 | 5 | 92 |
| Betty Lunøe Åsheim | Chief Commercial Officer | 212 | 47 | 17 | 14 | 291 |
| Pål Einar Runde | Chief Research Officer (until 31.5.2022) | 124 | 33 | 5 | 8 | 171 |
| Trygve Eidet | Chief Research Officer (from 1.10.2022) | 45 | - | 4 | 3 | 51 |
| **Total** | | **1 083** | **272** | **142** | **50** | **1 547** |

## Remuneration of the board

The remuneration to the board of directors is determined by the shareholders at the annual general meeting. Executive board members are not compensated for their board position. The non-executive board member, Helén Borchgrevink, received a director's fee of NOK 124 800 for her position as a board member in 2023 (2022: NOK 120 000). The board of directors did not receive any other fees, other than those for executive directors in the previous table for their role in group management

## Management investment scheme

The Management Investment Scheme is a management share purchase plan, whereby the senior management members of Fiven, including the 3 group management members above, in September 2021 were invited to invest in Tosca Intermediate Holdings SARL ("Tosca"), the holding company of Fiven ASA, for shares representing 0.9% of total share capital.

The group-settled equity-settled share purchase plan allowed management to purchase shares at a price equal to the grant-date fair value, i.e., no discount, and there is no obligation for Fiven to settle the transaction with Tosca. The fair value was determined using a multiple valuation technique of the Fiven business, operating profit (loss) before depreciation and amortization adjusted for Net Financial Debt. As the purchase was at fair value there is no share-based payment compensation expense associated with the Management investment scheme. Shares purchased under the program is subject to a three-year lock-up period during which the acquired shares may not be sold or otherwise disposed of. If participants in the scheme leaves Fiven, there is a mandatory return of investment to the lowest of fair value and cost.

There was no change to the scheme in 2023.

# Note 11 Other operating expenses

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Transport, maintenance, energy and water expenses | 15 113 | 18 632 |
| External services | 5 698 | 6 745 |
| Travel, insurance, meetings and office expenses | 2 780 | 2 711 |
| Lease expenses | 569 | 862 |
| Other operating expenses | 1 424 | 5 980 |
| **Total other operating expenses** | **25 583** | **34 930** |

## REMUNERATION OF THE AUDITOR

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Audit services | 350 | 304 |
| Other assurance services | 9 | 5 |
| Other non-assurance services | 5 | - |
| **Audit expenses** | **364** | **309** |

PWC is the group auditor of Fiven.

# Note 12 Leasing

## Identifying a lease

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## The Group as a lessee

### Separating components in the lease contract

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

### Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low- value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

### Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

### Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Fiven Group has lease contracts for various production related equipment, mainly forklifts, mining and quarry equipment, trucks and vehicles. The production related equipment generally has lease terms between 1 and 5 years. The obligations under its leases are secured by the lessor's title to the leased assets. Generally, Fiven Group is restricted from assigning and subleasing the leased assets.

Fiven group has some leases of equipment with leases terms of 12 months or less and leases of office equipment with low value. For these leases Fiven Group applies the "short-term lease" and the "lease of low-value assets" recognition exemptions.

Set out below are the carrying amount of right-of-use assets recognized and the amount during the period:

### RIGHT-OF-USE ASSETS

| Amounts in EUR thousand | Plant and equipment 31 Dec 2023 | Plant and equipment 31 Dec 2022 |
|---|---|---|
| Opening balance | 1 301 | 2 741 |
| Additions | 2 408 | 483 |
| Depreciation | (1 770) | (1 465) |
| Disposals | - | (613) |
| Currency translation difference | 8 | 155 |
| **Net book value closing balance** | **1 948** | **1 301** |

### TOTAL LEASE LIABILITIES

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Opening balance | 1 436 | 2 978 |
| Addition | 2 202 | 483 |
| Disposals | - | (947) |
| Accretion of interest | 220 | 198 |
| Lease payments | (1 806) | (1 461) |
| Currency translation difference | 13 | 185 |
| **Total lease liabilities** | **2 065** | **1 436** |

### MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Within one year | 1 068 | 1 009 |
| After one year but not more than five | 1 095 | 478 |
| More than five years | 204 | 18 |
| **Total lease liabilty** | **2 367** | **1 505** |

### AMOUNTS RECOGNIZED IN CONSOLIDATED STATEMENT OF INCOME

| Amounts in EUR thousand | 1 Jan–31 Dec 2023 | 1 Jan–31 Dec 2022 |
|---|---|---|
| Depreciation charge of right-of use assets | (1 770) | (1 465) |
| Interest expense(included in finance cost) | (220) | (198) |
| Expense relating to short term leases (included in other operating cost) | (569) | (862) |
| **Total amount recognized in statement of income** | **(2 559)** | **(2 526)** |

### AMOUNTS RECOGNIZED IN CONSOLIDATED STATEMENT OF CASH FLOWS

| Amounts in EUR thousand | 1 Jan–31 Dec 2023 | 1 Jan–31 Dec 2022 |
|---|---|---|
| Payment of principal portion of lease liabilities | (1 586) | (1 263) |
| Payment of interest | (220) | (198) |
| **Total  recognised in the cash flow statement** | **(1 806)** | **(1 461)** |

# Note 13 Finance income and expenses

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Finance income** | | |
| Other interest income | 235 | 359 |
| Other financial income | 5 | 12 |
| **Total finance income** | **240** | **371** |
| **Finance expenses** | | |
| Interest on debts and borrowings | (8 662) | (7 783) |
| IFRS 16 interest expenses | (220) | (198) |
| Interest expense factoring/export financing | (995) | (563) |
| Other financial expenses [1] | (561) | (2 082) |
| **Total finance expenses** | **(10 438)** | **(10 627)** |
| Other financial items (net) | | |
| Net foreign exchange gains (losses) | 718 | 1 244 |
| Net change in currency fair value financial instruments | 270 | (6) |
| **Other financial items (net)** | **988** | **1 238** |
| **Net Finance income (expenses)** | **(9 210)** | **(9 019)** |

[1] In 2023 475,5 kEUR relates to early redemption fee of the previous Bond loan dated December 5, 2022. In 2022 1 995 kEUR relates to the consent fee paid to bondholders for the amendment to the terms and conditions in the Bond loan dated December 5, 2022. Refer to note 22 for further information.

# Note 14 Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences linked to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

| Amounts in EUR thousand | 1 Jan-31 Dec 2023 | 1 Jan-31 Dec 2022 |
|---|---|---|
| Tax payable | (7 280) | (16 762) |
| Correction of previous years current income taxes | 303 | 231 |
| Withholding tax | (338) | (352) |
| Changes in deferred tax | 5 009 | (4 345) |
| **Income tax (expense) benefit** | **(2 306)** | **(21 228)** |

The Group's parent company is domiciled in Norway, where the applicable tax rate is 22 percent. The reconciliation of the expected to the actual income tax expense is based on the applicable tax rate in Norway.

### RECONCILIATION OF TAX (EXPENSE) BENEFIT TO NOMINAL STATUTORY TAX RATE

| Amounts in EUR thousand | 1 Jan-31 Dec 2023 | 1 Jan-31 Dec 2022 |
|---|---|---|
| **Net income (loss) before income taxes** | **272** | **74 952** |
| Tax expense (-) benefit at applicable tax rate | (60) | (16 489) |
| Effect of different tax rates applied by subsidiaries | (2 357) | (3 454) |
| Tax effect of permanent differences exempted for tax / not tax deductible | 78 | (1 113) |
| Change in unrecognized deferred tax assets | (467) | (856) |
| Tax effect of translation differences exempted for tax | 399 | 805 |
| Correction of previous years current income taxes | 439 | 231 |
| Withholding tax | (338) | (352) |
| **Income tax expense** | **(2 306)** | **(21 228)** |
| Effective tax rate | 847% | 28% |

## TAX PAYABLE IN THE BALANCE SHEET

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Income tax payable | (7 280) | (16 762) |
| Prepaid taxes | 4 723 | (8 738) |
| Paid witholding tax | 467 | - |
| **Income tax payable in the balance sheet** | **(2090)** | **(8023)** |

## DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITY

| Amounts in EUR thousand | 1 Jan–31 Dec 2023 | 1 Jan–31 Dec 2022 |
|---|---|---|
| Receivable | 300 | 401 |
| Inventory | 75 | 279 |
| Other current liabilities | 1 009 | 1 113 |
| Tangible and intangible fixed assets | 161 | - |
| Tax losses carried forward | 1 239 | - |
| Other non current / Interest cost subject to limitations | 5 811 | 5 163 |
| **Deferred tax assets** | **8 595** | **6 956** |
| Unrecognized deferred tax asset, losses carried forward | (1 239) | |
| Unrecognized deferred tax asset, interest cost subject to limitations | (5 686) | (5 163) |
| Unrecognized deferred tax asset other | (180) | - |
| **Deferred tax assets recognized** | **1 489** | **1 793** |
| Netting | (1 323) | (705) |
| **Net Deferred tax assets recognized** | **166** | **1 088** |
| Tangible and intangible fixed assets | 3 456 | 3 091 |
| Inventory | 282 | - |
| Derivatives | 283 | 6 179 |
| **Deferred tax liabilities** | **4 021** | **9 270** |
| Netting | (1 323) | (705) |
| **Net deferred tax liabilities** | **2 698** | **8 565** |
| **Net deferred tax (liabilities) / assets** | **(2 532)** | **(7 477)** |

## CHANGE IN DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Opening balance as of 01 January | (7 477) | (3 205) |
| Change in deferred tax in statement of income | 5 009 | (4 345) |
| Translation difference | (64) | 73 |
| **Net Deferred tax assets/(liabilities) 31 December** | **(2 532)** | **(7 477)** |

THE GROUP HAS TOTAL TAX LOSS CARRY FORWARD OF WHICH EXPIRES AS FOLLOW

| | 2023 | | 2022 | |
|---|---|---|---|---|
| Amounts in EUR thousand | Tax base amount | Tax amount | Tax base amount | Tax amount |
| Unlimited (Belgium) | (4 955) | (1 239) | - | - |
| Unlimited (Norway) | - | - | - | - |
| **Total tax loss carry forward 31 December** | **(4 955)** | **(1 239)** | **-** | **-** |

THE GROUP HAS TOTAL TAX LOSS CARRY FORWARD OF WHICH EXPIRES AS FOLLOW

| | 2023 | | 2022 | |
|---|---|---|---|---|
| Amounts in EUR thousand | Tax base amount | Tax amount | Tax base amount | Tax amount |
| 10 years (Norway) | (25 848) | (5 686) | (21 497) | (4 729) |
| **Total tax loss carry forward 31 December** | **(25 848)** | **(5 686)** | **(21 497)** | **(4 729)** |

## OECD Pillar Two model rules 9,10

The group is outside the scope of the OECD Pillar Two model rules. The OECD Pillar two is only effective for multinational companies with group revenues over 750 million Euros.

# Note 15 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. When assets are sold or disposed, the carrying amount is derecognized and any gain or loss is recognized in the statement of income.

The cost of property, plant and equipment is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the statement of income, while other costs that are expected to provide future financial benefits are capitalized.

Depreciation is calculated using the straight-line method over the useful life.

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Assets under construction are classified as non-current assets and recognized at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

| **2023**<br>Amounts in EUR thousand | Land | Buildings | Plant and equipment | Right-of-use assets | Assets under construction [1] | Total |
|---|---|---|---|---|---|---|
| **Accumulated cost 1 January 2023** | 324 | 12 418 | 23 140 | 5 523 | 6 078 | 47 483 |
| Additions | - | - | - | 2 409 | 8 699 | 10 901 |
| Transfers from assets under construction | - | 670 | 6 437 | - | (7 107) | - |
| Disposals | - | (1) | 14 | (278) | - | (59) |
| Exchange differences | 6 | (70) | (630) | 122 | (13) | (586) |
| **Closing balance as of 31 December 2023** | **330** | **13 017** | **28 960** | **7 775** | **7 657** | **57 739** |
| | | | | | | |
| **Accumulated depreciation 1 January 2023** | - | 3 489 | 5 198 | 4 221 | - | 12 908 |
| Depreciation | - | 648 | 2 110 | 1 770 | - | 4 528 |
| Disposals | - | - | (12) | (278) | - | (290) |
| Exchange differences | - | 44 | (371) | 114 | - | (213) |
| **Closing balance as of 31 December 2023** | **-** | **4 181** | **6 925** | **5 827** | **-** | **16 933** |
| | | | | | | |
| **Net book value as of 31 December 2023** | **330** | **8 836** | **22 036** | **1 948** | **7 657** | **40 806** |
| | | | | | | |
| Estimated useful life | | 10-30 Years | 5-10 years | 2-5 years | | |
| Depreciation plan | | Straight-line | Straight-line | Straight-line | | |

[1] Depreciation starts when the asset is ready for the intended use. Land is not depreciated. Total addition of assets under construction is in 2023 reduced by 0,4 mEUR related to Grants (note7).

| **2022**<br>Amounts in EUR thousand | Land | Buildings | Plant and equipment | Right of use assets | Assets under construction [1] | Total |
|---|---|---|---|---|---|---|
| **Accumulated cost 1 January 2022** | 307 | 11 526 | 18 234 | 6 053 | 3 564 | 39 684 |
| Additions | - | - | - | 483 | 8 612 | 9 095 |
| Transfers from assets under construction | - | 637 | 5 303 | - | (5 942) | - |
| Disposals | - | - | (5) | (1 284) | - | (1 289) |
| Exchange differences | 17 | 255 | (392) | 270 | (156) | (6) |
| **Closing balance as of 31 December 2022** | **324** | **12 418** | **23 140** | **5 523** | **6 078** | **47 483** |
| | | | | | | |
| **Accumulated depreciation 1 January 2022** | - | 2 663 | 3 677 | 3 312 | - | 9 651 |
| Depreciation | - | 699 | 1 902 | 1 465 | - | 4 066 |
| Disposals | - | - | (27) | (671) | - | (697) |
| Exchange differences | - | 126 | (352) | 115 | - | (110) |
| **Closing balance as of 31 December 2022** | **-** | **3 489** | **5 198** | **4 221** | **-** | **12 908** |
| | | | | | | |
| **Net book value as of 31 December 2022** | **324** | **8 929** | **17 942** | **1 301** | **6 078** | **34 575** |

| | | | | |
|---|---|---|---|---|
| Estimated useful life | | 10-30 Years | 5-10 years | 2-5 years |
| Depreciation plan | | Straight-line | Straight-line | Straight-line |

Depreciation starts when the asset is ready for the intended use. Land is not depreciated. Total addition of assets under construction is in 2022 reduced by 1.3 mEUR related to Grants (note7).

## Note 16 Intangible assets

Intangible assets that have been acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortization and accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either finite or indefinite. Intangible assets with a finite economic life are amortized over their economic life and tested for impairment if there are any indications that the intangible asset may be impaired. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a finite economic life is made prospectively.

### Technologies, patents and licenses

Technology purchased or acquired in a business combination are recognized at fair value at the acquisition date.

Fiven technology intangible assets relate to four main technologies:
- Metallurgy products technology
- Refractories products technology
- Abrasives products technology
- Customized product technology

The technologies have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the technologies. The expected useful life ranges from 5 to 20 years.

### Customer relationships

Customer relationships purchased or acquired in a business combination are recognized at fair value at the acquisition date.

The customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

### Trademark

Fiven acquired the trademark “Sika”, and all Fiven products are sold using this brand. The trademark has an indefinite useful life and is not amortized, but is tested annually for impairment.

### Software

Expenses linked to the purchase of new computer software are capitalized as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated on a straight-line basis over three years.

Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

| **2023**<br>Amounts in EUR thousand | Goodwill | Trademark | Technology | Customer relationships | Other intangible assets | Assets under development | Total |
|---|---|---|---|---|---|---|---|
| **Accumulated cost 1 January 2023** | 5 390 | 6 848 | 6 154 | 3 295 | 1 436 | 1 462 | 24 586 |
| Additions | - | - | - | - | - | 799 | 799 |
| Transfers from assets under construction | - | - | 29 | - | 137 | (167) | - |
| Disposals | - | - | - | - | 11 | - | 11 |
| Exchange differences | - | - | (34) | - | (4) | (55) | (93) |
| **Closing balance as of 31 December 2023** | **5 390** | **6 848** | **6 150** | **3 295** | **1 580** | **2 040** | **25 303** |
| **Accumulated amortization 1 January 2023** | - | - | 2 879 | 1 594 | 832 | - | 5 305 |
| Amortization | - | - | 670 | 394 | 231 | - | 1 294 |
| Disposals | - | - | - | - | - | - | - |
| Exchange differences | - | - | (5) | - | (2) | - | (7) |
| **Closing balance as of 31 December 2023** | **-** | **-** | **3 544** | **1 988** | **1 061** | **-** | **6 593** |
| **Net book value as of 31 December 2023** | **5 390** | **6 848** | **2 606** | **1 307** | **519** | **2 040** | **18 710** |

| **2022**<br>Amounts in EUR thousand | Goodwill | Trademark | Technology | Customer relationships | Other intangible assets | Assets under development | Total |
|---|---|---|---|---|---|---|---|
| **Accumulated cost 1 January 2022** | 5 390 | 6 848 | 6 158 | 3 295 | 1 188 | 1 131 | 24 010 |
| Additions | - | - | - | - | - | 643 | 643 |
| Transfers from assets under construction | - | - | - | - | 225 | (225) | - |
| Disposals | - | - | - | - | - | - | - |
| Exchange differences | - | - | (4) | - | 23 | (88) | (68) |
| **Closing balance as of 31 December 2022** | **5 390** | **6 848** | **6 154** | **3 295** | **1 436** | **1 462** | **24 586** |
| **Accumulated amortization 1 January 2022** | - | - | 2 125 | 1 170 | 650 | - | 3 945 |
| Amortization | - | - | 757 | 424 | 189 | - | 1 371 |
| Disposals | - | - | - | - | (12) | - | (12) |
| Exchange differences | - | - | (4) | - | 5 | - | 1 |
| **Closing balance as of 31 December 2022** | **-** | **-** | **2 879** | **1 594** | **832** | **-** | **5 305** |
| **Net book value as of 31 December 2022** | **5 390** | **6 848** | **3 275** | **1 701** | **604** | **1 462** | **19 280** |
| Estimated useful life | Indefinite | Indefinite | 5-20 Years | 5-20 Years | 4-15 Years | | |
| Amortization plan | | | Straight-line | Straight-line | Straight-line | | |

# Note 17 Impairment assessments

For impairment testing goodwill and other intangible assets acquired through business combinations and licenses with indefinite useful lives are allocated to the Norway, Brazil and Belgium CGUs, which are also operating and reportable segments.

Carrying amount of goodwill and intangible assets allocated to each of the CGUs

| **2023**<br>Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Total segment reporting |
|---|---|---|---|---|
| Goodwill | 5 390 | - | - | 5 390 |
| Trademark | 6 848 | - | - | 6 848 |
| Technology | 2 606 | - | - | 2 606 |
| Customer relationships | 758 | 434 | 116 | 1 307 |
| Other intangible assets | 2 314 | 247 | - | 2 559 |
| **As of 31 December, 2023** | **17 915** | **680** | **116** | **18 710** |

| **2022**<br>Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Total segment reporting |
|---|---|---|---|---|
| Goodwill | 5 390 | - | - | 5 390 |
| Trademark | 6 848 | - | - | 6 848 |
| Technology | 3 275 | - | - | 3 275 |
| Customer relationships | 993 | 547 | 162 | 1 701 |
| Other intangible assets | 1 778 | 289 | - | 2 066 |
| **As of 31 December, 2022** | **18 284** | **836** | **162** | **19 280** |

Fiven Group has material non-current assets in the form of both tangible (property, plant and equipment) and intangible assets. The assets are routinely monitored and if there are indications that the value of an asset is no longer recoverable, an impairment test is carried out.

Goodwill and intangible assets with an indefinite useful life are not amortized on a regular basis. These assets are therefore tested at least annually for impairment. If any such indication exists, the recoverable amount of the asset or the Cash Generating Unit (CGU) including goodwill, is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs of disposal and value in use.

Through the acquisition from Saint-Gobain Group in May 2019 Fiven group acquired the following intangible assets with an indefinite useful life: Trademark 6 848 kEUR. Goodwill resulting from the acquisition amounted to 5 390 kEUR.

## Judgements and estimates

Discounted cash flow models are applied to determine the value in use for the cash-generating units. The test process involves identifying expected cash flows relating to the assets and discounting the cash flows to arrive at an estimated value. Future cash flows are based on specific assumptions and plans adopted by the company. If the discounted cash flow is lower than the capital employed, the assets are written down to the recoverable amount.

**Key assumptions** used in the calculation of value in use are growth rate, operating profit (loss) before depreciation and amortization levels, capital expenditure and discount rates.

Growth rates: The expected growth rates are based on its current level experienced over the last few years, to long term-growth level in the marked in which the Group operates.

Key assumptions used in estimating value in use and determining the recoverable amount, are sales prices, development in commodity prices, production costs and gross margin levels, and other relevant information. A forecast is developed for a period of 3.5 years with projections thereafter.

Capital expenditure: Expected cash costs are forecasted based on the historical experience of management and the planned refurbishment expenditure. A normalized capital expenditure is assumed on a long run. Estimated capital expenditure do not include capital expenditure that significantly enhance the current performance, as such effects generally are not included in the cash flow projections.

Discount rates: The rate of return is calculated using the Weighted Average Cost of Capital (WACC) method, reflecting specific risks relating to the relevant segments and the countries in which they operate. The cost of equity and debt are weighted to reflect the company's optimal capital structure. The WACC is a post-tax measure.

| | Growth | | WACC | |
|---|---|---|---|---|
| **Selected key assumptions used** | 2023 | 2022 | 2023 | 2022 |
| Fiven Norge | 1.5% | 1.4% | 7.8% | 7.6% |
| Fiven Brazil | 2.0% | 2.0% | 10.7% | 11.8% |
| Fiven Belgium | 0.5% | 0.5% | 9.0% | 8.4% |

The pre-tax discount rates for each of Norway, Brazil and Belgium CGUs in 2023 are 10,0% (9.8%), 16,2% (17.9%) and 14,2% (11.3%) respectively.

## Impairment – test results and conclusion

The impairment testing was conducted in Q2 2023. In addition, the Group has assessed if there are any indications of impairment as of 31 December 2023.

No indications of impairment were detected.

In Q4 2022 Fiven Norge temporarily stopped all furnaces in Norway for crude production and launched the implementation of a gas cleaning system for additional 2 furnace groups. During 2023 Fiven has completed the gas cleaning project and the result of this project and the requirements from the existing emission permits have been addressed when assessing whether an impairment trigger exist. Based on the implementations performed and current license, Fiven has not identified any impairment triggers.

## Sensitivity of estimated cash flows

An increase of 10 percent in WACC will not result in an impairment for Fiven.

A change of long-term growth rate down to 0 percent, and 25 percent reduction in operating profit (loss) before depreciation and amortization level will not result in a material impairment for Fiven.

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGUs to exceed their recoverable amount.

# Note 18 Other receivables

| Amounts in EUR thousand | Non-current 31 Dec 2023 | Non-current 31 Dec 2022 | Current 31 Dec 2023 | Current 31 Dec 2022 |
|---|---|---|---|---|
| Grants receivables (note 7) | - | - | 1 002 | 2 403 |
| VAT receivables | - | - | 6 833 | 5 490 |
| Other receivables | - | - | 4 413 | 733 |
| **Total other receivables** | **-** | **-** | **12 249** | **8 626** |

| Amounts in EUR thousand | Non-current 31 Dec 2023 | Non-current 31 Dec 2022 | Current 31 Dec 2023 | Current 31 Dec 2022 |
|---|---|---|---|---|
| Prepayments | 18 | - | 783 | 734 |
| **Total prepayments** | **18** | **-** | **783** | **734** |

| Amounts in EUR thousand | Non-current 31 Dec 2023 | Non-current 31 Dec 2022 | Current 31 Dec 2023 | Current 31 Dec 2022 |
|---|---|---|---|---|
| Power contract derivative | - | 10 173 | 1 288 | 17 915 |
| Other assets | 293 | 204 | 44 | 62 |
| **Total other financial assets** | **293** | **10 378** | **1 332** | **17 976** |

See also Note 23 Financial assets and liabilities.

# Note 19 Inventories

Inventories are recognized at the lower of cost and net realizable value, which is typically net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the first-in, first-out (FIFO) allocation method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include variable costs and fixed costs that can be allocated based on normal capacity utilization.

| Amounts in EUR thousand | 31 Dec 2023 Cost price | 31 Dec 2023 Provision | 31 Dec 2023 Book value | 31 Dec 2022 Cost price | 31 Dec 2022 Provision | 31 Dec 2022 Book value |
|---|---|---|---|---|---|---|
| Raw materials and spare parts | 16 859 | (250) | 16 609 | 26 068 | (5 065) | 21 004 |
| Semi-finished products | 17 764 | (550) | 17 213 | 18 052 | (408) | 17 644 |
| Finished products | 13 874 | - | 13 874 | 10 806 | - | 10 806 |
| Allowance inventory | | | | | | |
| **Total Inventories** | **48 497** | **(801)** | **47 696** | **54 926** | **(5 472)** | **49 454** |

This year's change in provision for impairment of inventory, a gain of 4 672 kEUR (kEUR -5140), is recognized as a part of raw materials and energy cost.

# Note 20 Trade receivables

Trade receivables are initially recognised at transaction price, which in most cases corresponds to their nominal amount. The carrying amount is subsequently measured at nominal amount less any provision for expected credit losses. For more information see disclosure 23.

TRADE RECEIVABLES AGING BASED ON DUE DATE

| | 31 Dec 2023 | | | 31 Dec 2022 | | |
|---|---|---|---|---|---|---|
| Amounts in EUR thousand | Gross | Provision | Carrying value | Gross | Provision | Carrying value |
| Not due | 16 552 | - | 16 552 | 21 322 | - | 21 322 |
| Overdue 1 to 30 days | 3 195 | - | 3 195 | 6 359 | (40) | 6 319 |
| Overdue 31 to 60 days | 389 | - | 389 | 307 | (3) | 304 |
| Overdue 61 to 90 days | 208 | - | 208 | 540 | (481) | 58 |
| Over 90 days | 553 | (408) | 144 | - | - | - |
| **Total trade receivables** | **20 897** | **(408)** | **20 488** | **28 527** | **(524)** | **28 003** |

Fiven has entered into a non- recourse factoring agreement currently covering Fiven Norge AS and Fiven Belgium with Factofrance being the factoring company. The total maximum financing amount under this agreement is 15 mEUR.

The agreement permits Fiven companies to sell receivables and receive funding for up to 90 percent of the sold receivables to Factofrance. There are several criteria that must be met to qualify for status 'eligible receivable' enabling Fiven to sell the receivable. Under the factoring agreement Fiven is obliged to insure all relevant transferred receivables.

In the agreement the factor agrees to bear the credit risk for approved receivables. As a result, the factor shall not be entitled to exercise any recourse against the Fiven entities by reason of a payment default of a Fiven customer for which a receivable has been sold to the factor.

There are still some exceptions applying where the non-recourse principle will not apply. These circumstances include receivables being approved, but where they prove not to be fundable, and instances linked to credit insurance where Fiven has certain obligations to fulfill. The non-recourse will not apply if it proves that Fiven has made faulty deliveries. Still, the overriding principal is that receivables are sold without recourse. So far there have been no events of the factor sending back receivables to Fiven for any default to non-recourse requirement has occurred.

The receivables are derecognized from Fiven statement of financial position when the customer has paid to Factofrance. The below tables give an overview of Fiven Group trade receivables at 31 December.

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Total gross trade receivables** | **20 897** | **28 527** |
| Transferred to Facto France | 8 800 | 9 534 |
| Fiven Brazil trade receivables | 12 071 | 17 968 |
| Other receivables not transferred to Facto France | 26 | 1 025 |
| **Total trade receivables** | **20 897** | **28 527** |

8 301 kEUR of the 8 880 kEUR transferred to Factofrance was funded at 31 December 2023, compared to 6 140 kEUR of the 9 534 kEUR in 2022.

## Note 21 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Cash and bankdeposits (unrestrickted) | 33 042 | 18 687 |
| Restricted cash and bank deposits | 339 | 194 |
| **Total cash and cash equivalents** | **33 382** | **18 881** |

Restricted cash relates to bank deposits in favor of the Norwegian Government Environment Agency and employee withholding tax.

## Note 22 Interest bearing liabilities

Interest-bearing liabilities are initially recognised at fair value of the amount required to settle the associated obligation, net of prepaid costs directly attributable to the liability. See disclosure 23 for more information.

| | | | Carrying amount | |
|---|---|---|---|---|
| Amounts in EUR thousand | Interest rate | Maturity date | 31 Dec 2023 | 31 Dec 2022 |
| **Secured** | | | | |
| Senior secured floating rate bond | EURIBOR 3M+6,7% | 11 Dec 26 | 108 593 | |
| Senior secured floating rate bond | EURIBOR 3M+6,85% | 21 Jun 24 | | 69 146 |
| Factoring financing | 3% p.a | | 8 301 | 6 140 |
| Export financing | Averag. 4,8% p.a | | 8 046 | 8 070 |
| **Obligations under leases (IFRS 16)** | | | **2 065** | **1 436** |
| Total secured interest- bearing liabilities | | | 127 004 | 84 793 |
| **Current interest bearing debt** | | | **(17 399)** | **(15 169)** |
| **Total non-current interest bearing-liabilities** | | | **109 606** | **69 624** |

## Senior secured floating rate bond loan

On 11 December 2023 (First Issue Date) Fiven completed a mEUR 170 Senior Secured Sustainability-Linked Floating Rate Bond. The bonds carry an interest of EURIBOR + 6.7%. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1 000. The maximum total nominal amount of the initial bonds is mEUR 110. The prior bond loan of mEUR 70 was redeemed on 21 December 2023 resulting in payment of a call option of kEUR 479,5. In accordance with the new bond agreement Fiven paid a dividend of mEUR 38 in December 2023.

In 2022 as a part of the amended and restated version of the Bondholder agreement at that time - Section "14-2 Restricted Payments" letter (d) - Fiven ASA was permitted to pay dividend on its shares and/or repay Shareholder Loans in the period between Dec 5, 2022 and Dec 31, 2022 limited to cash exceeding mEUR 18 on December 31, 2022. Fiven ASA repaid the share-holder loan including accrued interest in full, and distributed a dividend of kEUR 2.813 in the period before December 31, 2022.

### The covenants for the new bond are as following

Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall ensure that the leverage ratio is equal to or less than:

(a) 4.25:1 for the period from 11 December 2023 to (and including) the date falling one (1) year after the 11 December 2023;
(b) 4.00:1 for the period from (but excluding) the date falling one year after the 11 December 2023 to (and including) the date falling two years after 11 December 2023; and
(c) 3.75:1 for the period from (and excluding) the date falling two years after 11 December 2023 to (and including) 11 December 2026 (the Final Maturity Date).

The Incurrence Test is met, if:

(a) the Leverage Ratio is equal to or less than:
  (i) 3.00:1 for the period from the First Issue Date to (and including) the date falling eighteen (18) months after the First Issue Date; and
  (ii) 2.75:1 for the period from (but excluding) the date falling eighteen (18) months after the First Issue Date to (and including) the Final Maturity Date; and
(b) no Event of Default is continuing or would occur upon the incurrence or payment (as applicable).

Leverage ratio is the ratio of net interest-bearing debt to EBITDA. The descriptions of elements being included and excluded from the traditional EBITDA and net interest-bearing debt for covenant calculation is described in the bond agreement.

The Issuer and any Group Company may at any time, subject to applicable law, and at any price purchase Bonds. Bonds held by the Issuer, or any Group Company may at the Issuer's or such Group Company's discretion be retained or sold, but not cancelled.

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the 11 December 2026 (Final Maturity Date) with an amount per Bond equal to the Nominal Amount together with any applicable Sustainability-Linked Redemption Premium on the Redemption Date and accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

The applicable Sustainability-Linked Redemption Premium shall be equal to:
(a) the Maximum Sustainability-Linked Redemption Premium; less (b) one third (1/3) of the Maximum Sustainability-Linked Redemption Premium (rounded down to two (2) decimals) for each KPI where the Issuer meets the Sustainability Performance Target for such KPI on the Target Observation Date.

The Maximum Sustainability-Linked Redemption Premium is 0.50 percent.

Target Observation Date means thirty days prior to (a) 11 December 2026 (the Final Maturity Date), or (b) such earlier date when the Bonds are redeemed in full.

Sustainability Performance Action Plan means a plan setting out the means by which the Issuer intents to achieve its targets reducing by 2025 (a) $CO2$ emissions (relating to KPI 1) by 9.00 percent, (b) $SO2$ emissions (related to KPI 2) by 15.00 percent, and (c) water withdrawal (relating to KPI 3) by 10.00 percent in each case compared to 2019, and as further described in the Sustainability-Linked Bond Framework.

The complete plan will not be made public but will be subjected to review by the External Reviewer (DNV GL) in accordance with the Sustainability Performance Action Plan Review. The review will be conducted on the latest available version of the Sustainability Performance Action Plan at the time, recognizing that the Sustainability Performance Action Plan will be updated as and when necessary.

The new bond is continued under the previous Sustainability-Linked Bond Framework. Sustainability-Linked Bond Framework means the framework adopted in June 2021 establishing the Group's KPI's and Sustainability Performance Targets in line with ICMA (International Capital Markets Association) Sustainability-Linked Bond Principles.

The Issuer may redeem all, but not only some, of the outstanding Bonds in full:

(i) any time from and including 11 December 2023 to, but excluding, the First Call Date (date falling eighteen months after 11 December 2023) at an amount per Bond equal to 103.35 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium and the remaining interest payments to, but excluding, the First Call Date, up to and including the First Call Date together with accrued but unpaid Interest;

(ii) any time from and including the First Call Date (date falling eighteen months after 11 December 2023) to, but excluding, the first Business Day falling twenty-four months after 11 December 2023 at an amount per Bond equal to 103.35 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

(iii) any time from and including the first Business Day falling twenty-four months after 11 December 2023 to, but excluding, the first Business Day falling thirty months after the 11 December 2023 at an amount per Bond equal to 102.01 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

(iv) any time from and including the first Business Day falling thirty months after the 11 December 2023 to, but excluding, the first Business Day falling thirty-three months after the 11 December 2023 at an amount per Bond equal to 100.67 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest; and

(v) any time from and including the first Business Day falling thirty-three months after the 11 December 2023 to, but excluding, the Final Maturity Date (11 December 2026) at an amount per Bond equal to 100.000 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest.

Redemption shall be made by the Issuer giving not less than fifteen Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the condition's precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

Upon the occurrence of a Change of Control Event, Listing Failure Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with any applicable Sustainability-Linked Redemption Premium on the Redemption Date and accrued but unpaid Interest, during a period of forty-five days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting Event.

The bond loan agreement is available at: https://www.fiven.com/company-information/investor-relations/reports/

## Un-secured shareholder loan

The un-secured shareholder loan was repaid in full on 6 December 2022.

## Factoring financing

On 5 June 2019 Fiven entered into a master non-recourse factoring agreement with Factofrance. Each seller (Fiven Belgium and Fiven Norge) has entered into a credit insurance amendment agreement under which the factor benefits from the relevant credit insurance policy in respect of the relevant transferred receivables.

At any time during the purchase period the factor agrees to purchase eligible receivables owned by the debtor up to a maximum amount determined by an approval limit relevant to Fiven Belgium and Fiven Norge, respectively.

## Leasing liabilities

Lease liabilities are effectively secured as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default.

## Export financing

Fiven has an unsecured export credit facility covering export orders for Fiven Brazil to finance cost of production. The financing takes place upon presentation of the orders, and credit lines are through Bradesco Bank and Santander Bank. Interest is paid upon repayment of the financing which normally takes place 180 days after drawing on the facility.

## Pledge of assets and guarantees

The bond loan agreement is based on a negative pledge and Fiven ASA (Bond issuer) and Group entities can only to a limited extent pledge its assets to secure its other liabilities.

Fiven ASA and Group entities shall not provide, prolong or renew any permitted security as defined by the bond unless otherwise stated in the bond document.

### MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2023

| Amounts in EUR thousand | 2024 | 2025 | 2026 | 2027 | 2028 | 2029+ | Total |
|---|---|---|---|---|---|---|---|
| Senior securd floting rate bond | - | - | 110 000 | - | - | - | 110 000 |
| Estimated bond intrest | 11 892 | 11 846 | 8 893 | - | - | - | 32 631 |
| Factoring financing | 8 301 | - | - | - | - | - | 8 301 |
| Export financing | 8 046 | - | - | - | - | - | 8 046 |
| **Total interest-bearing liabilities** | **28 238** | **11 846** | **118 893** | **-** | **-** | **-** | **158 978** |

Yearly interest payable on Bond loan is estimated to be 11 846 kEUR at current interest level. Total interest payable from December 31 2023 to final maturity date (December 11 2026) is estimated to 32 631 kEUR.

For lease liabilities, see note 12.

### MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2022

| Amounts in EUR thousand | 2023 | 2024 | 2025 | 2026 | 2027 | 2028+ | Total |
|---|---|---|---|---|---|---|---|
| Senior securd floting rate bond | - | 70 000 | - | - | - | - | 70 000 |
| Estimated bond intrest | 6 326 | 3 172 | - | - | - | - | 9 497 |
| Factoring financing | 6 140 | - | - | - | - | - | 6 140 |
| Export financing | 8 070 | - | - | - | - | - | 8 070 |
| **Total interest-bearing liabilities** | **20 536** | **73 172** | **-** | **-** | **-** | **-** | **93 708** |

For lease liabilities, see note 12.

## MOVEMENTS IN INTEREST-BEARING LIABILITIES 2023

| | | Cash flows | | | Non-cash effects | | | |
|---|---|---|---|---|---|---|---|---|
| Amounts in EUR thousand | 1 Jan 2022 | Cash flows in | Cash flows out | Other changes (fees and interest expences) | Foreign exchange movement | Net new leases | Accruals | 31 Dec 2022 |
| Senior secured floating bond 6.7 % | - | 110 000 | (1 407) | - | - | - | - | 108 593 |
| Senior secured floating bond 6.85 % | 69 146 | - | (78 287) | 8 287 | - | - | 854 | - |
| Factoring [1] | 6 140 | 1 707 | - | 460 | (6) | - | - | 8 301 |
| Export financing [1] | 8 070 | - | (421) | 535 | (139) | - | - | 8 046 |
| Lease liabilities | 1 436 | - | (1 806) | 220 | 13 | 2 202 | - | 2 065 |
| **Total liabilities from financing activities** | **84 793** | **111 707** | **(81 921)** | **9 502** | **(133)** | **2 202** | **854** | **127 005** |

[1] Cash in/outflows Factoring and Export financing is shown net.

## MOVEMENTS IN INTEREST-BEARING LIABILITIES 2022

| | | Cash flows | | | Non-cash effects | | | |
|---|---|---|---|---|---|---|---|---|
| Amounts in EUR thousand | 1 Jan 2022 | Cash flows in | Cash flows out | Other changes (fees and interest expences) | Foreign exchange movement | Net new leases | Accruals | 31 Dec 2022 |
| Senior secured floating bond 6.85 % | 68 946 | - | (7 123) | 7 563 | - | - | (240) | 69 146 |
| Shareholders loan | 22 717 | - | (24 187) | 1 470 | - | - | - | - |
| Factoring [1] | 7 803 | - | (1 636) | 286 | (312) | - | - | 6 140 |
| Export financing [1] | 4 806 | - | (503) | 277 | 3 490 | - | - | 8 070 |
| Lease liabilities | 2 978 | - | (1 461) | 198 | 185 | (464) | - | 1 436 |
| **Total liabilities from financing activities** | **107 250** | **-** | **(34 911)** | **9 795** | **3 363** | **(464)** | **(240)** | **84 793** |

# Note 23 Financial assets and liabilities

## Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through OCI or fair value through profit or loss. The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets.

The Group classified its financial assets in two categories:
- Financial assets at amortized cost
- Financial assets at fair value through profit or loss

The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment assessment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include receivables and other short-term deposits. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

### Financial assets at fair value through profit or loss

Derivatives are initially recognized at fair value at the date when the derivative contracts are entered into. Transaction costs that are directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss, are recognized immediately in the statement of profit or loss. Subsequently the derivatives are remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately. Derivatives that relate to operating items are recognized in other items in the profit or loss. Currency derivatives are used as an economic hedge, but are not designated as hedging instruments for hedge accounting under IFRS 9, and are recognized in finance income or expense.

### Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a. the Group has transferred substantially all the risks and rewards of the asset, or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

## Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, or as hedging instruments not qualifying for hedge accounting, as appropriate. Derivatives are recognized initially at fair value. Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, they are accounted for similarly as derivatives as assets.

### Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

| | Categories | | | | Fair value measurement using | | | |
|---|---|---|---|---|---|---|---|---|
| 31 Dec 2023<br>Amounts in EUR thousand | Financial instruments at fair value through profit or loss | Financial instruments at fair value through OCI | Financial instruments at amortised cost | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant un-observable inputs (Level 3) | Total instruments measured at fair value |
| **Assets** | | | | | | | | |
| ***Derivatives*** | | | | | | | | |
| Foreign exchange forward contracts | 44 | - | - | 44 | - | 44 | - | 44 |
| Commodity contracts in scope of IFRS 9 | 1 288 | - | - | 1 288 | 1 288 | - | - | 1 288 |
| ***Debt instruments*** | | | | | | | | |
| Trade receivables | - | - | 20 488 | 20 488 | - | - | - | - |
| Cash and cash equivalents | - | - | 33 382 | 33 382 | - | - | - | - |
| Other receivables | - | - | 12 249 | 12 249 | - | - | - | - |
| Other non-current assets | - | - | 293 | 293 | - | - | - | - |
| **Total Financial assets** | **1 332** | **-** | **66 412** | **67 744** | **1 288** | **44** | **-** | **1 332** |
| **Liabilities** | | | | | | | | |
| ***Derivatives*** | | | | | | | | |
| Foreign exchange forward contracts | 83 | - | - | 83 | - | 83 | - | 83 |
| ***Interest bearing loans*** | | | | | | | | |
| *Bond loan* | - | - | 108 593 | 108 593 | - | - | - | - |
| Other interest bearing loans | - | - | 16 346 | 16 346 | - | - | - | - |
| ***Other financial liabilities*** | | | | | | | | |
| Trade and other payables | - | - | 33 578 | 33 578 | - | - | - | - |
| IFRS 16 Leasing liabilities | - | - | 2 065 | 2 065 | - | - | - | - |
| **Total financial liabilities** | **83** | **-** | **160 582** | **160 665** | **-** | **83** | **-** | **83** |

| 31 Dec 2022<br>Amounts in EUR thousand | Categories<br>Financial instruments at fair value through profit or loss | Financial instruments at fair value through OCI | Financial instruments at amortised cost | Total | Fair value measurement using<br>Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant un-observable inputs (Level 3) | Total instruments measured at fair value |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| ***Derivatives*** | | | | | | | | |
| Foreign exchange forward contracts | 62 | - | - | 62 | - | 62 | - | 62 |
| Commodity contracts in scope of IFRS 9 | 28 088 | - | - | 28 088 | 28 088 | - | - | 28 088 |
| ***Debt instruments*** | | | | | | | | |
| Trade receivables | - | - | 28 003 | 28 003 | - | - | - | - |
| Cash and cash equivalents | - | - | 18 881 | 18 881 | - | - | - | - |
| Other receivables | - | - | 8 626 | 8 626 | - | - | - | - |
| Other non-current assets | - | - | 204 | 204 | - | - | - | - |
| **Total Financial assets** | **28 150** | **-** | **55 714** | **83 864** | **28 088** | **62** | **-** | **28 150** |
| **Liabilities** | | | | | | | | |
| ***Derivatives*** | | | | | | | | |
| Foreign exchange forward contracts | 84 | - | - | 84 | - | 84 | - | 84 |
| ***Interest bearing loans*** | | | | | | | | |
| *Bond loan* | - | - | 69 146 | 69 146 | - | - | - | - |
| Other interest bearing loans | - | - | 14 211 | 14 211 | - | - | - | - |
| ***Other financial liabilities*** | | | | | | | | |
| Trade and other payables | - | - | 34 084 | 34 084 | - | - | - | - |
| IFRS 16 Leasing liabilities | - | - | 1 436 | 1 436 | - | - | - | - |
| **Total financial liabilities** | **84** | **-** | **118 876** | **118 960** | **-** | **84** | **-** | **84** |

Fair value of financial assets and financial liabilities are measured using different levels of input.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability

Fiven's financial assets and liabilities are classified as financial instruments at amortized cost, except for derivatives.

## Derivatives

### Power contracts

Non-financial commodity contracts where the relevant commodity is readily convertible to cash and where the contracts are not for own use, fall within the scope of IFRS 9 Financial instruments - recognition and measurement.

Fiven Norge's current power contracts have two elements to the agreement, one being the sale of power and the other to hedge the fluctuation of the price. The two elements have distinct separate purposes, and do not form a single contract. The contract is settled in net cash.

Such contracts are therefore measured at fair value through profit or loss and classified as derivatives.

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and, as "Other current financial assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months.

The fair value estimation of the power contracts (CfD derivative) has been arrived at by applying a level 1 valuation methodology which inputs are quoted prices (unadjusted) in active marked, being the spot price in the Norwegian power marked (NASDAQ OMX). The current contacts are for the period until end 2024.

### EFFECTS OF POWER DERIVATIVES

| Amounts in EUR thousand | 2023 | 2022 |
|---|---|---|
| Opening Balance power derivatives | 28 088 | 5 699 |
| Changes in unrealised value of power derivatives (other gains and losses) | (26 800) | 22 388 |
| **Closing balance power derivatives** | **1 288** | **28 088** |

| Effects before tax of Power derivatives in statement of income: | 2023 | 2022 |
|---|---|---|
| Realized derivatives recognized as other income (volume not used) | 1 218 | 15 141 |
| Changes in unrealised value of power derivatives (other gains and losses) | (26 800) | 22 388 |

### Foreign exchange forward contracts

The foreign exchange forward contracts in Brazil are used as hedging instruments for revenues in USD and EURO. The forward contracts are measured at fair value.

DETAILS OF CURRENCY EXCHANGE CONTRACTS 31 DECEMBER 2023

| Purchase Currency | Purchase Thousand | Sale Currency | Sale Thousand | Type of Instrument | Currency Deal rate | Due Date | Fair Value TEUR | Notional Amount TEUR |
|---|---|---|---|---|---|---|---|---|
| BRL | 1 110 | EURO | 200 | Non Deliverable Foward | 5.55 | 25 Jan 2024 | 6 | 215 |
| BRL | 1 094 | EURO | 200 | Non Deliverable Foward | 5.47 | 8 Feb 2024 | (3) | 209 |
| BRL | 813 | EURO | 150 | Non Deliverable Foward | 5.42 | 20 Feb 2024 | - | 154 |
| BRL | 1 096 | EURO | 200 | Non Deliverable Foward | 5.48 | 28 Feb 2024 | (2) | 209 |
| BRL | 1 001 | USD | 200 | Non Deliverable Foward | 5.01 | 25 Jan 2024 | 5 | 185 |
| BRL | 1 039 | USD | 200 | Non Deliverable Foward | 5.19 | 26 Jan 2024 | (12) | 199 |
| BRL | 780 | USD | 150 | Non Deliverable Foward | 5.20 | 8 Feb 2024 | (9) | 149 |
| BRL | 1 280 | USD | 250 | Non Deliverable Foward | 5.12 | 20 Feb 2024 | (11) | 242 |
| BRL | 781 | USD | 150 | Non Deliverable Foward | 5.21 | 28 Feb 2024 | (9) | 150 |
| BRL | 652 | USD | 129 | Non Deliverable Foward | 5.07 | 1 Apr 2024 | (4) | 121 |
| | 9 646 | | | | | | (39) | 1 833 |

# Note 24 Provisions

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

### Restructuring provisions

Restructuring provisions are recognized when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

| Amounts in EUR thousand | Site renovation | Environmental obligations | Other provisions | Total provisions 2023 | Total provisions 2022 |
|---|---|---|---|---|---|
| **Opening balance** | **239** | **190** | **1 499** | **1 929** | **586** |
| Additional provision recognised | | | 2 204 | 2 204 | 1 323 |
| Used during the year | | | (92) | (92) | |
| Provision reversal | | (174) | (1 327) | (1 501) | |
| Exchange rate differences | 12 | (17) | (27) | (31) | 19 |
| **Closing balance** | **252** | **-** | **2 257** | **2 509** | **1 928** |
| Non-current liability | | | | 393 | 1 522 |
| Current liability | | | | 2 116 | 406 |
| **Closing balance** | | | | **2 509** | **1 928** |

The increase in non-current other provisions of KEUR 2 024 mainly consist of a provision for an ominous contract which will be settled in Q1 2024.

The site renovation provision 252 kEUR in 2023 (239 kEUR in 2022) refers to estimated future expenses to recover the land impacted by the sand mine in Brazil.

# Note 25 Financial risk

Fiven operates in an international and cyclical industry which exposes the business to a variety of financial risks. The financial risks are related to (1) market risk consisting of risk factors to currency, price and interest rates, (2) counterpart credit risk related to the financial ability of customers and lastly, (3) liquidity risk related to the risk that Fiven will encounter difficulties in meeting financial obligations.

## 1 Market Risks

### 1.1 Currency Risks

Fiven has revenues and operating costs denominated in various currencies. The largest trading currencies are EUR and USD, but also BRL, and GBP are currencies in which Fiven trade. Fiven is using natural hedge to the extent possible by matching inflows and raw materials purchases to be denominated in the same currencies as well as entering into forward foreign exchange contracts to cover surplus currency risks.

Fiven Norway has virtually no sales in local currency, and USD and EUR are the dominant ones. Raw material contracts like pet coke, sand, energy and imported crude silicon carbide accounting for the majority of costs of goods sold, are signed in corresponding currencies to reduce impact on risk from currency inflows. Fiven Belgium external sales are in EUR. Import of crude silicon carbide from Venezuela is USD based. Fiven Brazil has mainly a currency inflow exposure as raw materials purchases are paid in local currency. In 2023 approximately 48 percent (46 percent 2022) of total sales were in foreign currency, and the risk were covered through hedging instruments. The parent company Fiven ASA has EUR as functional currency as main in- and outflows are EUR denominated.

Currency exposure affecting the consolidated statement of income:

The table below shows assets and liabilities denominated in foreign currencies different from the entities functional currency, where changes in currency rates will affect profit and loss. The table includes notional amount of foreign exchange contracts.

| **31 December 2023** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Amounts in EUR thousand | USD | EUR | BRL | NOK | Other | Total 2023 | Total 2022 |
| Other non current (financial) assets | - | - | - | 13 | - | 13 | 13 496 |
| Receivables | 6 336 | 7 447 | 18 913 | 9 700 | 106 | 42 502 | 41 112 |
| Other current (financial ) assets | - | 1 288 | - | 3 | 7 | 1 298 | 17 991 |
| Cash and cash equivalents | 1 153 | 2 187 | - | 191 | 46 | 3 577 | 4 764 |
| **Total monetary assets** | **7 489** | **10 922** | **18 913** | **9 907** | **158** | **47 390** | **77 362** |
| Interest bearing liabilities | 4 725 | 28 290 | - | - | - | 33 016 | 20 441 |
| Other liabilities | 2 009 | - | - | 800 | - | 2 809 | 1 047 |
| Trade payables | 351 | 4 198 | - | 71 | 100 | 4 720 | 7 257 |
| **Total monetary liabilities** | **7 086** | **32 488** | **-** | **871** | **100** | **40 545** | **28 746** |
| Derivatives notional value | 1 046 | 787 | | | | 1 833 | 11 228 |
| **Net currency exposure financial position** | **(643)** | **(22 353)** | **18 913** | **9 036** | **59** | **5 012** | **37 388** |

| 31 December 2022<br>Amounts in EUR thousand | USD | EUR | BRL | NOK | Other | Total 2022 |
|---|---|---|---|---|---|---|
| Other non current (financial) assets | - | 13 482 | - | 14 | - | 13 496 |
| Receivables | 8 572 | 10 203 | 7 865 | 14 272 | 200 | 41 112 |
| Other current (financial ) assets | - | 17 914 | - | 70 | 7 | 17 991 |
| Cash and cash equivalents | 3 178 | 1 317 | - | 222 | 47 | 4 764 |
| **Total monetary assets** | **11 750** | **42 916** | **7 865** | **14 577** | **254** | **77 362** |
| Interest bearing liabilities | 7 185 | 5 651 | - | 7 365 | 240 | 20 441 |
| Other liabilities | 681 | - | - | 348 | 18 | 1 047 |
| Trade payables | 982 | 4 173 | - | 2 076 | 27 | 7 257 |
| **Total monetary liabilities** | **8 848** | **9 823** | **-** | **9 790** | **285** | **28 746** |
| Derivatives notional value | 4 016 | 7 212 | | | | 11 228 |
| **Net currency exposure financial position** | **(1 114)** | **25 881** | **7 865** | **4 787** | **(30)** | **37 388** |

| Amounts in EUR thousand | USD | EUR | BRL | NOK | Other | Total |
|---|---|---|---|---|---|---|
| **Sensitivity 2023** | | | | | | |
| 10 % appreciation | (64) | (2 235) | 1 891 | 904 | 6 | 501 |
| 10 % depreciation | 64 | 2 235 | (1 891) | (904) | (6) | (501) |
| **Sensitivity 2022:** | | | | | | |
| 10 % appreciation | (111) | 2 588 | 787 | 479 | (3) | 3 739 |
| 10 % depreciation | 111 | (2 588) | (787) | (479) | 3 | (3 739) |

The sensitivity related to financial assets and liabilities potential impact on Fiven's profit or loss, is based on a strengthening / weakening of main currencies by 10 percent against the functional currencies of the subsidiaries. If all the main currencies weakened against the functional currencies, the profit before tax would decrease by 492 kEUR.

### 1.2. Price Risk

Fiven is exposed to fluctuation in the market prices in the operating business related to individual contracts and products. The way Fiven mitigates the price risk is through innovation, product differentiation and through improved cost competitiveness.

### 1.3. Commodity prices

Sand, power and pet coke are the main raw materials in the manufacturing of Silicon Carbide and account for a significant portion of the total production costs. Whilst there is a forward market for energy enabling Fiven to secure future needs with contracts signed today, pet coke and sand are purchased in the spot markets as no forward market exists. This means Fiven is exposed to fluctuation in the commodity markets for these raw materials. Fiven tries to keep multiple source options to avoid being overly depended on any particular supplier.

| Amounts in EUR thousand | Power | Petcoke | Sand | Total |
|---|---|---|---|---|
| **Sensitivity 2023** | | | | |
| 10% price increase | (1 848) | (2 418) | (238) | (4 504) |
| 10% price decrease | 1 848 | 2 418 | 238 | 4 504 |
| **Sensitivity 2022** | | | | |
| 10% price increase | (3 880) | (3 872) | (370) | (8 122) |
| 10% price decrease | 3 880 | 3 872 | 370 | 8 122 |

The sensitivity related to commodity prices impact on Fiven's profit or loss, is based on an increase/decrease of sand, power and petcoke by 10 percent compared to actual costs of 2023. If all the commodity prices had increased by 10%, the profit before tax would have decrease by 4 504 kEUR.

### 1.4. Interest rate risk

Fiven's interest risks arises from interest bearing liabilities granted by external financial institutions and owners. Fiven liabilities are drawn in EUR and USD (export credit facility in Brazil).

Fiven financing have three pillars; a bond, a factoring facility and an export credit facility. All four facilities have in common that they have floating interest, and hence are exposed to fluctuating interest rates. With floating interest rates, the group will normally be in a position to benefit from lower interest rates in an economic downturn, but a floating rate policy will also leave the group exposed to higher future interest rates. An increase/decrease of interest rates by 1 point per annum would have impacted the Group's financials expenses negatively/positively by 681 kEUR in 2023.

## 2. Trading partner risk

Credit risk is the risk of financial losses to the group if a customer or counterparty fails to meet contractual obligations. For Fiven this arises mainly to trade receivables. Trade receivables are generally secured by credit insurance from a reputable credit insurance company. Credit limits for each customer and overdue receivables are monitored and built into the ERP systems and for customers where credit insurance cannot be obtained, other methods are generally used to secure the sales proceeds, such as prepayment or documentary credit. There is a non-recourse factoring agreement for Fiven Norge and Fiven Belgium enabling the two entities to sell up to 90 percent of the total 'allowable receivables' to the Factofrance. For further details see note 20.

## 3. Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. Fiven is exposed to liquidity risk related to its operations and financing. Fiven's cash flow will fluctuate due to economic conditions and financial performance. In order to assess its future operational liquidity risk, short-term and long-term cash flow forecasts are provided. The short-term forecast is updated each week, and the long-term cash flow projection is updated as part of the planning cycles.

Fiven has a non-recourse factoring facility which allows a funding of up to 90 percent of the total receivables transferred to the factoring company for a total amount not exceeding 15 mEUR for entities in Fiven Norge and Fiven Belgium. As per 31 December 2023, the utilization of the factoring facility was 8,3 mEUR.

In Brazil, Fiven has an export credit facility based on confirmed export order intake to finance cost of production. The credit facility is covering up to 174 days, and at the end of December 2023 the total of the facility was 8.0 MEUR.

The bond has maturity date 11 December 2026. Trade payables are payable in 2024. The factoring liabilities at 31 December 2023 matures in Q1 2024 and the export credit facility in Brazil in 1H 2024. The bond contains financial covenants further described in note 22 Interest Bearing liabilities. The group is in compliance with all covenants as of the reporting date.

# Note 26 Capital management

Fiven is managing its financing and liquidity position to support Fiven's growth strategy. Furthermore, the capital management objectives also include reduction of liquidity risk and to ensure that the company can meet its financial obligations at all times and to optimize the capital structure to reduce cost of capital.

During 2023, Fiven refinanced its operations through a new bond of 110 mEUR expiring in December 2026. Fiven has now secured long term financing for the coming years. Since the beginning, Fiven has maintained a strong focus on liquidity monitoring risks and uncertainty in this regard about market impact and subsequently about the company's ability to meet its financial commitments. The results demonstrate that Fiven has been able to manage the situation well through a healthy cash position and a reduction of net-interest bearing debt (including the repayment in full of the unsured shareholder loan in full).

Looking forward and to support the company's growth strategy, it is important to optimize the availability of the external financial sources. The new bond structure allows a total maximum nominal amount of 170 mEUR. In February 2024 the new Fiven bond was listed on NASDAQ in Stockholm, and the bond is also traded at the Frankfurt Stock Exchange.

Bondholders under the initial bonds are senior ranked and there will be no dividend paid to Fiven shareholders or servicing of any loan in the period 9 April 2024 to prior to the final maturity date of the initial bond.

The bond agreement includes covenants prescribing a maximum net interest bearing debt to EBITDA (defined in bond agreement) ratio should not exceed 4.25 (first year), 4.0 (second year) and 3.75 (third year). The descriptions of elements being included and excluded from the traditional EBITDA and net interest-bearing debt for covenant calculation is described in the bond agreement. The financial flexibility is also maintained through the existing factoring facility and an export credit facility subject to regulations described in the Bond agreement. The utilization of these facilities can potentially be extended depending on the growth pace of the business.

# Note 27 Equity

SHARE CAPITAL AND OTHER PAID IN CAPITAL

| | Number of shares | Nominal value per share | | Total share capital | Other paid in capital |
|---|---|---|---|---|---|
| | | EUR | NOK | EUR | EUR |
| As of 1 January 2023 | 1 000 | 101 | 1 000 | 101 376 | 5 575 350 |
| Contribution of equity | - | - | - | - | - |
| **As of 31 December 2023** | **1 000** | **101** | **1 000** | **101 376** | **5 575 350** |
| As of 1 January 2022 | 1 000 | 101 | 1 000 | 101 376 | 5 575 350 |
| Contribution of equity | - | - | - | - | - |
| **As of 31 December 2022** | **1 000** | **101** | **1 000** | **101 376** | **5 575 350** |

100 percent of the shares are owned by Tosca Intermediate Holdings Sàrl, a company owned by OpenGate Capital, a private equity firm. There is one class of shares, and each share carries one vote and has equal rights on distribution of income and capital.

In connection with refinancing of bond loan in December 2023, Fiven distributed a dividend of kEUR 38 000 to owners.

In agreement with the amended terms and conditions in the Bond Agreement of 15 June 2021 (December 5, 2022) a dividend of kEUR 2 813 was distributed to owners December 6, 2022.

# Note 28 Trade and other payables

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Trade payable | 20 754 | 26 235 |
| Accrued expenses | 6 150 | 2 399 |
| **Total trade payables** | **26 905** | **28 634** |

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Other account payables | 613 | 1 296 |
| Accrued personnel and social expenses | 4 034 | 5 142 |
| Tax payable (other than income tax) | 53 | 220 |
| Accrued intrest payable | 652 | 173 |
| Accrued other payables | 138 | 117 |
| **Total Other payables** | **5 490** | **6 948** |

## Note 29 Transactions and balances with related parties

| Amounts in EUR thousand | 1 Jan–31 Dec 23 | | | | | | 31 Dec 2023 | |
|---|---|---|---|---|---|---|---|---|
| | Trade sales | Trade purchases | Sale of services | Purchase of services | Interest income | Interest expense | Receivables from | Payables to |
| Open Gate Capital | - | - | - | 1 047 | - | - | - | - |
| **Total** | **-** | **-** | **-** | **1 047** | **-** | **-** | **-** | **-** |

| Amounts in EUR thousand | 1 Jan–31 Dec 22 | | | | | | 31 Dec 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Trade sales | Trade purchases | Sale of services | Purchase of services | Interest income | Interest expense | Receivables from | Payables to |
| Fiven Venezuelan entities | - | 11 870 | - | - | - | - | - | - |
| Open Gate Capital | - | - | - | 1 000 | - | - | - | - |
| Tosca Intermediate Holding Sarl | - | - | - | - | - | 1 470 | - | - |
| **Total** | **-** | **11 870** | **-** | **1 000** | **-** | **1 470** | **-** | **-** |

In December 2022 the Shareholder loan was repaid in full. Fiven Norge AS's Investment in Venezuelan entities was disposed in 2022, see note 4.

Fiven ASA is owned 100 percent by Tosca Intermediate Holdings Sàrl which is controlled by Open Gate Capital Fund II. Transactions and balances between Fiven ASA and its consolidated subsidiaries have been eliminated in the consolidated financial statements.

## Note 30 Financial impact of climate related risk

Fiven has implemented an ESG roadmap summarizing the initiatives within 4 years. During 2023 we have restructured our ESG strategy to be more accessible and understandable for every stakeholder. Therefore, we have included health and safety under the Social dimension in ESG.

The ESG roadmap progress report is presented to the Board of Directors every quarter by the Chief Sustainability officer (CSO). All projects are closely followed by the CSO. To measure and control the ESG roadmap progress the CSO issues twice a year the scorecard where environmental, social, and business ethics KPI's are addressed.

As a consequence of the climate change, authorities have imposed stricter requirements to operate in the silicon carbide industry, and this also impacts the Fiven Group. These requirements are related to emission in the production. Through the usage of water and carbon source raw materials in production, the Group, is exposed to transition risk where economies are becoming less carbon intensive. Therefore, the Group set up an environmental roadmap in 2020 with the objectives to reduce emissions to air, water usage and non- recovered waste. Different milestones were fixed for 2025 and 2030 and the ultimate target for the Group is to become a net zero emission company by 2050. Group investments to support the environmental roadmap represent 47% of its total investment.

The production of silicon carbide production in Norway is subject to limitation on emissions of certain substances defined by the Norwegian Environmental Agency (NEA). Non-compliance can result in administrative fines and required stoppage in production in Norway. To mitigate the risk of non-compliance, Fiven has been developing its own gas cleaning systems as there is no technology readily available in the market. In 2023 Fiven Norge has completed the covering of 6 of 8 furnacegroups.

The risk of non-compliance can be offset by reducing production in Norway and importing silicon carbide from Fiven facilities in Brazil instead. For the processing activities the requirements from NEA are not foreseen as a risk.

In 2021, Fiven entered a Sustainability link Bond financing meaning the Group's financing was linked to the improvement of environmental indicators over the next years. The new bond of 2023 has continued the sustainability framework set in 2021. These indicators are CO2, SO2 emissions (expressed in tons/tons of crude produced), volume of water withdrawals (in absolute value). The objective is to reduce these emissions by respectively 9%, 15 % and 10 % by 2025 which is in line with our environmental 2025 milestone. A redemption premium of a maximum of 0.50 per cent will be due in case of KPI's target failure at the exit of the sustainability linked bond. Following the above, the maximum exposure of Fiven in the event failing to comply with the objectives is EUR 350 thousand. As of Today, Fiven believes the objectives are achievable within the time frame set

As for other climate related risks, the Group's production locations are located in geographical areas where the physical climate change related risk could be considered as low.

## Note 31 Events after the reporting period

There are no material events having taken place after the balance sheet date.

# Fiven ASA financial statements

# Statement of income

| Amounts in EUR thousand | Note | 2023 | 2022 |
|---|---|---|---|
| **1 January to 31 December** | | | |
| Revenue | 3 | 5 325 | 5 832 |
| **Total revenue** | | **5 325** | **5 832** |
| Employee benefit expenses | 4, 5 | (874) | (1 116) |
| Other operating expenses | 6 | (4 154) | (4 788) |
| **Total operating expenses** | | **(5 028)** | **(5 904)** |
| **Operating profit (loss)** | | **297** | **(72)** |
| Finance income | 7 | 45 722 | 40 428 |
| Finance expense | 7 | (9 422) | (9 274) |
| Other financial items (net) | | (101) | (882) |
| **Net finance income (expense)** | | **36 199** | **30 272** |
| **Net income (loss) before income taxes** | | **36 495** | **30 200** |
| Income tax expense | 8 | (927) | (2 247) |
| **Net income (loss)** | | **35 568** | **27 952** |
| Net income (loss) attributable to: | | | |
| Equity holders of the parent | 9 | 35 568 | 27 952 |
| **Total net income (loss) attributed** | | **35 568** | **27 952** |

# Statement of financial position

| Amounts in EUR thousand | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| Investments in subsidiaries | 10 | 77 635 | 77 635 |
| Other financial assets | 11 | 13 | 14 |
| Deferred tax asset | 8 | - | 437 |
| **Total non-current assets** | | **77 648** | **78 086** |
| Trade receivables | 3 | 158 | 1 936 |
| Other receivables | 3, 12 | 43 988 | 22 234 |
| Prepayments | | 118 | 130 |
| Cash and cash equivalents | 13 | 11 480 | 5 899 |
| **Total current assets** | | **55 744** | **30 198** |
| **TOTAL ASSETS** | | **133 392** | **108 284** |

| Amounts in EUR thousand | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 9 | 101 | 101 |
| Other paid in capital | 9 | - | - |
| Retained earnings | 9 | 22 740 | 25 172 |
| **Total equity** | | **22 842** | **25 274** |
| | | | |
| Bond loan | 12 | 108 593 | 69 146 |
| Interest bearing liabilities | 12 | - | - |
| Other liabilities and provision | 3 | - | 10 560 |
| **Total non-current liabilities** | | **108 593** | **79 706** |
| | | | |
| Trade payables | 3 | 501 | 618 |
| Other payables | | 1 065 | 577 |
| Income tax payable | 8 | 391 | 2 109 |
| **Total current liabilities** | | **1 957** | **3 305** |
| **Total liabilities** | | **110 550** | **83 011** |
| **TOTAL EQUITY AND LIABILITIES** | | **133 392** | **108 284** |

The Board of Directors of Fiven ASA - Oslo, 19 March 2024

Falk Ast
Chairman

Betty Lunøe Åsheim
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

# Statement of cash flows

| Amounts in EUR thousand | Note | 2023 | 2022 |
|---|---|---|---|
| **1 January to 31 December** | | | |
| Net income (loss) | | 35 568 | 27 952 |
| Corporate income tax | 8 | 927 | 2 247 |
| **Net income (loss) before income taxes** | | **36 495** | **30 200** |
| Adjustments to reconcile net income (loss) before income tax to net cash flows: | | | |
| Corporate income tax paid | | (2 208) | (1 050) |
| Net finance expenses | 7 | (36 199) | (30 272) |
| Received paid dividend and group contribution [1] | | 22 965 | 19 005 |
| Changes in trade receivables and trade payables | | 1 661 | (2 272) |
| Changes in other receivables, prepayments, and other payables | | 27 | (89) |
| Other changes | | (13) | (2) |
| **Cash flows from operating activities** | | **22 729** | **15 520** |
| Repayments of loan by related parties | 3 | (10 506) | 8 420 |
| **Cash flows from investing activities** | | **(10 506)** | **8 420** |
| Proceeds from issues of bonds | 12 | 110 000 | - |
| Repayment of Bond loan | 12 | (70 000) | - |
| Repayment of shareholder loan | 12 | | (21 977) |
| Proceeds from other interest bearing liablities | 12 | | 5 591 |
| Interest and placement fee paid | 12 | (8 642) | (9 514) |
| Dividend to shareholders | 9 | (38 000) | (2 813) |
| **Cash flows from financing activities** | | **(6 642)** | **(28 714)** |
| Net increase in cash and cash equivalents | | 5 581 | (4 774) |
| Cash and cash equivalents as of 31 December 2023 | | 5 899 | 10 673 |
| **Cash and cash equivalents as of 31 December 2023** | | **11 480** | **5 899** |

1 The comparison figures for 2022 haves been changed to reflect payment of dividends from subsidiaries as operational activities for Fiven ASA.

# Notes to Fiven ASA financial statements

# Note 1 General information and basis of preparation

Fiven ASA is a limited liability company domiciled in Norway, and the parent company of the Fiven Group. Fiven is a global leader in silicon carbide ("Sic"), a material used in a variety of industrial applications. Fiven ASA is owned 100 per cent by Tosca Intermediate Holdings Sàrl, a private limited liability company incorporated in Luxembourg, the ultimate parent of which is OpenGate Capital.

The financial statements for Fiven ASA (hereafter Fiven), including notes, for the year ended

31 December 2023 were approved by the Board of Directors of Fiven ASA on 19 March 2024.

# Note 2 Significant accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The accounts are prepared based on a going concern assumption.

The functional currency of Fiven ASA is Euro.

## Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply judgements. Areas which to a great extent contain such judgements, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

## Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

## Revenues

Income from sale of services is recognized at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its services to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the service.

## Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. The first year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

## Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends/Group contribution received are initially taken to finance income. Dividends/Group contribution exceeding the portion of retained earnings after the acquisition are reflected as a reduction in cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved.

## Receivables

Trade receivables are recognized in the balance sheet after provision for bad debts. Trade receivables in 2023 and 2022 were all internal receivables related to management fee. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other receivables, both current and long term, are recognized at the lower of nominal and net realizable value. Net realizable value is the present value of estimated future payments. When the effect of a write down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors. Most of Other Trade receivables in 2023 and 2022 were internal current receivables. See also note 13.

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognized as operating income and expenses.

## Liabilities

Interest-bearing liabilities are initially recognized at cost. After initial recognition, such financial liabilities are measured at amortized costs using the effective interest method. Transaction costs are taken into account when calculating amortized cost. Trade payables are carried at cost.

## Pensions

The company has a defined contribution plan. With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

## Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Group contribution received is booked as finance income. If received group contribution exceeds retained earnings under Fiven's ownership, it is booked as a reduction of investments in subsidiaries. Tax related to received group contribution is booked in profit and loss. Deferred tax is reflected at nominal value.

## Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

# Note 3 Intercompany items

| Amounts in EUR thousand | Fiven Norge AS 2023 | Fiven Norge AS 2022 | Materiaux Ceramiques SA 2023 | Materiaux Ceramiques SA 2022 | Carbeto de Silício Sika Brasil Ltda 2023 | Carbeto de Silício Sika Brasil Ltda 2022 | Fiven GmbH 2023 | Fiven GmbH 2022 | Fiven North America Inc 2023 | Fiven North America Inc 2022 | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade receivables | 102 | 91 | 11 | 1 808 | 41 | 36 | 3 | 1 | - | - | 158 | 1 936 |
| Other receivables | 24 970 | 14 267 | - | - | 18 913 | 7 865 | - | - | 107 | 97 | 43 990 | 22 229 |
| **Total assets** | **25 072** | **14 358** | **11** | **1 808** | **18 954** | **7 901** | **3** | **1** | **107** | **97** | **44 147** | **24 165** |
| Non current liabilities | - | 7 365 | - | - | - | 3 195 | - | - | - | - | - | 10 560 |
| Trade payables | - | - | - | - | 7 | - | 122 | - | 42 | 70 | 170 | 70 |
| **Total liabilities** | **-** | **7 365** | **-** | **-** | **7** | **3 195** | **122** | **-** | **42** | **70** | **170** | **10 630** |
| Revenue | 2 091 | 2 032 | 646 | 1 197 | 2 588 | 2 602 | - | - | - | - | 5 325 | 5 832 |
| Dividend/Group Contribution | 23 896 | 14 267 | - | - | 20 638 | 25 712 | - | - | - | - | 44 534 | 39 979 |
| Management fee expense | - | - | - | - | - | - | (1 689) | (1 693) | (552) | (587) | (2 241) | (2 279) |
| Other income | 923 | 435 | 165 | - | - | - | - | - | 14 | 9 | 1 102 | 445 |
| Financial expense | (584) | (54) | - | (109) | (24) | (75) | - | - | - | - | (608) | (237) |
| **Total income statement** | **26 326** | **16 681** | **812** | **1 088** | **23 201** | **28 239** | **(1 689)** | **(1 693)** | **(538)** | **(578)** | **48 112** | **43 739** |

# Note 4 Employee benefit expenses

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Salaries incl. bonuses | 700 | 797 |
| Social security cost | 126 | 120 |
| Defined contribution pension cost (note 5) | 26 | 30 |
| Other personnel related cost | 22 | 169 |
| **Total employee benefit expenses** | **874** | **1 116** |
| Average number of full time equivalents | 4 | 4 |

For further information concerning remuneration to management see note 10 Management remuneration in the consolidated financial statements.

# Note 5 Employee benefit obligations (pensions)

## Defined contribution plans

Defined contribution plans are the main pensions plan for Fiven ASA, where the contribution to each individual pension plan is 5 per cent up 7.1G and 8 per cent between 7.1 and 12 G.

1G refers to the Norwegian national insurance scheme's basic amount, which was 118 620 NOK as of 1 May 2023.

The defined contribution plan covers all full-time employees. As of 31 December 2023, there were 4 members in the plan. Contribution expensed amounted to 26,1 kEUR in 2023, (29.6 kEUR in 2022).

## Note 6 Other operating expenses

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Other operating expenses** | | |
| Lease expenses | 65 | 73 |
| IT related expenses | 83 | 290 |
| Travel, Insurance, meetings and office expenses | 155 | 173 |
| Consultancy fees and external personnel expenses | 402 | 738 |
| Audit expenses | 147 | 140 |
| Management fee | 3 287 | 3 359 |
| Other operating expenses | 15 | 15 |
| **Total other operating expenses** | **4 154** | **4 788** |

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Specification auditor's fee** | | |
| Statutory audit (PWC) | 115 | 121 |
| Other assurance services (PWC) | 32 | 19 |
| **Total** | **147** | **140** |

## Note 7 Finance income and expenses

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Finance income** | | |
| Interest income intercompany | 1 102 | 445 |
| Dividends from subsidiaries | 44 534 | 39 979 |
| Other interest income | 86 | 4 |
| **Total finance income** | **45 722** | **40 428** |

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Finance expenses** | | |
| Interest on debts and borrowings | (8 333) | (7 038) |
| Interest expense intercompany | (608) | (237) |
| Interest expenses other | (1) | (4) |
| Other financial expenses [1] | (480) | (1 995) |
| **Total finance expenses** | **(9 422)** | **(9 274)** |
| | | |
| **Other financial items (net)** | | |
| Net foreign exchange gains (losses) | (101) | (882) |
| **Other financial items (net)** | **(101)** | **(882)** |
| | | |
| **Net Finance income (expenses)** | **36 199** | **30 272** |

[1] 480 kEUR relates to the call option premium for early redemption of the previous Bond loan with termination date (21 June 2024), correspondently the 1 995 kEUR in 2022 relates to the consent fee paid to bondholders for the amendment to the terms and conditions in the Bond loan dated December 5, 2022.

# Note 8 Taxes

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| Current tax expense | (858) | (2 109) |
| Previous year tax adjustment | 269 | 214 |
| Withholding tax | (338) | (789) |
| Changes in deferred tax | - | 437 |
| **Income tax (expense) benefit** | **(927)** | **(2 247)** |

## RECONCILIATION OF TAX (EXPENSE) BENEFIT TO NOMINAL STATUTORY TAX RATE OF 22%

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Net income (loss) before income taxes** | 36 495 | 30 200 |
| Tax (expense) benefit at applicable tax rate | (8 029) | (6 644) |
| Tax effect of permanent differences exempted for tax | 7 788 | 5 487 |
| Non deductible expenses | | 70 |
| Other deductible expenses | | |
| Changes in urecognisez deferred tax asset | (1 212) | (1 541) |
| Tax effect on interest deductions above tax limitations | | |
| Tax effect on translation differences exempt of tax | 595 | 956 |
| Tax effect on translation differences previously unrealized | | |
| Correction of previous years current tax | 269 | 214 |
| Other taxes, withholding tax | (338) | (789) |
| **Income tax (expense) benefit for the year** | **(927)** | **(2 247)** |

## DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

| Amounts in EUR thousand | 1 Jan-31 Dec 23 | 1 Jan-31 Dec 22 |
|---|---|---|
| **Tax losses carried forward** | - | - |
| Withholding tax expected to be credited | - | 437 |
| Other non current / Interest cost subject to limitations | 5 686 | 4 623 |
| **Net Deferred tax assets/(liabilities)** | **5 686** | **5 060** |
| Unrecognized deferred tax asset, losses carried forward | - | - |
| Unrecognized deferred tax asset, withholding tax | | |
| Unrecognized deferred tax asset | (5 686) | (4 623) |
| **Net Deferred tax assets/(liabilities) 31.12** | **-** | **437** |

Deferred tax assets of 5 686 kEUR in 2023 (4 623 kEUR in 2022) relate to Norwegian limitations to interest deductions on net interest expenses. The interest subject to limitation must be utilized within ten years. Total deferred tax assets of 5 686 kEUR are not recognized as at 31 December 2023 (31 Dec 2022: 4 623 kEUR were not recognised. The 437 kEUR consist of tax withholding carried forward).

## Note 9 Share capital and statement of changes in equity

The company has one class of shares. All shares come with full voting rights. The share capital is nominated in NOK. The nominal value per share is 1 000 NOK.

| Amounts in EUR thousand | Share capital | Other paid in capital | Retained Earnings (accumulated deficit) | Total Equity |
|---|---|---|---|---|
| **As of 1 January, 2023** | 101 | - | 25 172 | 25 274 |
| Net income (loss) | - | - | 35 568 | 35 568 |
| Dividend to owners | - | - | (38 000) | (38 000) |
| **As of 31 December, 2023** | **101** | **-** | **22 740** | **22 842** |

| Amounts in EUR thousand | Share capital | Other paid in capital | Retained Earnings (accumulated deficit) | Total Equity |
|---|---|---|---|---|
| **As of 1 January, 2022** | 101 | - | 33 | 135 |
| Net income (loss) | - | - | 27 952 | 27 952 |
| Dividend to owners | | | (2 813) | (2 813) |
| **As of 31 December, 2022** | **101** | **-** | **25 172** | **25 274** |

Fiven ASA distribute an extraordinary dividend of EUR 38 000.00 per share, in total EUR 38 000 000.00 based on the Company's audited interim balance sheet of 3 November 2023.

Fiven ASA distribute an extraordinary dividend of EUR 2 813.33 per share, in total EUR 2 813 330.54, based on the Company's audited interim balance sheet of 31 October 2022.

## Note 10 Investments in subsidiaries

| Amounts in EUR thousand | Location | Ownership interest in % | Total equity | Result | Carrying value 31 Dec 2023 | Carrying value 31 Dec 2022 |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| Fiven Norge AS | Norway | 100% | 14 451 | (9 603) | 42 368 | 42 368 |
| Fiven GmbH | Germany | 100% | 88 | 6 | 29 | 29 |
| Materiaux Ceramiques SA | Belgium | 100% | 9 583 | 388 | 15 391 | 15 391 |
| Carbeto de Silício Sika Brasil Ltda | Brazil | 100% | 26 720 | 13 681 | 19 846 | 19 846 |
| Fiven North America Inc | US | 100% | 22 | (2) | - | - |
| **Total** | | | | | **77 635** | **77 635** |

# Note 11 Financial risk

## Currency exposure affecting statement of income

Amounts are shown in functional currency (normally the local currency of the reporting entity).

The table below shows assets and liabilities denominated in foreign currencies different from the entities functional currency, where changes in currency rates will affect profit or loss.

| Amounts in EUR thousand | 31 Dec 2023 | | | | 31 Dec 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Currency | NOK | USD | BRL | SEK | NOK | USD | BRL | SEK |
| Other non current (financial) assets | 13 | - | - | - | 14 | - | - | - |
| Receivables | 9 700 | 107 | 18 913 | - | 14 272 | 299 | 7 865 | - |
| Other current (financial ) assets | 3 | - | - | - | 70 | - | - | 7 |
| Cash and cash equivalents | 191 | - | - | 11 | 222 | - | - | 14 |
| **Total monetary assets** | **9 907** | **107** | **18 913** | **11** | **14 577** | **299** | **7 865** | **21** |
| Interest bearing liabilities | | | | | 7 365 | - | - | - |
| Trade payables | 71 | 42 | 7 | 92 | 348 | 84 | - | 18 |
| Other payables | 800 | - | - | - | 2 076 | - | - | - |
| Total monetary liabilities | 871 | 42 | 7 | 92 | 9 790 | 84 | - | 18 |
| **Net currency exposure financial position** | **9 036** | **65** | **18 906** | **(82)** | **4 787** | **215** | **7 865** | **3** |
| 31 Dec currency rate | 11.24 | 1.11 | 5.36 | 11.10 | 10.51 | 1.07 | 5.64 | 11.12 |

# Note 12 Interest bearing receivables and liabilities

| | | | Interest | | Total | |
|---|---|---|---|---|---|---|
| Amounts in EUR thousand | Termination | Rate | 2023 | 2022 | 2023 | 2022 |
| Loan Fiven Norge AS (subs.) | Dec 31, 2024 | EURIBOR+6.7% | 270 | | 24 970 | |
| Loan Fiven Norge AS (subs.) | Dec 31, 2023 | EURIBOR+8.1% | 653 | 435 | | 14 267 |
| Loan Fiven North America Inc (subs.) | Jun 21, 2024 | USDLIBOR+8.1% | 14 | 9 | 107 | 97 |
| **Total current assets** | | | | | **25 077** | **14 364** |
| Senior secured floating rate bond – 2026 | Dec 11, 2026 | EURIBOR+6.85% | 652 | | 108 593 | |
| Senior secured floating rate bond – 2021 | Jun 21, 2024 | EURIBOR+6.85% | 7 681 | 5 568 | | 69 146 |
| Loan Tosca Intermediate Holdings Sàrl [1] | Jun 22, 2024 | EURIBOR+6.8914% | - | 1 470 | - | - |
| Loan Matreaux Ceramiques (subs.) | Jun 22, 2024 | EURIBOR+8.1% | - | 109 | - | - |
| Loan Fiven Norge AS (subs.) | Dec 1, 2025 | EURIBOR+6.85% | 584 | 54 | - | 7 365 |
| Loan Carbeto de Silício Sika Brasil Ltda (subs.) | May 27, 2023 | 2.5% | 24 | 75 | - | 3 195 |
| **Total non-current liabilities** | | | | | **108 593** | **79 706** |

[1] The shareholder loan was repaid in full on 6 December 2022. As a part of the amended and restated version of the Bondholder agreement - Section "14-2 Restricted Payments" letter (d) - Fiven ASA was permitted to pay dividend on its shares and/or repay Shareholder Loans in the period between Dec 5, 2022 and Dec 31, 2022 limited to cash exceeding mEUR 18 on December 31, 2022. Fiven ASA repaid shareholder loan including accrued interest in full, and distributed a dividend of kEUR 2.813 in the period before December 31, 2022.

## Senior secured floating rate bond loan

On 11 December 2023 (First Issue Date) Fiven completed a 170 mEUR Senior Secured Sustainability-Linked Floating Rate Bond. The bonds carry an interest of EURIBOR + 6.7%. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1 000. The maximum total nominal amount of the initial bonds is 110 mEUR. The old bond loan were redeemed on 21 December 2023.

The covenants for the new bond is as following:
Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall ensure that the leverage ratio is equal to or less than:

(a) 4.25:1 for the period from 11 December 2023 to (and including) the date falling one (1) year after the 11 December 2023;
(b) 4.00:1 for the period from (but excluding) the date falling one year after the 11 December 2023 to (and including) the date falling two years after 11 December 2023; and
(c) 3.75:1 for the period from (and excluding) the date falling two years after 11 December 2023 to (and including) 11 December 2026 (the Final Maturity Date).

The Incurrence Test is met, if:

(a) the Leverage Ratio is equal to or less than:
3.00:1 for the period from 11 December 2023 to (and including) the date falling eighteen (18) months after 11 December 2023; and
2.75:1 for the period from (but excluding) the date falling eighteen (18) months after 11 December 2023 to (and including) the 11 December 2026 (Final Maturity Date); and

(b) no Event of Default is continuing or would occur upon the incurrence or payment (as applicable).

Leverage ratio is the ratio of net interest-bearing debt to EBITDA. The descriptions of elements being included and excluded from the traditional EBITDA and net interest-bearing debt for covenant calculation is described in the bond agreement.

The Issuer and any Group Company may at any time, subject to applicable law, and at any price purchase Bonds. Bonds held by the Issuer or any Group Company may at the Issuer's or such Group Company's discretion be retained or sold, but not cancelled.

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the 11 December 2026 (Final Maturity Date) with an amount per Bond equal to the Nominal Amount together with any applicable Sustainability-Linked Redemption Premium on the Redemption Date and accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

The applicable Sustainability-Linked Redemption Premium shall be equal to:
(a) the Maximum Sustainability-Linked Redemption Premium; less (b) one third (1/3) of the Maximum Sustainability-Linked Redemption Premium (rounded down to two (2) decimals) for each KPI where the Issuer meets the Sustainability Performance Target for such KPI on the Target Observation Date.

The Maximum Sustainability-Linked Redemption Premium is 0.50 percent.

Target Observation Date means thirty days prior to (a) 11 December 2026 (the Final Maturity Date), or (b) such earlier date when the Bonds are redeemed in full.

Sustainability Performance Action Plan means a plan setting out the means by which the Issuer intents to achieve its targets reducing by 2025 (a) CO2 emissions (relating to KPI 1) by 9.00 percent, (b) SO2 emissions (related to KPI 2) by 15.00 percent, and (c) water withdrawal (relating to KPI 3) by 10.00 percent in each case compared to 2019, and as further described in the Sustainability-Linked Bond Framework.

The complete plan will not be made public but will be subjected to review by the External Reviewer (DNV GL) in accordance with the Sustainability Performance Action Plan Review. The review will be conducted on the latest available version of the Sustainability Performance Action Plan at the time, recognizing that the Sustainability Performance Action Plan will be updated as and when necessary.

Sustainability-Linked Bond Framework means the framework adopted in June 2021 establishing the Group's KPI's and Sustainability Performance Targets in line with ICMA (International Capital Markets Association) Sustainability-Linked Bond Principles.

The Issuer may redeem all, but not only some, of the outstanding Bonds in full:

(i) any time from and including 11 December 2023 to, but excluding, the First Call Date (date falling eighteen months after 11 December 2023) at an amount per Bond equal to 103.35 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium and the remaining interest payments to, but excluding, the First Call Date, up to and including the First Call Date together with accrued but unpaid Interest;

(ii) any time from and including the First Call Date (date falling eighteen months after 11 December 2023) to, but excluding, the first Business Day falling twenty-four months after 11 December 2023 at an amount per Bond equal to 103.35 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

(iii) any time from and including the first Business Day falling twenty-four months after 11 December 2023 to, but excluding, the first Business Day falling thirty months after the 11 December 2023 at an amount per Bond equal to 102.01 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

(iv) any time from and including the first Business Day falling thirty months after the 11 December 2023 to, but excluding, the first Business Day falling thirty-three months after the 11 December 2023 at an amount per Bond equal to 100.67 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest; and

(v) any time from and including the first Business Day falling thirty-three months after the 11 December 2023 to, but excluding, the Final Maturity Date (11 December 2026) at an amount per Bond equal to 100.000 per cent. of the Nominal Amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest.

Redemption shall be made by the Issuer giving not less than fifteen Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

Upon the occurrence of a Change of Control Event, Listing Failure Event or a Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with any applicable Sustainability-Linked Redemption Premium on the Redemption Date and accrued but unpaid Interest, during a period of forty-five days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting Event.

The bond loan agreement is based on a negative pledge and the group can only to a limited extent pledge its assets to secure its other liabilities.

The bond loan agreement is available at: https://www.fiven.com/company-information/investor-relations/reports/

### Un-secured shareholder loan

The un-secured shareholder loan was repaid in full on 6 December 2022. No shareholder loans in 2023.

## Note 13 Cash and cash equivalents

| Amounts in EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Cash and bank deposits (unrestricted) | 11 415 | 5 829 |
| Restricted bank deposits [1] | 65 | 70 |
| **Total cash and cash equivalents** | **11 480** | **5 899** |

[1] Restricted cash is related to income tax withheld from employees' wages and paid directly to the government by the employer.

## Note 14 Events after the reporting period

No events have occurred after the balance sheet date with material impact on the financial statements for 2023.

# Auditor's report

To the General Meeting of Fiven ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Fiven ASA, which comprise:

- the financial statements of the parent company Fiven ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Fiven ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for five years from the election by the general meeting of the shareholders on 15 October 2019 for the accounting year 2019.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business operations are largely the same as last year. *Impairment assessment of goodwill and other intangible assets* carries the same characteristics and risks this year and has consequently continued to be in our focus for the 2023 audit.

| Key Audit Matters | How our audit addressed the Key Audit Matter |
|---|---|
| Impairment assessment of goodwill and other intangible assets | |
| The net book value of the Group's goodwill and other intangible assets was EUR 5 390 thousand and EUR 13 320 thousand respectively at 31 December 2023.<br><br>We focused on impairment assessment of goodwill and other intangible assets because of the level of management judgment applied in making the assessment. The use of judgment is mainly related to assumptions, such as, discount rate (WACC), future revenues from sales of products, EBITDA ratios and capital expenditures.<br><br>Further, a potential impairment charge may have a material impact on the asset's carrying value.<br><br>See notes 3 and 17 to the consolidated financial statements where the impairment model and key assumptions are explained and disclosed. | We obtained management's impairment review. The review included documentation of management's identification of cash generating units (CGU's). We assessed and found identified CGU's to be appropriate.<br><br>We challenged key assumptions applied by management in the cash flow forecasts incorporated into the impairment model. Specifically, we challenged future revenues, EBITDA ratios and capital expenditures.<br><br>We tested the mathematical accuracy of cash flow models, and assessed relevant data to historical financial data, future budget approved by management and other obtainable market information such as relevant benchmarks for growth estimates.<br><br>We evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data. We found the applied discount rate to be within a range of reasonable outcomes.<br><br>We performed sensitivity analyses on key assumptions in the impairment assessment and found the impairment assessment to be sensitive to changes in WACC, further revenues and EBITDA ratios. We compared our sensitivity analyses to the disclosure in the notes.<br><br>During the course of our audit procedures, no significant deviations were identified.<br><br>Finally, we considered the adequacy of financial statements disclosures and found them appropriate. |

## Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors’ report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors’ report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors’ report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director’s report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Report on Compliance with Requirement on European Single Electronic Format (ESEF)

*Opinion*
As part of the audit of the financial statements of Fiven ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 549300Z4VK4GSH1X0129-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

*Management's Responsibilities*
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

*Auditor's Responsibilities*

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 19 March 2024
**PricewaterhouseCoopers AS**

Anders Ellefsen
Anders Ellefsen
State Authorised Public Accountant (Norway)

# Appendix to Fiven 2023 Annual report – Alternative Performance Measures (APMs)

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). Fiven uses Adjusted EBITDA to measure operating performance at the group and segment level.

In particularly management regards Adjusted EBITDA as relevant performance measures at segment level because intangible assets, income tax and finance expenses/ finance income, are managed on a group basis.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. Because companies calculate the APMs presented herein differently, Fiven's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

Fiven's financial APMs defined:

## Adjusted EBITDA

Adjusted EBITDA shows the Group's operating profit before Depreciation and amortization, before items that require special explanation.

OIE include one-off and non-recurring operating expenses, but excludes operating income from excess power sales for 2023.

The Adjusted EBITDA is the Group`s key financial figure, internally and externally. The figure is used to identify and analyze the Group's operating profitability from normal operations and operating activities, excluding the effects from depreciation and amortization.

Please note there is a discrepancy between the Adjusted EBITDA measure and the EBITDA (defined in the bond agreement) as per Fiven's bond terms (i.e., the one reported to the Bond Trustee), as the APM does not cap other non-recurring costs at 12.5% as does the bond terms and it excludes the monitoring fee.

APM Table:

## SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2023

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| **Operating profit/(loss)** | **(13 609)** | **23 101** | **678** | **(688)** | **9 482** |
| Depreciation and amortization | 2 841 | 1 685 | 229 | 1 071 | 5 826 |
| **EBITDA** | **(10 768)** | **24 786** | **908** | **383** | **15 308** |
| Transaction costs | - | 8 | - | 76 | 84 |
| Total other non-recurring costs | 481 | 232 | 83 | (182) | 614 |
| Other non-financial income/expense | 27 617 | - | - | - | 27 617 |
| Monitoring fee | - | - | - | 1 047 | 1 047 |
| **Adj. EBITDA** | **17 329** | **25 026** | **990** | **1 323** | **44 669** |

Of non-recurring & other non-financial items kEUR 25 583 is related to power contract income.

## SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022

| Amounts in EUR thousand | Fiven Norway | Fiven Brazil | Fiven Belgium | Other | Total segment reporting |
|---|---|---|---|---|---|
| **Operating profit/(loss)** | **55 427** | **32 053** | **(1 734)** | **(1 776)** | **83 971** |
| Depreciation and amortization | 2 486 | 1 535 | 229 | 1 186 | 5 437 |
| **EBITDA** | **57 913** | **33 588** | **(1 505)** | **(589)** | **89 408** |
| Transaction costs | - | - | - | 439 | 439 |
| Total other non-recurring costs | 51 | 306 | 779 | (360) | 777 |
| Other non-financial income/expense | (30 353) | - | - | - | (30 353) |
| Monitoring fee | - | - | - | 1 187 | 1 187 |
| **Adj. EBITDA** | **27 611** | **33 894** | **(725)** | **677** | **61 457** |

Of other non-financial income/expenses kEUR (30 353) is related to power contract income.

Design and production: Artbox AS artbox.no

FIVEN