ANNUAL REPORT

2023

Contents

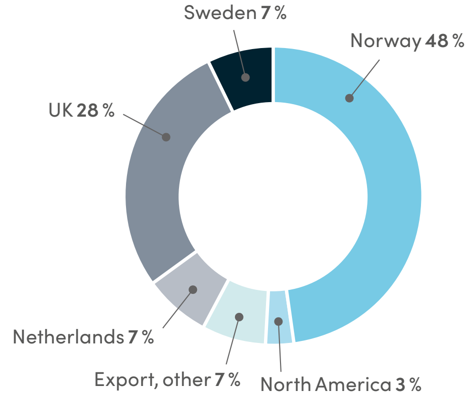
This is Fibo Group

Fibo Group is the global leader offering a waterproof and premium quality solution for wet room walls pioneered through 70 years legacy of continuous development.

The cost-efficient solution is built in a quick and easy installation process and is sold throughout Europe as well as North America and Oceania representing an eco-friendly alternative to other materials. The solution, with its highly attractive assortment of designs, is well-suited across multiple use cases and caters to a versatile range of end markets including renovation and/or construction of residential, commercial and public properties. With basis in an automated and digitalized production facility in Lyngdal, Norway, with ample room to increase production volumes, the Company is ready to meet increasing demand fueled by strong secular trends promoting cost-efficient and eco-friendly solutions.

GEOGRAPHICAL REVENUE DISTRIBUTION

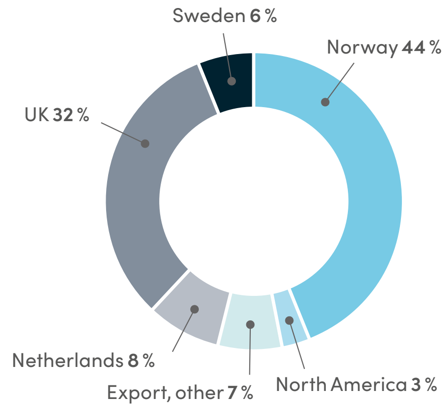
Net Sales per 31.12.2023



FIBO GROUP MAIN MARKETS

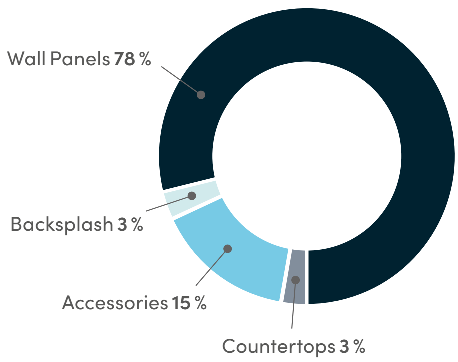
WALL PANELS — GEOGRAPHICAL REVENUE

Net Sales per 31.12.2023



REVENUE BY PRODUCT

Net Sales per 31.12.2023 (excluding UK)

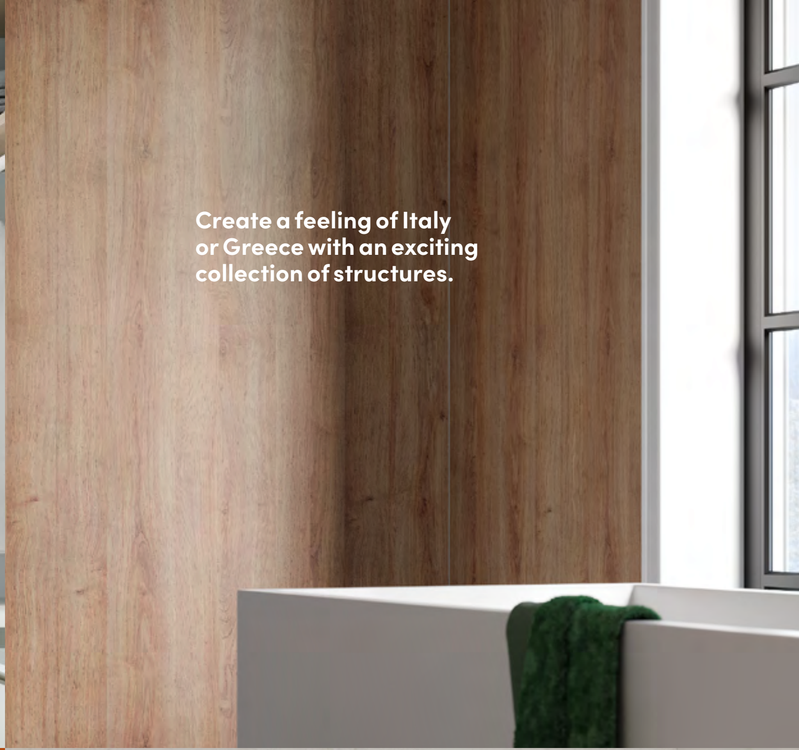


147 Number of employees

7 Legal units including parent company

4 Number of markets where Fibo is established

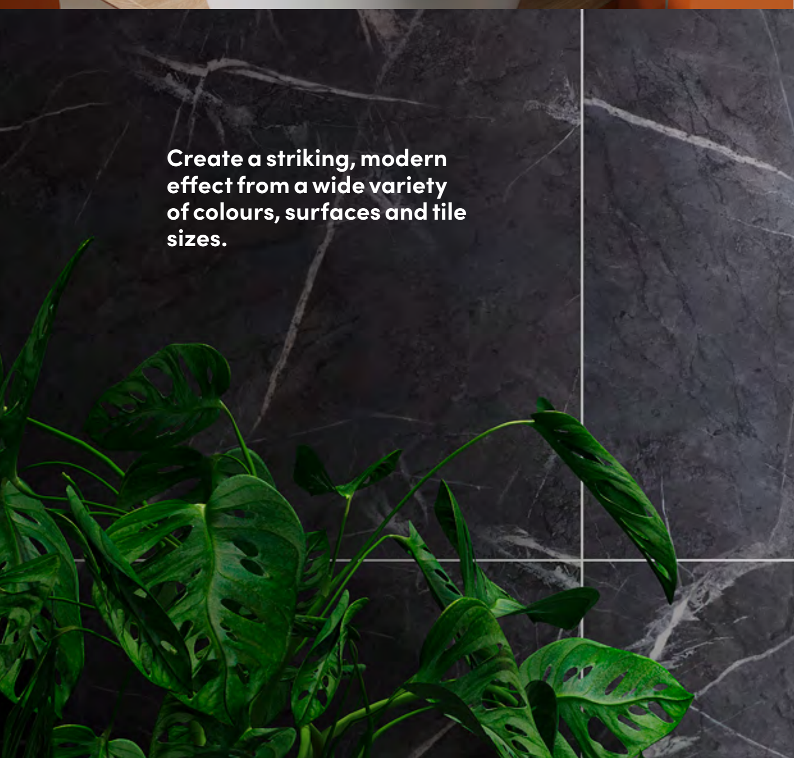
Basic Collection wall panels without a tile pattern. Choose from wood, cement, and stone surfaces, or the classic and clean whites.



Create a feeling of Italy or Greece with an exciting collection of structures.

For interior designers, architects and creative souls, Fibo offers the Colour Collection.

3D Collection is produced with height and surface differences providing a life-like and tactile surface.



Create a striking, modern effect from a wide variety of colours, surfaces and tile sizes.

Fibo kitchen board protects the splash zone against stains from water and cooking.

Highlights

Group key figures

NOKm / %	2023	2022
CONSOLIDATED INCOME STATEMENT		
Net Sales	**824.4**	800.2
Net Sales Growth	**3.0 %**	10.7 %
Contribution Margin	**298.8**	268.5
Contribution Margin %	**36.2 %**	33.6 %
EBITDA excluding non-recurring Items *)	**105.0**	91.0
EBITDA %	**12.7 %**	11.4 %
Non-recurring items	**17.2**	15.9
CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION		
Gross Debt	**574.6**	576.3
Cash and cash equivalents	**88.3**	100.8
Net Debt	**486.3**	475.5
Leverage Ratio	**4.6**	5.2

1) EBITDA presented is excluding non-recurring items and including IFRS 16.

2023

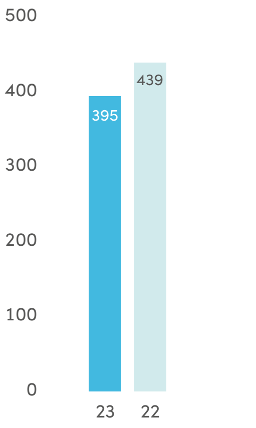
REVENUE
NOKm
824.4

REVENUE
Growth
+3%

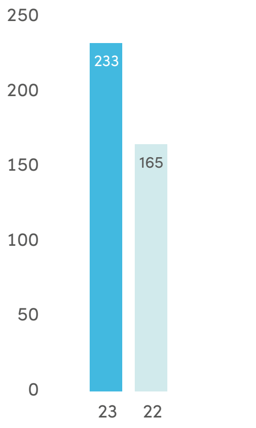
DOMESTIC
Growth
-10%

INTERNATIONAL
Growth
+19%

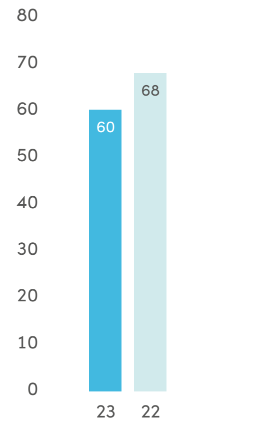
Norway
NOKm



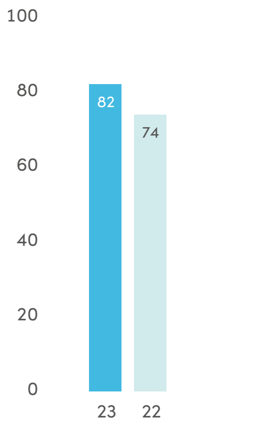
UK
NOKm



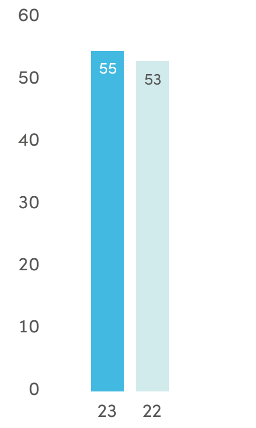
Netherlands
NOKm



Export, other
NOKm



Sweden
NOKm



The Fibo story

Fibo started out quite modestly as a small factory for wall panels from Norwegian wood. It became our mission to develop walls which make wet room challenges easy. Today, Fibo is a leading supplier of high-quality, waterproof wall systems. Our wall panels are much easier to install, more affordable and more eco-friendly than ceramic tiles. Over the latter years the group has also completed substantial investments in both assets and operations, which provides a sound platform for the future.

1952

The birth of Fibo headquartered in Oslo, Norway. Fibo was established, originally developing painted panels used in shipbuilding.

1960s

Fibo introduces wall panels for residential and commercial building and construction.

1987

Acquired by Norske Skog.

1990s

Fibo develop and launched a new click-joint system for laminated waterproof wall panel systems.

2000

Acquired by Byggma after being demerged from Norske Skog.

2007

New stand-alone production facility in Lyngdal.

2008 – 2009

10 % growth through the financial crisis and European expansion.

2010, 2013, 2015

Appointed the Lean Company Award in Norway ("Årets Lean bedrift").

2015

Acquired by FSN Capital IV and management (carved out from Byggma Group).

2016 – 2017

Expansion and modification of the Lyngdal facility (NOKm 140).

2017 – 2018

Invested in sales and marketing organisation to facilitate for international expansion.

2019

Delivered wet room wall panels corresponding to ~95 000 bathrooms p.a.

2020-2021

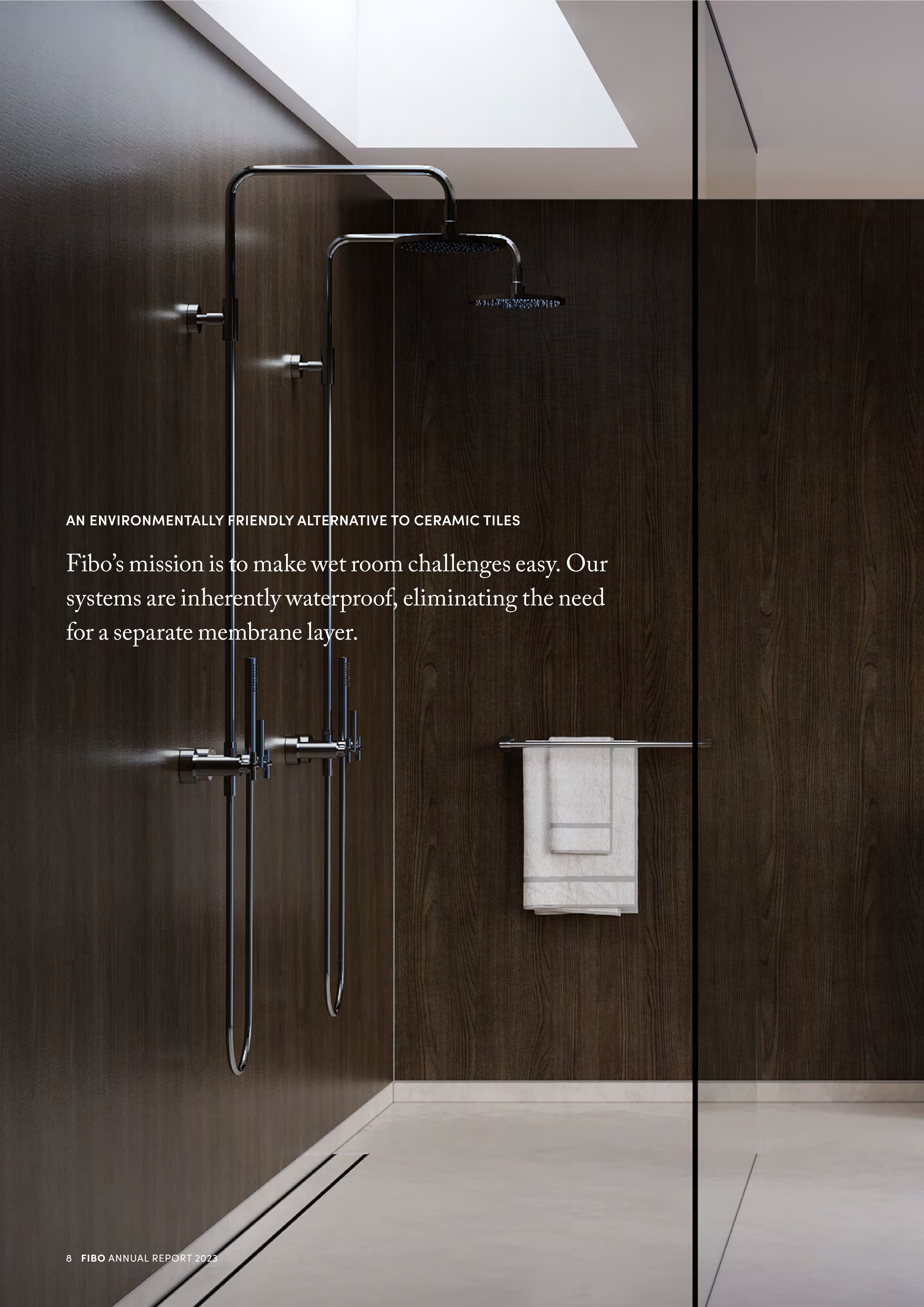
Growing through the Covid-19 pandemic.

2022

Successfully overcame a challenging supply chain situation with limited supply and increased raw material cost.

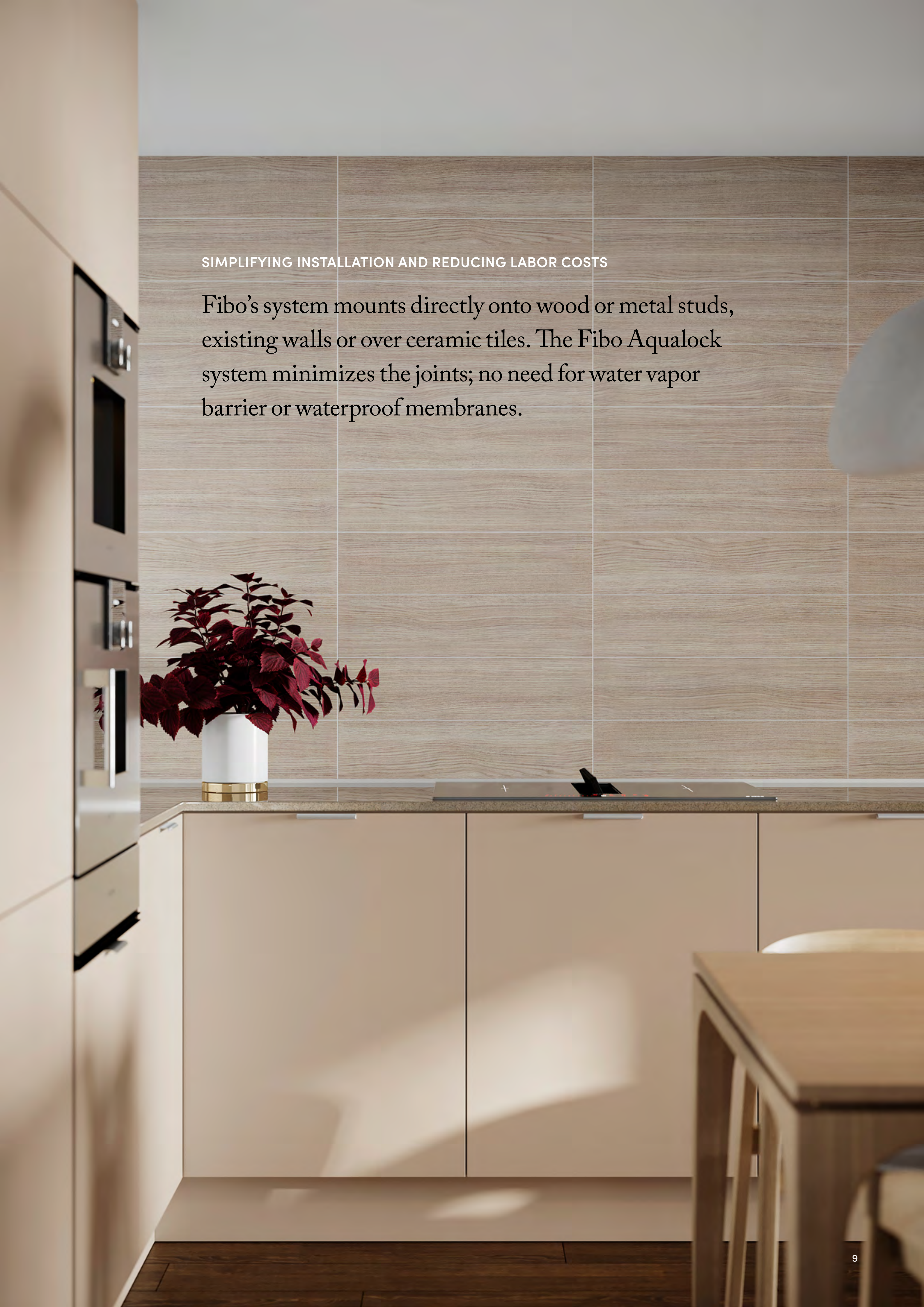
BASED IN LYNGDAL IN NORWAY, AND SERVING A GLOBAL MARKET

Fibo Group works with both residential and commercial customers. Fibo has been on the market for over 70 years: over 1 million installations in total and more than 2 million square meters produced and sold annually.



AN ENVIRONMENTALLY FRIENDLY ALTERNATIVE TO CERAMIC TILES

Fibo's mission is to make wet room challenges easy. Our systems are inherently waterproof, eliminating the need for a separate membrane layer.

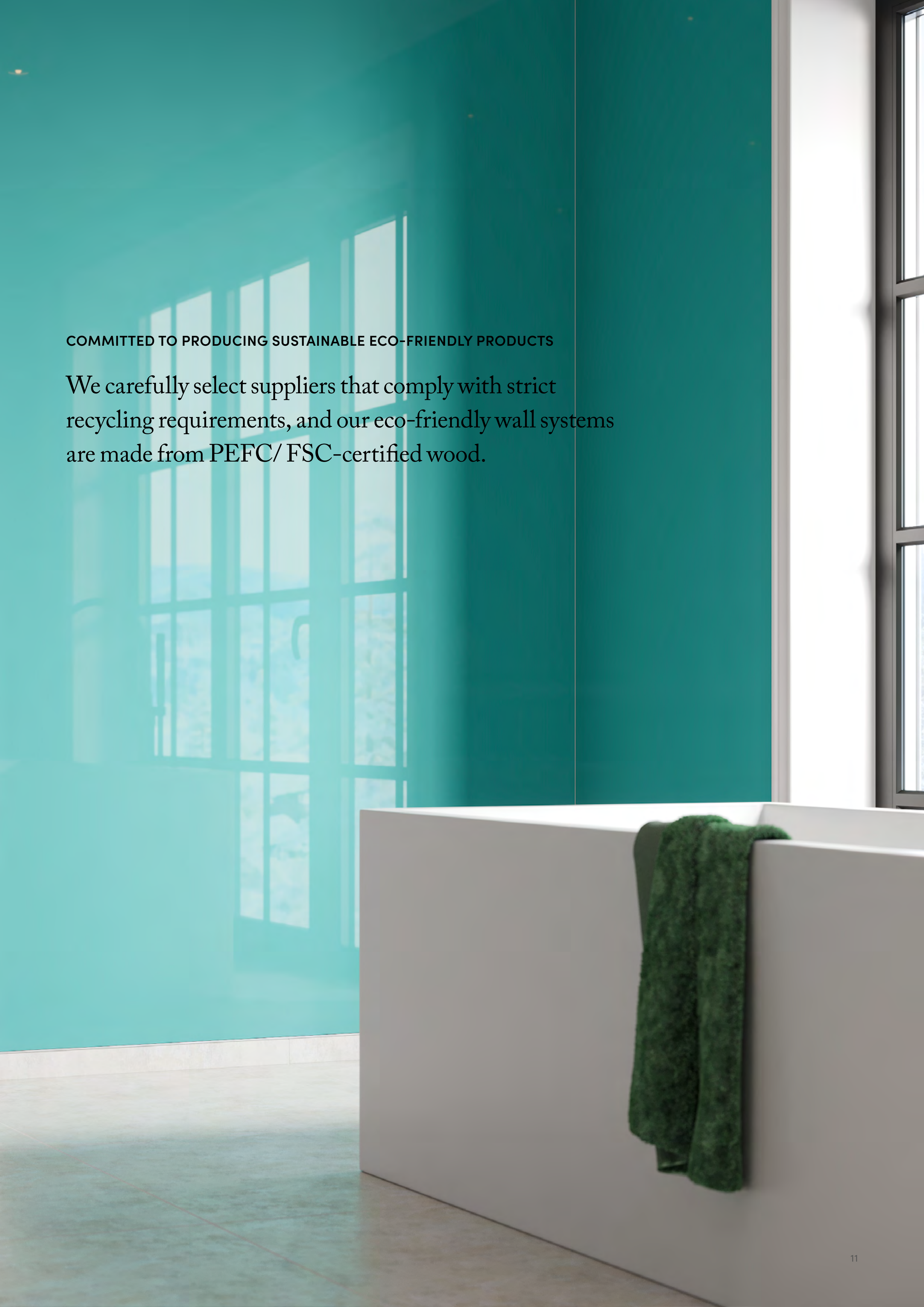


SIMPLIFYING INSTALLATION AND REDUCING LABOR COSTS

Fibo's system mounts directly onto wood or metal studs, existing walls or over ceramic tiles. The Fibo Aqualock system minimizes the joints; no need for water vapor barrier or waterproof membranes.

SYSTEMS FOR KITCHENS, BATHS AND OTHER WET ROOMS

Fibo wall panels are 100 % waterproof, durable, easy to install and can be seen in numerous high profile buildings around the globe.



COMMITTED TO PRODUCING SUSTAINABLE ECO-FRIENDLY PRODUCTS

We carefully select suppliers that comply with strict recycling requirements, and our eco-friendly wall systems are made from PEFC/ FSC-certified wood.

Board of directors' and CEO's report

Fibo Group AS (the company) and its subsidiaries (together, the Group) develop and manufacture waterproof wall panel solutions, countertops and other laminated products which are marketed and sold under the Fibo brand name. The main customers are builder's merchants, house builders and distributors. The Group's headquarters are in Oslo, with production facilities located in Lyngdal, Norway. In addition to the country-wide sales organization in Norway, export sales offices are located in the United Kingdom, Sweden and Finland.

THE YEAR IN BRIEF

As part of the Group's internationalization strategy, investment in the sales and marketing organization outside Norway has continued. The results from these efforts are considered to be satisfactory, with a combined growth rate of 19% for international sales in 2023. Based on feedback from customers in new geographical markets, there is significant potential for accelerated international growth in the years to come.

To support growth in both domestic and international markets, innovation and product development are continuous, and prioritized endeavors. During 2023, new product designs have been launched, with very positive feedback from customers. In addition to new designs, several other initiatives are ongoing with the aim of strengthening the Group's product offering through improved technical performance and reduced installation complexity.

Throughout the year, the Group has worked to strengthen its processes within different business areas. To meet the customers' needs and requirements in the best possible way, the Group's value proposition towards professionals and consumers has been further developed. Furthermore, the Group continues to invest in digital channels with relevant content, to create an appealing customer experience online. Fibo obtained good results from a recently conducted customer survey and the Net Promoter Scores (NPS) is at a good level.

During the last eight years, a comprehensive investment program has been completed with the purpose of securing operational targets and stable and cost-efficient production for the future. To further accelerate efficiency, the Group continues its digitalization program. The purpose of this is to develop an integrated production environment with a higher automation level and extensive data analysis, as a basis for adopting AI and machine learning.

GOING CONCERN

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the years 2024-2027 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

COMMENTS RELATED TO THE FINANCIAL STATEMENTS

Revenue reached NOKm 824,4 in 2023 compared to NOKm 800,2 in 2022, representing a revenue growth of 3%. Revenue from export markets increased by 19% during the year, while domestic sales decreased by 10% impacted by the decline in the new build market driven by the macroeconomic situation.

Total Operating Profit increased by NOKm 8,5 or 17,6% vs. last year mainly due to international growth and 2022 price increases being fully effective in 2023.

Net finance ended at NOKm -71,4, compared to NOKm -62,7 in 2022.

Net loss after tax amount to NOKm 17, compared to a loss of NOKm 14,3 in 2022.

Net cash flow from operating activities decreased from NOKm 25,6 in 2022 to NOKm -3,2, mainly due to changes in interest rates on the bond, classified under operating activities under IFRS. Excluding interest payments, the cash flow from operating activities would have decreased from NOKm 69,3 to NOKm 63,8. The NOKm 5 negative net cash flow from investing activities refers to maintenance capital expenditure in production and business support systems. Net cash flow from financing activities was NOKm -6,6, compared to NOKm –28,9 in 2022. The liquidity reserve as of year-end declined to NOKm 88,3, compared to NOKm 100,8 in 2022.

Fibo Group AS and its owner hold a NOK 500m senior secured bond issue with a tenor of 3 years and a coupon rate of 3m NIBOR + 6.00% p.a. The bonds are subject to Incurrence test (ratio of net debt to EBITDA) in case of tap issue or distribution to the shareholders. The carrying amount of the senior secured bond loan as of 31 December 2023 is NOKm 496 consisting of a face value loan of NOKm 500, reduced with capitalized costs of NOKm 4.

Considering the liquidity reserves, the financial position is sound and adequate. Total assets at year-end amounted to NOKm 814,1 vs. NOKm 851,7 in 2022.

For Fibo Group AS, revenue in 2023 was NOKm 16,1 compared to NOKm 30,9 in 2022, while Net profit after tax increased to a profit of NOKm 1,3 from a loss of NOKm 12,7 in the previous year. The liquidity reserve as of year end 2023 amounted to NOKm 28,4 compared to NOKm 9,4 in 2022. The financial position is sound.

Total assets at year-end amounted to NOKm 536 vs. NOKm 529 in 2022. The equity ratio at year-end remains at 3%, as in 2022.

FINANCIAL RISK

The Group is exposed to financial risk in different areas, in particular exchange rate risk, and initiatives to reduce the financial risk are considered on a continuous basis.

Market risk

The Group has operations in Norway, UK, the United States of America, Sweden and Finland. Net income from these operations is presented in NOK and thus affected by changes in exchange rates. The operating entities' day-to-day business is carried out in their local currency, while inter-company purchases of goods are carried out in the selling entity's local currency denomination.

A dominating part of raw materials are purchased from suppliers denominated in EUR and USD. These currency cash flows are partially balanced by cash flows from international sales, which grew 19% in 2023.

During the period, the Group has not made any set-off or other derivative agreements to reduce the market risk.

Credit risk

Following factoring agreements, losses on receivables have been insignificant. Gross credit risk exposure per 31.12.23 is NOKm 54,4 (NOKm 58,5 in 2022). The above figures do not include inter-company receivables.

The Group has not made any set-off or other derivative agreements to reduce the credit risk.

Liquidity risk

The Group's liquidity is considered satisfactory and free available cash secures sufficient liquidity to meet operational needs and financing of investments.

The Group has not made any set-off or other derivative agreements to reduce the liquidity risk.

Fibo has a Directors and Officers Liability Insurance in place. The insurance covers the members of the Board of Directors, the CEO and group management. The insurance policy is issued by a reputable specialized insurer with appropriate rating, and protects Fibo's directors, officers and any employees that can incur personal liability for claims made against them in respect of actual or alleged acts in their capacity as directors and officers.

WORKING ENVIRONMENT AND EMPLOYEES

Leave of absence due to illness in 2023 was in average 2% for short-term and 3% for long-term.

The Group had one work-related accident with personal injuries in 2023. Action has been taken to avoid and minimize the risk of future accidents.

The working environment is considered to be good, and improvement efforts are made on an ongoing basis. The results from these efforts are confirmed by good results in the employee survey conducted for 2023 with a Net Promoter Score (NPS) of 48% (on a scale from 0 to 100 %), an improvement from 2022 score of 30%.

Cooperation with employee trade unions has been constructive and contributed positively to operations. The Board wishes to thank the employees for their positive contribution during 2023.

CODE OF CONDUCT

The Group has implemented a Code of Conduct, including Ethical guidelines, Environmental and Corporate Social Responsibility and Reporting procedures.

EQUAL OPPORTUNITIES

The Group aims to be a workplace with equal opportunities, and encourages women to apply for open positions in the Group. The number of man-years employed during 2023 was 151, of which 30% were women, further elaborated in the ESG report, available on the group's website www.fibosystem.com.

DISCRIMINATION

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion, and faith. The Group is working actively to encourage the act's purpose within our business, further elaborated in the annual report of the Group's ESG report.

ENVIRONMENTAL

The Group's operations comply with local and national regulations. Waste from production facilities is not considered harmful to the environment. Most of the production waste is recycled or recovered for energy use in the production process, and the group has a concession for this, granted by local authorities.

Raw materials used in production meet the requirements of a PEFC certification. The completed investments in production facilities will have a positive environmental impact through a significant reduction in power consumption.

The Group publishes an annual ESG (Environmental, Social and Governance) report on its website www.fibosystem.com.

The Group complies with the Transparency Act and refers to it on its website www.fibosystem.com.

OUTLOOK

For Norway, the Group's largest market, growth is expected to be moderate, despite a continued decline in the building of new residential homes and high interest rates.

Despite the Group's strong market share in Norway for wet-room wall panels, the relative market share when including tiles, wallpaper and paint is comparatively low. Given the advantages of the Group's products compared to competitors and substitutes, including the environmental footprint, the potential for continued growth from increased market penetration is therefore positive, especially in export markets where we have seen a high growth during 2023.

The Group's investments in markets outside of Norway are expected to contribute significantly to growth in coming years, and the British market is already demonstrating strong traction, which is expected to continue during the next year.

The Board emphasizes the general uncertainty related to future market development and all statements related to the future are based on the best current knowledge.

Oslo, 22 April 2024
The Board of Directors of Fibo Group AS

Lars Patrik Nolåker	**Åsa Söderström Winberg**	**Wenche Gabrielsen**	**Eirik Hjeltnes Wabø**	**Eskil Gunderson Koffeld**	**Torbjørn D. Kvinnesland**	**Anders Carlson**
Chairman of the board	*Board member*	*Board member*	*Board member*	*Board member*	*Board member*	*CEO/President*

Consolidated Financial Statements

Consolidated income statement

NOK 1000	Note	2023	2022
Revenue	1	**824 493**	800 160
Total revenue		**824 493**	800 160
Raw materials and consumables used	2	**433 499**	444 019
Salary and personnel costs	3, 4	**129 026**	124 913
Depeciation and amortization	5, 6, 7	**28 073**	26 740
Other operating expenses	8, 16	**174 583**	156 122
Other gains and (losses) net	9	**2 642**	180
Total operating costs		**767 823**	751 974
Total operating profit		**56 670**	48 186
Finance income	9	**3 054**	1 194
Finance expense	9	**-74 532**	-63 927
Net finance		**-71 478**	-62 733
Net profit(loss)		**-14 808**	-14 547
Income tax expense	10, 24	**2 195**	-225
Net profit (loss) after tax		**-17 003**	-14 322
Attributable to:			
Equity holders of the parent	11	**-17 003**	-14 322
Earnings per share, ordinary and diluted	11	**-0.055**	-0.048

Consolidated statement of comprehensive income

NOK 1000	2023	2022
Net profit (loss) after tax	**-17 003**	-14 322
Internal profit on inventory Fibo UK	**-1 410**	
Exchange differences	**1 673**	-256
Net other comprehensive income	**264**	-256
Total comprehensive income/(loss) for the year	**-16 739**	-14 578

Consolidated statement of financial position

NOK 1000	Note	31.12.23	31.12.22
ASSETS			
Non-current assets			
Property, plant and equipment	6, 12	**65 271**	75 957
Intagible assets	5, 13	**403 376**	407 453
Right-of-use assets	7	**64 930**	67 637
Deposit fonds	3, 12, 14, 24	**10 269**	6 890
Other non-current assets	14, 15	**399**	368
Total non-current assets		**544 245**	558 305
Current assets			
Inventories	2, 12, 15	**118 782**	128 006
Accounts receivable	12, 15, 16	**52 943**	57 634
Other current assets	14, 15	**9 882**	6 994
Cash and cash equivalents	12, 17	**88 287**	100 774
Total current assets		**269 894**	293 408
Total assets	1	**814 139**	851 714
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	18	**29 845**	29 845
Share premium account	18	**16 100**	16 100
Total paid in capital		**45 945**	45 945
Other equity			
Retained earnings		**-11 746**	6 155
Total other equity		**-11 746**	6 155
Total equity	22	**34 199**	52 100
Non-current liabilities			
Deferred tax liabilities	10, 24	**32 897**	35 870
Interest-bearing loans and borrowings, non-current	9	**496 163**	492 622
Pension obligation	3, 12, 24	**10 642**	6 890
Leasing liabilities, non-current	7	**69 987**	70 564
Total non-current liabilities		**609 689**	605 946
Current liabilities			
Loans and other current liabilities to parent company	19	**2 490**	
Leasing liabilities, current	7	**12 803**	13 128
Accounts payable and other current liabilities	15, 20, 21, 23	**148 793**	180 541
Current income taxes payable	10	**6 165**	
Total current liabilities		**170 251**	193 669
Total liabilities	1	**779 940**	799 615
Total equity and liabilities		**814 139**	851 714

Oslo, 22 April 2024
The Board of Directors of Fibo Group AS

Lars Patrik Nolåker *Chairman of the board*	**Åsa Söderström Winberg** *Board member*	**Wenche Gabrielsen** *Board member*	**Eirik Hjeltnes Wabø** *Board member*	**Eskil Gunderson Koffeld** *Board member*	**Torbjørn D. Kvinnesland** *Board member*	**Anders Carlson** *CEO/President*

Statement of changes in equity

NOK 1000	capital	Share premium	Share reserves	Translation and losses	Accumulated profits Total equity
Equity as at 31.12.2021	32 829	271 101	392	24 912	329 234
Total comprehensive income					
Net profit for the period				–14 323	–14 323
Other comprehensive income net of tax			–256		–256
Total comprehensive income	–	–	–256	–14 323	–14 579
Transactions with owners of the company					
Dividends		–255 000			–255 000
Capital reduction	–2 984				–2 984
Group contribution				–4 571	–4 571
Total transactions with owners of the company	–2 984	–255 000	–	–4 571	–262 555
Equity as at 31.12.2022	29 845	16 100	136	6 019	**52 100**
Total comprehensive income					
Net profit for the period				–17 003	**–17 003**
Other comprehensive income net of tax			264		**264**
Total comprehensive income	–	–	264	–17 003	**–16 739**
Transactions with owners of the company					
Group contribution				–1 162	**–1 162**
Total transactions with owners of the company	–	–	–	–1 162	**–1 162**
Equity as at 31.12.2023	29 845	16 100	400	–12 146	**34 199**

Consolidated cash flow statement

NOK 1000	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	10	**-14 808**	-14 548
Adjustments for:			
— Income taxes paid		**-3 810**	-10 141
— Depreciation and amortization	5, 6, 7	**28 073**	26 740
— Net finance and other gains and losses	9	**74 120**	62 913
— Interest and other financial expenses paid	9, 24	**-67 009**	-43 721
— Payments of lease liabilities, interest	7, 24	**-7 555**	-7 947
— Interest received	9, 24	**3 051**	1 193
Changes in working capital	15	**-15 269**	11 093
Net cash flow from operating activities		**-3 207**	25 582
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and intagibles	6	**-5 053**	-9 242
Net cash flow used in investing activities		**-5 053**	-9 242
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**-**	500 000
Repayment of borrowings		**-**	-250 000
Payments of lease liabilities	7	**-5 152**	-4 397
Capital reduction			-2 983
Transaction cost related to borrowings			-10 625
Group contribution paid to owner		**-1 490**	-5 860
Dividens paid to parent company			-255 000
Net cash flow from financing activities		**-6 642**	-28 865
Net currency translation effect on bank accounts		**2 415**	332
Net increase/decrease in cash and cash equivalents		**-14 902**	-12 525
Cash and cash equivalents at beginning of period		**100 774**	112 967
Cash and cash equivalents at end of period	17	**88 287**	100 774

Accounting principles

GENERAL INFORMATION

1.1 CORPORATE INFORMATION

The consolidated financial statements ('the Statements') of Fibo Group AS ('the Company') and its subsidiaries ('the Group') for the year ended 31 December 2023 were authorized for issue by the board of directors in their meeting on 22 April 2024. The Group's shareholders have the power to approve and reissue the Statements. The company is a limited liability company, incorporated in Norway, with corporate headquarters in Oslo. The address of its registered office is Karenslyst Alle 53, 0279 Oslo.

Fibo Group AS ('the Company') and its subsidiaries (together, 'the Group') is in the business of development, production, marketing and sale of wall panels and other laminated products. The production is carried out in Lyngdal, Norway. The Group has sale offices in UK, Sweden and Finland in addition to Norway. The main customers are builder merchants, distributors and the manufacturing home industry.

1.2 GROUP INFORMATION

The following entities are included in the consolidated annual statement:

Company	Place of incorporation	Main operations	Ownership interest 2023 & 2022	Voting power 2023 & 2022
Fibo AS	Lyngdal, Norway	Production and marketing	100 %	100 %
Fibo AB	Stockholm, Sweden	Marketing and sales	100 %	100 %
Fibosystem Finland OY	Helsinki, Finland	Marketing and sales	100 %	100 %
Fibo UK Ltd	Chesham, UK	Marketing and sales	100 %	100 %
Fibo USA LLC	Delaware, USA	Dormant	100 %	100 %

Shares in subsidiaries have been pledged as security for bank loans, see note 12.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accoutning Standards as approved by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and financial liabilities at fair value through profit or loss.
- Defined contribution pension plans — plan assets measured at fair value.

The consolidated financial statements are presented in Norwegian kroner (NOK). Amounts are rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

2.1.1 Changes in accounting policy and disclosures

Amended standards and interpretations
In 2023, there are few revisions by the International Accounting Standards Board to the financial reporting requirements in accounting policies. There are no amendments that significantly effects the financial reporting in 2023. See note 24 for minior changes in 2023.

2.2 CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and any equity interests issued by the Group to the former owners of the acquired subsidiary. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the loss indicates an impairment situation.

When necessary, amounts reported by subsidiaries, have been adjusted to conform to the Group's accounting policies.

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in NOK, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly exchange rates, unless this deviates significantly from actual rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses are presented in the income statement within 'Other (losses)/ gains'.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

2.4 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Machinery and equipment
5 to 15 years

Software – ERP systems
5 to 10 years

Computers
3 years

Furniture, fixtures, fittings and vehicles
5 to 10 years

Leasehold improvements
Shortest of useful life and leasing period of contract

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income or other operating expenses in the income statement.

2.5 INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the country level.

Customer relationships, brands and product features

Customer contracts, customer relationships, brands and product features acquired in a business combination are recognized at fair value at the acquisition date. They are carried at cost less accumulated amortization.

Amortization is calculated using the straightline method to allocate the cost over their estimated useful lives as follows:

Customer relationships
10 years

Brands
Infinite

Product features
5 to 10 years/indefinite

Computer software

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when all of the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Computer software development costs recognized as assets are amortized over their estimated useful lives, as follows:

Software – ERP systems
5 to 10 years

Research and development

Research expenditure and development expenditure that do not meet the criteria above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Product development costs recognized as assets are amortized over their estimated useful lives, as follows:

Product development
4 years

2.6 IMPAIRMENT OF INTANGIBLE ASSETS

Goodwill, intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortization and are tested annually for impairment. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

2.7 FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of issue of financial assets and liabilities are added to or deducted from fair value of the financial asset or liability, as appropriate, on initial recognition. However, transaction costs for instruments subsequently measured at fair value through profit and loss are recognized immediately in profit or loss.

2.7.1 Subsequent measurement

Financial assets

All recognized financial assets are subsequently measured at either amortized cost or fair value, based on the business model for managing financial assets and the characteristics of the contractual cash flows from the financial assets.

The Group holds loans and receivables (including trade receivables and other receivables, bank balances and cash) within the business model hold to collect contractual cash flows. These financial assets are subsequently measured at amortized cost using the effective interest model, less any impairments identified.

Financial liabilities

The Group classifies and measures its financial liabilities, including borrowings and trade and other payables, at amortized cost using the effective interest model. Transaction costs related to the establishment of credit facilities are treated similar to the above description to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

2.7.2 Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flow from the assets expire, or when it transfers the financial assets and substantially all risks and rewards of ownership of the asset to another party.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

2.7.3 Impairment of financial assets

Assets carried at amortised cost

The group recognizes an allowance for expected credit losses (ECL's) for all debt instruments not held at fair value through profit and loss. ECLS are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows the group expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables the Group applies the simplified approach in calculating ECLs.

2.7.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.7.5 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.8 INVENTORIES

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 CASH AND CASH EQUIVALENTS

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition.

2.10 CURRENT AND DEFERRED INCOME TAX

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.

Current end deferred tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized for:

- taxable temporary differences arising on initial recognition of goodwill

Temporary differences on the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries to the extent the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.11 EMPLOYEE BENEFITS

Pension obligations

The Group operates defined contribution pension plans.

In defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits at the earlier of the following dates:

a) when the Group can no longer withdraw the offer of those benefits; and

b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Bonus plans

The Group recognizes a liability and an expense for bonuses when the bonus has been earned by the employee based on the bonus agreements with its employees. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.12 PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognized when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.13 ISSUED CAPITAL

Ordinary shares together with preference shares and share premium are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 REVENUE RECOGNITION

Sale of wall panels

The Fibo Group is in the business of manufacturing and selling laminated wall panels and related products. The sale of wall panels and related products are satisfied upon transfer of control over the panels to the customer which in general is upon delivery to the customer. Each order/delivery is considered as a performance obligation that is satisfied at a point in time.

Rights of return

The Group has historically accepted that customers in specific cases can return unsold inventory if the Group discontinues a product line. These returns are infrequent and immaterial, and are made at the discretion of management. The Group uses the expected value method to estimate the goods that will not be returned. For goods that are expected to be returned the Group recognizes a refund liability.

Variable consideration

The group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold in the contract. To estimate the variable consideration for the expected future rebates the Group applies the most likely mount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

Warranties

The Group generally provides warranties in line with normal business practices and does not provide extended warranties in its contracts with customers. As such, most existing warranties will be assurance-type warranties under IFRS 15, which is accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

2.15 GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.16 LEASES

The Group has lease contracts for buildings related to its production plant in Lyngdal, Norway, its head office in Norway and to various items of machinery, vehicles and other equipment.

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of- use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Property and plant
15 years

Machinery and equipment
5-15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. To determine the incremental borrowing rate the Group, where possible, uses its recent third-party financing for the contracting entity as a starting point. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset

2.17 DIVIDEND DISTRIBUTION

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

Below is a description of the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by Group management under directions approved by the board of directors. Group management identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating units.

Market risk

i) Foreign exchange risk
The Group has operations in Norway, UK, the United States of America, Sweden and Finland, and is exposed to foreign exchange risk arising from currency exposures related to Norwegian kroner. The carrying amount of the Group's net investment in foreign entities varies with changes in the value of NOK compared to GBP, USD, SEK and EUR.

The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using average exchange rates for the period. The operating entities' day to day business is carried out in their local currency. The operating entities have no foreign exchange exposure related to purchase of goods from the Norwegian group company as sales are denominated in respective local currency.

The Group purchases most of its raw materials from suppliers denominated in EUR and USD. The Group may from time to time enter into currency derivatives to reduce cash flow impact caused by currency fluctuations. In such case, the derivatives are recognized at fair value in the balance sheet.

The Bond issue is denominated in NOK.

ii) Price risk
The Group is exposed to financial risks arising from changes in commodity prices, primarily plywood and laminate. The Group considers the outlook for plywood and laminate regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. To mitigate or hedge the price risk, Group companies may enter into a forward contract to buy the commodity at a fixed price at a future date.

iii) Cash flow and fair value interest rate risk
The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers.

The carrying amount of financial assets represents maximum credit exposure.

Credit risk is managed on Group basis, except for credit risk relating to customers. Each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. The credit quality of the customer takes into account its financial position, past experience and other factors.

See note 16 for aging of accounts receivable.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated at Group level. At Group level rolling forecasts of the Group's liquidity requirements are monitored to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

3.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In addition, the Group has covenants requirements related to leverage, cash and capital expenditure, which is monitored closely.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents.
Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

3.3 FAIR VALUE ESTIMATION

The Group classifies its financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment test
Key assumptions underlying recoverable amount

As part of the business combination, the Group identified intangible assets, such as customer relationships, brands, product features and goodwill. The impairment test carried out showed that the goodwill is not impaired as at December 31, 2023. However, the impairment test is based on several assumptions concerning the future, where unfavourable development might cause a need for recognition of an impairment loss. EBITDA margin, terminal value and discount rate has been identified as being the most significant.

Leases

Estimating the incremental borrowing rate and contract extensions.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The Group's leasing contracts include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the leases.

Notes to the consolidated financial statements

NOTE 1 SEGMENTS AND REVENUE INFORMATION

For management purposes the Group is organised in two business units based on geographical areas. All the Groups products are produced at the manufacturing plant in Lyngdal, Norway, and sold to the wholly owned subsidiares listed under corportate information, for resale in local markets. In addition there is direct sales from Norway to customers abroad. The internal financial reporting follows current IFRS Accounting Standards as described in the notes to these Group financial statements. The geographical segments outside Norway are grouped together as they are similar with respect to products sold, customers and distribution methods. Direct sales from Norway to foreign, non-interagroup customers is also included in the Export segment.

NOK 1000	Norway	Export	Total segments	Elimination and group items	Consolidated
2023					
Revenue					
External customers	401 272	423 221	824 493		**824 493**
Intersegment	163 132	-	163 132	-163 132	-
Total revenue	564 404	423 221	987 625	-163 132	**824 493**
Segment EBITDA	40 901	31 359	72 260	1 987	**74 247**
Depreciation and amortization	15 533	1 791	17 324	10 749	**28 073**
Segment EBIT	25 368	29 568	54 936	-8 762	**46 174**
Total assets	725 889	122 145	837 765	-33 895	**814 139**
Total liabilities	613 918	105 794	708 697	60 227	**779 940**
2022					
Revenue					
External customers	439 223	360 937	800 160	-	800 160
Intersegment	118 563	-	118 563	-118 563	-
Total revenue	557 786	360 937	918 723	-118 563	800 160
Segment EBITDA	45 448	24 774	70 222	4 884	75 106
Depreciation and amortization	26 041	465	26 506	252	26 758
Segment EBIT	19 407	24 309	43 716	4 632	48 348
Total assets	701 029	83 161	784 190	60 634	844 824
Total liabilities	225 373	45 305	270 678	522 046	792 724

NOK 1000	2023	2022
Revenue by product		
Wall panels and countertops	**716 966**	690 269
Other	**107 527**	109 891
Total revenue	**824 493**	800 160
Timing of revenue recognitin		
Goods transferred at a point in time	**824 493**	800 160
Revenue by jurisdiction		
Revenue Norway	**394 684**	439 223
Revenue UK	**232 641**	165 417
Revenue Sweden	**54 525**	53 498
Revenue other export markets	**142 643**	142 022
Total revenue	**824 493**	800 160

NOTE 2 INVENTORIES

NOK 1000	2023	2022
Raw materials	**63 411**	75 311
Work in progress	**1 379**	2 370
Finished goods	**42 820**	40 441
Wholesale goods	**16 409**	14 543
Total as at 31 December	**124 020**	132 665
Obsolete goods	**-5 237**	-4 660
Total as at 31 December	**118 782**	128 006

Inventories have been pledged as security for bank loans, see note 12.

NOTE 3 SALARIES AND PERSONNEL EXPENSES AND MANAGEMENT REMUNERATION

NOK 1000	2023	2022
Salaries and holiday pay	**101 548**	97 480
Social security cost	**15 277**	13 845
Pension costs (note 23)	**6 844**	4 967
Other personnel costs	**5 357**	8 621
Total salaries and personnell expenses	**129 026**	124 913
The number of man-years employed during the financial year:		
Norway	**122**	124
Sweden	**4**	4
Finland	**2**	2
UK	**25**	17
Total	**153**	147

NOK 1000	Remuneration	Bonus	Pension cost	Total
2023				
Anders Carlson, CEO	1 885	15	2 886	**4 786**
Paula Teixidor Bustins, CFO	1 424	38	85	**1 547**
2022				
Anders Carlson, CEO	2 872	1 509	811	**5 192**
Paula Teixidor Bustins, present CFO	346		17	**363**
Per Richard Olsen, former CFO	1 918	333	64	**2 315**

The CEO takes part in an incentive program in which an annual bonus is calculated based upon the company's EBITDA. The CEO is entitled to a compensation of 6 months salary at termination. The CEO has not received remuneration or financial benefits from other companies in the Group other than what is stated above. No loans or guarantees have been given to the CEO or the Board of directors. No remuneration has been paid to the Board of Directors.

The CEO has a seperate deposit fund in Fibo Group Filiale AB related to high earned pension. This is related to the non-current pension obligation with the amount of NOKt 10 642. In comparison this amount were NOKt 6 890 in 2022.

	2023	2022
Shares in the parent company Fibo Holding AS, held or controlled by CEO and board members		
Anders Carlson, CEO	**10 458 492**	10 458 492
Patrik Nolaker, Chairman	**7 756 000**	7 756 000
Åsa Söderstrøm Winberg, board member	**1 209 044**	1 209 044
Total	**19 423 536**	19 423 536

NOTE 4 PENSIONS AND OTHER LONG-TERM EPMLOYEE BENEFITS

The Group's companies in Norway, Sweden, Finland and UK have defined contribution plans in accordance with local laws. The contribution plans cover full-time employees and for Fibo AS amounts to 5% of the salary between 0G and 7G and 8,5% of salary exceeding 7G and up to 12G. The employees may manage the investments through an agreement with the insurance company. The contribution is expensed when it is incurred. As of 31.12.2023 there were 120 members covered by the schemes. In Norway, the Group is part of a partly government funded plan (AFP). The plan gives a lifelong contribution to the ordinary pension. The employees can choose to exercise the new AFP-scheme starting at the age of 62 years, also in combination with continued work, and the annual regular post-employment benefits increases in the new scheme if early AFP retirement is rejected. The new AFP-scheme is a defined benefit multi-employer plan which is financed through contributions that are determined by a percentage of the employee's earnings. There is currently no reliable measure and allocation of liabilities and assets in the plan. The plan is accounted for as a defined contribution plan which means that the contributions are recognised as expenses with no provisions.

NOK 1000	2023	2022
Cost of defined contribution pension plans	**6 844**	4 967

NOTE 5 INTANGIBLE ASSETS

NOK 1000	Goodwill	Customer relationships	Brands	Design and technology	R&D	Total
Balance as at 1 January 2021	246 800	15 122	101 895	52 583	135	**416 535**
Additions during the period				-	-	-
Reallocation				-920	920	-
Amortisation		-3 424		-611	-705	**-4 740**
Net carrying amount as at 31 December 2021	246 800	11 698	101 895	51 052	350	**411 795**
Balance as at 1 January 2022	246 800	11 698	101 895	51 052	350	**411 795**
Additions during the period				-	-	-
Reallocation				-	-	-
Amortisation		-3 424		-611	-308	**-4 342**
Net carrying amount as at 31 December 2022	246 800	8 274	101 895	50 441	42	**407 453**
Acquisition cost as at 1 January 2022	246 800	34 241	101 895	61 790	2 129	**446 855**
Accumulated depreciations as at 1 Jan. 2022	-	-22 543	-	-10 738	-1 779	**-35 060**
Net carrying amount as at 1 January 2022	246 800	11 698	101 895	51 052	350	**411 795**
Acquisition cost as at 31 December 2022	246 800	34 241	101 895	61 790	2 129	**446 855**
Accumulated depreciations as at 31 Dec. 2022	-	-25 967	-	-11 349	-2 087	**-39 403**
Net carrying amount as at 31 December 2022	246 800	8 274	101 895	50 441	42	**407 452**
Additions during the period						-
Depreciation		-3 423		-611	-42	**-4 076**
Net carrying amount as at 31 December 2023	246 800	4 851	101 895	49 830	-	**403 376**
Accumulated depreciations as at 31 Dec. 2023	-	-29 390	-	-11 960	-2 129	**-43 479**
Economic life	Indefinite	10 years	Indefinite	10 years	4 years	
Depreciation method		Straight line		Straight line/ indefinite	Straight line	

Goodwill and other intangible assets with an indefinite useful life is not amortized, but tested yearly for impairment. Refer to note 13 for the impairment test.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

NOK 1000	Assets under construction	Machinery and equipment	Furniture and vehicles	Total
Acquisition cost as at 1 January 2022	3 729	162 741	6 170	**172 640**
Accumulated depreciations as at 1 January 2022		-85 637	-4 705	**-90 342**
Net carrying amount as at 1 January 2022	3 729	77 104	1 465	**82 298**
Acquisition cost as at 31 December 2022	3 729	171 084	7 119	**181 932**
Accumulated depreciations as at 31 December 2022		-100 432	-5 544	**-105 976**
Net carrying amount as at 31 December 2022	3 729	70 652	1 575	**75 956**
Acquisition cost as at 1 January 2023	3 729	162 741	6 170	**172 640**
Accumulated depreciations as at 1 January 2022		-85 637	-4 705	**-90 342**
Net carrying amount as at 1 January 2022	3 729	77 104	1 465	**82 298**
Acquisition cost as at 31 December 2022	3 729	171 084	7 119	**181 932**
Accumulated depreciations as at 31 December 2022		-100 432	-5 544	**-105 976**
Net carrying amount as at 31 December 2022	3 729	70 652	1 575	**75 956**
Additions during the period	577	4 322	518	**5 417**
Depreciation		-15 276	-826	**-16 102**
Net carrying amount as at 31 December 2023	4 306	59 698	1 267	**65 271**
Accumulated depreciations as at 31 December 2023	-	-115 708	-6 370	**-122 078**
Economic life		5-15 years	5-7 years	
Depreciation method		Straight line	Straight line	

Machinery and equipment have been pledged as security for loans, see note 12.

NOTE 7 LEASES

NOK 1000	2023	2022
Right-of-use assets		
As at 1 January	**67 637**	72 706
New leases, including remeasurements	**4 057**	1 694
Depreciation expense	**-6 764**	-6 763
As at 31 December	**64 930**	67 637
Lease liabilities		
As at 1 January	**83 691**	86 360
New leases, including remeasurements	**3 947**	1 694
Accretion of interest	**7 927**	7 981
Lease payment	**-12 775**	-12 344
As at 31 December	**82 790**	83 691
Current	**12 803**	13 128
Non-current	**69 987**	70 564
Items in profit (loss):		
Depreciation expense	**9 215**	6 763
Interest expense on lease liabilities	**7 927**	7 981
Expense relating to short-term leases (included in other operating expenses)	**3 136**	3 715
Expense relating to low-value assets (included in other operating expenses)	**2 464**	2 502
Variable lease payments (included in other operating expenses)	**367**	569
Total amount recognised in profit (loss)	**23 110**	21 530

The right-of-use asset is related to renting of office and manufacturing buildings at the Groups production facility in Lyngdal. The contract length is 10 years with an option to extend with 5 years. As the option to extend is considered reasonably likely to be exercisedthe option period is also included in the liability. The rent is subject to a yearly increase with a percentage of the increase the consumer price index. Expenses for short-term leases, low-value assets and variable lease payments are presented together in Note 8 as rental and leasing costs.

NOTE 8 OTHER OPERATING EXPENSES

NOK 1000	2023	2022
Freight costs	**56 787**	53 533
Marketing and other sales cost	**51 658**	49 527
Rental and leasing costs	**6 989**	6 786
Travel costs	**5 967**	6 659
Consultancy fees and external personnel	**11 890**	5 403
Other operating costs	**41 292**	34 215
Total other operating expenses	**174 583**	156 123

The Group's research and development concentrates on the development of its unique product technology as well as the production process. Research and development expenses that are not eligible for capitalization have been expensed in the period as incurred. For 2023 this cost was NOKt 937.

NOK 1000	2023	2022
Specification auditor's fee		
Statuory audit	**505**	503
Other non-assurance services	**25**	
Tax consultant services	**0**	15
Total	**530**	518

In addition to the fees above NOKt 364 (2022: NOKt 185) is fees to other auditors than the group auditor RSM Norge. VAT is not included in the audit fees specified above.

NOTE 9 FINANCIAL INCOME AND EXPENSES

NOK 1000	2023	2022
Financial income		
Interest income	**2 948**	1 194
Other financial income	**105**	
Total financial income	**3 054**	1 194
Financial expenses		
Interest expense bank loans at amortized cost	**51 086**	39 333
Amortisation of finance fee related to credit facilities	**3 521**	4 210
Interest on lease liabilities	**7 927**	7 980
Commitment fee		2 500
Call fee		1 250
Factoring fee and other financial expenses	**11 998**	8 654
Total financial expenses	**74 532**	63 927
Net finance	**-71 478**	-62 733
Other losses/gains – net		
Net foreign exchange gains	**13 739**	11 305
Net foreign exchange losses	**-16 381**	-11 485
Other gains (losses) – net	**-2 642**	-180

In connection with the bond issue in 2022 direct financing costs incurred were capitalized as a reduction of the carrying amount of the bond.

NOK 1000	2023	2022
Movement in the capitalized costs		
Cost as at 1 January	**10 625**	10 978
Additions		10 625
Derecognition		-10 978
Cost as at 31 December	**10 625**	10 625
Accumulated amortization as at 1 January	**3 247**	10 015
Amortization	**3 542**	4 210
Derecognition	-	-10 978
Accumulated amortization as at 31 December	**6 789**	3 247
Net book value	**3 836**	7 378

NOTE 10 INCOME TAX EXPENSE

NOK 1000	2023	2022
Current tax		
Current tax on profit(loss) for the year	**6 539**	1 438
Deferred tax		
Changes in deferred tax	**-4 344**	-1 663
Reduction of tax rate	-	
Income tax expense (income)	**2 195**	-225
Income tax expense (income) attributable to net profit	**2 195**	-225
A reconciliation of the effective rate of tax and the rate in Norway:		
Pre-tax profit	**-14 808**	-14 548
Expected income taxes according to income tax rate in Norway	**-3 258**	-3 201
Tax effect of non deductible expenses	**6 271**	3 287
Tax from previous years	**-832**	-100
Tax rate outside Norway other than 22%	**13**	-211
Income tax expense (income)	**2 195**	-225
As at 1 January	-	8 351
Income tax expense	**6 539**	1 438
Taxes paid including prepaid	**-649**	-9 789
Other changes	**275**	
As at 31 December	**6 165**	-
Deferred tax and deferred tax assets:		
Deferred tax assets		
Tax losses carried forward	**81**	467
Right of use asset and lease liabilities, net	**4 264**	3 532
Other	**3 967**	2 521
Deferred tax assets - gross	**8 312**	6 520
Deferred tax liabilities		
Intagible assets	**35 334**	35 334
Fixed assets	**4 352**	5 471
Borrowings/Finance fee	**1 523**	1 591
Other	-	-6
Deferred tax liabilities - gross	**41 209**	42 390
Net recognised deferred tax liabilities	**32 897**	35 870
The gross movement on the deferred income tax account is as follows:		
AS at 1 January	**35 870**	37 885
Income tax expense	**-4 344**	-1 663
Other changes	**1 371**	-352
As at 31 December	**32 897**	35 870

The income tax rate in Norway is 22%.
The rate used for the deferred tax calculation is 22% for both 2023 and 2023.
The tax rate for Sweden is 20.6% for 2023 and 2022.
The tax rate for UK is 19% for 2023 and 2022.

NOTE 11 EARNINGS PER SHARE

		2023	2022
Profit (loss) for the period	NOK 1000	**-17 003**	-14 323
Weighted average shares outstanding		**298 449 933**	298 449 933
Effect of dilution from share options and convertible loans		-	-
Weighted average shares adjusted for dilution		**298 449 933**	298 449 933
Earnings per share, ordinary and diluted	NOK	**-0.058**	-0.048

NOTE 12 FINANCIAL ASSETS AND LIABILITIES

NOK 1000	Interest rate	Maturity	2023	2022
Debt instruments at amortised cost				
Trade receivables			**54 443**	58 534
Bad debt provision			**-1500**	-900
Sum financial assets			**52 943**	57 634
Total current			**52 943**	57 634
Deposit fonds			**10 269**	6 890
Total non-current			**10 269**	6 890
Current interest-bearing liabilities				
Leasing liabilities, current			**12 803**	13 128
Total current			**12 803**	13 128
Non-current interestbearing loans:				
Senior secured bond	Nibor + 6%	2025	**496 163**	492 622
Leasing liabilities, non-current			**69 987**	70 564
Total non-current			**566 150**	563 185
Total interest-bearing liabilities			**578 953**	576 313
Other financial liabilities at amortized cost				
Trade payables			**102 884**	106 634
Total current			**102 884**	106 634
Total non-current			-	-
Changes in liabilities arising from financing activites				
Opening balance			**576 313**	335 397
Cashflow, bond issue			-	500 000
Cashflow, repayments			-	-250 000
Cashflow, lease payments			**-902**	-12 344
Cashflow, capitalized fees			-	-10 625
Accretion of interest on leasing liabilities			-	9 675
Net change in amortization of capitalized fees			**3 542**	4 210
Ending balance			**578 953**	576 313

Senior secured bond

The Group issued a NOKm 500 senior secured bond in January 2022 with a caupon rate of 3m NIBOR + 6.00%. The Bonds are repayble in January 2025. The Group has pledged all material assets including, but not limited to, shares in subsidiaries, intra-group loan assignments, fixed assets, inventory, account receivables and bank accounts. The bond is subject to incurrence test (ratio of net debt to EBITDA) in case of tap issue or distribution to shareholders. Expenses in connection with the bond issue are capitalized and amortized, see note 9.

Comparison of carrying amounts and fair value of financial assets and liabilities

	2023		2022	
NOK 1000	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Interest-bearing loans and borrowings	**496 163**	**478 000**	492 622	458 750

Fibo Group AS and its owner successfully completed in January 2022 a NOKm 500 senior secured bond issue with a tenor of 3 years and a coupon rate of 3m NIBOR + 6.00% p.a. The Bond Issue attracted significant interest from the Nordics and Europe and was oversubscribed. Settlement date was 28 January 2022 and the Bonds applied for listing on Oslo Børs.

The maturity profile of financial liabilities based on undiscounted payments

NOK 1000	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
2023					
Interest-bearing liabilities (excluding those below)	-885	-3 541	500 589		**496 163**
Interest expenses	9 033				**9 033**
Lease liabilities	1 387	11 416	69 987		**82 790**
Trade and other current liabilities	127 827	11 932			**139 760**
Total	137 362	19 808	570 577	-	**727 746**
2022					
Interest-bearing liabilities (excluding those below)			500 000		500 000
Interest expenses	7 621				7 621
Lease liabilities	3 282	9 846	50 685	67 010	130 823
Low value and short time rental expenses	1 696	5 089	13 571		20 357
Trade and other current liabilities	176 295	11 806			188 101
Total	188 894	67 567	617 093	67 010	846 902

The carrying amount of pledged assets

NOK 1000	2023	2022
Plant, machinery and equipment	**65 271**	75 957
Inventory	**118 782**	128 006
Accounts receivable	**52 943**	57 634
Cash and cash equivalents	**88 287**	100 774
Total	**325 283**	362 371

NOTE 13 IMPAIRMENT OF GOODWILL AND ASSETS WITH INFINITE LIVES

Goodwill and other intangible assets with an indefinite useful life is tested for impairment at least annually, or when there are indications of impairment. The intangible assets arised from the acquisition in 2015. The last impairment test was performed as of year end 2023.

NOK 1000	Goodwill	Brands	Design and technology
Book value Norway	246 800	101 895	49 830

The recoverable amount of the CGUs is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax for a 4 year period plus a terminal value. The terminal value is calculated as the present value of the terminal value with an estimated cashflow growth of 0%. The discount rate used is 10,1% before tax and reflects the timing and risks of the cash flows and includes a small cap premium. Revenue growth is estimated to 10% in the estimation period, while the gross profit margin is estimated to decrease approx 4%-points over the 4 year period. No impairment has been identified.

A sensitivity analysis with reduced sales growth of 5%, additionally reduced EBITDA through higher cost inflation of 3% or increased discount rate of 11%, the headroom is still 37% above the total recoverable amount as at 31.12.2023.

NOTE 14 OTHER CURRENT AND NON-CURRENT ASSETS

NOK 1000	2023	2022
Other current assets		
Pre-paid costs	**3 274**	3 313
Other current assets	**6 608**	3 682
Total as at 31 December	**9 882**	6 994
Other non-current assets		
Deposit fonds	**10 269**	6 890
Other non-current assets	**399**	368
Total as at 31 December	**10 668**	7 258

NOTE 15 WORKING CAPITAL IN THE CASH FLOW STATEMENT

NOK 1000	Balance 1 January	Balance 31 December	Cash flow
2023			
Inventories	128 006	118 782	**9 224**
Trade receivables	57 634	52 943	**4 691**
Other receivables	7 362	10 281	**-2 919**
Accounts payable and other current liabilities	-180 541	-148 793	**-31 748**
Other current liabilites classified as financing activities	7 462	2 490	**4 972**
FX on working capital items	-	-	**511**
Change in working capital	19 923	35 703	**-15 269**
2022			
Inventories	83 176	128 006	-44 830
Trade receivables	54 267	57 634	-3 367
Other receivables	7 463	7 362	101
Accounts payable and other current liabilities	-113 851	-180 541	66 690
Other current liabilites classified as financing activities	-	7 462	-7 462
FX on working capital items	-	-	-39
Change in working capital	31 055	19 923	11 093

NOTE 16 ACCOUNTS RECEIVABLE

NOK 1000	2023	2022
Accounts receivable	**54 443**	58 534
Bad debt provision	**-1 500**	-900
Total as at 31 December	**52 943**	57 634
Changes in bad debt provision:		
Opening balance	**900**	900
Increase of provision during the period	**600**	-
Losses incurred	-	-
Released provision during the period	-	-
Total as at 31 December	**1 500**	900
Currency exposure accounts receivable		
NOK	**4 208**	11 788
GBP	**44 140**	35 959
SEK	**323**	-
EUR	**4 937**	1 345
USD	**807**	8 862
Other	**28**	582
Total as at 31 December	**54 443**	58 534
Age distribution accounts receivable		
Not due	**43 214**	18 620
Less than 30 days	**5 952**	23 903
30-60 days	**2 308**	9 442
60-90 days	**648**	1 723
More than 90 days	**2 321**	4 846
Total as at 31 December	**54 443**	58 534

Accounts receivable have been pledged as security for loans, see note 12.

A factoring agreement with Aros is in place for Fibo AS and Fibo AB. The agreement involves ongoing invoice purchase of the whole ledger. For Fibo UK Ltd, standard payment terms are 30 days.

Receivables in other currency than NOK is calculated using exchange rate at balance date.

NOTE 17 CASH AND CASH EQUIVALENTS

NOK 1000	2023	2022
Cash and short-term bank deposits	**83 501**	91 386
Restricted cash	**4 786**	9 389
Cash and cash equivalents in the balance sheet as at December 31	**88 287**	100 774

Restricted cash is for payment of withheld employee taxes.

NOTE 18 SHARE CAPITAL, SHAREHOLDER INFORMATION AND DIVIDEND

	2023	2022
Ordinary shares, nominal amount NOK 0.10	**298 449 933**	298 449 933
Weighted average shares adjusted for dilution	**298 449 933**	298 449 933

NOK 1000	Number of shares	Share capital	Share premium
Shares issued and fully paid 31 December 2022	298 449 933	29 845	16 100
Capital decrease and share premium distribution		-	-
Shares issued and fully paid 31 December 2023		**29 845**	**16 100**

All issued shares have equal voting rights.

Shareholder at 31 December 2023 and 2022:	Number of ordinary shares	Holding
Fibo Holding AS	298 449 933	100 %

NOTE 19 TRANSACTIONS WITH RELATED PARTIES

Company	Country	Ownership interest/voting rights 2023 & 2022
Fibo Holding AS	Norway	100 %

Fibo Group AS is 100% owned by Fibo Holding AS, which is owned 86% by FSN CAPITAL GP IV LIMITED in its capacity as general partner for and on behalf of each of FSN CAPITAL IV L.P., FSN CAPITAL IV (B) L.P., and FSN CAPITAL IV INVEST L.P. FSN CAPITAL GP IV LIMITED is controlled by funds managed by the private equity firm FSN Capital. Management and certain Board members own the remaining shares in Fibo Holding AS.

FSN CAPITAL GP IV LIMITED do not charge any fees to the Group. Expenses charged to the Group are out-of-pocket-expenses only.

NOTE 20 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

NOK 1000	2023	2022
Trade accounts payable	**74 992**	106 634
Net liability to customers	**11 475**	7 654
Liabilities related to employees incl. holiday pay	**9 621**	9 049
Government taxes, vat, social security tax etc.	**22 666**	24 991
Accrued expenses	**30 038**	32 213
As at 31 December	**148 793**	180 541

Restricted cash is for payment of withheld employee taxes.

Currency exposure trade accounts payable and other current payables		
NOK	**113 524**	119 165
GBP	**2 303**	21 307
SEK	**2 512**	5 580
EUR	**26 264**	34 580
USD	**4 097**	−174
Other currencies	**93**	82
As at 31 December	**148 793**	180 541

NOTE 21 PROVISIONS

The Group has provided NOKt 1 300 for guarantees and potential claims.

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date that affect the presentation of the annual financial statements.

NOTE 23 COMMITMENTS AND CONTINGENCIES

The group supplies the construction industry with materials, it follows the business nature that the Group may receive customer claims. No specific provision has been booked as of 31 December 2023.

NOTE 24 CHANGE IN PRINCIPLES IN 2023

There has been a change in the booking of deferred tax assets related to pension liabilities in 2023. The future payment of pension liabilities is shown with the effect of deferred tax assets. The effect from this is a change in deferred taxes with NOKm 2 259 in 2023.

The pension fonds and liability has, in previous years, been netted in the balance and, in 2023, this has been changed. Comparison figures from 2022 are also changed accordingly.

Interest income and expense, and payment of interest on leasing liabilities have been moved up to under "Operations" in the cash flow statement. Comparison figures for 2022 have also been changed accordingly.

Fibo Group AS Financial Statements

Income statement

NOK 1000	Note	2023	2022
Revenue	1	**16 138**	30 915
Total revenue		**16 138**	30 915
Raw materials and consumables used			
Salary and personnel costs	2	**6 208**	14 743
Depeciation and amortization	3	**46**	252
Other operating expenses		**10 313**	11 288
Total operating costs		**16 567**	26 283
Net profit (loss) before financial items		**-429**	4 632
Finance income	4	**54 713**	31 936
Finance expense	4	**-54 456**	-48 028
Net finance		**257**	-16 092
Net profit(loss)	5	**-172**	-11 460
Income tax expense	5	**-1 506**	1 235
Net profit (loss) after tax	6	**1 334**	-12 695
Attributable to:			
Profit (loss) brought forward		**1 334**	-12 695

Statement of financial position

NOK 1000	Note	31.12.23	31.12.22
ASSETS			
Fixed assets			
Deferred tax assets	5	**1 415**	-
Plant, machinery and equipment	3	**2**	7
Intagible assets	4	**-**	42
Total fixed assets		**1 417**	49
Financial fixed assets			
Deposit fonds	2, 7	**10 269**	6 890
Investments in subsidiaries	7	**448 881**	448 881
Total financial fixed assets		**459 150**	455 771
Total fixed assets		**460 567**	455 820
Current assets			
Inventories			
Receivables on group entities	8	**46 379**	62 514
Other receivables		**1 087**	1 257
Cash and cash equivalents	9	**28 425**	9 387
Total current assets		**75 891**	73 158
Total assets		**536 457**	528 978

NOK 1000	Note	31.12.23	31.12.22
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	6, 10	**29 845**	29 845
Share premium account	6	**16 100**	16 100
Total paid in capital		**45 945**	45 945
Other equity			
Retained earnings	6	**-28 614**	-30 372
Total other equity		**-28 614**	-30 372
Total equity		**17 331**	15 573
Non-current liabilities			
Deferred tax liabilities	5		839
Pension liabilities	2, 7	**10 269**	6 890
Interest-bearing loans and borrowings, non-current	11	**496 163**	492 622
Total non-current liabilities		**506 432**	500 351
Current liabilities			
Accounts payable and other current liabilities		**579**	295
Current income taxes payable	5	**747**	559
Other current liabilities		**11 078**	11 292
Public duties payable	9	**289**	908
Total current liabilities		**12 693**	13 054
Total liabilities		**519 125**	513 405
Total equity and liabilities		**536 457**	528 978

Oslo, 22 April 2024
The Board of Directors of Fibo Group AS

Lars Patrik Nolåker
Chairman of the board

Åsa Söderström Winberg
Board member

Wenche Gabrielsen
Board member

Eirik Hjeltnes Wabø
Board member

Eskil Gunderson Koffeld
Board member

Torbjørn D. Kvinnesland
Board member

Anders Carlson
CEO/President

Cash flow statement

NOK 1000	Note	2023	2022
CASH FLOW FROM OPERATIONS			
Net profit before income taxes	5	**-172**	-11 460
Taxes paid		**-**	50
Depreciation and amortization	3	**46**	252
Amortization of capitalized bank fees	4	**3 541**	3 585
Received dividend and group contribution		**-53 239**	-31 409
Change in receivables	8	**16 172**	374
Change in accounts payable		**284**	-1 608
Change in other provisions		**-833**	7 259
Net cash flow from operations		**-34 201**	-32 957
CASH FLOW FROM INVESTMENTS			
Income from subsidiaries and other group entities	4	**53 239**	31 409
Net cash flow from investments		**53 239**	31 409
CASH FLOW FROM FINANCING			
Net proceeds from bond issue			240 000
Dividends and capital reduction			-257 984
Net cash flow from financing		-	-17 984
Net change in cash and cash equivalents		**19 038**	-19 532
Cash and cash equivalents at beginning of period		**9 387**	28 919
Cash and cash equivalents at end of period		**28 425**	9 387

Accounting principles

The annual financial statements have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway. Fibo Group AS is the parent company of a subgroup of Fibo Holding AS. The company's purpose is primarily to own shares in the subsidiaries.

SUBSIDIARIES

Subsidiaries and investments in associates are valued at cost in the company financial statements. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. The shares are booked at the lower of cost and net realizable value.

CLASSIFICATION OF BALANCE SHEET ITEMS

Current assets and short-term liabilities includes items which are to be repaid within one year after the transaction date. Other items are classified as fixed assets/long-term liabilities. Current assets are appraised at the lowest of cost and fair value. Short-term liabilities are booked at nominal value at the time of loan uptake. Fixed assets are appraised at cost or written down to fair value if impairment is not expected to be temporary. Long-term liabilities are booked at nominal value at the time of loan uptake. First year's installment on long-term liabilities and long-term receivables are, however, classified as short term liabilities and current assets.

DEBTORS

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor.

FOREIGN CURRENCIES

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

DERIVATIVES

Changes in value of derivatives are recognized in the balance. The effect on profit or loss of derivatives are presented as finance income/expense.

ASSET IMPAIRMENTS

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount. Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the writedown are no longer present.

RELATED PARTIES

A related party has significant influence on the Group's strategy or operational choices. Ability to influence the other party is normally achieved through ownership, participation in the group's decision-making bodies or management, or through special agreements. Balances and transactions with subsidiaries have been eliminated in the consolidated financial statements and are not covered by the information provided in this note. Economic factors related to directors and senior management are described in Note 3 in the Consolidated Statements. Other related party transactions are described in Note 19 in the Consolidated Statements.

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. Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

Notes to the Fibo Group AS financial statements

NOTE 1 REVENUE

Revenue is management fees and other fees recharged to group companies. NOKt 11 821 (2022: NOKt 24 559) related to Norway and NOKt 4 317 (2022: NOKt 4 830) relates to subsidiaries outside Norway.

NOTE 2 PAYROLL EXPENSES, EMPLOYEES, REMUNERATION, AUDIT FEE ETC.

The company had 4 full time employees in the fiscal year 2023.

NOK 1000	2023	2022
Payroll expenses		
Salaries	**4 461**	12 780
Social security fees	**622**	1 115
Pension expenses	**211**	290
Other remuneration	**914**	558
Total	**6 208**	14 743

Pension fond and the connected pension liability from Fibo Group Filiale AB is presented as asset and liability in the financial statement with the amount of 10 269k for 2023 and 6 890k for 2022.

No loans have been granted to the general manager, the board or other related parties. See note 3 in the consolidated financial statements for information on remuneration to the CEO. The company is required to have a pension plan, and the company's plan satisfies these legal requirements.

NOK 1000	2023	2022
Expensed audit fee (excluding VAT)		
Statutory audit	**131**	160
Other services		
Total audit fees	**131**	160

NOTE 3 INTAGIBLE AND FIXED ASSETS

NOK 1000	2023	2022
Opening balance	**42**	289
Depreciation during the year	**-42**	-247
Not carrying amount as at 31 December	-	42

Intagible assets cosists of IT systems and software.

NOK 1000	2023	2022
Fixed assets		
Opening balance	**7**	-
Depreciation during the year	**-5**	-
Purchase during the year	-	7
Not carrying amount as at 31 December	**2**	7

Fixed assets consists of office inventory

NOTE 4 FINANCIAL INCOME AND EXPENSE

NOK 1000	2023	2022
Income from subsidiaries and other group entities	**53 236**	31 663
Interest income from group entities	-	-
Other interest income	**464**	229
Other financial income	**1 011**	44
Total financial income	**54 711**	31 936
Interest loan expenses	**50 572**	39 106
Amortization loan expenses	**3 822**	2 622
Other financial expenses	**62**	6 300
Total financial expenses	**54 456**	48 028

NOTE 5 TAXES

NOK 1000	2023	2022
Calculation of deferred tax/deferred tax benefit		
Temporary differences	**-6 430**	4 893
Tax losses carried forward	-	-1 079
Basis for deferred tax	**-6 430**	3 814
Deferrred tax (asset) liability	**-1 415**	839
Deferred tax in the balance sheet	**-1 415**	839
Basis for income tax expense, changes in deferred tax and tax payable		
Net profit before income taxes	**-172**	-11 460
Basis for the tax expense for the year	**-172**	-11 460
Change in temporary differences	**6 780**	-3 919
Utilisation of tax loss carry forward	-	-
Permanent differences	**-29 099**	14 849
Group contribution	**25 888**	-
Taxable income (basis for payable taxes in the balance sheet)	**3 397**	-530
Components of the income tax expense		
Tax on this year's result	**-38**	-2 521
Tax Swedish branch	-	611
Effect of permanent differences	**791**	3 267
Change principles deferrex tax pension liability	**-2 259**	-
Tax from previous years	-	-120
Tax expense	**-1 506**	1 237

NOTE 6 SHAREHOLDERS' EQUITY

NOK 1000	Share capital	Share premium	Retained earnings	Total
Movement in equity				
Equity as at 31.12.2022	29 845	16 100	-30 372	**15 573**
Net profit after tax			1 334	**1 334**
Changes in last years profit			424	**424**
Equity as at 31.12.2023	29 845	16 100	-28 614	**17 331**

NOTE 7 SUBSIDIARIES

NOK 1000	Location	Ownership/ voting right	Equity 2023 (100%)	Result 2023 (100%)	Value Balance sheet
Subsidiaries					
Fibo AS	Lyngdal, Norway	100%	95 306	27 178	**424 190**
Fibo AB	Stochholm, Sweden	100%	6 534	270	**1 045**
Fibo UK Ltd	Chesham, UK	100%	11 085	5 863	**23 622**
Fibosystem Finland Oy	Helsinki, Finland	100%	244	336	**24**
Fibo USA LLC	Delaware, USA	100%	-	-	-
Balance sheet value as at 31 December					**448 881**

The values from the accounting of Fibo Group Filiale AB are not included in this financial statement. In general the result for Fibo Group Filiale AB is minor and the balance values are mainly related to intercompany. The fonds and liability related to pension from Fibo Group Filiale AB is included.

NOTE 8 BALANCES WITH GROUP COMPANIES

NOK 1000	2023	2022
Receivable Fibo AS	**45 551**	56 161
Receivable other group entities	**828**	6 353
Total	**46 379**	62 514

NOTE 9 RESTRICTED BANK DEPOSITS AND OVERDRAFTS

The company has NOKt 579 in bank deposits restricted for payment of taxes witheld for employees.

NOTE 10 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The parent company Fibo Holding AS has its registered offices in Karenslyst Alle 53, 0279 Oslo. The consolidated financial statements for Fibo Holding AS, where Fibo Group AS are included, can be obtained by contacting Fibo Holding AS.

The share capital of NOKt 29 845 consists of 298 449 933 shares with nominal value of NOK 0.10 each. The company has only one share class.

NOK 1000	Number of shares	Holding
Shareholder		
Fibo Holding AS	298 449 933	100 %
Shares issued and fully paid 31 December 2023	298 449 933	100 %

NOTE 11 LIABILITIES

NOK 1000	Currency	Nominal interest rate	Equity Maturity	Face value
2023				
Bond loan	NOK	Nibor + 6 %	2025	500 000
Total interest-bearing loans and bank borrowings as at December 31				**500 000**
2022				
Bond loan	NOK	Nibor + 6 %	2025	500 000
Total interest-bearing loans and bank borrowings as at December 31				500 000

The bonds are repayable in January 2025. The Group has pledged all material assets including, but not limited to, shares in subsidiaries, intra-group loan assignments, fixed assets, inventory, account receivables and bank accounts.

The bond is subject to Incurrence test (ratio of net debt to EBITDA) in case of tap issue or distribution to the shareholders.

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To the General Meeting of Fibo Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Fibo Group AS, which comprise:

- the financial statements of the parent company Fibo Group AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Fibo Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, 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 material accounting policy information.

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 1 year from the election by the general meeting of the shareholders on 28 June 2023 for the accounting year 2023.

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 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.

Key Audit Matter (KAM)	***How we adressed the Key Audit Matter in our audit***
Provision for customer bonus: The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold in the contract. The agreements are prepared individually for each individual customer relation and various stipulations in the agreements affect the magnitude of the customer bonus and market support provision. Our audit focused on provision for due customer bonus and market support since the calculation of the provisions may be complex due to the various stipulations in the agreements. Also, the estimated total amount relating to customer bonuses and market support constitutes significant amount in the annual accounts.	We gained an understanding of the process for calculating and recording provisions for customer bonus and market support. Furthermore, we tested whether relevant internal control activities had been implemented. We discussed the principles for calculating and allocating customer bonuses and market support with the Management, and evaluated whether these were in accordance with accounting regulations. We reviewed whether Management's calculation was in accordance with the stipulations in customer agreements. We read through the agreements and tested that they were in accordance with the calculations of customer bonus and market support. The basis for the calculations was compared to invoiced sales per customer. Finally, we considered whether the disclosures related to customer bonuses appropriately reflected the accounting principles and were in accordance with IFRS requirements.

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, related safeguards.

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.

Lyngdal, 22 April 2024

RSM Norge AS

Tor Egil Sådland

Tor Egil Sådland
State Authorised Public Accountant

Corporate Governance

The Company's corporate governance is based on the Company's Articles of Association and the Company's values as resolved by the Board of Directors with the aim to realize the Company's long-term goals, and to ensure progress and control. Through sound corporate governance, the Company aims to build trust and ensure sustainable operation and financing of its business.

BOARD OF DIRECTORS

The Board of Directors of the Company shall annually revise and oversee the overall strategy and business plan for the Company and approve the annual budget for the next year. The Board of Directors has decided not to establish a separate audit committee, so that the entire Board of Directors shall perform the tasks of the audit committee of the Company.

Responsibilities of the Board of Directors:

- Decide on general business and management principles of the Company.
- Decide on strategy and risk policies of the Company.
- Supervise the performance of the Company, the Executive Management and secure the proper organization of the Company.
- Review the Company's financial position, capital resources and reporting on financials and performance.
- Appoint the CEO.

The Board of Directors will convene at least six times per year.

EXECUTIVE MANAGEMENT

The Executive Management is responsible for the Company's day-to-day management of the Company in accordance with the instructions provided by the Board of Directors, among others comprising:

- Manage the Company's business and operations and develop strategies to be approved by the Board of Directors.
- Implement the strategy for the Company and execute on investments and divestments.
- Develop the organizational structure of the Company and allocate resources.
- Drive and monitor the performance of the Company.
- Prepare internal and external financial reporting.
- Establish internal policies and procedures for relevant topics, such as finance, IT etc.
- Oversee risk management and internal control.
- Report to the Board of Directors.

RISK MANAGEMENT AND INTERNAL CONTROL

The framework for the internal control and risk management of the Company is structured with the aim to allow the business to be run in a way that is healthy, proper and consistent with the following objectives:

(i) Internal control: to assure that all company policies and standards are up to date, communicated and implemented.

(ii) Risk management: to identify and manage essential risks related to the execution of the Company's strategy and operations, and to demonstrate that the Company actively manages risks in order to deliver the best possible service to customers, protect the value of the business, safeguard future earnings and reduce costs associated with risk events.

The responsibility for the quality and appropriateness of the Company's internal control and risk management rests with the Board of Directors, while the Executive Management is responsible for identifying and analyzing material risks, and for the general development of the system. The Executive Management shall further provide the Board of Directors with reports on exposures and the utilization of the framework on a continuous basis.

Environmental, Social and Governance (ESG)

Our historic strong focus on ESG, initiated by a clear tone from the top on the value of responsible investing, has ensured that ESG is deeply integrated into our culture and processes.

Fibo is the leading global manufacturer of high-quality wet room wall systems, which aims to be an environmentally friendly, design versatile, functional and cost-efficient substitute to traditional ceramic tiles. The product range includes complete wet room wall systems, comprising of fully waterproof wall panels and related installation accessories, as well as kitchen boards and countertops.

Plywood and laminate constitute the main raw materials and are sourced from suppliers in from suppliers in Europe, Asia and Latin America, while the end-product is produced at Fibo's factory in Lyngdal, Norway. The company is headquartered in Oslo.

The final products are sold to customers across new construction, renovation, and prefab housing markets in Europe, New Zealand, Australia and North America. Fibo is active across different distribution channels, with key customers being builders' merchants, DIY chains and direct B2B sales, that in turn mainly sell to installers within residential and non-residential construction.

Fibo's annual ESG report is included in the annual ESG report from our majority owner FSN Capital, which is published on **www.fsncapital.com**

Environmental
Social
Governance

Topics of higher importance in **bold**

Material impacts, risks and opportunities

FIBO'S IMPACT ON THE WORLD

RAW MATERIAL SUPPLY

- Energy consumption and emissions in raw material extraction
- Hazardous waste from chemical use
- **Biodiversity impact from raw material sourcing and around production sites**
- **GHG emissions from the production of materials such as plywood**
- **Labour and human rights**
- Workers' health and safety
- Local community engagement and job creation
- Material certificates and supplier management
- **Supply chain transparency**

PRODUCTION

- **Climate impact from production (energy use, fuel type)**
- Climate impact of transport
- Industrial chemical handling, storage and treatment
- Resource efficiency and waste management
- Chemicals used in production (e.g., glue)
- Labour and human rights
- Workers' health and safety
- Work-life balance
- Business ethics

MANAGEMENT & MARKETING

- Sustainable and circular design and packaging
- Working conditions and culture
- Diversity and inclusion
- Local community engagement and job creation
- Anti-corruption and integrity
- Anti-competitive behaviour reporting
- Whistleblowing mechanisms

CUSTOMERS & END-USERS

- **Product longevity**
- **Product take-back, recycling and reuse**
- Climate impact of shipping and delivery
- **Product quality and safety**
- Selling practices and product labelling
- Contract conditions for customers

THE WORLD'S IMPACT ON FIBO

- Concerns for biodiversity and climate impact of sourcing trees

- Increasingly strict GHG emission standards on product and facility level

- Increasingly strict GHG emission standards on product and facility level

- Demand for affordable products with lower GHG footprint as a means for climate change mitigation
- Immature market for reuse and recycling at the end of life of products
- Demand for products produced in socially sustainable ways, with HSE practices and fair wages

THE COMMERCIAL VALUE OF ESG AT FIBO IS BEING DRIVEN BY:

REGULATION

By taking a proactive, rather than reactive, approach to compliance with ESG regulations, companies are securing a competitive advantage versus peers.

CUSTOMERS

Customers increasingly demand enhanced ESG performance from their suppliers, many with a growing willingness to pay a premium for products and services aligned with standards of ESG excellence.

Fibo's ESG priorities

FOCUS AREA	LONG TERM TARGET	KPIS	PERFORMANCE 2023	ANNUAL TARGET 2024
1 SUSTAINABLE PRODUCTS	1a Formaldehyde free products 1b PEFC/FSC certified 1c Increase circular use of product at end of life (2023 base year)	1a Glue / laminate – formaldehyde reduction 1b Sustainable main raw materials (PEFC/FSC %) 1c Circular design	1a An alternative solution to reducing formal-dehyde is identified 1b PEFC/FSC certification renewed. 1c Data collection in local companies and sharing of knowledge to brainstorm circular solutions	1a Further assess identified alternative to reduce formaldehyde 1b PEFC / FSC re-certification 1c Continue to participate in local initiatives for circular solutions
2 CLIMATE IMPACT	2a 10-15% reduction (2021 base Year) 2b Become Net Zero by 2050 (SBT) 2c Maintain ISO 14001 certification	2a Electricity usage (kwh/m2 produced) 2b GHG emissions 2c Environmental management system.	2a **2023:** 1.91 (-3.0%), **2022:** 1.97 (-2.5%), **2021:** 2.02 (-1.5%) 2b Reported complete Scope 1-3 emissions. Set validated Science-based Targets. Guaranteed 100% Green certified electricity 2c Re-certified to ISO 14001	2a Reduce energy usage by 1.5% 2b Investigate alternative heating source (oil vs gas) 2c Maintain ISO 14001 system (Periodic audit)
3 WASTE MANAGEMENT	3a ≤4% (2021 base year) 3b 0.023 kg/m2	3a Product waste (%/produced m2) 3b Residual waste (kg/m2 produced)	3a. Optimized raw material to improve product quality and found new suppliers **2023:** 5.9% (Due to new raw materials) **2022:** 4.49% (Due to new raw materials) **2021:** 4.17% 3b Improved waste management through more detailed sorting and measurement of waste **2023:** 0.025 kg/m2 **2022:** 0.026 kg/m2 **2021:** 0.024 kg/m2	3a Focus on process / supplier improvement to reduce scrap/waste 3b Introduce new waste fractions to increase recycling
4 SATISFIED EMPLOYEES THAT ARE PASSIONATE FOR FIBO	4a 50 4b Below 5% 4c Below 1.5% 4d Increase women % total, 25% in production	4a Employee NPS (eNPS) 4b Turnover % 4c Short term Sick leave % 4d Gender diversity	4a Actions implemented based on survey result. Result analyzed by neutral 3rd party. Social events reinstated after Covid. **2023:** 47.66% **2022:** 30.5% **2021:** 50% 4b **2023:** 7.83%, 2022: 5.16% 4c **2023:** 2%, 2022: 1.8%, 2021: 1.7% 4d **2023:** 22%, 2022: 24% Women	4a 45% 4b Turnover below 5% 4c Sick leave of 1.5% 4d Keep current level
5 ETHICAL BUSINESS BEHAVIOR	5a Best in class supply chain management 5b All key employees participate in govern-ance training 5c Prevent social dumping practice 5d Whistleblower channel and policy included in HRM system, and all employ-ees informed	5a Supply chain management of all suppliers 5b Governance training 5c Fair working conditions 5d Whistleblower policy and channel	5a Maintained Business Partner Manage-ment Manual (includes reporting procedures, Code of Conduct, training of employees); risk assessment of suppliers based on geopolitical status 5b CoC training with all new employees 5c Partipation in Fair Play Agder – Management and union represented 5d Whistleblower channel established through 3rd party provider. Included in new HRM system Published Transparency Act declaration on website	5a Further formalize and strengthen supply chain management. All suppliers to sign CoC 5b Add more e-learning in HRM system/ secure learning 5c Continue membership in Fair Play Agder Working/salary conditions included in CoC signed by suppliers 5d Regular information to all employees through HRM system

Fibo offers a sustainable and efficient building solution that significantly reduces embodied carbon emissions in buildings*, making it an ideal choice for those committed to achieving net-zero emissions and minimizing environmental impact in the building and construction sector

* When comparing the use of Fibo Wall System verses tiles.
Based on a climate screening analysis conducted by Asplan Viak.
Analysis report is available on request via fibosystem.com.

Definitions and calendar

Alternative performance measures and other definitions

Contribution margin

Net Sales minus logistic cost, raw materials and consumables used and production wages excluding any Non-Recurring items reported separately. Logistic cost and production wages is presented as part of other operating expenses in the income statement.

EBIT

Earnings before interest and tax.

EBITDA

Earnings before interest, tax, depreciations and amortization.

EBITDA margin

EBITDA presented is including IFRS 16

Leverage ratio

Net debts divided on EBITDA excluding non-recurring Items.

Net debt

Interest bearing debt (excluding pension and leasing debts) minus cash and cash equivalents.

Net financial items

Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities.

Net sales

Sales net of VAT, discounts and sales bonuses.

The Group's key figures (page 5) are presented in million NOK (NOKm), rounded off to the nearest thousand, unless otherwise stated. All other figures are presented in thousand NOK (NOKt), unless otherwise stated. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

Financial calendar

No later than

Q1 2024 30 May

Q2 2024 29 August

Q3 2024 29 November

Q4 2024 28 February 2025

2023

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