



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	979 446 276
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	KEBONY NORGE AS
Forretningsadresse:	Havnevegen 35 3739 SKIEN

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Dag Slørdahl
Dato for fastsettelse av årsregnskapet:	06.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 30.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 3	245 590 680	578 455 194
Sum inntekter		245 590 680	578 455 194
Kostnader			
Varekostnad	3	162 852 929	426 577 324
Lønnskostnad	4	124 121 394	108 154 306
Avskrivning	8	15 556 687	12 281 336
Nedskrivning av varige driftsmidler og immaterielle eiendeler	8, 10	20 440 000	
Annen driftskostnad	3, 4, 8, 15	110 533 502	99 368 974
Sum kostnader		433 504 512	646 381 940
Driftsresultat		-187 913 832	-67 926 746
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	3	5 977 185	5 541 626
Annen finansinntekt	5, 6	8 405 529	11 053 786
Sum finansinntekter		14 382 714	16 595 412
Rentekostnad til foretak i samme konsern	3	3 496 209	4 778 130
Annen finanskostnad	5, 6	25 078 695	24 839 451
Sum finanskostnader		28 574 904	29 617 581
Netto finans		-14 192 190	-13 022 169
Ordinært resultat før skattekostnad		-202 106 022	-80 948 915
Ordinært resultat etter skattekostnad		-202 106 022	-80 948 915
Årsresultat		-202 106 022	-80 948 915
Overføringer og disponeringer			
Overføringer annen egenkapital	12	-202 106 022	-80 948 915
Sum overføringer og disponeringer		-202 106 022	-80 948 915



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8, 14	67 448 151	69 886 280
Maskiner og anlegg	8, 14	57 967 093	66 110 766
Driftsløsøre, inventar, verktøy, kontormaskiner ol	8	149 231	388 607
Sum varige driftsmidler		125 564 475	136 385 653
Finansielle anleggsmidler			
Investering i datterselskap	9	1	1
Investering i annet foretak i samme konsern		9	9
Lån til foretak i samme konsern	3	64 930 210	58 953 025
Andre fordringer	14	234 695	180 959
Sum finansielle anleggsmidler		65 164 915	59 133 994
Sum anleggsmidler		190 729 390	195 519 647
Omløpsmidler			
Varer			
Sum varer	10, 14	200 523 003	253 589 119
Fordringer			
Kundefordringer	3, 3, 14	7 522 194	5 477 905
Andre fordringer	3, 3	19 749 067	16 725 962
Sum fordringer		27 271 261	22 203 867
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	11	30 134 877	44 335 548
Sum omløpsmidler		257 929 141	320 128 534
SUM EIENDELER		448 658 531	515 648 181



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	12, 13	67 723 567	62 514 062
Overkurs	12	48 025 987	45 341 514
Annen innskutt egenkapital	12	2 183 978	2 183 978
Sum innskutt egenkapital		117 933 532	110 039 554
Sum egenkapital		117 933 532	110 039 554
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser	15	40 000 000	38 000 000
Sum avsetninger for forpliktelser		40 000 000	38 000 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	123 712 815	101 924 815
Øvrig langsiktig gjeld	14	100 560 760	208 018 001
Sum annen langsiktig gjeld		224 273 575	309 942 816
Sum langsiktig gjeld		264 273 575	347 942 816
Kortsiktig gjeld			
Leverandørgjeld	3, 3	26 805 199	34 757 377
Skyldige offentlige avgifter	11	2 391 071	2 941 499
Annen kortsiktig gjeld	3, 3, 14	37 255 154	19 966 935
Sum kortsiktig gjeld		66 451 424	57 665 811
Sum gjeld		330 724 999	405 608 627
SUM EGENKAPITAL OG GJELD		448 658 531	515 648 181



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 702096

Enheten

Organisasjonsnummer: 979 446 276
Organisasjonsform: Aksjeselskap
Foretaksnavn: KEBONY NORGE AS
Forretningsadresse: Havnevegen 35
3739 SKIEN

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Dag Slørdahl
Dato for fastsettelse av årsregnskapet: 06.06.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

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Brønnøysundregistrene, 02.08.2024



Organisasjonsnr: 979 446 276
KEBONY NORGE AS

RESULTATREGNSKAP

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Organisasjonsnr: 979 446 276
KEBONY NORGE AS

BALANSE

Beløp i: NOK **Note** **2023** **2022**

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

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Sum anleggsmidler **190 729 390** **195 519 647**

Omløpsmidler

Varer
Sum varer **10, 14** **200 523 003** **253 589 119**

Fordringer

Kundefordringer	3, 3, 14	7 522 194	5 477 905
Andre fordringer	3, 3	19 749 067	16 725 962
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Sum bankinnskudd, kontanter og lignende **11** **30 134 877** **44 335 548**

Sum omløpsmidler **257 929 141** **320 128 534**

SUM EIENDELER **448 658 531** **515 648 181**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital
Aksjekapital **12, 13** **67 723 567** **62 514 062**



Overkurs	12	48 025 987	45 341 514
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Organisasjonsnr: 979 446 276
KEBONY NORGE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
13

Antall aksjer og aksjeeiere

Note
4

Lønn og ytelser

The company is required to have an occupational pension scheme in accordance with the Act of Mandatory Occupational Pensions. The company's pension schemes satisfy the requirements of this Act.

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
69.00

Note
9

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Kebony Norge AS	Hoffsveien 70 C 0377 OSLO 0301 Oslo

Datterselskap er utelatt fra konsolideringen: Nei

<u>Omløpsmidler</u>	<u>Startdato</u>	<u>Sluttdato</u>	<u>Endring</u>
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Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
10.05.2012

Vår dato
08.06.2012

Telefon
977 59 464

Deres referanse
Kristine Holst Jansen

Vår referanse
2012/354570

til info

KEBONY AS
Hoffsveien 48
0377 OSLO

MOTTATT

22 JUN 2012

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Ynobek Holding AS, org.nr. 997 870 719, og Kebony AS, org.nr. 979 446 276

Vi viser til deres brev av 10. mai 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Kebony AS. I e-post av 8. juni 2012 er søknaden utvidet til også å gjelde Ynobek Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Ynobek Holding AS og Kebony AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Etter en nylig emisjon i mars/april 2012 har Kebony AS kun én aksjonær, Ynobek Holding AS. Dette eierselskapet har i hovedsak utenlandske eiere. I Kebony AS sitt nye styre er nå 4 av 6 styremedlemmer utenlandske statsborgere og det benyttes engelsk som konsernspråk. Selskapets virksomhet fremover blir i stor grad rettet mot utenlandske kontraktspartnere og investormiljøer der det benyttes engelsk. Videre benytter selskapet i dag engelsk på webløsning og brosjyremateriell.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal

Postadresse

Postboks 9200 Grønland
0134 Oslo

Besøksadresse

Se www.skatteetaten.no
Org. nr: 996250318

For elektronisk henvendelse se www.skatteetaten.no

Sentralbord

800 80 000
Telefaks

22 17 08 60



bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

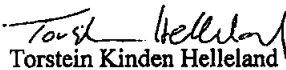
Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

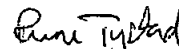
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at virksomhet til Kebony AS er rettet mot utenlandske kontraktspartnere og at arbeidsspråket er engelsk. Videre er det vektlagt at et flertall av selskapets styremedlemmer er utenlandske og at morselskapet Ynobek Holding AS i hovedsak har utenlandske eiere.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad



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Kebony Norge AS

Annual report 2023

Board of directors' report

Annual accounts

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Auditor's report



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KEBONY NORGE AS: DIRECTORS' REPORT 2023

Introduction

Kebony AS is a Norwegian company which aims to be the leading wood brand and technology company, and Kebony Norge AS is a subsidiary of Kebony AS. Underpinned by proven timber modification technologies, it produces an enhanced wood of a superior quality that is both environmentally friendly and cost-effective.

Kebony's purpose is, through active innovation and understanding of commercial possibilities, to give the world beautiful, long lasting, and environmentally friendly wood products. Its mission is to be the global number one modified wood company. Its core value is positive impact every day. The Company shows social responsibility and contributes to improvements of the environment in a way that builds a better future.

The Company's business

Kebony Norge AS is located in the Skien municipality, south of Oslo. Kebony Norge AS manufactures and sells modified wood using the Kebony technology. The Company buys production services from an intercompany, Kebony Belgium NV, which also is fully owned by Kebony AS. Kebony Norge AS has a subsidiary in the US, Kebony Inc., without activity in 2023.

Important events in 2023

The construction industry requires greener products which solidifies the position of Kebony as a leader in sustainable wood modification technology. Unfortunately, as a continuation of the 2022 global events such as Ukraine war, inflation and instability in the financial markets, the Group was faced in 2023 with overall weaker market conditions in the building materials and construction markets. These forces shaped the economic trajectory and resulted in a negative effect on the Kebony Norge AS 2023 results. Therefore, Kebony Norge AS has taken corrective measures to minimize the impact and reinforce its position in the market going forward.

Despite this challenging market situation Kebony continued to develop its sales and distribution capacity, both in Scandinavia and in international markets. The Group further matured its go-to-market approach and applied this scalable blueprint for entering new regions.

Environmental sustainability is in the Group's DNA. In 2023, important progress was made to improve our sustainability footprint, and to enhance transparency on how we report this, with reference to the GRI (Global Reporting Initiative) standard. More information on our sustainability progress can be found in our 2023 Sustainability Report which is published on our website: <https://kebono.com/about/sustainability>

In 2023, the Group was nominated for several prestigious awards and was announced as a winner of this year's Financial Times Tech Champions of 2023 and BLT Built Design Awards. Kebony was also an honouree of this year's TechRound100 and TechRound Sustainability 60 campaigns.

Finally, in October 2023 Kebony's Board of Directors appointed Tom Paemeleire to succeed Jean-Baptiste Clavel in the post of Group Chief Executive Officer. Tom is an executive with an international track record in business transformation.

The financial statements for 2023

Full year revenue for Kebony Norge AS in 2023 was NOK 245.6 million, a decrease of 57.5 % from NOK 578.5 million in 2022.

From a margin point-of-view, raw material prices for wood and chemicals stayed at normalized levels during 2023, more specifically the cost per ton of furfural alcohol (FA) remained stable and wood cost also remained at similar levels.

A decrease in overhead costs reflects the fact that the Company has taken corrective measures to minimize the impact of the weaker market conditions. However these corrective initiatives were insufficient to compensate for the sales decline, which led to a decrease of the operating



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result for the Company from – NOK 67.9 million in 2022 to – NOK 187.9 million in 2023. The earnings before interest, taxes, depreciation and amortization (EBITDA) for the Group deteriorated from - NOK 55.6 million in 2022 to - NOK 151.9 million in 2023.

Kebony Norge AS is not in a tax payable position due to a history of operating losses. The Company has a deferred tax asset of NOK 227.3 million not being capitalized, see note 7.

The Company recorded a loss for the year after tax of - NOK 202.1 million, a deterioration of NOK 121.2 million compared to the loss of - NOK 80.9 million in 2022.

Balance sheet

The company's total assets amount to NOK 448.7 million. These assets include a NOK 200.5million inventory position, down from NOK 253.6 million at the end of 2022 and is used to support the revenue growth and seasonality in Kebony's key markets.

The equity is NOK 117.9 million, i.e. an equity ratio of 26.3 %, up from 21.3 % in 2022. Kebony AS converted NOK 210 million of the Company debt into equity in 2023.

Long-term liabilities to financial institutions at year end amounted to NOK 123.7 million. This consists of three loans; a loan from Nordea of NOK 38.5 million, loans from Innovation Norway of NOK 15.2 million and a loan from Aros Kapital of NOK 70 million, see note 14.

Cash flow

At year end, the Company's cash balance was NOK 30.1 million, of which NOK 1.5 million relates to income tax withholdings for employees. The total cash flow in 2023 for the Company was - NOK 14.2 million reflecting net negative cash flow from operational activities of - NOK 127.8 million which is largely driven by a negative pre-tax loss, a cash outflow from investing activities equal to NOK 4.7 million, new long-term debt of NOK 33.3 million, payment of long-term liabilities totalling NOK 11.5 million and payment of loans to group companies of NOK 6.0 million.

Risks

Risk management in Kebony is based on the principle that risk identification and evaluation is an integral part of all business activities, and the responsibility for following up and maintaining established operational procedures is in the line organisation. The Board has a yearly evaluation of the overall system for risk management and internal control.

Kebony's operations take place in a global marketplace, and the Company is exposed to changing economic conditions and market factors. Kebony is also exposed to possible regulatory changes regarding environment and emissions, which could have both positive and negative implications for the Company. Possible incidents in the health, safety and environment (HSE) and corporate responsibility areas could imply substantial costs and potentially negative consequences for the Company's reputation.

The Company is closely monitoring the consequences of the Russian invasion in Ukraine, raw material and utility cost inflation, salary inflation, mortgage rate changes and the evolution of the financial markets in order to mitigate potential impacts on the Company.

Financial risk

The Company is exposed to financial risks in various areas, the main ones being currency and interest rate risks. The Company's current strategy only entails limited use of financial instruments to reduce these types of risks. This is considered by the Board on a regular basis.

Purchases of raw materials are made in NOK, SEK, EUR and USD. At 31 December 2023, the Company had no forward contracts for the purchase of currency. Labour costs are predominantly in NOK, EUR and USD. The share of sales in NOK increased to 32.7% of total revenue in 2023, up from 22.7% in 2022.



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The Company's long-term debt to financial institutions amounts to NOK 123.7 million, all at floating rates of interest. The Company's capital structure at year end shows an equity ratio of 26.3 %. The long-term debt structure is satisfactory.

Credit risk

The risk of bad debt is low. The anticipated growth in international sales will increase the credit risk, and therefore since 2020 the Group is making use of a non-recourse factoring facility, eliminating most of the credit risk.

Liquidity risk

The Group is still in a growth phase and does not generate a positive cash flow from operational activities. The non-recourse factoring facility is continuously evaluated, and supplier agreements are renegotiated on a regular basis. Kebony's margin is to a certain extent secured through agreements with suppliers of key raw materials on pricing of these materials.

Going concern

The financial statement is prepared based on the going concern assumption. Throughout Q4-23 and Q1-24 the Company and the Group made further initiatives on cost cutting to reflect the current market environment, issued a new convertible loan (parent company) and took measures to improve working capital. With these initiatives supported by an updated scenario-based sales forecast the Company and the Group will have sufficient liquidity and headroom for financial covenants. Further, the intercompany debt to the parent company will not be required repaid until the Company is in a position to make repayment, and secondly the parent company has stated its willingness to continue support the Company. Should the market deteriorate, additional measures on OPEX and investment side can be initiated to maintain the necessary liquidity up until next reporting date.

The Activity and Reporting obligations (ARP)

At Kebony, we are committed to building a diverse and inclusive workspace. As we continue to grow, this topic has become more important than ever before.

We believe that a diverse workforce is not just the right thing to do, but it's also essential for the success of our company. We know that diversity brings a wide range of perspectives and ideas, which helps us to be more innovative, more adaptable, and more competitive in the global market.

We are committed to creating an environment where everyone is respected and valued for who they are. We have made active obligation to apply to all the grounds for discrimination listed in the Equality and Anti-Discrimination Act, such as gender equality, disability, sexual orientation, gender identity and gender expression, religion and beliefs, ethnicity, caring responsibilities, pregnancy, parental leave, and adoption.

Company statistics Kebony Norge AS

Gender Equality, as per 31st December 2023

Full-time			
Number of Female Employees:	13	Number of Male Employees	53
Temporary			
Number of Female Employees	1	Number of Male Employees	1
Part-time			
Number of Female Employees	1	Number of Male Employees	0
Parental Leave			
Avg. Weeks for Female Employees	12	Average Weeks for Male Employees	17



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Salary (NOK)
Avg. Female Salary 694 100 Avg. Male Salary 643 800

We have assessed whether there are risks of discrimination or other barriers to equality and diversity in the company. We have identified areas where there may be risks related to discrimination, such as attitudes to equality and diversity, biased recruitment, equal pay for equal work and the need to clarify our procedures when we uncover behaviour that is not in compliance with the Equality and Anti-Discrimination Act. We have analysed the causes and implemented the following measures to counteract discrimination and promote equality and diversity in the company:

Diversity, Equality and Inclusion Roadmap

An updated DEI policy was implemented in the HR Handbook of the company in 2023, describing the company's approach to diversity and inclusion, including a description of desired behaviour. The company will keep track of its workforce diversity by reporting and measuring key indicators – primarily gender distribution and nationalities. Kebony, as a global company, strives to employ people from all over the world in all parts of the organization. As per 31st December 2023, Kebony employed people from 18 different nationalities. Recruitment agencies are also instructed to focus on increasing diversity at every recruitment, if possible.

Kebony is committed to diversity, equality, and inclusion, and we want this to be reflected in our workforce and management team. We understand the importance of continuous effort and are dedicated to working actively and systematically towards the goal of diversity in our workforce.

Policies

Kebony used external expertise to analyse the gaps of our policies on Code of Conduct, Supplier Code of Conduct, General purchasing Conditions, and Whistleblower Policy against the OECD Guidelines and the Norwegian Transparency Act. The company will continue with filling the identified gaps from 2023, which includes a new Human Rights Policy. Annual review and training of the Code of Conduct will be initiated to ensure proper behaviour in relation to colleagues, customers, and suppliers.

Gender pay analysis

Kebony Norge had per 31st December 2023 69 employees working in different departments with different tasks in different countries. The salaries for the employees working in stacking, process, and warehouse are equal for male and female due to their salaries being defined by different categories such as seniority, certificate, type of shift etc.

In analysing the overall salary differences between Female and Male we have divided the employees into 3 groups: (i) Managers, (ii) Sales & Administration and (iii) Production & Warehouse. We then get the following number of employees and deviation from the average within each group.

	Female	Male
Managers	28,6 %	71,4 %
Salary % of average	98,2 %	100,7 %
Sales & Administration	31,9 %	68,1 %
Salary % of average	90,9 %	105,3 %
Production & Warehouse	3,6 %	96,4 %
Salary % of average	99,1 %	100,0 %
In total Salary % of average	106,2 %	98,5 %



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The complexity of the job, discipline area and work experience affect the pay level of individual employees. However, the Company aims to be a workplace where men and woman with the same job level, with equal professional experience and who perform equally also receive the same pay.

There are none involuntary part time employees.

Talent Development Plan

All employees have together with their manager made a personal development plan and the plan will be followed up during the year 2024. The Talent Development Plan promotes equal training opportunities for all groups within the company.

Onboarding

This is a routine that will help new employees get the same onboarding in the company and a close follow-up from their manager and colleagues.

Exit interviews

This will be performed to collect information in a structured way from employees leaving the company to understand why the employee leaves.

Website: www.kebony.com

The official platform where diversity is promoted in the presentation of the company.

Liability insurance

Kebony has a directors and officers liability insurance. The insurance covers the legal personal liability for financial damage caused by the performance by the directors and officers of their duties. The insured under this policy is any past, present or future individual member of the board of directors and/or executive board or similar executive body of the group. As well as any past, present or future director of employee of the group who is capable of incurring personal managerial liability.

Environment

As a company, we recognise that we have an impact on the environment and society. To minimise the negative and increase the positive impact, we have identified six strategic UN Sustainable Development Goals (SDGs) to improve quality of life and protect our shared environment. In 2021, we formalised this process through a materiality analysis to understand specific focus areas on environmental, social and governance concerns.

In 2023, Kebony made important actions to improve our sustainability footprint, and also to enhance transparency on how we report this, with reference to the Global Reporting Initiative (GRI) standard. We reduced the energy consumption in our production process, revised our method for calculating the Scope 4 greenhouse gas impact, strengthened our work on human rights in our supply chain and implemented waste reduction initiatives through a new Quality and Continuous Improvement organization. The impact of these programs will be fully visible as of 2024.

For the coming year, our focus will be on realising further reduction of our CO2 footprint, energy consumption and waste, ensuring zero tolerance for health and safety risks, improving the economic performance, and supporting new applications for our technology. More information can be found in our 2023 Sustainability Report which is published on our website: <https://kebony.com/about/sustainability>

Research and development activities

The R&D activities in the Group are performed within Kebony AS, which has an R&D division with a staff of 7 employees, whose focus is on the development and documentation of cost-efficient processes for industrial-scale production of Kebony products.



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Prospects

It is our strong belief that a timber construction revolution is on the rise. Innovative wood products and increasing recognition of wood's cost effectiveness, versatility and light carbon footprint are driving its expanded use in residential and non-residential buildings.

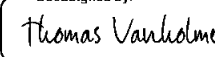
Kebony is an enduring, environmentally friendly, and modern alternative to tropical timber and traditional chemically impregnated wood. With a huge market opportunity, the Group's goal is to build an international brand based on self-developed, patented modification methods that increase the quality of the timber, are environmentally friendly and cost-efficient.

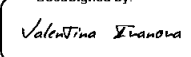
Since the onboarding of two strong investors following the private placement in 2021, the Group has been building a solid base to further develop Kebony's sustainable wood modification technology and brand, and unlock Kebony's full potential. After the weaker market conditions in 2023, the Group expects a market recovery in 2024 and more positive prospects beyond, since strong market drivers are working in the Group's favour. These include strong global demand for more sustainable building materials, modified wood being a solution to tropical deforestation, new regulatory frameworks (e.g. EU taxonomy) reflecting the desire to reduce the global carbon footprint and a trend towards a more environmentally friendly society.

Skien, 22 May, 2024

DocuSigned by:

Dag Slørdahl
Chair

DocuSigned by:

Thomas Vanholme
Board member

DocuSigned by:

Valentina Ivanova
Board member

DocuSigned by:

Morten Braatø
Board member

DocuSigned by:

Tom Paemeleire
Board member

DocuSigned by:

Mette Valen
Board member



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Kebony Norge AS

Income statement

Amount in NOK	Note	2023	2022
Revenue			
Sales revenue	2, 3	245 590 680	578 455 194
Total revenue		<u>245 590 680</u>	<u>578 455 194</u>
Operating expenses			
Cost of stocks	3	162 852 929	426 577 324
Payroll expenses	4	124 121 394	108 154 306
Depreciation and amortization	8	15 556 687	12 281 336
Write-down and amortization	8, 10	20 440 000	0
Other operating expenses	3, 4, 8, 15	110 533 502	99 368 974
Total operating expenses		<u>433 504 512</u>	<u>646 381 940</u>
Operating result		<u>-187 913 832</u>	<u>-67 926 746</u>
Financial income and expenses			
Interest income from group companies	3	5 977 185	5 541 626
Other financial income	5, 6	8 405 529	11 053 786
Interest paid to group companies	3	3 496 209	4 778 130
Other financial expenses	5, 6	25 078 695	24 839 451
Net financial items		<u>-14 192 190</u>	<u>-13 022 169</u>
Ordinary result before tax		<u>-202 106 022</u>	<u>-80 948 915</u>
Net profit or loss for the year		<u>-202 106 022</u>	<u>-80 948 915</u>
Allocated as follows			
Transferred to share premium reserve	12	-202 106 022	-80 948 915



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Kebony Norge AS

Balance sheet as of December 31

Amount in NOK	Note	2023	2022
Fixed assets			
<i>Tangible assets</i>			
Land, buildings and other real property	8, 14	67 448 151	69 886 280
Machinery and plant	8, 14	57 967 093	66 110 766
Fixtures and fittings, tools, office machinery etc.	8	149 231	388 607
Total tangible assets		<u>125 564 475</u>	<u>136 385 653</u>
<i>Financial assets</i>			
Investments in subsidiaries	9	1	1
Investments in other group companies		9	9
Intercompany loans	3	64 930 210	58 953 025
Other receivables	14	234 695	180 959
Total financial assets		<u>65 164 915</u>	<u>59 133 994</u>
Total fixed assets		<u>190 729 390</u>	<u>195 519 647</u>
Current assets			
Inventories	10, 14	<u>200 523 003</u>	<u>253 589 119</u>
<i>Receivables</i>			
Trade receivables	3, 3, 14	7 522 194	5 477 905
Other receivables	3, 3	19 749 067	16 725 962
Total accounts receivables		<u>27 271 261</u>	<u>22 203 867</u>
Cash and cash equivalents	11	<u>30 134 877</u>	<u>44 335 548</u>
Total current assets		<u>257 929 141</u>	<u>320 128 534</u>
Total assets		<u>448 658 531</u>	<u>515 648 181</u>



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Kebony Norge AS

Balance sheet as of December 31

Amount in NOK	Note	2023	2022
Equity			
<i>Paid-in capital</i>			
Share capital	12, 13	67 723 567	62 514 062
Share premium reserve	12	48 025 987	45 341 514
Other paid-in capital	12	2 183 978	2 183 978
Total paid-in capital		<u>117 933 532</u>	<u>110 039 554</u>
Total equity		<u>117 933 532</u>	<u>110 039 554</u>
Liabilities			
<i>Provisions</i>			
Other provisions	15	40 000 000	38 000 000
<i>Other long-term liabilities</i>			
Liabilities to financial institutions	14	123 712 815	101 924 815
Other long-term liabilities	14	100 560 760	208 018 001
Total other long term liabilities		<u>224 273 575</u>	<u>309 942 816</u>
<i>Current liabilities</i>			
Trade creditors	3, 3	26 805 199	34 757 377
Public duties payable	11	2 391 071	2 941 499
Other short-term liabilities	3, 3, 14	37 255 154	19 966 935
Total current liabilities		<u>66 451 424</u>	<u>57 665 811</u>
Total liabilities		<u>330 724 999</u>	<u>405 608 627</u>
Total equity and liabilities		<u>448 658 531</u>	<u>515 648 181</u>

31 December 2023

Skien, 22 May 2024

DocuSigned by:
Valentina Ivanova
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Valentina Ivanova

Board member

DocuSigned by:
Mette Valen
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Mette Valen

Board member

DocuSigned by:
Thomas Vanholme
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Thomas Luc E Vanholme

Board member

DocuSigned by:
Tom Pæmleire
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Tom Pæmleire

Board member

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Morten Braatø
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Morten Braatø

Board member

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Dag Størdahl
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Dag Størdahl

Chair



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Kebony Norge AS CASH FLOW STATEMENT

CASH FLOW STATEMENT

	Note	2023	2022
Cash flow from operational activities			
Pre-tax profit/loss (-)		(202 106 022)	(80 948 915)
Ordinary depreciation	8	15 556 687	12 281 336
Change in guarantees	15	2 000 000	3 000 000
Change in stocks	10	53 066 116	(64 080 595)
Change in trade debtors		(2 044 289)	(2 955 914)
Change in trade creditors		(7 952 178)	(3 836 723)
Change in other accrual items		13 660 950	(14 079 212)
Net cash flow from operational activities		(127 818 736)	(150 620 023)
Cash flow from investment activities			
Payments made on purchase of tangible fixed assets	8	(4 735 509)	(18 487 029)
Net cash flow from investment activities		(4 735 509)	(18 487 029)
Cash flow from financing activities			
Payments received on long-term liabilities	14	33 288 000	212 369 130
Payments received in connection with loans to group companies		102 542 759	
Payments made in connection with loans to group companies	3	(5 977 185)	(7 341 339)
Payments made in connection with repayment of long-term liabilities	14	(11 500 000)	(3 539 962)
Net cash flow from financing activities		118 353 574	201 487 829
Net change in cash and cash equivalents		(14 200 671)	32 380 777
Balance of cash and cash equivalents at start of period		44 335 548	11 954 771
Balance of cash and cash equivalents at end of period		30 134 877	44 335 548



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Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles in Norway.

Going concern

The financial statement is prepared based on the going concern assumption. Throughout Q4-23 and Q1-24 the Company and the Group made further initiatives on cost cutting to reflect the current market environment, issued a new convertible loan (parent company) and took measures to improve working capital. With these initiatives supported by an updated scenario-based sales forecast the Company and the Group will have sufficient liquidity and headroom for financial covenant. Further, the intercompany debt to the parent company will not be required repaid until the Company is in a position to make repayment, and secondly the parent company has stated its willingness to continue support the Company. Should the market deteriorate, additional measures on OPEX and investment side can be initiated to maintain the necessary liquidity up until next reporting date.

Sales revenues

Revenue from the sale of goods is recognised when the significant risks and reward of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from delivery of services is recognised as they are delivered.

Cost of stocks

Cost of stocks consists mainly of direct costs. However, inventories also include allocated indirect costs. Thus cost of stocks partially includes indirect costs through changes in inventories of goods produced which is included in cost of stocks.

Classification and valuation of balance sheet items

Assets intended for permanent ownership or use are classified as non-current assets. Assets relating to the material flow are classified as current assets. Receivables are classified as current if they fall due within 12 months. Similarly liabilities related to the commodity flow or that fall due within 12 months are classified as current.

Current assets are valued at the lower of their carrying amount and fair value. Current liabilities are recognised at the nominal value at the time they are incurred.

Non-current assets are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Tangible non-current assets are depreciated using the straight-line method over the expected useful life of the asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Non-current liabilities with the exception of other provisions are recognised in the balance sheet at initial cost.

Tangible non-current assets

Tangible non-current assets are recognised in the balance sheet at initial cost and depreciated using the straight-line method over the assets' expected useful life. Assets with an expected useful life below three years and with an acquisition cost of less than NOK 15 000 are expensed. Maintenance of fixed assets is expensed continuously under operating expenses. Upgrades or improvements are added to acquisition cost of the operating equipment and depreciated in line with the operating asset's useful life. The distinction between maintenance and upgrading/improvement is assessed in relation to the operating equipment's condition at the time of its acquisition. Leased operating equipment is recognised in the balance sheet at initial cost if the leasing contract is deemed to be financial.



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Leasing

Financial leasing which substantially transfers to the company all the risks and benefits incidental to ownership of the leased item, is capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payment. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Impairment of fixed assets

If any indication of the capitalized value of an asset is higher than real value, an impairment test is conducted.

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's (CGU) fair value less cost to sell, and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Previous impairments are reversed if the assumptions for the write-down no longer exist (with the exception of potential impairments of goodwill).

Public grants

Public grants relating to an expense item is recognised as a reduction in cost over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, it is recognised as a reduction in the carrying amount of the related asset.

Subsidiaries and associated companies

Subsidiaries and associated companies are recognised at initial cost in the parent company's accounts. The investments are tested for impairment. When the carrying amount of the investment exceeds its recoverable amount, the asset is written down to its recoverable amount.

Dividend and other distributions are taken to income the year they are provided for in the subsidiary/associated company. If the dividend exceeds the share of retained profit after the acquisition, the excess amount is recognised as repayment of invested capital, and the distributed dividend is deducted from the value of the investments in the balance sheet.

Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials are valued at purchase cost on a first in first out basis. Finished goods and work in progress are valued at calculated standard cost including estimated cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost to make the sale.



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Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold. Initial recognition is based on historical experience from the last 5 years and professional judgement. The initial estimate of warranty-related costs are revised quarterly.

Receivables

Trade receivables and other receivables are recognised in the balance sheet at their nominal value after deductions for provision for bad debt. The provision for bad debt is calculated on the basis of an individual valuation of each receivable. In addition, an unspecified provision is made for other trade accounts receivable to cover expected losses. If a customer has material financial problems or if there is a likelihood that the customer will become insolvent or will be subject to financial restructuring or the customer defers or fails to make payment, then these are indicators that trade debtors must be written down.

Other receivables, both current receivables and non-current receivables are recognised at the lower of carrying value and fair value. Fair value is the present value of expected future payments. Discounting is not carried out as the effect of the discounting is not considered to have a material effect on the accounts. The provision for bad debt is assessed in the same way as for trade receivables.

Liabilities

Liabilities are recognised in the balance sheet at their carrying value. The first year installment on long-term debt is classified as long-term debt.

Currency

Monetary items in foreign currency are valued at the exchange rate at the end of the financial year. Transactions in foreign currency are recognised at the rate on the transaction date.

Tax

The tax expense in the profit and loss account includes both the period's tax payable and the change in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, and any tax loss carryforward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are offset.

Deferred tax assets have been accounted for to the extent utilization is probable.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents include cash, bank deposits, other short-term liquid investments that can immediately and with insignificant exchange rate risk be converted into a known sum of cash and that have a due date less than three months after the date of acquisition.



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Note 2 Geographical distribution of sales

	2023	2022
Geographical distribution of sales		
Norway	57 678 423	131 233 756
Outside Norway	187 912 257	447 221 438
Total sales	245 590 680	578 455 194

Note 3 Intercompany transactions, group receivables and payables

Intercompany from Kebony Norge AS to the group

	2023	2022
Receivables		
Long-term receivables	64 930 210	58 953 025
Trade receivables	3 154 674	1 668 763
Other short-term receivables	10 615 324	7 463 566
Total	13 769 998	9 132 329

Liabilities

	2023	2022
Trade creditors	16 190 480	589 008
Other short-term liabilities	6 258 354	4 016 515
Other long-term liabilities to group companies	100 560 760	208 018 001
Total	123 009 594	212 623 524

Intercompany transactions

	2023	2022
Sales of goods to group companies	98 333 895	20 431 582
Sales of services to group companies	9 840 580	6 044 237
Interest received from group companies	5 977 185	5 541 626
Interest paid to group companies	20 979 109	11 067 930
Purchase of services from group companies	86 274 900	81 459 575
Royalties	4 600 000	10 750 000

Kebony Norge AS has outstanding non-current receivables of NOK 44 514 662 against Kebony Inc. These receivables are impaired to NOK 0.



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Note 4 Payroll expenses, number of employees, executives and directors remuneration, loans to employees, auditors fee, etc.

Payroll expenses	2023	2022
Salaries	50 867 307	47 566 970
Employer's National Insurance contributions	6 054 435	5 709 605
Pension expenses	4 480 901	3 007 957
Other benefits	2 724 147	4 603 876
Hired staff	59 994 604	47 265 898
Total	124 121 394	108 154 307

In the financial year, the average number of man-labour years was 69.

The company is required to have a retirement scheme in accordance with law on occupational pension . Company has a defined contribution plan that meets the requirements of this law.

No remuneration has been paid to the boardmembers in 2023.

Auditor

Specification of expensed audit fee:

	2023	2022
Statutory audit	473 500	433 500
Tax advice	29 500	27 000
Other services not included in the audit	60 590	47 000
Total	563 590	507 500

All amounts are excl. VAT.



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Note 5 Financial market risk

The company is exposed to interest rate risk as parts of the debt have a floating interest rate. The company has chosen not to use financial instruments to reduce this risk.

Changes in foreign currency exchange rates imply an economic risk both directly and indirectly. The company has chosen not to use financial instruments to reduce this risk.

The risk exposure can be illustrated as follows (all figures in NOK)

	2023	2022
Currency	Sales	Procurement
EUR	129 042 231	76 823 112
NOK	80 293 585	128 015 905
USD	27 326 378	56 914 979
SEK	110 104	18 667 711
DKK	8 818 381	2 141 604
GBP		9 129
AED		903 992
Total	245 590 679	283 476 431

Note 6 Other financial income/expenses

	2023	2022
Other financial income		
Interest income	12 016 898	7 623 386
Exchange rate gain	2 365 816	8 972 026
Other financial income	14 382 714	16 595 412
Other financial expenses		
Interest expenses	22 302 049	16 705 401
Other financial expenses	283 893	-
Exchange rate loss	5 988 962	12 912 179
Other financial expenses	28 574 904	29 617 580



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Note 7 Tax

Calculation of deferred tax/deferred tax asset

	2023	2022
<i>Temporary differences</i>		
Trade debtors and other receivables	(15 855 444)	(16 509 444)
Stocks	(29 134 000)	(6 425 000)
Provisions	(40 000 000)	(38 000 000)
Non-current assets	8 892 267	12 906 879
Leasing	24 104 601	28 925 517
Cut-off interest deduction carried forward	(21 537 518)	(21 537 518)
Loss carryforward	(959 449 020)	(830 873 092)

Basis for deferred tax asset in the balance sheet (1 032 979 114) (829 974 982)

22% deferred tax asset	(227 255 405)	(164 983 319)
Of which deferred tax asset not capitalised	227 255 405	164 983 319
Deferred tax/ tax asset	-	-

Basis for tax cost, change in deferred tax and tax payable

<i>Basis for tax payable</i>	2023	2022
Pre-tax profit/loss	(202 106 022)	(32 034 047)
Permanent differences	-	-
Basis for year's tax	(202 106 022)	(32 034 047)

Basis for year's tax	(202 106 022)	(80 050 806)
Change in temp. diff. included in the calc. of deferred tax	32 890 528	11 400 986
Limitations in interest deduction	-	2 061 534
Change in tax loss and allowance carryforward	169 215 494	66 588 285
Basis for tax payable	-	-



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Note 8 Tangible non-current assets

	Land, buildings and other real property	Technical equipment buildings	Plant and Machinery	Operating equipment etc.	Total tangible non-current assets
Acquisition cost 1 Jan.	116 315 151	4 914 543	180 989 754	4 244 872	306 464 320
Net additions	1 273 314		3 462 195		4 735 509
Disposals					-
Acquisition cost 31 Dec.	117 588 465	4 914 543	184 451 949	4 244 872	311 199 829
Accumulated impairments 31 Dec.			4 910 863		4 910 863
Accumulated depreciation 31 Dec.	50 971 710	4 083 147	121 573 993	4 095 641	165 167 804
Carrying value 31 Dec.	66 616 755	831 396	57 967 093	149 230	125 564 475

Depreciation for the year

3 342 983

368 460

11 605 868

239 376

Expected useful life
Depreciation plan

50 years
Straight line

20 years
Straight line

5-20 years
Straight-line

3-5 years
Straight-line

Based on the financial restructuring of the Group and the implied enterprise value of the Company/Group supported by the fact that the Group has delivered in accordance with the business plan, no impairment indicators exist.

Land, buildings and other real property

13 543 283

Plant and Machinery

1 981 494

Operating equipment etc.

3 224 327

Annual leasing of non-capitalised operating

13 543 283

1 981 494

3 224 327

Note 9 Subsidiaries and other investments

Investments in subsidiaries and other investments are recognised in accordance with the cost method.

Subsidiaries	Registered office	Holding	Equity 31 Dec.	Profit/loss for last year	Carrying value
Kebody INC	Roanoke, VA 24018 USA	100 %	(48 687 459)	990 748	1
Carrying value 31 Dec.					

All amounts are excl. VAT.



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	2023	2022
Note 10 Inventories		
Raw materials	91 780 763	108 558 003
Work in progress	134 498 444	890 237
Finished goods	3 377 796	150 565 879
Provisions obsolete goods*	(29 134 000)	(6 425 000)
Total	200 523 003	253 589 119

NOK 15 839 000 of the provision in 2023 is a combination of:

1. Disposing of Radiata Pine wood for less than book value (NOK 8.6 million)
2. Standard cost adjustment of Kebony Radiata Pine products from January 1st (NOK 3.5 million)
3. An extraordinary write-down of old Radiata Pine cladding profiles in stock (NOK 3.5 million)

	2023	2022
Note 11 Cash pool account		
Bank Deposits Nordea		
NOK	-2 230 611	42 470 160
EUR	-12 621 020	-109 897 991
DKK	13 737 842	6 763 108
SEK	768 212	-25 935 162
USD	30 180 454	128 771 030
Total	29 834 877	42 171 146

Restricted bank deposits, drawing rights

	2023	2022
Restricted bank deposits		
Employee tax withholdings	1 545 716	1 722 972



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Note 12 Share capital and shareholder information

The share capital of NOK 67 723 567 comprises of 52 095 051 563 shares of NOK 0.0013 each.
Shareholder at 31 Dec.

	Ordinary shares	Holding
Kebyony AS	52 095 051 563	100,0 %
Total number of shares	52 095 051 563	100 %

Kebyony Norge AS is part of the Kebyony AS group. Group financial statements may be obtained from the Norwegian Enterprise Register.

Note 13 Equity

	Share capital	Share premium	Other paid-up equity	Other equity/retained earnings	Total
Equity 1 Jan.	62 514 062	45 341 514	2 183 978		110 039 554
Loss for the year		(202 106 022)			(202 106 022)
Conversion of loans to equity	5 209 505	204 790 495			210 000 000
Equity 31 Dec.	67 723 567	48 025 987	2 183 978	-	117 933 532



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Note 14 Liabilities

Long term liabilities

	2023	2022
Financial institutions		
Nordea Bank AS	38 500 000	29 412 000
Innovasjon Norge	15 212 815	12 512 815
Aros Kapital	70 000 000	60 000 000
Total	123 712 815	101 924 815

The Mortgage loan from Nordea Bank AS expires in 2025.

Due-date structure, non-current liabilities

	2023	2022
Falls due 2023	-	2 276 641
Falls due 2024	6 526 439	4 553 283
Falls due 2025	41 027 626	32 301 141
Falls due 2026	2 015 000	1 075 000
Falls due 2027	1 615 000	625 000
Falls due 2028	1 165 000	1 093 750
Due later than 2029	71 363 750	-
Total	123 712 815	41 924 815

Carrying value of mortgaged assets

	2023	2022
Land and buildings	67 448 151	67 972 123
Tangible fixed assets	57 967 093	68 426 809
Inventories	200 523 003	253 589 119
Trade receivables	7 522 194	5 447 905
Total	333 460 441	393 545 935

Short term liabilities

	2023	2022
Current Account KAS	7 341 054	4 016 515
Unpaid Holiday Pay	3 740 925	3 956 734
Other Accrued Expenses	6 259 000	6 429 500
Current Account BNV	10 874 800	5 564 186
Other Current Liabilities	9 039 375	-
Total	37 255 154	19 966 935



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Note 15 Warranty expenses

A provision for future possible warranty commitments of NOK 40 000 000 as of 31 December 2023 is included in other long-term liabilities. In 2022 it was NOK 38 000 000. During 2023 the company has expensed NOK 5,37 million mainly related to products in production. The Group gives up to 30 years warranty on its products, and there is inherent uncertainty related to future warranty payments on historical products. Management have based the accrual on historical warranty provisions.

Note 16 Subsequent events

On 26 January 2024 a new convertible loan agreement was made between Jolt Capital IV, Lightrock Climate Impact Fund SCSp, Welvaarfsfonds BV, MVP Fund II GmbH & Co. KG and Kebery AS, whereas the lenders provided the borrower with loans in a total aggregate principal amount of EUR 3,246,135.



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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Kebony Norge AS

Opinion

We have audited the financial statements of Kebony Norge AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 in accordance with the requirements of the 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.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements 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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company 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 the 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, 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 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 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 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 fair presentation.

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.

Oslo, 6. June 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

Independent auditor's report - Kebony Norge AS 2023

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Grefsrød, Jon-Michael

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

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