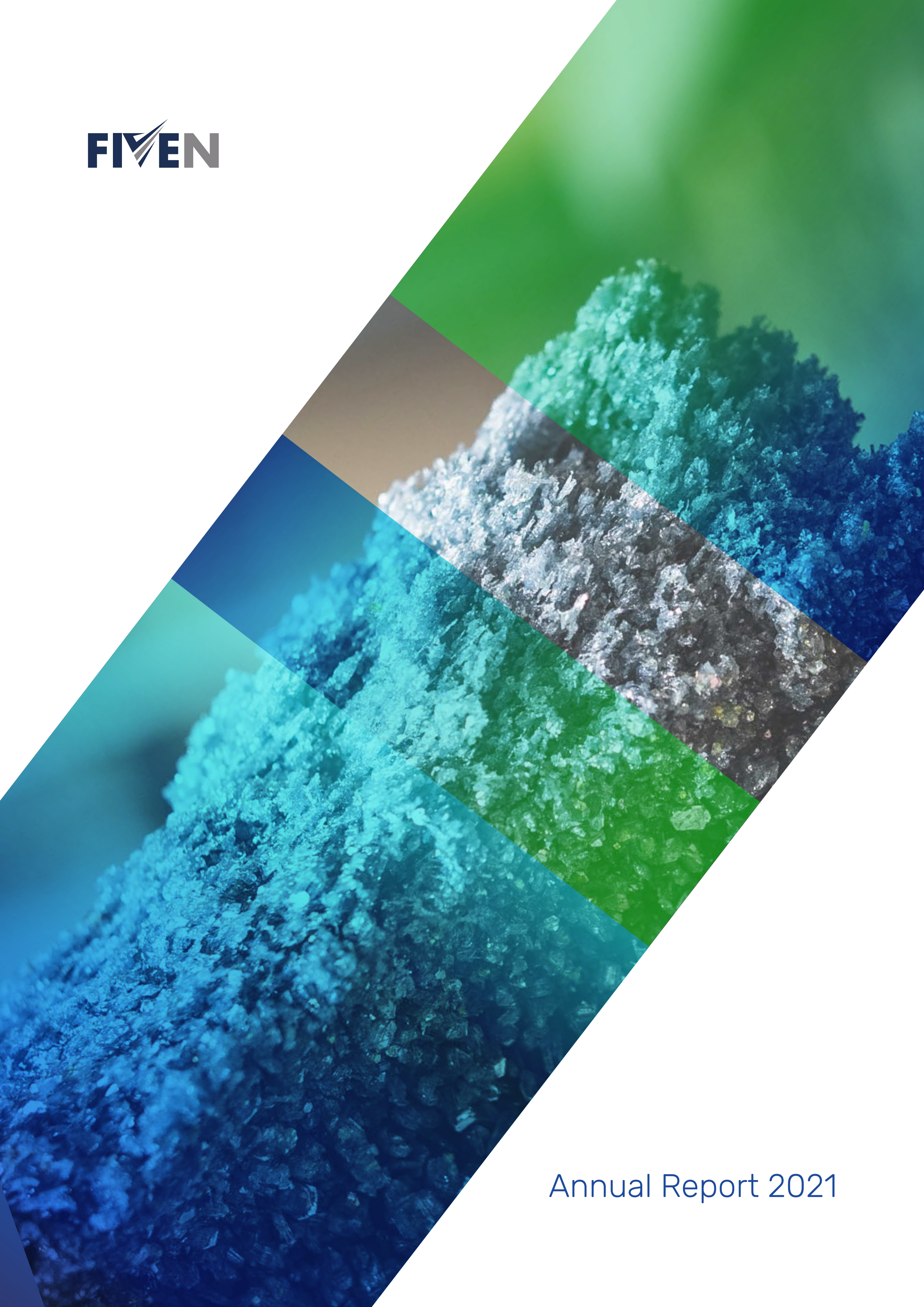
FIVEN



Annual Report 2021

Content

A worldwide leader

Fiven is clearly established as the worldwide leader in the business of silicon carbide grains and powders. At the heart of industry, we pride ourselves in serving many customers, leaders in their own segment, across the world, through long-term, trust-based relationships.

€127.4 M	€24.4 M	>400	6	520
Total revenue	EBITDA Adjusted	Customer groups	Production Sites	Emplyees
1 January - 31 December 2021	1 January - 31 December 2021			Venezuela included

Selling to 49 countries on 5 continents

6 production sites

4 office locations

Key financials

P&L Euro Millions	2021	2020
Revenue	127.4	99.2
Adjusted EBITDA[1]	24.4	20.1
Net Income (loss)	2.9	(2.9)

Balance sheet Euro Millions	2021	2020
Assets	140.3	120.1
Cash and Cash Equivalents	23.6	23.0

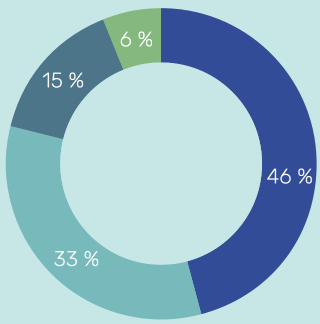
Cash flow Euro Millions	2021	2020
Cash flow from operations	15.2	15.0
Cash flow from investments	(5.3)	(3.7)
Cash flow from financing activities	(9.3)	(1.1)

[1] Adjusted EBITDA: Operating Profit less depreciation, amortization, non-recurring costs, transaction costs and monitoring fees.

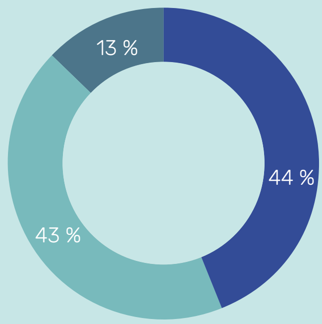
Revenue breakdown

31 %
Customized share of sales in 2021

69 %
Standard share of sales 2021



Europe
South America
North America
Asia



Fiven Norway
Fiven Brazil
Fiven Belgium

2021 Highlights

Sustainability Linked Bond

Fiven ASA has issued a senior secured bond in an initial amount of EUR 70,000,000 within a total framework amount of EUR 125,000,000, on the Nordic bond market. The new sustainability-linked bond is used to redeem the outstanding bond (ISIN SE0012453850) listed on NASDAQ in Stockholm and Frankfurt Open Market stock exchanges.

"The listing of our sustainability-linked bond is an important milestone and underlines our goal of becoming a more sustainable company. We thank our investors and owners for their confidence in our future."

— Falk Ast,
Chairman of the Board Fiven ASA

EcoVadis Silver Medal

The Fiven Group has received the EcoVadis sustainability rating in silver. The certification evaluates the environmental, social and ethical performance - in other words, the sustainability of companies. The silver rating places Fiven in the top 25% of all companies assessed by EcoVadis. This is a remarkable result after only two years of existence as an independent company, which underscores Fiven's ambition to improve its sustainability program. Fiven will be reassessed annually over the next two years to enhance its results step by step.

Visit of Norwegian Minister

On November 15, 2021, we had the honor to welcome the Norwegian Minister of Trade and Industry, Jan Christian Vestre, and the Mayor of Lillesand, Einar Holmer-Hoven, to our plant in Lillesand (Fiven Norge). During the visit, the minister was able to see our progress and goals in sustainability and innovation. The opportunity to expand the production of high-purity silicon carbide for the semiconductor industry and implement further projects to reduce emissions were particularly highlighted. The minister was positively surprised by the high export share of the plant, with which the innovations "Made in Norway" go out into the world.

Modernization of Venezuela

Due to subdued demand in 2020, our production facilities in Venezuela were out of service for many months. During this time, Fiven invested in upgrading the facilities and resumed production in 2021 when global demand for silicon carbide picked up again. With the investment made, our plants in Venezuela are ready for full capacity production in 2022.

Tree planting

Continuing its sustainability projects and believing in its social responsibility for the environment, Fiven has started to implement an ambitious environmental project in the Brazilian state of Minas Gerais. Currently, Fiven is planting another 100,000 trees on its property in Barbacena, Brazil. The trees planted are largely native to their environment and contribute to the biodiversity of Fiven's forest, which already has 400,000 trees. For Fiven, investing in the environment and the sustainability of our business is a priority. This is certainly another great success for all of us!

Establishment of FIVEN North America, Inc

On our way to further expand our global footprint, we are pleased to announce a new milestone. As of February 2021, we have registered the legal entity for our new sales office in Pittsburgh, Pennsylvania. The new commercial branch enables us to reach new prospects and expand our business with existing customers in multiple industries.

Strong commercial performance amid dynamic market developments

The impact of COVID-19 on our global economy has been the most difficult challenge the world has faced in recent years. As COVID-19 kept affecting the lives and livelihoods of so many, I am proud of the resilience and commitment of our employees, who performed exceptionally well in 2021. Last year, we weathered many challenges and never lost our footing. This has made us more adaptable to future hurdles because we know that Fiven is strong when it sticks together.

Throughout the pandemic, our values guided us: we kept our teams safe by procuring personal protective equipment, establishing on-site testing protocols, and working remotely when possible. Today, all our employees are vaccinated against COVID-19 through on-site doctors and partnerships with local health departments. I am pleased to report that these measures and the discipline of our employees worked to prevent a significant outbreak of COVID-19 at our sites.

I would also want to thank all our teams for their continued work to improve safety in our plants. We are approaching five accident-free years at our Belgian plant and have achieved an accident-free year in Brazil and Norway. This is a significant and vital step towards our goal of zero accidents. No one at Fiven should have to risk their health on the job.

The year 2021 was also turbulent commercially and operationally. At the beginning of the year, we saw a considerable increase in demand as the macroeconomic environment has improved from the fourth quarter of 2020. The sudden increase in demand combined with the ongoing impact of the pandemic on supply chains made it very difficult for our teams to meet our customers' expectations.

We have significantly benefited from our commercial team's close relationships with our customers during this time. They succeeded in aligning the requirements of our many groups of customers and ensuring that they were met as closely as possible on time. We were also able to increase production output to an unprecedented level. We managed to modernize and successfully restart our plants in Venezuela.

We experienced increasing cost pressure for energy and raw materials during the year. As a consequence, it was necessary for our sales team to adjust sales prices to mitigate major cost changes observed.

In order to expand our activities, we founded FIVEN North America Inc. in Pittsburgh, PA this year. We started with a Development Office which most likely will be followed up with a warehouse. A production facility is not yet planned.

I am proud to report that after a subdued start to the year, Fiven achieved strong sales, EBITDA, and cash in 2021. Having taken a proactive position early in the pandemic by adjusting production and following up on cost and prices, Fiven's efforts paid off with a 28% increase in sales and 22% growth in Adjusted EBITDA.

Another major success for our company was refinancing our outstanding bond by issuing a new sustainability-linked bond listed on Nasdaq Nordics. This important milestone underscores our goal of becoming a more sustainable company. We had Fiven assessed for sustainability by EcoVadis and received the silver medal for achieving this goal. The silver rating places Fiven in the top 25% of all companies evaluated by EcoVadis. After only two years of existence as an independent company, this is a remarkable result and will lead to further improvements and annual assessments. In December, we also launched an ambitious environmental project in the Brazilian state of Minas Gerais. We are in the process of planting over 100,000 trees on our property in Barbacena, most of which are native to their surroundings. This will expand our existing forest of 400,000 trees and contribute to local biodiversity.

While it may take a little longer for our economy to fully recover, we are confident that we won't ever forget the lessons learned from the pandemic.

Our two-pillar strategy delivered strong results before the crisis. It is proving to be resilient during the pandemic, and we are confident that it will continue to serve us well in the future.

I want to take this opportunity to thank all our partners and investors for their trust and cooperation. We are thrilled to have you on board and are grateful that you've decided to help us achieve our goals.

Falk Ast
Chairman of the Board
Fiven ASA

Board and Management

Falk Ast
Chairman of the Board Fiven ASA

Pål Runde
CRO Fiven Group
Member of the Board of Fiven ASA

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

Helén Borchgrevink
Member of the Board of Fiven ASA

Fernando Miquel Peraire
COO Fiven Group

Stein Erik Ommundsen
CFO Fiven Group and General Manager Fiven ASA

Sabine Radoux
Chief Sustainability Officer

Thiago Barros
General Manager Brazil & Sales Director Americas

Atanas Chapkov
General Manager Norway

Isabelle Bouteille
General Manager Belgium

Mission, Vision and Values

Fiven is guided by its mission, vision, and values. We act on these to establish the governing principles of the management across the Group.

We are living in times of rapid technological shifts. Cars drive autonomously and are powered by electrical engines, our energy is increasingly coming from regenerative resources, industries and homes get smarter, and the climate change is bringing up ever more challenges. At Fiven we work together with our customers on enabling current and future technologies that shape the world around us.

Our Six Key Values

Commitment to Environment, Health and Safety

No matter where we produce, we always apply the same high standards to ensure safe and healthy working conditions with the least impact on our environment.

Reliability of Supply

Finding and qualifying the right supplier can be costly. With Fiven, our customers have a reliable source that has been in the market for years. As the biggest producer of silicon carbide, we can meet large or sudden demands.

Consistency of Quality

We know that the success of our customers' products depends on high-quality resources. Therefore, we take several measures to make sure each shipment fits their specifications.

Mission

We shape industries

Vision

Fiven is committed to delivering innovative and sustainable solutions for the industries of today and tomorrow

Innovation in conjunction with our customers (co-development)

We will develop a tailor-made solution together with our customers. It allows them to optimize their raw material to reach maximum performance.

Respect of confidentiality for each customer

Working closely together makes trust crucial. We want our customers to feel comfortable sharing their information with us. Their information is safe, and we will not disclose it with other businesses outside the Fiven Group.

Local presence combined with worldwide excellence standards

We stand by and support our customers that are producing around the world, and as they look to expand their business to other countries.

Corporate Social Responsibility

Introduction by the Chairman

Our goal is to improve the impact we have on our surrounding societies.

Fiven is committed to limit all the adverse effects of its activities on society, the environment and people.

In 2021, we pursued our CSR journey, progressing on the five axes of our approach: social, local anchorage, business ethics, environment, and health and safety. The sustainable Development Goals (SDG) created by the UN is a source of inspiration and a global reference point for our CSR strategy

Besides, our principles, Respect, Integrity, Solidarity, Trust and Transparency named as 'Fiven 5' ensure that an extensive Corporate Governance will provide the basis for the realization of the five axes of our Corporate Social Responsibility approach.

Falk Ast, Chairman of the Board

Our Principles

In 2021, Fiven focused on developping a number of shared principles applying for both management and employees that will guide our activities over the years. This principles are called the 'Fiven 5' and are:

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

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

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

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

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

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

Certification

All our Fiven entities are certified ISO 9001. In addition, our entities in Brazil, Norway and Belgium are certified ISO 14001 : 2015 and ISO 45001:2018. All key production entities of the Group have health and safety certifications:

- Fiven Norge AS: ISO 9001, ISO 14001, ISO 45001
- Carbeto de Silicio Sika Brazil: ISO 9001, ISO 14001, ISO 45001
- Materiaux Céramiques SA: ISO 9001, ISO 14001, ISO 45001
- Fiven Venezuela: ISO 9001 and OSHAS 18001

In October 2021, the Fiven Group has received the EcoVadis sustainability rating in silver with a score of 56/100. The certification evaluates the environmental, social and ethical performance - in other words, the sustainability of companies. The silver rating places Fiven in the top 25% of all companies assessed by EcoVadis. This is a remarkable result after only two years of existence as an independent company. Fiven will be reassessed annually over the next two years to enhance its results step by step.

Health and Safety

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

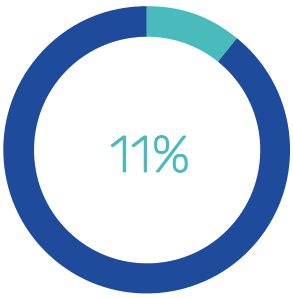
In 2021, The first self-assessment of the Fiven H&S roadmap was performed in all Fiven entities. The Fiven H&S raodmap is composed of 29 standards to be applied by every entity of the Group. Formal audit will take place in 2022 to grant the Fiven label to factory achieving a certain level of compliance on the main 15 standards out of 29 included in the Fiven Roadmap.

Monthly safety KPIs are reported and analyzed at corporate level: lost-time accident (LTA), non-lost time accident (NLTA), first aid, near misses, unsafe act and unsafe conditions. We are also performing "SMAT" (Safety Management Audit Tool) where behaviors at a task are observed and based on the observation a constructive dialogue around safety, best practices, areas of improvement is initiated.

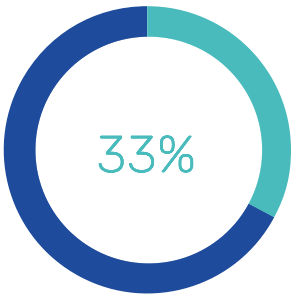
2	0	12	42	4 134	1 663
LTA	NLTA	First Aid	Near Misses	Unsafe Acts/ Unsafe Conditions	SMAT

Diversity

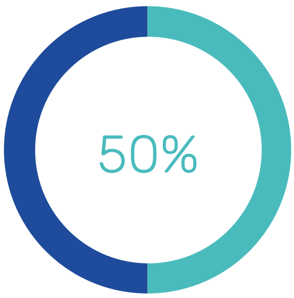
Female share of the total FTE



Female share of Fiven management team



Female share of the board of directors



Fiven has more than 10 nationalities out of its more than 500 employees.

Environment

To create a stronger link between our operations and how they affect the environment that we operate in, and also to better align the objectives of our Environmental Roadmap with Fiven's financing strategy, in 2021, Fiven has entered into a Sustainability Linked Bond financing. This means we have linked our financing to the improvement of environmental indicators, critical for our industry, over the next years. These indicators are CO_2 and SO_2 emissions (expressed in tons of silicon carbide produced), and volume of water withdrawals (in absolute value). Our objective is to reduce these emissions by respectively 9%, 15 % and 10 % by 2025.

As per our HSE policies: 'Our ambition is to turn Fiven into a green SiC company '

To realize this transformation, the only acceptable long term target is to achieve

'Net Zero Emission'[1] by 2050.

[1] Net zero emissions means that all man-made greenhouse gas emissions must be removed from the atmosphere through reduction measures, thus reducing the Earth's net climate balance, after removal via natural and artificial sink / Fiven has the ambitions to work all on their emissions to air not limiting the GHG

3 approaches to achieve this target

Eliminating emissions | **Balancing emissions with removals (air capture)** | **Balancing emissions with emissions avoided through the product**

Targets

2020
- Scope: 1 & 2[2]
- Measure Emissions
- Set up Target & Roadmap
- Implement Action Plan

2025
- Scope: 1 & 2[2]
- Air: - 9%
- Water: - 10%
- Waste: -15%

2030
- Scope: 1,2,3[2]
- Air: – 20%
- Water: - 20%
- Waste: - 30%

2050
- NET ZERO EMISSIONS

Actions

2020–2025
- Projects to use biocarbon sources
- Projects to capture emissions in Norway (semi-closing + CO_2 capture technology investigation)
- Circular Economy Concept: Intensify Recycling
- Waste & Water Management Corporate Policy

2025–2030
- Carbon footprint analysis and define action Plan on Sc. 3
- Project to capture emissions in Brazil
- Project to capture CO_2 in Norway
- Roadmap Revision process to ensure LT target

2050
- All emissions from Furnaces captured
- CO_2 emissions captured
- All remaining waste is recycled

[2] Scope 1,2,3 defined by the GHG Protocol: Scope 1 = direct emissions / Scope 2 = indirect emissions (= Energy used) / Scope 3 = All indirect emissions (i.e travel, transportation, lease equipment, …)

"In 2021, Fiven has consolidated its foundations of what have been initiated in 2020 through the definition of our CSR approach. 2022 will be a key year to progress in the implementation of our environmental roadmap and the business ethic axes."

Sabine Radoux
Chief Sustainability Officer

Board of Directors' Report

About Fiven

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

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

Fiven has manufacturing entities in Arendal and Lillesand (Norway), Hody (Belgium), Barbacena (Brazil) and Puerto Ordaz (Venezuela). Fiven GmbH located in Cologne (Germany) is a management office. In February 2021 Fiven North America Inc. was established as a wholly owned subsidiary with a sales representation office operating in Pittsburgh (USA). There is also a sales representation office operating in Shanghai (China).

The Market

In 2021, the global economic recovery has advanced more strongly than anticipated a year ago. Meanwhile, the surge in demand for goods has caused high energy and raw material prices, and bottlenecks in production chains.

As market conditions have started to change rapidly since Q2 2021, Fiven strived to serve its customers in a fast, challenging, and increasingly competitive market and achieved solid organic growth of 28% in gross sales YoY. More importantly, Fiven adopted a strict pricing adjustment discipline to offset the cost increase of raw materials.

The global market for silicon carbide is diversified, and trends differ between regions and end markets. In Europe, the specialty market segment was positively impacted by the higher demand from manufacturing plants but limited by the decline in the market for diesel particular filters. Consequently, Fiven's revenues from the specialty market in Europe rose by 5% YoY and by 75% if excluding diesel. In contrast, the recovery in the construction and the automotive markets strongly impacted the demand for metallurgy, refractory, and abrasive products. Thus, Fiven revenues from the standards products in Europe increased by 25% YoY.

In North America, Fiven had a clear upturn in sales of specialty products driven by ongoing co-development projects.

In Latin America, Fiven experienced a significant growth driven by robust recovery from all sectors of activities in Brazil and market share expansions outside of Brazil.

The global competitive landscape varies from one region to another and is intensely competitive.

Fiven has a strong market position in Europe and Latin America and faces robust local competition in North America, Europe, Latin America, and global competition from Asian silicon carbide producers.

Fiven's Strategy

Fiven's strategy remains in place: to grow profitably based on two pillars.

1. Accelerate growth in specialty products by targeting applications with high growth dynamics and focusing on innovation and co-development with key customers.
2. Selectively serving core markets, improving the cost competitiveness, and through providing a high level of service offerings.

Organic growth will continue to be driven through R&D and should be achieved by the development of new products and applications.

In the coming years, Fiven will step up efforts to meet increasing demands from the public to ensure that the Group remains on good terms with the citizens in the locations in which it operates.

Financial Review

Presentation of accounts

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

Operating Profit and profitability

2021 saw good commercial and financial performance as the market was recovering to pre-pandemic levels and there was high demand for Fiven quality products.

The total consolidated revenues and other income for the 12-month period reached 127.5 mEUR, a Year-on Year improvement by 28 percent (2020: 99.7 mEUR).

In terms of revenues by customer location, Europe revenues at 58.5 mEUR increased by 18 percent from previous year, North America reported at 18.7 mEUR were up by 11 percent, the 42.3 mEUR revenues from South America represented a YoY improvement of 70 percent, whilst Asian revenues were 7.9 mEUR, on par with 2020. As for products, the Standard products increased by 40 percent to 87.3 mEUR, and the Specialty products grew by 9 percent to 40.1 mEUR.

The Operating Profit for the period ended at 16.1 mEUR (2020: 10.5 mEUR). The Net Finance expenses of 8.6 mEUR (2020: 11.9 mEUR). The improvement on the net financials includes a 3.6 mEUR improvement from realized and unrealized exchange losses in comparison to 2020. Net Income of the year was 2.9 mEUR (2020: -2.9 mEUR).

Fiven uses Adjusted EBITDA to measure operating performance at the group and segment level. The consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of the period showed 21.2 mEUR (2020: 15.2 mEUR) whilst the Adjusted EBITDA including the positive impact from IFRS 16 and excluding non-recurring fees and monitoring costs showed 24.4 mEUR (2020: 20.1 mEUR).

The improvement in Adjusted EBITDA is largely sales volume driven through the market recovery. The price adjustments aimed at mitigating major raw materials and power price increases observed. Both the NOK and the BRL were strengthened against major trading currencies in 2021 leaving a negative impact on Fiven profits. Savings from the restructuring program completed in Q3 2020 are contributing positively to the 2021 results.

Cash Flow and Liquidity reserve

Total cash and cash equivalents at year-end were 23.6 mEUR, up from 23.0 mEUR for year-end 2020. Restricted cash accounted for 0.1 mEUR of the total to cover for social taxes in Norway.

Cash flow from operating activities was 15.2 mEUR (2020: 15.0 mEUR). In a growing business and with increased demand for working capital, Fiven has been able to improve throughput time and working capital efficiency.

The cash flow from investing activities amounted to -5.3 mEUR (2020: -3.7 mEUR). In 2021 Fiven has continued to invest into new product development, emission control and other HSE measures in addition to necessary to maintenance investments of the running plants.

The full year cash flow from financing activities was -9.3 mEUR (2020: -1.1 mEUR). In Q2 and Q3 2021 Fiven finalized the refinancing of the Group including the redemption of the original bond from 2019 of 56.5 mEUR, raising a new bond of 70 mEUR. The total cash impact from the refinancing operation was a net outflow of 5.2 mEUR. In addition, the increase in factoring lines utilization in 2021 was 2.7 mEUR whilst the increase in 2020 was 5.6 mEUR.

Debt and financial position

Fiven's total liabilities at 31.12.2021 was 149.2 mEUR in comparison to 133.2 mEUR year-end 2020. The Group's current liabilities as of 31.12.21 comprised 35 percent of total liabilities compared to 27 percent year-end 2020. The increase is due to a significant increase in Trade Payables following the growth of Fiven business as well as higher raw material and power inflation. As for the non-current debt, the Bond of 68.9 mEUR (net after amortized costs) and the shareholder loan of 22.7 mEUR (including capitalized interest), have maturity dates in June 2024.

Total assets and equity

Total assets at year-end amounted to 140.3 mEUR compared to 120.1 mEUR year-end 2020. Equity reported at year-end was -8.9 mEUR compared to -13.1 mEUR at end of 2020. The impact on equity from changes in foreign currency translation reserve was -9.7 mEUR (2020: -10.9 mEUR). The Equity ratio end of 2021 was hence –6.4 percent (2020: - 10.9 percent).

Going Concern

Pursuant to Section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern. The corona virus adds some uncertainty to future financial performance. The consolidated equity as per 31.12.2021 is negative by -8.9 mEUR (2020: -13.1 mEUR), caused by a non-cash impact from the cumulative foreign currency translation reserve of -9.7 mEUR (2020: -10.9 mEUR). The Fiven ASA equity was 0.1 mEUR at 31.12.2021 compared with - 0.4 mEUR as of year-end 2020.

During 2021, Fiven refinanced its operations through a new bond of 70 mEUR expiring in June 2024. Together with a shareholder loan of 22.7 mEUR expiring after the bond, Fiven has now secured long term financing for the coming years.

The going concern assumptions have been assessed. The good liquidity situation during the quarters and the long-term financing of operations recently secured through the new bond completed leads management to conclude that there is sufficient financial flexibility to manage the near-term financial obligations.

Segment Review

Fiven Norway

Fiven's Norway product portfolio is to a large extent dominated by specialty products, encompassing a wide range of market segments and customer needs. Co-development projects in North America, Europe, and Asia, as well the recovery in the abrasive markets contributed to a growth of 19 percent YoY.

Total revenue and other income for 2021 ended at 59.2 mEUR (2020: 48.5 mEUR), and Fiven Norge made for 44 percent of the Fiven Group total revenues.

The adjusted EBITDA was 10.1 mEUR compared to 11.1 mEUR in 2020. The higher sales volume and sales price adjustments could not entirely offset the negatives from the raw material increases as well as the impact from the stronger NOK. The manning in Fiven Norway at the end of 2021 was 200 full time equivalents (FTEs), an increase of 22 from year end 2020 reflecting the higher level of activity.

Fiven Brazil

Fiven Brazil saw a solid and upbeat demand in Latin America since Q2 2021, driven by the recovery of all sectors of activities in Brazil, price adjustments aiming to offset the severe raw material cost increase and the market share expansions in Latin America.

The full year performance mirrors the quarterly performance with strong commercial performance. Fiven Brazil has increased output in times of increasing demand from external as well as internal customers. Total revenues and other income improved by 50 percent in 2021 whilst the adjusted EBITDA reported at 11.6 mEUR was 4.1 mEUR higher than last year. The improvement is volume driven by a significant recovery of the market and market share gains. It has been necessary to adjust prices to mitigate the strong increase in raw material prices. As water reservoirs are at their lowest level for more than 90 years, consumers (private and enterprises) must pay extra charges for the production of thermo electrical power since hydro electrical power is becoming scarce.

The number of full-time equivalents (FTEs) at year end 2021 was 231, an increase by 11 from year end 2020 in response to higher demand.

Fiven Belgium

Fiven Belgium saw a slight decline of 6 percent in external revenues compared to 2020, due to the limitation and the short availability of raw materials and longer lead times.

The adjusted EBITDA reported was 0.8 mEUR compared to 0.4 mEUR for the same period in 2020. Due to lack of SiC material, the company has been running on lower than full processing capacity and part of the work force has been on temporary leave. There was a management decision to reopen production in Fiven's Venezuelan plants in Q3 2021, and with that the situation in Belgium will be improving.

Parent Company Review

Fiven ASA is the parent company of the Group. The revenues of the period reached 5.1 mEUR (2020: 4.2 mEUR) and the Operating Loss amounted to -0.1 mEUR (2020: -1.0 mEUR). The Net Income was 0.5 mEUR (2020: net loss -2.7 mEUR).

The Board of Directors proposes to transfer the Net Income of 0.5 mEUR to retained earnings.

R&D Activities

The research and development activities are key to Fiven's growth strategy. To speed up the new product development, the Fiven Innovation System that was developed and implemented in 2020 has been further optimized in 2021 and is used on a regular basis to follow up on the innovation process. The system is based on a hybrid methodology with key elements from Stage-Gate and Agile techniques with the clear goal of reducing the time it takes to develop new products and bring them to market.

With a monthly Innovation Review, the status and plans for all key development projects are presented by the R&D Project Managers, together with the support of the Sales & Marketing team, to the management of Fiven. Innovation Reviews and steering committee meetings are used to select and prioritize development projects for the Fiven group.

In 2021 the development of new products together with key customers were prioritized focusing on fast growing markets.

2021 was also the year that our next generation Acheson furnace and gas cleaning technology was implemented after a pilot-period of several years.

Corporate governance

Fiven ASA does not have a corporate assembly, and therefore the general meeting elects the Board. Fiven's board consists of 4 members, and the Board of Directors elects its own chair.

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

In 2020 an Audit Committee was formed. The Audit Committee reports to the Board of Directors following the mandate prepared and approved by the Board of Directors.

The appointment of the Executive Chairman of the Board of Directors facilitates the reporting to the shareholder of Fiven ASA. Two of the four directors are executive personnel, employed by Fiven Norge AS, assuring that the Board of Directors has sufficient operational expertise as well as comprehensive knowledge of the business conducted in the Fiven Group.

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

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

The internal controls over financial reporting are governed by the Group Accounting Policies and a set of procedures and internal controls. The Audit Committee reinforces the focus on internal controls over financial reporting. In 2021 the implementation of a consolidation tool was completed which has enabled faster and higher quality reporting, increasing the controls over financial reporting. Monthly management reporting is submitted by the management team of each segment to assist the Board in its work on monitoring and controlling the Group's operations. The reports cover financial information of the Group's key figures, matters related to health and safety, market development, operations and financial performance, and the status of other business-related matters. Quarterly and annual financial statements are reviewed by the Audit Committee and the Board.

Risk Factors and risk management

Market risk

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

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

Operational risk

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

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

The Group's high consumption of petroleum coke in the production of silicon carbide has led to exposure against different types of emission such as dust, PAH, B(a)P and SO_2 and related costs to satisfy local laws and regulation.

Fiven is also exposed to other risk of liability under, for example, environmental laws and regulations due to the silicon carbide production. In 2021, The Group has again invested significantly into measures to control and reduce emissions. In Fiven Norge AS, three new furnace groups were closed in December 2021, marking a significant step forward in the full cleaning project, which involves cleaning all exhaust gases from the furnaces.

Fiven's plant in Lillesand, Norway, is required to comply with air emission limits linked to its operating license, and also tracks emissions of substances to water. Compliance with limits is a strong focus and actions are continuously taken to meet current good practice standards and regulatory requirements at all sites. Compared to the previous years, the Company has increased its capital expenditures in relation with emissions control in order to secure and achieve overall compliance with laws and permits.

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

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

The Group's operations in Brazil are subject to detailed regulation and complicated rules regarding, inter alia, tax, labor, financing, the environment and other regulatory requirements. The complexity of the legislative framework, may expose the Group to risks such as legal uncertainties, increased costs in the compliance work and a lack of foreseeability, which could have a material adverse effect on the Group's business and financial position. The Group has managed well the challenges in Brazil, and 2021 was a very strong year for the local entity in Brazil.

The Group operates in Venezuela where the business climate constitutes a challenge for foreign and domestic companies operating in the country. The general uncertainty in the country, due to the political instability, exposes the Group to risks such as legal uncertainties and a lack of foreseeability, which could have a material adverse effect on the Group's business, earnings and financial position. For most of 2020 and up to September 2021, the Venezuelan plants were mothballed. In September last year, the Group decided to restart production in Venezuela. However, the mothball period demonstrated that the Group was able to swap production among plants and that the good 2021 financial results were derived with limited supplies from Venezuela.

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

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

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

Liquidity risk is related to difficulty in meeting financial obligations. In 2021 the Group was refinanced through a new Bond of 70 mEUR being listed on the NASDAQ Stockholm and Frankfurt Open Market stock exchanges. The long- term financing of the Group is also secured through a Shareholder Loan. In parallel, the factoring agreement for Fiven Norge and Fiven Belgium constitutes another source for funding. There is also an export credit facility in Brazil. Other than that, liquidity needs are covered through cash generated from operation.

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

Corporate Social Responsibility

General
In order to create a stronger link between our operations and how they affect the environment that we operate in, and also to better align the objectives of our Environmental Roadmap with Fiven's financing strategy, in 2021, Fiven has entered into a Sustainability Link Bond financing. This means we have linked our financing to the improvement of environmental indicators, critical for our industry, over the next years. These indicators are CO_2 and SO_2 emissions (expressed in tons/tons of crude produced), volume of water withdrawals (in absolute value). Our objective is to reduce these emissions by respectively 9 %, 15 % and 10 % by 2025. 2021 achievements are reported in the Sustainability Linked Bond progress report 2021 attached to this report. More information is available in the sustainability linked bond framework. (www.fiven.com/company-information/investor-relations/reports)

In 2021, Fiven has subscribed to a three-year service agreement with the company EcoVadis. EcoVadis is granting certification on the CSR performance of companies. The certification is based on four axes: environment, social, business ethics and sustainable purchasing. This tool will help us to better organize our action plan in order to improve our CSR roadmap and action plan.

In October 2021, Fiven performed the first self-assessment, and Fiven was awarded the EcoVadis Silver Medal with a score of 56/100. The silver rating places Fiven in the top 25% of all companies assessed by EcoVadis. Fiven will be reassessed annually over the next two years to enhance its results step by step.

Business Ethics and anti-corruption
Fiven is aware that company decisions and actions may have a repercussion on society. The general rule of Fiven is that all parties shall comply with national and all other applicable laws, prevailing industry standards and other requirements to which company subscribes. When laws, industry standards address the same issues, the most favorable provision shall apply to Fiven people. End of 2021, Fiven has nominated a Compliance officer. The Group has also identified a solution to implement a whistleblowing line allowing Fiven Board of Director's to be warned about any potential business ethics breach. The implementation of the whistleblowing line will take place in the first half of 2022.

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

The work environment in Fiven is considered positive. The typical employee of Fiven has several years in service for the company. Production facilities are viewed as corner stones in their local communities.

At year end the number of full-time equivalents (FTEs) were 463 compared to 426 end of 2020, these figures are not taking into account the non-consolidated entities in Venezuela. In 2021, Fiven hired people mainly in production department to support growth.

Fiven management works actively to extend the share of women into various positions. The population of women has progressed in 2021 and represent 12.7% of the total FTE at year end compared to 11.1% of the total FTE in 2020. In the management group and the board of Directors, women represent respectively 33% and 50 % end of 2021, which is stable compared to 2020.

Health, Safety and Environment
The company has implemented EHS prevention programs and procedures to mitigate inherent risks of the Acheson process as well as risks associated with SiC processing. The Group is following several KPIs on a monthly basis. In 2021, we decreased the accident frequency rate, TF2 (defined as the sum of lost time accidents and non-lost time accidents divided by the working hours multiplied by 1000000), at 1.6 compared to 3.7 in 2020. This represents 2 lost time accidents compared to 5 in 2020. The Group target keeps on going for zero accidents.

In 2021, Covid has still accompanied us all along the year. In all Fiven entities, the focus was on ensuring a healthy working environment for all our employees, and Fiven has applied very strict hygiene measures. Every time one employee was confirmed positive to COVID 19, Fiven organized testing of all direct contacts.

In 2021, the Fiven entities have performed the first self-assessment of the 'Fiven Roadmap' which includes 29 standards that should be applied in all Fiven plants. In 2022, formal audit will be conducted to identify Fiven entity reaching the 'Fiven Roadmap Label'. This label will be granted to entities that achieve a certain level of compliance on the main 15 standards out of 29 included in the Fiven Roadmap.

The short-term sickness rate for the period shows 2.9% compared to 1.9% in 2020, the increase in the short-term absenteeism is mainly linked to the pandemic.

In connection with its Environmental roadmap set up in 2020, we have pursued on implementing the different actions listed in our roadmap. We have made the following progress on the main projects and actions:

- Complete the second step of the covering furnace project in Fiven Norge.
- Complete a carbon footprint assessment as per the 'Bilan Carbone®' methodology
- Complete the installation of photovoltaic panels on the factory roof of Fiven Belgium
- Start planting trees on our land in Fiven Brazil. In 2021 10 000 trees, mainly native, were planted, and the project is to plant a total of 116 000 trees by the end of 2022 first semester.

Local Anchorage
No matter the place Fiven operates the Group considers the environmental and social issues of local communities. The presence in a community must foster local, inclusive and sustainable value creation. In this respect, this year for example, our Brazilian entity supported different local associations in offering food parcels for physically disabled people, milk donation for needy children, we also supported Barbacena Hospital in offering a respirator to fight against covid and made a donation to the cancer association. Our Norwegian entity supported a local sportive association and a local association helping youth in difficulties. Fiven also offers reflective vests for new children starting at the local school.

Outlook for Fiven Group

Fiven expects to deliver continued solid commercial performance, driven by the prospect of a further economic recovery worldwide, strong momentum in end markets, and market share gains. A firm price discipline will offset any additional inflationary pressure of raw materials and ensure the sustainability of supply. Although limited Fiven revenues are being generated from customers in the areas concerned, it is difficult to predict how the ongoing conflict between Ukraine and Russia will impact Fiven business.

The two-pillar strategy remains in place: accelerate growth in customized products by targeting applications with high growth dynamics and focusing on innovation and co-development with key customers, and selectively serving core markets by providing a high level of service offerings.

2021 was a year of recovery from the markets but also a year of significant turbulence in the raw material and transportation markets. Fiven continues to watch the inflationary pressures carefully and will execute price adjustments as necessary if the trend continues.

The Board of Directors of Fiven ASA - Oslo, 22 March 2022

Falk Ast
Chairman

Pål Einar Runde
Member of the Board

Betty Lunøe Åsheim
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Consolidated financial statements

Consolidated statement of income

Amounts in EUR thousand	Note	2021	2020
1 January to 31 December			
Revenue	5,6	127 439	99 208
Other Income		32	508
Total revenue and other income		**127 471**	**99 715**
Raw materials, energy cost and change in inventory	19	(59 188)	(44 493)
Employee benefit expenses	8,9,10	(23 557)	(21 543)
Depreciation and amortization	12,15,16	(5 072)	(4 781)
Other operating expenses	11	(23 418)	(17 883)
Restructuring costs		(125)	(554)
Total operating expenses		**(111 360)**	**(89 254)**
Operating profit (loss)		**16 111**	**10 461**
Finance income	13	356	99
Finance expense	13	(9 635)	(9 131)
Other financial items (net)	13	686	(2 880)
Net finance income (expense)		**(8 593)**	**(11 912)**
Net income (loss) before income taxes		**7 518**	**(1 451)**
Income tax expense	14	(4 581)	(1 409)
Net income (loss)		**2 937**	**(2 860)**
Net income (loss) attributable to:			
Shareholders of the parent		2 937	(2 860)
Total net income (loss) attributed to shareholders		**2 937**	**(2 860)**

Consolidated statement of comprehensive income

Amounts in EUR thousand	2021	2020
1 January to 31 December		
Net income (loss)	**2 937**	**(2 860)**
Other comprehensive income:		
Items that may be reclassified to net income (loss) attributed to the shareholders of the parent:		
Exchange differences on translation of foreign operations	1 174	(9 609)
Total comprehensive income (loss), net of tax, attributed to shareholders of the parent	**4 111**	**(12 469)**

Consolidated statement of financial position

Amounts in EUR thousand	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Buildings and land	15	9 170	8 946
Plant and equipment	15	18 122	14 769
Right-of-use-assets	15,12	2 741	3 606
Other Intangible assets	16,17	14 675	15 254
Goodwill	16,17	5 390	5 390
Other non-current assets	18	135	161
Deferred tax assets	14	928	641
Total non-current assets		**51 162**	**48 766**
Inventories	19	33 309	27 660
Trade receivables	20,23	20 941	13 686
Other receivables	18,23	10 541	6 304
Prepayments	18	572	620
Other current financial assets	23	98	64
Cash and cash equivalents	21	23 637	23 016
Total current assets		**89 097**	**71 351**
TOTAL ASSETS		**140 259**	**120 118**

Amounts in EUR thousand	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Share capital	27	101	101
Other paid in capital	27	5 575	5 575
Retained earnings		(4 897)	(7 834)
Foreign currency translation reserve		(9 719)	(10 893)
Total equity		**(8 939)**	**(13 050)**
Bond loan	22,23	68 946	55 598
Non-current other interest-bearing liabilities	22,23	22 717	34 733
Non-current lease liabilities	12	1 469	2 583
Deferred tax liabilities	14	2 879	3 198
Employee benefit obligations	9	361	403
Provisions	24	498	1 089
Total non-current liabilities		**96 871**	**97 604**
Trade payables	23,28	31 276	16 629
Other payables	23,28	4 436	6 528
Current other interest-bearing liabilities	22	12 609	9 785
Current lease liabilities	12	1 508	1 205
Income tax payable		2 409	1 416
Provisions	24	88	-
Total current liabilities		**52 327**	**35 563**
Total liabilities		**149 198**	**133 167**
TOTAL EQUITY AND LIABILITIES		**140 259**	**120 118**

The Board of Directors of Fiven ASA - Oslo, 22 March 2022

Falk Ast
Chairman

Betty Lunøe Åsheim
Member of the Board

Pål Einar Runde
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Consolidated statement of changes in equity

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings	Foreign currency translation reserve	Total Equity
Opening balance 1 January, 2021	**101**	**5 575**	**(7 834)**	**(10 893)**	**(13 050)**
Net income (loss)	-	-	2 937	-	2 937
Other comprehensive income (loss)	-	-	-	1 174	1 174
Total comprehensive income (loss) of the year	**-**	**-**	**2 937**	**1 174**	**4 111**
Contribution of equity, net of transaction costs	-	-	-	-	-
Closing balance as of 31 December 2021	**101**	**5 575**	**(4 897)**	**(9 719)**	**(8 939)**
Op]ening balance 1 January, 2020	**20**	**5 656**	**(4 973)**	**(1 285)**	**(581)**
Net income (loss)	-	-	(2 860)	-	(2 860)
Other comprehensive income (loss)	-	-	-	(9 609)	(9 609)
Total comprehensive income (loss) of the year	**-**	**-**	**(2 860)**	**(9 609)**	**(12 469)**
Contribution of equity, net of transaction costs	81	(81)	-	-	-
Closing balance as of 31 December 2020	**101**	**5 575**	**(7 834)**	**(10 893)**	**(13 050)**

Consolidated statement of cash flows

Amounts in EUR thousand	Note	2021	2020
1 January to 31 December			
Net income (loss) before income taxes		**7 518**	**(1 451)**
Adjustments to reconcile net income (loss) before income tax to net cash flows:			
Corporate income tax paid		(3 726)	(411)
Depreciation and amortization	15, 16	5 072	4 781
Loss on disposal of assets		(19)	-
Net finance expense	13	8 593	11 912
Change in inventory, trade receivables and trade payables		1 916	7 035
Change in other receivables, prepayments, and other payables		(3 558)	(4 102)
Change in provisions		(600)	(154)
Other changes		(8)	(2 648)
Cash flows from operating activities		**15 188**	**14 961**
Payments for buildings, plant and equipment, and intangible assets	15, 16	(5 646)	(3 067)
Proceeds from sale of assets		19	-
Payment for acquisition of subsidiary, net of cash acquired		-	(678)
Interest received and other changes		292	-
Cash flows from investing activities		**(5 335)**	**(3 746)**
Proceeds from issuance of bonds	22, 23	70 000	-
Repayment of Bond loan	22, 23	(56 500)	-
Repayment of shareholder loan	22, 23	(15 000)	-
Net proceeds from factoring/export financing	22	2 741	5 595
Interest, placement fee and other financial expenses paid		(9 219)	(5 412)
Payment of principal portion of lease liabilities	12	(1 360)	(1 301)
Buy back bonds (roll-over existing bondholders)		(2 800)	-
Payment for shares and bonds bought back		2 800	-
Cash flows from financing activities		**(9 338)**	**(1 119)**
Net increase in cash and cash equivalents		515	10 097
Net foreign exchange differences		106	(1 853)
Cash and cash equivalents including restricted cash at 1 January		23 016	14 771
Cash and cash equivalents including restricted cash as of 31 December	21	**23 637**	**23 016**
Restricted cash at 1 January		277	926
Change in restricted cash		(165)	(649)
Restricted cash as of 31 December	21	**112**	**277**
Total cash and cash equivalents excluding restricted cash 31 December	21	**23 525**	**22 739**

Notes to the consolidated financial statements

Note 1 General information

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

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

The consolidated financial statements of Fiven ASA and its subsidiaries (hereafter Fiven or the Group), including notes, for the year 2021 were approved by the Board of Directors of Fiven ASA on 22 March 2022.

Note 2 Significant accounting policies

Note 2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

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

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

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

Note 2.2 Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2021. An entity has been assessed as being controlled by the Group when the Group is exposed to, or have the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including voting rights, ownership structure and relative power, and other contractual arrangements and rights thereto. See note 4 Composition of the group for a more detailed description of the Group's assessments regarding control. The assessments are done for each individual investment.

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

Business combinations are accounted for by using the acquisition method.

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

Note 2.3 Foreign currency

Foreign currency transactions

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

Foreign operations

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

Note 2.4 Current versus non-current classification

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

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

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

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

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

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

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

Note 2.5 Summary of significant accounting policies

Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). At Fiven this is defined as the Chairman, for the purpose of assessing performance and allocating resources. The financial information relating to segments is presented in Note 5.

Government grants

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

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.

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

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

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

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

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

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

Research and development

Expenses relating to research activities are recognized in the statement of income as they incur. Expenses relating to development activities are capitalized to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Capitalized development is specified in note 8.

Property, plant and equipment

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

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

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

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

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

Intangible assets

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

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

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

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

Technologies, patents and licenses

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

Fiven technology intangible assets relate to four main technologies:

- Metallurgy products technology
- Refractories products technology
- Abrasives products technology
- Customized product technology

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

Customer relationships

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

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

Trademark

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

Software

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

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

Leases

Identifying a lease

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

The Group as a lessee

Separating components in the lease contract

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

Recognition of leases and exemptions

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

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

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

Lease liabilities

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

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

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

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

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

Right-of-use assets
The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of the right-of-use asset comprise:
- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

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

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

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

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

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

The measurement principle is done for each business combination separately.

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

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

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

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

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

The Group classified its financial assets in two categories:
- Financial assets at amortized cost
- Financial assets (derivatives that do not qualify for hedge accounting) at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an

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

Inventories

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

Cash and cash equivalents

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

Equity

Equity and liabilities

Ordinary shares are classified as equity.

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

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

Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

Other equity

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities. Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

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

Employee benefits

Defined contribution plans

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

Defined benefit plans

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

Fiven Norge AS has an unfunded obligation for retired employees at the time of curtailment of a former defined benefit plan. The plan is closed for new pensioners. See note 9.

Provisions

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

Restructuring provisions

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

Contingent liabilities and assets

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

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be received.

Events after the reporting period

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

New standards and interpretations adopted by the Group

New or revised accounting standards and interpretations implemented as of 1 January 2021 are among others, Interest Rate Benchmark Reform – Phase 2. The new or revised standards and interpretations effective for the annual reporting period commencing 1 January 2021 did not have any significant impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on Fiven in the current or future reporting periods and on foreseeable future transactions.

Note 3 Accounting estimates and judgements

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

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

The areas involving significant estimates or judgements are:

- Consolidation of subsidiaries

Fiven Accounting policy is to consolidate all subsidiaries that are controlled by Fiven as defined in IFRS 10 Consolidated Financial Statements, in as so far as the effect of non-consolidation would not be material. Fiven has applied judgement when concluding that the effect of not consolidating the Venezuelan subsidiaries is immaterial (ref note 4).

- Impairment indicators

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

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

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

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

- Estimation and judgements regarding environmental liabilities

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

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

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

- Estimation and judgements regarding contingent liabilities

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

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

Note 4 Composition of the group

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

Company	Functional currency	Country of incorporation	31 Dec 2021 Equity interests	31 Dec 2020 Equity interests	Owner
Fiven Norge AS	NOK	Norway	100%	100%	Fiven ASA
Fiven GmbH	EUR	Germany	100%	100%	Fiven ASA
Materiaux Ceramiques SA	EUR	Belgium	100%	100%	Fiven ASA
Carbeto de Silício Sika Brasil Ltda	BRL	Brazil	100%	100%	Fiven ASA
Fiven North America Inc	USD	US	100%	-	Fiven ASA

The Group's operations in Venezuela are integrated cost centers under the current business model of the Belgian production facility. The two Venezuelan subsidiaries are controlled by the Group as defined in IFRS 10. Based on a thorough assessment Fiven Group has however concluded not to consolidate the two subsidiaries, as this will have no material impact on the financial information being relevant and faithfully represented.

The following subsidiaries are not included in the consolidated financial statements.

Company	Functional currency	Country of incorporation	31 Dec 2021 Equity interests	31 Dec 2020 Equity interests	Owner
Materials Ceramicos CA	USD	Venezuela	100%	100%	Fiven Norge AS
Curburo del Caroni CA	VEF	Venezuela	100%	100%	Materials Ceramicos CA

Changes in composition of the Group

The only change in composition of the group in 2021 was in February 2021, when the sales representation office operating in Pittsburgh (USA) was established as a wholly owned subsidiary, Fiven North America Inc, at zero cost.

Note 5 Operating segments

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

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

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

Fiven Brazil - The largest silicon carbide plant within the Fiven Group is located in Barbacena, Brazil. Mainly supplying the American continent market, the plant provides solutions for refractory and metallurgical applications. Fiven Belgium - The processing plant in Hody, Belgium, delivers mainly products for metallurgical and refractory applications. Fiven Belgium's source of crude silicon carbide has traditionally been Fiven entities in Venezuela acting as an extension of the Belgian operations with no other customers than the Belgian entity. In August 2021 management decided to restart the production in Venezuela that has been mothballed since the outbreak of the Covid.

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

Operating segment information

Segment performance is evaluated based on Adj. EBITDA (as defined in the APM attachment). Adj. EBITDA shows the Group's EBITDA before items that require special explanation and is defined as reported EBITDA before "Other income and expenses" (OIE). OIE include one-off and non-recurring operating expenses. The Alternative Performance Measures (APMs) are further explained in the APM attachment to the annual report.

In Q2 2021 Fiven changed its internal reporting following the refinancing which amended the reported EBITDA definition under the revised bond agreement. The Adj. EBITDA was adjusted and no longer deducts the positive effect to EBITDA from IFRS 16, and the cap on non-recurring costs is removed. The impact is an increase to Adj. EBITDA, and 2020 has been restated in the table below.

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

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2021:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	56 232	55 269	15 938	-	127 439
Other income	19	-	13	-	32
Total revenue and other income from external customers	**56 252**	**55 269**	**15 950**	**-**	**127 471**
Revenue from other group segments	2 976	13 362	-	(16 338)	-
Total revenue and other income	**59 228**	**68 631**	**15 950**	**(16 338)**	**127 471**
Operating expenses (excluding depr. & amort.)	(49 231)	(56 822)	(17 678)	17 443	(106 288)
EBITDA	**9 997**	**11 809**	**(1 728)**	**1 105**	**21 183**
Non-recurring & other non-financial items	115	(168)	2 514	759	3 219
Adj. EBITDA	**10 112**	**11 641**	**786**	**1 864**	**24 403**
EBITDA	**9 997**	**11 809**	**(1 728)**	**1 105**	**21 183**
Depreciation and amortization	(2 444)	(1 225)	(222)	(1 182)	(5 072)
Operating profit (loss)					**16 111**

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	47 333	34 999	16 876	-	99 208
Other income	-	484	15	9	508
Total revenue and other income from external customers	**47 332**	**35 483**	**16 891**	**9**	**99 715**
Revenue from other group segments	1 207	10 303	1 029	(12 539)	-
Total revenue and other income	**48 540**	**45 786**	**17 920**	**(12 531)**	**99 715**
Operating expenses (excluding depr. & amort.)	(38 266)	(38 619)	(18 884)	11 295	(84 474)
EBITDA	**10 274**	**7 167**	**(964)**	**(1 235)**	**15 242**
Non-recurring & other non-financial items	822	384	1 332	2 278	4 817
Adj. EBITDA	**11 096**	**7 552**	**368**	**1 043**	**20 059**
EBITDA	**10 274**	**7 167**	**(964)**	**(1 235)**	**15 242**
Depreciation and amortization	(2 237)	(769)	(254)	(1 521)	(4 781)
Operating profit (loss)					**10 461**

NON-CURRENT ASSETS IN THE SEGMENTS:

2021

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Buildings and land	5 433	3 423	315	-	9 170
Plant and equipment	11 619	5 674	814	15	18 122
Right-of-use-asset	1 268	1 283	190	-	2 741
Other intangible assets	13 558	906	211	-	14 675
Goodwill	5 390	-	-	-	5 390
Other non-current financial assets	80	40	-	15	135
Deferred tax assets	509	1 713	-	(1 293)	928
Non-current assets	**37 856**	**13 039**	**1 530**	**(1 264)**	**51 162**

2020

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Buildings and land	5 270	3 556	120	-	8 946
Plant and equipment	9 343	4 304	1 119	3	14 769
Right-of-use-asset	1 652	1 682	271	-	3 606
Other intangible assets	13 951	1 041	261	-	15 254
Goodwill	5 390	-	-	-	5 390
Other non-current financial assets	76	72	-	12	161
Deferred tax assets	216	1 221	-	(796)	641
Non-current assets	**35 899**	**11 876**	**1 772**	**(781)**	**48 766**

Note 6 Revenue

DETAILS OF REVENUE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2021:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total
Standard products	16 812	54 595	15 938	87 345
Specialized products	39 420	674	-	40 094
Total revenue	**56 232**	**55 269**	**15 938**	**127 439**

DETAILS OF REVENUE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020:

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total
Standard products	11 079	34 582	16 876	62 537
Specialized products	36 255	417	-	36 671
Total revenue	**47 332**	**34 999**	**16 876**	**99 208**

Sales are recognized in income at the expected value of the consideration after deducting benefits to customers, mainly estimated bonus payments. At 31.12.2021 the accrued, unpaid bonus was 155 kEUR compared to 123 kEUR at 31.12.2020.

REVENUE FROM CONTRACTS WITH CUSTOMERS BASED ON CUSTOMER LOCATION:

Amounts in EUR thousand	2021	2020
Europe	58 546	49 604
Asia	7 933	7 937
North America	18 678	16 865
South America	42 264	24 802
Other	18	-
Total revenue	**127 439**	**99 208**

Fiven has several large customers, of which top 10 customers accounted for 48 percent of revenues in 2021.

Note 7 Grants

Amounts in EUR thousand	1 Jan–31 Dec 21 Other operating expense	1 Jan–31 Dec 21 Deduction of carrying amount fixed assets	1 Jan–31 Dec 20 Other operating expense	1 Jan–31 Dec 20 Deduction of carrying amount fixed assets
SkatteFUNN R&D tax incentive scheme	157	-	-	-
Innovation Norway grants from the Norwegian Government	-	2 162	-	122
CO_2 compensation from the Norwegian Government (note 18)	1 945	-	1 961	-
Enova SF owned by the Ministry of Climate and Environmental (MCE), Norway	45	-	-	-
Total Government grants	**2 147**	**2 162**	**1 961**	**122**
SO_2 allowance from Miljøfondet	-	2 853	-	287
Grants from other than Government	**-**	**2 853**	**-**	**287**
Total grants	**2 147**	**5 016**	**1 961**	**408**

SkatteFUNN R&D tax incentive scheme

157 kEUR in tax reductions related to the development of new products.

Innovation Norway grants from the Norwegian Government

2 853 kEUR funded for developing the next generation Acheson furnace.

CO_2 Compensation

The Norwegian government established a scheme for CO_2 compensation for power intensive industries, with the purpose to counteract carbon leakage from Europe due to increased power prices as a result of the EU's climate quota system, and in this way prevent increased global emissions. The annual costs of CO_2 compensation are directly linked to the quota price. The current CO_2 compensation scheme commenced in 2013 and ended 31 December 2020, and a new scheme for 2021-2030 is currently under development. It is considered that the scheme will be extended as it has been included in the approved 2022 Norwegian State budget. The CO_2 compensation scheme only applies for Fiven's Norwegian plants and is recognized where there is reasonable assurance that the entity will comply with the conditions attached and the grants will be received. 1 945 kEUR is recognized as a reduction in other operating expenses for 2021 - compared to 1 961 kEUR in 2020.

Note 8 Employee benefit expenses

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Salaries incl. bonuses	18 787	16 616
Social security cost	3 172	2 396
External temporary hires	-	123
Pension cost (Note 9)	895	1 052
Other personnel related cost	703	1 357
Total employee benefit expense	**23 557**	**21 543**
Average full time equivalents	444	461
Full time equivalents 31.12	463	426

DEVELOPMENT EXPENSES

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Total research and development expenses	1 308	1 595
Less: Capitalized development excluded from employee benefit expenses	(453)	(356)
Less: Capitalized development excluded from other operating expenses	-	(358)
Net expensed research and development expenses	855	881

Note 9 Employee benefit obligations (pensions)

Amounts in EUR thousand	2021	2020
Breakdown of net pension expenses		
Defined contribution plans	715	784
Defined benefit plan	180	268
Total pension cost	**895**	**1 052**
Pension obligations		
Present value of pension obligation	361	403
Fair value of plan assets	-	-
Net unfunded pension obligations	**361**	**403**

Defined contribution plans

Defined contribution plans are the main pensions plan for Fiven's Norwegian entities, where the contribution to each individual pension plan is 4 percent of annual salary up to 7.1G and 15 percent of annual salary between 7.1-12G and 5 percent between 1G and 7.1G and 8 percent between 7.1 and 12 G for Fiven Norge AS and Fiven ASA respectively. 1G refers to the Norwegian national insurance scheme's basic amount, which was NOK 106,399 as of 1 May 2021.

In addition, Fiven Norge AS participates in a Norwegian multi-employer early retirement scheme called AFP, where sufficient information to calculate each participant's pension obligation is not available, is accounted for as it is a defined contribution plan in accordance with the Ministry of Finance's conclusion. The participants in the pension plan are jointly responsible for 2/3 of the plan's pension obligation, the government is responsible for the remaining part. The yearly pension premium in 2021 is 2.5 percent of the employees' salary between 1 and 7.1G, covering this year's pension payments and contribution to a security fund for future pension obligations. The premium for 2022 in percentage of salary will be equal to 2021.

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

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

Defined benefit plans

Fiven Norge AS has an unfunded benefit plan covering retired employees only. There are no new pensioners entering the plan. The yearly expense (180 kEUR in 2021 and 268 kEUR in 2020) is mainly interest and contractual yearly adjustments of the pensions.

Note 10 Management remuneration

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

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

Remuneration includes:

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

2. Bonus – The executive management participates in an annual bonus scheme linked to achievements of both financial, strategic and operational targets. The financial targets are linked to EBITDA Adj. and cash flow from operations.
3. Other – Benefits and insurances – The benefits are determined considering market standards and job level and include elements such as mobile phone, laptop and car allowance / company car. The executive management is covered by insurance arrangements applicable to Fiven employees in their respective countries of residence.
4. Pension – The executive management participate in the relevant local pension schemes in their countries of residence in line with established market practices.

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

Termination of employment - The employment agreements for the executive management have a 3 to 6-month period of notice from last day of the month in which the written notice is given, and an equivalent period severance pay if employment is terminated by Fiven.

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

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

For the period 1 January to 31 December 2021:

Amounts in EUR thousand	Company Position	Salary	Bonus	Other	Pension cost	Total
Falk Ast	Chairman	279	75	75	8	437
Stein Erik Ommundsen	Chief Financial Officer	205	58	18	7	287
Fernando Miquel Peraire	Chief Operating Officer	173	27	34	7	240
Betty Lunøe Åsheim	Chief Commercial Officer	169	30	14	10	223
Pål Einar Runde	Chief Research Officer	169	58	11	10	247
Total		**994**	**247**	**151**	**42**	**1 434**

For the period 1 January to 31 December 2020:

Amounts in EUR thousand	Company Position	Salary	Bonus	Other	Pension cost	Total
Falk Ast	Chairman	262	65	103	8	438
Stein Erik Ommundsen	Chief Financial Officer	175	10	16	7	207
Fernando Miquel Peraire	Chief Operating Officer (from 1.5.2020)	99	-	22	2	122
Betty Lunøe Åsheim	Chief Commercial Officer	130	19	22	10	180
Pål Einar Runde	Chief Research Officer	135	14	29	10	188
Total		**802**	**107**	**192**	**35**	**1 136**

Remuneration of the board

The remuneration to the board of directors is determined by the shareholders at the annual general meeting. Executive board members are not compensated for their board position. The non-executive board member, Helén Borchgrevink, received a director's fee of NOK 120 000 for her position as a board member in 2021 (2020: nil). The board of directors did not receive any other fees, other than those for executive directors in the previous table for their role in group management.

Management investment scheme

The Management Investment Scheme is a management share purchase plan, whereby the senior management members of Fiven, including the 5 group management members above, in September 2021 were invited to invest in Tosca Intermediate Holdings SARL ("Tosca"), the holding company of Fiven ASA, for shares representing 0.9% of total share capital.

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

Note 11 Other operating expenses

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Transport, maintenance, energy and water expenses[1]	13 371	7 160
External services	5 341	5 612
Travel, Insurance, meetings and office expenses	1 858	1 640
Lease expenses	537	475
Other operating expenses[1]	2 311	2 995
Total other operating expenses	**23 418**	**17 883**

[1] Energy and water costs of kEUR 3 630 not related to silicon carbide crude production have for FY 2020 been reclassified to Other operating expenses from Raw materials, energy cost and change in inventory.

REMUNERATION OF THE AUDITOR

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Audit services	216	311
Other assurance services	13	90
Other non-assurance services	-	6
Total total audit expenses	**229**	**407**

PWC is the group auditor of Fiven.

Note 12 Leasing

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

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

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

RIGHT-OF-USE ASSETS

Amounts in EUR thousand	Plant and equipment 31 Dec 2021	Plant and equipment 31 Dec 2020
Opening balance	3 606	4 044
Additions	450	1 504
Depreciation	(1 411)	(1 261)
Adjustments	-	(38)
Currency translation difference	97	(643)
Closing balance	**2 741**	**3 606**

TOTAL LEASE LIABILITIES

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Opening balance	3 788	4 081
Addition	450	1 504
Accretion of interest	299	608
Lease payments	(1 659)	(1 909)
currency effect	100	(498)
Total lease liabilities	**2 978**	**3 788**

MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Within one year	1 682	1 460
After one year but not more than five	1 472	2 710
More than five years	38	72
Total lease liabilty	**3 192**	**4 242**

AMOUNTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Amounts recognized in the consolidated statement of income		
Depreciation charge of right-of use assets	(1 411)	(1 261)
Interest expense(included in finance cost)	(299)	(608)
Expense relating to short term and low-low leases (included in other operating cost)	(537)	(475)
Total amount recognized in the consolidated statement of income	**(2 248)**	**(2 344)**

AMOUNTS RECOGNIZED IN THE CONSOLIDATED CASH FLOW STATEMENT

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Amounts recognized in the consolidated statement of cash flows		
Payment of principal portion of lease liabilities	(1 360)	(1 301)
Payment of interest	(299)	(323)
Total recognized in the consolidated statement of cash flows	**(1 659)**	**(1 909)**

Note 13 Finance income and expenses

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Finance income		
Other interest income	79	78
Other financial income	278	19
Total finance income	**356**	**97**
Finance expenses		
Interest on debts and borrowings	(7 481)	(8 259)
IFRS 16 interest expenses	(299)	(608)
Interest expense factoring/export financing	(399)	(248)
Other financial expenses[1]	(1 456)	(14)
Total finance expenses	**(9 635)**	**(9 131)**
Net foreign exchange gains (losses)	708	(2 879)
Net Change in fair value financial instruments	(22)	(1)
Other financial items (net)	**686**	**(2 880)**
Net Finance income (expenses)	**(8 593)**	**(11 912)**

[1] 1 314 kEUR relates to call option premium early redemption of Bond loan with termination day Apr 5, 2022 (repaid July 21).

Note 14 Taxes

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Tax payable	(4 958)	(2 348)
Correction of previous years current income taxes	324	309
Withholding tax	(503)	(395)
Changes in deferred tax	556	1 025
Income tax (expense) benefit	**(4 581)**	**(1 409)**

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

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

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Net income (loss) before income taxes	**7 518**	**(1 453)**
Tax expense (-) benefit at applicable tax rate	(1 654)	320
Effect of different tax rates applied by subsidiaries	(986)	(367)
Tax effect of permanent differences exempted for tax / not tax deductible	23	(60)
Change in unrecognized deferred tax assets	(897)	(2 127)
Tax effect of translation differences exempted for tax	(931)	911
Correction of previous years current income taxes	367	309
Withholding tax	(503)	(395)
Income tax expense	**(4 581)**	**(1 409)**
Effective tax rate	61%	(97%)

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Receivable	345	466
Other current liabilities	959	688
Tax losses carried forward	815	873
Other non current / Interest cost subject to limitations	3 492	2 626
Deferred tax assets	**5 611**	**4 654**
Unrecognized deferred tax asset, losses carried forward	-	(432)
Unrecognized deferred tax asset, interest cost subject to limitations	(4 307)	(2 978)
Deferred tax assets recognized	**1 304**	**1 243**
Netting	(375)	(602)
Net Deferred tax assets recognized	**928**	**641**
Tangible and intangible fixed assets	3 080	3 207
Inventory	174	593
Deferred tax liabilities	**3 255**	**3 800**
Netting	(375)	(602)
Net deferred tax liabilities	**2 879**	**3 198**
Net deferred tax (liabilities) / assets	**(1 951)**	**(2 557)**

CHANGE IN DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Amounts in EUR thousand	2021	2020
Opening balance as of 01.01.	(2 557)	(2 800)
Business combination	-	(782)
Change in deferred tax in statement of income	556	1 025
Translation difference	50	-
Net Deferred tax assets/(liabilities) 31.12	**(1 951)**	**(2 557)**

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

	2021		2020	
Amounts in EUR thousand	Tax base amount	Tax amount	Tax base amount	Tax amount
Unlimited (Belgium)	(3 260)	(815)	(1 763)	(441)
Unlimited (Norway)	-	-	(1 966)	(432)
Total tax loss carry forward 31.12	**(3 260)**	**(815)**	**(3 729)**	**(873)**

DEFERRED TAX ASSETS RELATED TO INTEREST EXPENSES SUBJECTED TO LIMITATIONS, EXPIRES AS FOLLOWS:

	2021		2020	
Amounts in EUR thousand	Tax base amount	Tax amount	Tax base amount	Tax amount
10 years (Norway)	(15 874)	(3 492)	(11 535)	(2 538)
Total tax loss carry forward 31.12	**(11 535)**	**(2 538)**	**(4 628)**	**(1 018)**

Note 15 Property, plant and equipment

2021 Amounts in EUR thousand	Land	Buildings	Plant and equipment	Right of use assets	Assets under construction[1]	Total
Accumulated cost 1 January 2021	303	10 568	14 532	5 447	2 116	32 966
Additions	-	-	57	450	5 024	5 531
Transferred from asset under construction	-	590	3 099	-	(3 689)	-
Exchange differences	4	368	546	156	113	1 187
Closing balance as of 31 December 2021	**307**	**11 526**	**18 234**	**6 053**	**3 564**	**39 684**
Accumulated depreciation 1 January 2021	-	1 925	1 878	1 843	-	5 645
Depreciation	-	297	2 074	1 410	-	3 781
Disposals	-	352	(352)	-	-	-
Exchange differences	-	89	76	59	-	225
Closing balance as of 31 December 2021	**-**	**2 663**	**3 676**	**3 312**	**-**	**9 651**
Net book value as of 31 December 2021	**307**	**8 863**	**14 558**	**2 741**	**3 564**	**30 033**
Estimated useful life		10-30 Years	5-10 years	1-5 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

[1] Depreciation starts when the asset is ready for its intended use. Land is not depreciated. Total addition of assets under construction is reduced by 4.7 mEUR related to Grants (note 7).

2020 Amounts in EUR thousand	Land	Buildings	Plant and equipment	Right of use assets	Assets under construction[1]	Total
Accumulated cost 1 January 2020	376	13 296	15 318	5 252	4 992	39 234
PPA revaluation	-	-	(4 485)	-	-	(4 485)
Additions	-	131	573	1 504	1 722	3 930
Transfers from assets under construction	-	291	3 560	-	(3 851)	-
Disposals	-	-	(23)	(420)	-	(443)
Reclassifications	-	(1 694)	1 694	-	-	-
Exchange differences	(73)	(1 456)	(2 105)	(889)	(747)	(5 270)
Closing balance as of 31 December 2020	**303**	**10 568**	**14 532**	**5 447**	**2 116**	**32 966**
Accumulated depreciation 1 January 2020	-	1 274	978	1 208	-	3 460
Depreciation	-	713	1 134	1 261	-	3 108
Disposals	-	-	(20)	(382)	-	(403)
Exchange differences	-	(62)	(214)	(244)	-	(520)
Closing balance as of 31 December 2020	**-**	**1 925**	**1 878**	**1 843**	**-**	**5 645**
Net book value as of 31 December 2020	**303**	**8 643**	**12 654**	**3 604**	**2 116**	**27 321**
Estimated useful life		10-30 Years	5-10 years	1-5 years		
Depreciation plan		Straight-line	Straight-line	Straight-line		

[1] Depreciation starts when the asset is ready for its intended use. Land is not depreciated. Total addition of assets under construction is reduced by 408 kEUR related to Grants (note 7).

Note 16 Intangible assets

2021 Amounts in EUR thousand	Goodwill	Trademark	Technology	Customer relationships	Other intangible assets	Assets under construction	Total
Accumulated cost 1 January 2021	5 390	6 848	6 155	3 295	874	720	23 282
Additions	-	-	-	-	-	730	730
Transfers from assets under construction	-	-	-	-	353	(353)	-
Disposals	-	-	-	-	(56)	-	(56)
Exchange differences	-	-	3	-	17	33	54
Closing balance as of 31 December 2021	**5 390**	**6 848**	**6 158**	**3 295**	**1 188**	**1 131**	**24 010**
Accumulated amortization 1 January 2021	-	-	1 361	753	524	-	2 638
Amortization	-	-	761	416	114	-	1 291
Disposals	-	-	-	-	6	-	6
Exchange differences	-	-	3	-	7	-	10
Closing balance as of 31 December 2021	**-**	**-**	**2 125**	**1 170**	**650**	**-**	**3 945**
Net book value as of 31 December 2021	**5 390**	**6 848**	**4 033**	**2 125**	**538**	**1 131**	**20 065**
Estimated useful life	Indefinite	Indefinite	5-20 Years	5-20 Years			
Amortization plan			Straight-line	Straight-line			

Total addition of intangible assets under construction is in 2021 reduced by 321 kEUR related to Grants (note 7).

2020 Amounts in EUR thousand	Goodwill	Trademark	Technology	Customer relationships	Other intangible assets	Assets under construction	Total
Accumulated cost 1 January 2020	2 391	6 795	6 130	450	956	-	16 722
PPA FV adjustments	2 999	53	25	2 845	-	-	5 922
Additions	-	-	-	-	53	721	774
Exchange differences	-	-	-	-	(135)	(1)	(136)
Closing balance as of 31 December 2020	**5 390**	**6 848**	**6 155**	**3 295**	**874**	**720**	**23 282**
Accumulated amortization 1 January 2020	-	-	569	39	376	-	984
Amortization	-	-	792	714	164	-	1 670
Exchange differences	-	-	-	-	(16)	-	(16)
Closing balance as of 31 December 2020	**-**	**-**	**1 361**	**753**	**524**	**-**	**2 638**
Net book value as of 31 December 2020	**5 390**	**6 848**	**4 794**	**2 542**	**350**	**720**	**20 644**
Estimated useful life	Indefinite	Indefinite	5-20 Years	5-20 Years			
Amortization plan			Straight-line	Straight-line			

Note 17 Impairment assessments

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

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

2021 Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total segment reporting
Goodwill	5 390	-	-	5 390
Technology	4 033	-	-	4 033
Trademark	6 848	-	-	6 848
Customer relationships	1 258	659	208	2 125
Other intangible assets	1 419	247	3	1 669
As of 31 December, 2021	**18 948**	**906**	**211**	**20 065**

2020 Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Total segment reporting
Goodwill	5 390	-	-	5 390
Technology	4 794	-	-	4 794
Trademark	6 848	-	-	6 848
Customer relationships	1 525	762	254	2 542
Other intangible assets	784	279	8	1 071
As of 31 December, 2021	**19 341**	**1 041**	**262**	**20 644**

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

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

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

Judgements and estimates

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

Key assumptions used in the calculation of value in use are growth rate, EBITDA levels, capital expenditure and discount rates.

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

EBITDA levels: EBITDA level represent the operating profit before depreciation and amortization. Ref. APM definition. Key assumptions used in estimating value in use and determining the recoverable amount, are sales prices, development in commodity prices, and other relevant information. A forecast is developed for a period of 5 years with projections thereafter.

Capital expenditure: A normalized capital expenditure is assumed on a long run. Estimated capital expenditure do not include capital expenditure that significantly enhance the current performance, as such effects generally are not included in the cash flow projections.

Discount rates: The rate of return is calculated using the Weighted Average Cost of Capital (WACC) method. The cost of Equity and debt are weighted to reflect the company's optimal capital structure.

	Growth		WACC	
Selected key assumptions used	2021	2020	2021	2020
Fiven Norge	1.7%	1.8%	11.8%	20.1%
Fiven Brazil	1.7%	1.8%	11.9%	20.1%
Fiven Belgium	1.7%	1.8%	11.8%	20.1%

Impairment - test results and conclusion

The impairment testing was conducted in Q2 2021. In addition, the Group has assessed if there are any indications of impairment as of 31 December 2021. No indications of impairment were detected. None of the assets were assessed to be impaired, as the recoverable amount exceeded the carrying amount for all CGUs.

Sensitivity of estimated cash flows

An increase of 9 percent in WACC will not result in an impairment for Fiven.

A change of long-term growth rate from 1.67 percent to 0 percent, and 20 percent reduction in EBITDA level will not result in an impairment for Fiven.

Note 18 Other receivables

	Non-current		Current	
Amounts in EUR thousand	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Grants receivables (note 7)	-	-	1 857	1 961
VAT receivables	-	-	5 100	2 769
Other receivables	-	-	3 583	1 574
Total other receivables	**-**	**-**	**10 541**	**6 304**

	Non-current		Current	
Amounts in EUR thousand	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Other assets	135	161	-	-
Total other non-current assets	**135**	**161**	**-**	**-**

	Non-current		Current	
Amounts in EUR thousand	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Prepayments	-	-	572	620
Total prepayments	**-**	**-**	**572**	**620**

Note 19 Inventories

	31 Dec 2021			31 Dec 2020
Amounts in EUR thousand	Cost price	Provision	Book value	Book value
Raw materials	18 906	-	18 906	8 412
Semi-finished goods	5 913	-	5 913	7 633
Finished goods	8 823	(333)	8 490	11 615
Total inventories	**33 642**	**(333)**	**33 309**	**27 660**

Amounts in EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Cost of raw materials and energy cost for production[1]	(60 859)	(43 878)
Changes in work-in progress and finished goods	(1 280)	(902)
Government Grants (note 7)	2 853	287
Writedown of inventory to net realisable value	97	-
Total raw materials, energy cost and change in inventory	**(59 188)**	**(44 493)**

[1] Energy and water costs of 3 630 kEUR not related to silicon carbide crude production have for FY 2020 been reclassified to Other operating expenses from Raw materials, energy cost and change in inventory.

Included in cost of raw materials and energy cost for production in 2021 is a reversal of write-down of inventory of 47 kEUR due to a change in the estimate of the net realizable value.

Note 20 Trade receivables

TRADE RECEIVABLES AGING BASED ON DUE DATE

	31 Dec 2021			31 Dec 2020		
Amounts in EUR thousand	Gross	Provision	Carrying value	Gross	Provision	Carrying value
Not due	16 429	-	16 429	10 361	-	10 361
1 - 30 days	3 360	(20)	3 340	2 843	-	2 843
31 - 60 days	372	(3)	369	323	-	323
61- 90 days	85	(1)	84	1	-	1
More than 90 days	1 021	(301)	719	373	(215)	158
Total trade receivables	**21 266**	**(325)**	**20 941**	**13 902**	**(215)**	**13 686**

Fiven has entered into a non- recourse factoring agreement currently covering Fiven Norge AS and Fiven Belgium with Factofrance being the factoring company. The total maximum financing amount under this agreement is 13 mEUR.

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

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

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

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

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Total gross trade receivables	**21 266**	**13 902**
Transferred to Factofrance	8 566	6 372
Fiven Brazil trade receivables	11 686	6 925
Other receivables not transferred to Factofrance	1 014	605
Total trade receivables	**21 266**	**13 902**

7 803 kEUR of the 8 566 kEUR transferred to Factofrance was funded at 31 December 2021 compared to 4 998 kEUR of the 6 372 kEUR in 2020.

Note 21 Cash and cash equivalents

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Cash and bank deposits (unrestricted)	23 525	22 738
Restricted cash and bank deposits	112	277
Total cash and cash equivalents	**23 637**	**23 016**

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

Note 22 Interest bearing liabilities

			Carrying amount	
Amounts in EUR thousand	Interest rate	Maturity date	31 Dec 2021	31 Dec 2020
Secured				
Senior secured floating rate bond	EURIBOR 3M+6,85%	21-Jun-24	68 946	-
Senior secured floating rate bond	EURIBOR 3M+7,75%	05-Apr-22	-	55 598
Factoring financing/Export financing	3% p.a		12 609	9 785
Obligations under leases (IFRS 16)			2 978	3 788
Total secured interest- bearing liabilities			**84 533**	**69 172**
Unsecured				
Shareholder loan[1]	EURIBOR 3M+6,8914%	22-Jun-24	22 717	34 733
Total unsecured interest- bearing liabilities			**22 717**	**34 733**
Total debt			107 250	103 904
Current interest bearing debt			(14 117)	(10 990)
Total non-current interest bearing-liabilities			**93 133**	**92 914**

[1] In July 2021 Interest rate was reduced from EURIBOR+8.1% to EURIBOR+6.8914% with effect from May 13, 2019. Effect of reduced interest rate amounted to 1 138 kEUR in reduced interest cost and was recognized in profit and loss in 2021.

Senior secured floating rate bond loan

On 21 June 2021 (First Issue Date) Fiven completed a 125 mEUR Senior Secured Sustainability-Linked Floating Rate Bond. The bonds carry an interest of EURIBOR + 6.85%. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1 000. The maximum total nominal amount of the initial bonds is 70 mEUR. Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall comply with a financial maintenance covenant prescribing a maximum leverage ratio of

(a) 4.75:1 for the period from 21 June 2021 to (and including) the date falling one year after 21 June 2021
(b) 4.50:1 for the period from (but excluding) the date falling one year after 21 June 2021 to (and including) the date falling two years after 21 June 2021; and
(c) 4.25:1 for the period from (but excluding) the date falling two years after 21 June 2021 to 21 June 2024

The Incurrence Test is met, if:

a. The Leverage Ratio is equal to or less than:
A. 3.00:1 for the period from 21 June 2021 to (and including) the date falling eighteen months after 21 June 2021; and
B. 2:75:1 for the period from (but excluding) the date falling eighteen months after 21 June 2021 to (and including) 21 June 2024; and
b. no Events of Default is continuing or would occur upon the incurrence or payment.

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

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

The issuer shall redeem all, but not only some, of outstanding Bonds in full on 21 June 2024 with an amount per Bond equal to the nominal amount together with accrued but unpaid interest plus any applicable Sustainability-Linked Redemption Premium.

Applicable Sustainability-Linked Redemption Premium shall be equal to:

a. the Maximum Sustainability-Linked Redemption Premium; less
b. one third (1/3) of the Maximum-Linked Redemption Premium (rounded down to two decimals) for each KPI on the Target Observation Date, provided that the issuer no later than 15 days after the Target Observation Date publishes a Sustainability Performance Action Plan Review confirming that the Sustainability Performance Action Plan with respect to such KPI is viable and achievable as per the Target Observation Date.

The Maximum Sustainability-Linked Redemption Premium is 0.50 percent of the nominal amount under the Bonds.

Target Observation Date means thirty days prior to (a) 21 June 2024 or (b) such earlier date when the Bonds are redeemed in full.

Sustainability Performance Action Plan means a plan setting out the means by which the Issuer intents to achieve its targets reducing by 2025 (a) CO_2 emissions (relating to KPI 1) by 9.00 percent, (b) SO_2 emissions (related to KPI 2) by 15.00 percent, and (c) water withdrawal (relating to KPI 3) by 10.00 percent in each case compared to 2019, and as further described in the Sustainability-Linked Bond Framework.

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

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

The issuer may redeem all, but not only some, of the outstanding bonds in full:

i. any time from and including 21 June 2021 to, but excluding, the first call date at an amount per bond equal to 103.425 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium and the remaining interest payments up to, but excluding, the first call date, up to and including the first call date together with accrued but unpaid Interest;
ii. any time from and including 21 June 2021 to, but excluding, the first business day falling 24 months after 21 June 2021 at an amount per bond equal to 103.425 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;
iii. any time from and including the first business day falling 24 months after 21 June 2021 to, but excluding, the first business day falling 30 months after 21 June 2021

at an amount per bond equal to 102.055 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

iv. any time from and including the first business day falling 30 months after 21 June 2021 to, but excluding, the first business day falling 33 months after 21 June 2021 at an amount per bond equal to 100.685 percent of the nominal amount plus any applicable Sustainability -Linked Redemption Premium, together with accrued but unpaid Interest;

v. any time from and including the first business day falling 33 months after 21 June 2021 to, but excluding, 21 June 2024 at an amount per bond equal to 100.000 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

Redemption shall be made by the Issuer giving not less than fifteen business days' notice to the Bondholders and the Agent.

Upon the occurrence of a change of control event or a delisting event, each bondholder shall have the right to request that all, or some only, of its bonds be repurchased at a price per bond equal to 101 percent of the nominal amount together with accrued but unpaid Interest, during a period of sixty days following a notice from the Issuer of the change of control event or delisting event.

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

The Senior Secured Floating Rate Bond of 5 April 2019, with nominal amount of total 56.5 mEUR was settled by early redemption on 8 July 2021. Call option premium for early redemption amounted to 1 314 kEUR.

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

Un-secured shareholder loan

On 6 April 2019 Fiven AS completed a loan agreement with its shareholder Tosca Intermediate Holdings SARL. The lender made available to Fiven ASA a loan in the amount of 32.13 mEUR payable in whole or in part to the lender on its demand. The loan plus accrued and capitalized interest shall be repaid by the borrower on the termination date of the Loan, 22 June 2024.

All payment obligations of Fiven ASA shall be postponed and subordinated the Senior Secured Sustainability-Linked Floating Rate Bond in accordance with a subordination agreement between Tosca Intermediate Holding Sarl (the shareholder) and the Nordic Trustee & Agency AB, acting as agent on behalf of the bondholders.

Subject to the subordination agreement, Fiven ASA may prepay the whole or any part of the Loan (together with all interest accrued thereon) at any time. An extraordinary on-off distribution of 15 mEUR for repayment of outstanding Shareholder Loan and accrued interests was made in July 2021.

The subordination agreement precludes any prepayment or repayment in the subordination period, on demand or otherwise, that is not made by advance consent by the agent acting as representative of the bondholders.

Factoring financing

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

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

Leasing liabilities

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

Export financing

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

Pledge of assets and guarantees

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

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

MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2021

Amounts in EUR thousand	2022	2023	2024	2025	2026	2027+	Total
Senior secured floating rate bond	-	-	70 000	-	-	-	70 000
Shareholder loan	-	-	22 717	-	-	-	22 717
Factoring financing/Export financing	12 609	-	-	-	-	-	12 609
Total interest- bearing liabilities	**12 609**	**-**	**92 717**	**-**	**-**	**-**	**105 326**

MATURITY OF INTEREST-BEARING LIABILITIES AS OF 31 DECEMBER 2020

Amounts in EUR thousand	2021	2022	2023	2024	2025	2026+	Total
Senior secured floating rate bond	-	56 500	-	-	-	-	56 500
Shareholder loan	-	34 733	-	-	-	-	34 733
Factoring financing/Export financing	9 785	-	-	-	-	-	9 785
Total interest- bearing liabilities	**9 785**	**91 233**	**-**	**-**	**-**	**-**	**101 018**

For lease liabilities, see note 12.

MOVEMENTS IN INTEREST-BEARING LIABILITIES 2021

		Cash flows		Non-cash effects			
Amounts in EUR thousand	1 Jan 2021	Cash flows in	Cash flows out	Foreign exchange movement	New leases	Accruals	31 Dec 2021
Senior secured floating bond 7.75%	55 598		(61 229)	-	-	5 630	-
Senior secured floating bond 6.85%	-	70 000	(3 273)			2 219	68 946
Shareholders loan	34 733	-	(15 000)	-	-	2 984	22 717
Factoring/export financing	9 785	2 741	(421)	280	-	224	12 609
Lease liabilities	3 788	-	(1 659)	100	450	300	2 978
Total liabilities from financing activities	**103 904**	**72 741**	**(81 582)**	**380**	**450**	**11 357**	**107 250**

MOVEMENTS IN INTEREST-BEARING LIABILITIES 2020

		Cash flows		Non-cash effects			
Amounts in EUR thousand	1 Jan 2020	Cash flows in	Cash flows out	Foreign exchange movement	New leases	Accruals	31 Dec 2020
Senior secured floating bond 7.75%	54 967	-	(4 427)	-	-	5 058	55 598
Shareholders loan	33 786	-	-	-	-	947	34 733
Factoring/Export financing	5 526	5 180	(961)	40	-	-	9 785
Lease liabilities	4 081	-	(1 909)	(496)	1 504	608	3 788
Total liabilities from financing activities	**98 360**	**5 180**	**(7 297)**	**(456)**	**1 504**	**6 613**	**103 904**

Note 23 Financial assets and liabilities

31 Dec 2021 Amounts in EUR thousand	Categories: Financial instruments at fair value through profit or loss	Categories: Financial instruments at fair value through OCI	Categories: Financial instruments at amortised cost	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Fair value measurement using: Significant observable inputs (Level 2)	Fair value measurement using: Significant un-observable inputs (Level 3)	Total instruments measured at fair value
Assets								
Derivatives								
Foreign exchange forward contracts	98	-	-	98	-	98	-	98
Debt instruments								
Trade receivables	-	-	20 941	20 941	-	-	-	-
Cash and cash equivalents	-	-	23 637	23 637	-	-	-	-
Other receivables and prepayments	-	-	11 113	11 113	-	-	-	-
Other non-current assets	-	-	135	135	-	-	-	-
Total Financial assets	**98**	**-**	**55 825**	**55 923**	**-**	**98**	**-**	**98**
Liabilities								
Derivatives								
Foreign exchange forward contracts	262	-	-	262	-	262	-	262
Interest bearing loans								
Bond loan	-	-	68 946	68 946	-	-	-	-
Shareholder loan	-	-	22 717	22 717	-	-	-	-
Other interest bearing loans	-	-	12 609	12 609	-	-	-	-
Other financial liabilities								
Trade and other payables	-	-	35 450	35 450	-	-	-	-
IFRS 16 Leasing liabilities	-	-	2 978	2 978	-	-	-	-
Total financial liabilities	**262**	**-**	**142 699**	**142 962**	**-**	**262**	**-**	**262**

31 Dec 2020 Amounts in EUR thousand	Categories Financial instruments at fair value through profit or loss	Financial instruments at fair value through OCI	Financial instruments at amortised cost	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)	Total instruments measured at fair value
Assets								
Derivatives								
Foreign exchange forward contracts	93	-	-	93	-	93		93
Debt instruments								
Trade receivables	-	-	13 686	13 686	-	-		-
Cash and cash equivalents	-	-	23 016	23 016	-	-		-
Other receivables and prepayments	-	-	6 924	6 924	-	-		-
Other non-current assets	-	-	161	161	-	-		-
Total Financial assets	**93**	**-**	**43 787**	**43 880**	**-**	**93**		**93**
Liabilities								
Derivatives								
Foreign exchange forward contracts	279	-	-	279	-	279		279
Interest bearing loans								
Bond loan	-	-	55 598	55 598	-	-		-
Shareholder loan	-	-	34 733	34 733	-	-		-
Other interest bearing loans	-	-	4 998	4 998	-	-		-
Other financial liabilities								
Trade and other payables	-	-	22 878	22 878	-	-		-
IFRS 16 Leasing liabilities	-	-	3 788	3 788	-	-		-
Total financial liabilities	**279**	**-**	**121 995**	**122 274**	**-**	**279**		**279**

Fiven's financial assets and liabilities are classified as financial instruments at amortized cost, with the exception of foreign exchange forward contracts in Brazil. The contracts are used as hedging instruments for revenues in USD and EURO. The forward contracts are measured at fair value, while all other financial assets and liabilities are carried at amortized cost.

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

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

DETAILS OF CURRENCY EXCHANGE CONTRACTS 31 DECEMBER 2021

Purchase currency	Purchase thousand	Sale currency	Sale thousand	Type of instrument	Currency deal rate	Due date	Fair value kEUR	Notional amount kEUR
BRL	9 225	EUR	1500	Non Deliverable Foward	6.15	12 May 2022	(635)	(101)
BRL	9 045	EUR	1500	Non Deliverable Foward	6.03	16 May 2022	(768)	(122)
BRL	1 923	EUR	300	Non Deliverable Foward	6.411	24 Jan 2022	8	1
BRL	640	EUR	100	Non Deliverable Foward	6.4	24 Jan 2022	1	-
BRL	1 288	EUR	200	Non Deliverable Foward	6.44	21 Feb 2022	1	-
BRL	974	EUR	150	Non Deliverable Foward	6.494	21 Feb 2022	9	1
BRL	1 950	EUR	300	Non Deliverable Foward	6.499	21 Feb 2022	19	3
BRL	646	EUR	100	Non Deliverable Foward	6.462	14 Jan 2022	(13)	(2)
BRL	650	EUR	100	Non Deliverable Foward	6.501	23 Feb 2022	6	1
BRL	1 304	EUR	200	Non Deliverable Foward	6.52	14 Mar 2022	10	2
BRL	655	EUR	100	Non Deliverable Foward	6.553	23 Feb 2022	11	2
BRL	657	EUR	100	Non Deliverable Foward	6.5735	14 Mar 2022	10	2
BRL	671	EUR	100	Non Deliverable Foward	6.712	14 Mar 2022	24	4
BRL	1 710	EUR	250	Non Deliverable Foward	6.84	18 Apr 2022	73	12
BRL	1 723	EUR	250	Non Deliverable Foward	6.89	18 May 2022	69	11
BRL	1 329	EUR	200	Non Deliverable Foward	6.6425	24 Mar 2022	30	5
BRL	668	EUR	100	Non Deliverable Foward	6.68	25 Apr 2022	13	2
BRL	673	EUR	100	Non Deliverable Foward	6.73	25 May 2022	11	2
BRL	1 314	EUR	200	Non Deliverable Foward	6.57	24 Mar 2022	15	2
BRL	1 324	EUR	200	Non Deliverable Foward	6.621	25 Apr 2022	14	2
BRL	1 334	EUR	200	Non Deliverable Foward	6.671	25 May 2022	10	2
BRL	1 660	EUR	250	Non Deliverable Foward	6.639	20 Jun 2022	(8)	(1)
BRL	1 654	EUR	250	Non Deliverable Foward	6.6145	25 Apr 2022	16	2
BRL	1 001	EUR	150	Non Deliverable Foward	6.67	25 May 2022	8	1

Purchase currency	Purchase thousand	Sale currency	Sale thousand	Type of instrument	Currency deal rate	Due date	Fair value kEUR	Notional amount kEUR
BRL	1 622	USD	300	Non Deliverable Foward	5.407	24 Jan 2022	(59)	(9)
BRL	818	USD	150	Non Deliverable Foward	5.45	24 Jan 2022	(23)	(4)
BRL	1 096	USD	200	Non Deliverable Foward	5.478	21 Feb 2022	(33)	(5)
BRL	1 110	USD	200	Non Deliverable Foward	5.55	21 Feb 2022	(19)	(3)
BRL	1 656	USD	300	Non Deliverable Foward	5.52	24 Jan 2022	(26)	(4)
BRL	1 664	USD	300	Non Deliverable Foward	5.5472	21 Feb 2022	(29)	(5)
BRL	559	USD	100	Non Deliverable Foward	5.593	23 Feb 2022	(6)	(1)
BRL	1 120	USD	200	Non Deliverable Foward	5.6	14 Mar 2022	(15)	(2)
BRL	567	USD	100	Non Deliverable Foward	5.667	14 Mar 2022	(1)	-
BRL	1 132	USD	200	Non Deliverable Foward	5.66	14 Mar 2022	(3)	-
BRL	1 724	USD	300	Non Deliverable Foward	5.746	14 Mar 2022	21	3
BRL	580	USD	100	Non Deliverable Foward	5.8	23 Feb 2022	15	2
BRL	1 463	USD	250	Non Deliverable Foward	5.851	18 Apr 2022	29	5
BRL	1 471	USD	250	Non Deliverable Foward	5.885	18 May 2022	25	4
BRL	590	USD	100	Non Deliverable Foward	5.899	18 Apr 2022	16	3
BRL	594	USD	100	Non Deliverable Foward	5.94	18 May 2022	15	2
BRL	1 157	USD	200	Non Deliverable Foward	5.783	24 Mar 2022	18	3
BRL	583	USD	100	Non Deliverable Foward	5.83	25 Apr 2022	9	1
BRL	586	USD	100	Non Deliverable Foward	5.856	25 May 2022	6	1
BRL	1 169	USD	200	Non Deliverable Foward	5.845	25 Apr 2022	20	3
BRL	589	USD	100	Non Deliverable Foward	5.886	25 May 2022	9	1
BRL	1 178	USD	200	Non Deliverable Foward	5.89	25 May 2022	18	3
BRL	1 470	USD	250	Non Deliverable Foward	5.88	20 Jun 2022	10	2
BRL	1 465	USD	250	Non Deliverable Foward	5.86	25 Apr 2022	29	5
BRL	885	USD	150	Non Deliverable Foward	5.903	25 May 2022	16	2
BRL	797	USD	137	Non Deliverable Foward	5.8185	21 Mar 2022	(18)	(3)
	71 661						**(1 040)**	**(165)**

Note 24 Provisions

Amounts in EUR thousand	Site renovation	Environmental obligations	Other accruals / provisions	Total provisions 2021	Total provisions 2020
Opening balance	**181**	**812**	**96**	**1 089**	**1 233**
Additional provisions recognised	18	-	88	106	101
Used during the year	-		-	-	-
Provisions reversed	-	(634)	-	(634)	-
Exchange rate differences	2	22	1	25	(245)
Closing balance	**201**	**200**	**185**	**586**	**1 089**
Non-current liability	201	200	97	498	1 089
Current liability	-	-	88	88	-
Closing balance	**201**	**200**	**185**	**586**	**1 089**

The site renovation provision 201 kEUR in 2021 (181 kEUR in 2020) refers to estimated future expenses to recover the land impacted by the sand mine in Brazil.

The provision for environmental obligations refers to estimated cost incurred to comply with government regulations requiring a reduction of emissions and other environmental impacts from the production facilities in Norway 200 kEUR and in Brazil 0 kEUR in 2021 (466 kEUR in Norway and 346 kEUR in Brazil in 2020). During 2021, the obligations were reassessed in detail and it was concluded that a portion of the previous provisions were no longer meeting a legal or constructive obligation and not assessed as probable, and therefore were reversed.

Contingent liabilities

Fiven's plant in Lillesand, Norway, has environmental obligations linked to its operating license in the way of air emission limits. Whilst occasional instances of non-compliance can occur, actions are taken to meet current good practice standards and regulatory requirements at all sites. Fiven believes we are in substantial compliance with requirements, and are not aware of any environmental issues that we believe could have a significant effect on the utilization of our industrial assets. The Group is not currently subject to liabilities for non-compliance with current health, safety and environmental laws and regulations that would significantly jeopardize its activities, financial situation or operating income.

Note 25 Financial risk

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

1 Market Risks

1.1 Currency Risks

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

Fiven Norway has virtually no sales in local currency, and USD and EUR are the dominant ones. Raw material contracts like pet coke, sand and energy accounting for the majority of costs of goods sold, are signed in corresponding currencies to reduce impact on risk from currency inflows. Fiven Belgium external sales are in EUR. Import of crude silicon carbide from Fiven Venezuela is USD based. Through a barter trade agreement Fiven Belgium is also paying all USD denominated purchases (mainly pet coke) on behalf of Fiven Venezuela offsetting currency risk on the crude. Fiven Brazil has mainly a currency inflow exposure as raw materials purchases are paid in local currency. In 2021 approximately 53 percent of total sales were in foreign currency, and the risk were covered through hedging instruments. The parent company Fiven ASA has EUR as functional currency as main in- and outflows are EUR denominated.

Currency exposure affecting the consolidated statement of income:

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

31 December 2021 Amounts in EUR thousand	USD	EUR	BRL	NOK	Other	Total 2021
Other non current (financial) assets	-	2 990	-	15	-	3 005
Receivables	21 675	9 373	714	9 671	153	41 586
Other current (financial) assets	35	-	-	129	-	164
Cash and cash equivalents	1 508	1 081	-	410	90	3 089
Total monetary assets	**23 218**	**13 445**	**714**	**10 224**	**243**	**47 844**
Interest bearing liabilities	2 695	2 825	-	-	-	5 520
Other liabilities	-	-	-	1 806	-	1 806
Trade payables	11 141	7 142	-	162	6	18 451
Total monetary liabilities	**13 836**	**9 968**	**-**	**1 968**	**6**	**25 777**
Derivatives notional value	4 277	6 909	-	-	-	11 187
Net currency exposure financial position	**5 105**	**(3 432)**	**714**	**8 257**	**237**	**10 880**

31 December 2020 Amounts in EUR thousand	USD	EUR	BRL	NOK	Other	Total 2021
Other non current (financial) assets	-	-	-	-	-	-
Receivables	14 923	7 631	197	4 261	288	27 300
Other current (financial) assets	-	-	-	-	-	-
Cash and cash equivalents	934	3 273	-	80	94	4 382
Total monetary assets	**15 858**	**10 904**	**197**	**4 342**	**382**	**31 682**
Interest bearing liabilities	1 369	2 080	59	-	(3)	3 504
Other liabilities	-	66	-	-	-	66
Trade payables	14 160	2 338	-	-	236	16 734
Total monetary liabilities	**15 528**	**4 484**	**59**	**-**	**234**	**20 305**
Derivatives notional value	2 070	5 949	-	-	-	8 020
Net currency exposure financial position	**(1 741)**	**470**	**139**	**4 342**	**148**	**3 358**

Amounts in EUR thousand	USD	EUR	BRL	JPY	NOK	Other	Total
Sensitivity 2021:							
10 % appreciation	510	(343)	12	N/A	826	11	1 017
10 % depreciation	(510)	343	(12)	N/A	(826)	(11)	(1 017)
Sensitivity 2020:							
10 % appreciation	(174)	47	N/A	14	434	15	336
10 % depreciation	174	(47)	N/A	(14)	(434)	(15)	(336)

The sensitivity related to financial assets and liabilities potential impact on Fiven's profit or loss, is based on a strengthening / weakening of main currencies by 10 percent against the functional currencies of the subsidiaries. If all the main currencies weakened against the functional currencies, the profit before tax would decrease by 1 017 kEUR.

1.2 Price Risk

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

1.3 Commodity prices

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

1.4 Interest rate risk

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

Fiven financing have four pillars; a bond, a shareholder loan, a factoring facility and an export credit facility. All four facilities have in common that they have floating interest, and hence are exposed to fluctuating interest rates. With floating interest rates the group will normally be in a position to benefit from lower interest rates in an economic downturn, but a floating rate policy will also leave the group exposed to higher future interest rates. An increase of interest rates by 0.5 points per annum would impact the Group's financials expenses negatively by 570 kEUR. A reduction of interest rates would have limited impact. If relevant base interest rates are negative as is currently the case, the bases rates will be deemed to be zero.

2 Trading partner risk

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

3 Liquidity Risk

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

Fiven has a non-recourse factoring facility which allows a funding of up to 90 percent of the total receivables transferred to the factoring company for a total amount not exceeding 13 mEUR for entities in Fiven Norge and Fiven Belgium. As per 31 December 2021, the utilization of the factoring facility was 8.6 mEUR.

In Brazil, Fiven has an export credit facility based on confirmed export order intake to finance cost of production. The credit facility is covering up to 174 days, and at the end of December 2021 the total of the facility was 4.8 MEUR.

The bond has maturity date 21 June 2024 and the un-secured shareholder loan, 22 June 2024. Trade payables are payable in 2021. The factoring liabilities at 31 December 2021 matures in Q1 2022 and the export credit facility in Brazil in 1H 2022. The bond contains financial covenants further described in note 22 Interest Bearing liabilities. The group is in compliance with all covenants as of the reporting date.

Note 26 Capital management

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

During 2021, Fiven refinanced its operations through a new bond of 70 mEUR expiring in June 2024. Together with a shareholder loan of 22.7 mEUR expiring after the bond, Fiven has now secured long term financing for the coming years. Fiven has maintained a strong focus on liquidity throughout the Covid-19 pandemic, monitoring risks and uncertainty in this regard about market impact and subsequently about the company's ability to meet its financial commitments. The results demonstrate that Fiven has been able to manage the situation well through a healthy cash position and a reduction of net-interest bearing debt.

Looking forward and to support the company's growth strategy, it is important to optimize the availability of the external financial sources. The new bond structure allows a total maximum nominal amount of 125 mEUR. In August 2021 the new Fiven bond was listed on NASDAQ in Stockholm, and the bond is also traded at the Frankfurt Stock Exchange.

Bondholders under the initial bonds are senior ranked and there will be no dividend paid to Fiven shareholders or servicing of any loan, including shareholder loan, prior to the final maturity date of the initial bond.

The bond agreement includes covenants prescribing a maximum net interest bearing debt to EBITDA ratio should not exceed 4.75 (first year), 4.5 (second year) and 4.25 (third year). The descriptions of elements being included and excluded from the traditional EBITDA and net interest-bearing debt for covenant calculation is described in the bond agreement. The financial flexibility is also maintained through the existing factoring facility and an export credit facilities subject to regulations described in the Bond agreement. The utilization of these facilities can potentially be extended depending on the growth pace of the business.

Note 27 Equity

SHARE CAPITAL AND OTHER PAID IN CAPITAL

	Number of shares	Nominal value per share		Total share capital	Other paid in capital
		EUR	NOK	EUR	EUR
As of 1 January 2021	1 000	101	1 000	101 376	5 575 350
Contribution of equity	-	-	-	-	-
As of 31 December 2021	**1 000**	**101**	**1 000**	**101 376**	**5 575 350**
As of 1 January 2020	1 000	20	200	20 421	5 656 305
Contribution of equity	-	81	800	80 955	(80 955)
As of 31 December 2020	**1 000**	**101**	**1 000**	**101 376**	**5 575 350**

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

Note 28 Trade and other payables

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Trade payables	29 528	15 146
Accrued expenses	1 486	1 248
Forward exchange contract derivative liabilities	262	235
Total trade payables	**31 276**	**16 629**

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Other accounts payable	796	636
Accrued personnel and social expenses	3 326	2 861
Tax payable (other than income tax)	181	147
Accrued interest payable	133	2 885
Total other payables	**4 436**	**6 528**

Note 29 Transactions and balances with related parties

Amounts in EUR thousand	1 Jan–31 Dec 2021						31 Dec 2021	
	Trade sales	Trade purchases	Sale of services	Purchase of services	Interest income	Interest expense	Receivables from	Payables to
Fiven Venezuelan entities	2	2 447	–	–	–	–	12 126	8 882
Open Gate Capital	–	–	–	1 108	–	–	–	108
Tosca Intermediate Holding Sarl[1]	–	–	–	–	–	1 218	–	22 717
Total	**2**	**2 447**	**-**	**1 108**	**-**	**1 218**	**12 126**	**31 707**

Amounts in EUR thousand	1 Jan–31 Dec 2020						31 Dec 2020	
	Trade sales	Trade purchases	Sale of services	Purchase of services	Interest income	Interest expense	Receivables from	Payables to
Fiven Venezuelan entities	1 311	1 974	–	–	–	–	11 577	8 522
Open Gate Capital	–	–	–	1 046	–	–	–	–
Tosca Intermediate Holding Sarl	–	–	–	–	–	2 713	–	36 499
Total	**1 311**	**1 974**	**-**	**1 046**	**-**	**2 713**	**11 577**	**45 020**

1 In July 2021 Interest rate was reduced from EURIBOR+8.1% to EURIBOR+6.8914% with effect from May 13, 2019. Effect of reduced interest rate amounted to 1 138 kEUR in reduced interest cost and was recognized in profit and loss in 2021.

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

Fiven ASA financial statements

Statement of income

Amounts in EUR thousand	Note	2021	2020
1 January to 31 December			
Revenue	13	5 110	4 243
Total revenue		**5 110**	**4 243**
Employee benefit expenses	4, 5	(989)	(743)
Other operating expenses	6	(4 232)	(4 546)
Total operating expenses		**(5 221)**	**(5 288)**
Operating profit (loss)		**(112)**	**(1 046)**
Finance income	8	10 992	7 457
Finance expense	8	(8 676)	(7 944)
Other financial items (net)		373	(851)
Net finance income (expense)		**2 689**	**(1 338)**
Net income (loss) before income taxes		**2 578**	**(2 384)**
Income tax (expense) benefit	9	(2 068)	(308)
Net income (loss)		**510**	**(2 693)**
Net income (loss) attributable to:			
Equity holders of the parent	3	510	(2 693)
Total net income (loss) attributed		**510**	**(2 693)**

Statement of financial position

Amounts in EUR thousand	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Investments in subsidiaries	7	77 635	78 477
Other financial assets	12	15	12
Total non-current assets		**77 650**	**78 490**
Current assets			
Trade receivables	13	537	279
Other receivables	11,13	10 468	10 181
Prepayments		129	64
Cash and cash equivalents	10	10 673	9 626
Total current assets		**21 807**	**20 150**
TOTAL ASSETS		**99 456**	**98 640**

Amounts in EUR thousand	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	3	101	101
Other paid in capital	3	-	-
Retained earnings	3	33	(476)
Total equity		**135**	**(375)**
Non-current liabilities			
Bond loan	11	68 946	55 598
Interest bearing liabilities	11	22 717	34 733
Other liabilities and provision	13	4 920	4 711
Total non-current liabilities		**96 584**	**95 042**
Current liabilities			
Trade payables	13	620	763
Other payables		553	3 210
Income tax payable	9	1 564	-
Total current liabilities		**2 738**	**3 974**
Total liabilities		**99 322**	**99 015**
TOTAL EQUITY AND LIABILITIES		**99 456**	**98 640**

The Board of Directors of Fiven ASA - Oslo, 22 March 2022

Falk Ast
Chairman

Betty Lunøe Åsheim
Member of the Board

Pål Einar Runde
Member of the Board

Helén Borchgrevink
Member of the Board

Stein Erik Ommundsen
General Manager

Statement of cash flows

Amounts in EUR thousand	Note	2021	2020
1 January to 31 December			
Net income (loss)		510	(2 693)
Corporate income tax	9	2 068	308
Net income (loss) before income taxes		**2 578**	**(2 384)**
Adjustments to reconcile net income (loss) before income tax to net cash flows:			
Net finance expenses	8	8 071	8 795
Changes in trade receivables and trade payables		(971)	(358)
Changes in other receivables, prepayments, and other payables		(67)	87
Dividend and Group contribution not paid		(10 761)	(5 780)
Cash flows from operating activities		**(1 151)**	**360**
Acquisitions of subsidiary		-	(678)
Repayments of loan by related parties	13	11 162	8 650
Dividend received	13	647	-
Cash flows from investing activities		**11 809**	**7 971**
Proceeds from issues of bonds	11	70 000	-
Repayment of Bond loan	11	(56 500)	-
Repayment of shareholder loan	11	(15 000)	-
Proceeds from other interest bearing liablities	11	-	3 000
Interest and placement fee paid		(8 112)	(4 427)
Buy back bonds (roll-over existing bondholders)	11	(2 800)	-
Payments for shares and bonds bought back	11	2 800	-
Cash flows from financing activities		**(9 612)**	**(1 427)**
Net increase in cash and cash equivalents		1 046	6 903
Cash and cash equivalents as of 31 December 2020		9 626	2 723
Cash and cash equivalents as of 31 December 2021		**10 672**	**9 626**

Notes to Fiven ASA financial statements

Note 1 General information and basis of preparation

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

The financial statements for Fiven ASA (hereafter Fiven), including notes, for the year ended 31 December 2021 were approved by the Board of Directors of Fiven ASA on 22 March 2022.

Note 2 Significant accounting policies

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

The functional currency of Fiven ASA is Euro.

Use of estimates

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

Foreign currency translation

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

Revenues

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

Classification of balance sheet items

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

Investments in other companies

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

Receivables

Trade receivables are recognized in the balance sheet after provision for bad debts. Trade receivables in 2021 and 2020 were all internal receivables related to management fee. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other receivables, both current and long term, are recognized at the lower of nominal and net realizable value. Net realizable value is the present value of estimated future payments. When the effect of a write down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors. Most of Other Trade receivables in 2021 and 2020 were internal current receivables. See also note 13.

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

Liabilities

Interest-bearing liabilities are initially recognized at cost. Fiven ASA has in 2021 refinanced its Bond loan, and paid an installment on the Shareholder loan of 15 mEUR; see note 11 and cash flow statement for more information. After initial recognition, such financial liabilities are measured at amortized costs using the effective interest method. Transaction costs are taken into account when calculating amortized cost. Trade payables are carried at cost.

Pensions

The company has a defined contribution plan.

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

Taxes

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

Group contribution received is booked as finance income. If received group contribution exceeds retained earnings under Fiven's ownership, it is booked as a reduction of investments in subsidiaries. 842.5 kEUR is in 2021 booked as reduction of investments in subsidiaries. Tax related to received group contribution is booked in profit and loss.

Deferred tax is reflected at nominal value.

Note 3 Share capital and statement of changes in equity

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

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings (accumulated deficit)	Total Equity
As of 1 January, 2021	101	-	(476)	(375)
Net income (loss)	-	-	510	510
Contribution of equity, net of transaction costs	-	-	-	-
As of 31 December, 2021	**101**	**-**	**34**	**135**

Amounts in EUR thousand	Share capital	Other paid in capital	Retained Earnings (accumulated deficit)	Total Equity
As of 1 January, 2020	20	2 297	-	2 318
Net income (loss)	-	(2 216)	(476)	(2 693)
Contribution of equity, net of transaction costs	81	(81)	-	-
As of 31 December, 2020	**101**	**-**	**(476)**	**(375)**

Note 4 Employee benefit expenses

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Salaries incl. bonuses	803	639
Social security cost	108	76
Defined-contribution pension cost (Note 5)	23	24
Other personnel related cost	55	4
Total employee benefit expenses	**989**	**743**

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

Note 5 Employee benefit obligations (pensions)

Defined contribution plans

Defined contribution plans are the main pensions plan for Fiven ASA, where the Contribution to each individual pension plan is 5 percent between 1G and 7.1G and 8 percent between 7.1 and 12 G. 1G refers to the Norwegian national insurance scheme's basic amount, which was 106 399 NOK as of 1 May 2021.

The defined contribution plan covers all full-time employees. As of 31 December 2021 there were 4 members in the plan. Contribution expensed amounted to 23.4 kEUR in 2021 (23.8 kEUR in 2020).

Note 6 Other operating expenses

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Other operating expenses		
Lease expenses	76	57
IT related expenses	337	120
Travel, Insurance, meetings and office expenses	93	28
Consultancy fees and external personnel expenses	783	1 734
Audit expenses	75	247
Management fee	2 855	2 341
Other operating expenses	13	19
Total other operating expenses	**4 232**	**4 546**

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Specification auditor's fee		
Statutory audit (PWC)	72	161
Other assurance services (PWC)	2	85
Total	**75**	**247**

Note 7 Shares in subsidiaries

Amounts in EUR thousand Company	Location	Ownership interest in %	Total equity	Result	Carrying value 31 Dec 2021	Carrying value 31 Dec 2020
Fiven Norge AS[1]	Norway	100%	13 437	5 683	42 368	43 211
Fiven GmbH	Germany	100%	123	6	29	29
Materiaux Ceramiques SA	Belgium	100%	10 176	(1 494)	15 391	15 391
Carbeto de Silício Sika Brasil Ltda	Brazil	100%	29 046	6 263	19 846	19 846
Fiven North America Inc[2]	US	100%	11	13	-	N/A
Total 31 Dec 2021					**77 635**	**78 477**

1 Group contribution of 842.5 kEUR is in 2021 booked as a reduction of investments in subsidiaries.

2 In February 2021 the sales representation office operating in Pittsburgh (USA) was established as a wholly owned subsidiary, Fiven North America Inc, at zero cost.

Note 8 Finance income and expenses

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Finance income		
Interest income Intercompany	231	374
Dividends from subsidiaries	10 761	7 083
Total finance income	**10 992**	**7 457**

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Finance expenses		
Interest on debts and borrowings	(7 151)	(7 773)
Interest expense Intercompany	(210)	(169)
Other financial expenses[1]	(1 315)	(2)
Total financial expenses	**(8 676)**	**(7 944)**
Net foreign exchange gains (losses)	373	(851)
Other financial items (net)	**373**	**(851)**
Net Finance income (expenses)	**2 689**	**(1 338)**

[1] 1 314 kEUR relates to call option premium for early redemption of Bond loan with termination date April 5, 2022 (repaid July 21).

Note 9 Taxes

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Tax payable	(1 564)	-
Withholding tax	(503)	(308)
Income tax (expense) benefit	**(2 068)**	**(308)**

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

Amounts in EUR thousand	1 Jan–31 Dec 21	1 Jan–31 Dec 20
Net income (loss) before income taxes	2 578	(2 384)
Tax (expense) benefit at applicable tax rate	(567)	525
Tax effect of permanent differences exempted for tax	561	369
Tax effect of other permanent differences not tax deductible	(116)	-
Changes in unrecognized deferred tax asset	(522)	(2 112)
Tax effect on translation differences exempted of tax	(920)	911
Other taxes, withholding tax	(503)	-
Income tax (expense) benefit for the year	**(2 068)**	**(308)**

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Tax losses carried forward	-	432
Witholding tax expected to be credited	457	457
Other non current / Interest cost subject to limitations	3 492	2 538
Net Deferred tax assets/(liabilities)	**3 949**	**3 427**
Unrecognized deferred tax asset, losses carried forward	-	(432)
Unrecognized deferred tax asset, witholding tax	(457)	(457)
Unrecognized deferred tax asset, interest cost subject to limitations	(3 492)	(2 538)
Net Deferred tax assets/(liabilities) recognized	**-**	**-**

Deferred tax assets of 3 492 kEUR in 2021 (2 538 kEUR in 2020) relate to Norwegian limitations to interest deductions on net interest expenses. The interest subject to limitation must be utilized within ten years. Total deferred tax assets of 3 949 kEUR are not recognized as at 31.12.2021.

Note 10 Cash and cash equivalents

Amounts in EUR thousand	31 Dec 2021	31 Dec 2020
Cash and bank deposits (unrestricted)	10 610	9 561
Restricted bank deposits[1]	63	65
Total cash and bank deposits	**10 673**	**9 626**

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

Note 11 Interest bearing liabilities

			Interest		Total	
Amounts in EUR thousand	Termination	Rate	2021	2020	2021	2020
Loan Fiven Norge AS (subs.)	Apr 6, 2022	EURIBOR+8.1%	228	374	9 671	10 181
Loan Fiven North America Inc (subs.)	Jun 21, 2022	USDLIBOR+8.1%	3	-	83	-
Total current assets					**9 754**	**10 181**
Senior secured floating rate bond - 2021	Jun 21, 2024	EURIBOR+6.85%	2 610	-	68 946	-
Senior secured floating rate bond - 2019	Apr 5, 2022	EURIBOR+7.75%	3 311	5 059	-	55 598
Loan Tosca Intermediate Holdings Sàrl[1]	Jun 22, 2024	EURIBOR+6.8914%	1 218	2 713	22 717	34 733
Loan Matreaux Ceramiques (subs.)	Jun 22, 2024	EURIBOR+8.1%	135	125	1 801	1 666
Loan carbeto de Silício Sika Brasil Ltda (subs.)	May 27, 2023	2.5%	75	45	3 120	3 045
Total non-current liabilities					**96 584**	**95 042**

[1] In July 2021 the interest rate was reduced from EURIBOR+8.1% to EURIBOR+6.8914% with effect from May 13, 2019. Effect of reduced interest rate amounted to 1 138 kEUR in reduced interest cost and was recognized in profit and loss in 2021.

Senior secured floating rate bond loan

On 21 June 2021 (First Issue Date) Fiven ASA completed a 125 mEUR Senior Secured Sustainability-Linked Floating Rate Bond refinancing. The bonds carry an interest of EURIBOR + 6.85%. The interest is settled on a quarterly basis. The initial nominal amount of each initial bond is EUR 1 000. The maximum total nominal amount of the initial bonds is 70 mEUR. Provided that the incurrence test is met, the issuer may, at one or several occasions, issue subsequent bonds. During the term of the bond Fiven shall comply with a financial maintenance covenant prescribing a maximum leverage ratio of

a. 4.75:1 for the period from 21 June 2021 to (and including) the date falling one year after 21 June 2021
b. 4.50:1 for the period from (but excluding) the date falling one year after 21 June 2021 to (and including) the date falling two years after 21 June 2021; and
c. 4.25:1 for the period from (but excluding) the date falling two years after 21 June 2021 to 21 June 2024

The Incurrence Test is met, if:

a. The Leverage Ratio is equal to or less than:
A. 3.00:1 for the period from 21 June 2021 to (and including) the date falling eighteen months after 21 June 2021; and
B. 2:75:1 for the period from (but excluding) the date falling eighteen months after 21 June 2021 to (and including) 21 June 2024; and
b. no Events of Default is continuing or would occur upon the incurrence or payment.

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

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

The issuer shall redeem all, but not only some, of outstanding Bonds in full on 21 June 2024 with an amount per Bond equal to the nominal amount together with accrued but unpaid interest plus any applicable Sustainability-Linked Redemption Premium.

Applicable Sustainability-Linked Redemption Premium shall be equal to:

a. the Maximum Sustainability-Linked Redemption Premium; less
b. one third (1/3) of the Maximum-Linked Redemption Premium (rounded down to two decimals) for each KPI on the Target Observation Date, provided that the issuer no later than 15 days after the Target Observation Date publishes a Sustainability Performance Action Plan Review confirming that the Sustainability Performance Action Plan with respect to such KPI is viable and achievable as per the Target Observation Date.

The Maximum Sustainability-Linked Redemption Premium is 0.50 percent of the nominal amount under the Bonds.

Target Observation Date means thirty days prior to (a) 21 June 2024 or (b) such earlier date when the Bonds are redeemed in full.

Sustainability Performance Action Plan means a plan setting out the means by which the Issuer intents to achieve its targets reducing by 2025 (a) CO_2 emissions (relating to KPI 1) by 9.00 percent, (b) SO_2 emissions (related to KPI 2) by 15.00 percent, and (c) water withdrawal (relating to KPI 3) by 10.00 percent in each case compared to 2019, and as further described in the Sustainability-Linked Bond Framework.

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

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

The issuer may redeem all, but not only some, of the outstanding bonds in full:

i. any time from and including 21 June 2021 to, but excluding, the first call date at an amount per bond equal to 103.425 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium and the remaining interest payments up to, but excluding, the first call date, up to and including the first call date together with accrued but unpaid Interest;
ii. any time from and including 21 June 2021 to, but excluding, the first business day falling 24 months after 21 June 2021 at an amount per bond equal to 103.425 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

iii. any time from and including the first business day falling 24 months after 21 June 2021 to, but excluding, the first business day falling 30 months after 21 June 2021 at an amount per bond equal to 102.055 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;
iv. any time from and including the first business day falling 30 months after 21 June 2021 to, but excluding, the first business day falling 33 months after 21 June 2021 at an amount per bond equal to 100.685 percent of the nominal amount plus any applicable Sustainability -Linked Redemption Premium, together with accrued but unpaid Interest;
v. any time from and including the first business day falling 33 months after 21 June 2021 to, but excluding, 21 June 2024 at an amount per bond equal to 100 percent of the nominal amount plus any applicable Sustainability-Linked Redemption Premium, together with accrued but unpaid Interest;

Redemption shall be made by the Issuer giving not less than fifteen business days' notice to the Bondholders ant the Agent.

Upon the occurrence of a change of control event or a delisting event, each bondholder shall have the right to request that all, or some only, of its bonds be repurchased at a price per bond equal to 101 percent of the nominal amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the change of control event or delisting event.

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

The Senior Secured Floating Rate Bond of 5 April 2019, with nominal amount of total 56.5 mEUR, was settled by early redemption 8 July 2021. Call option premium for early redemption amounted to 1 314 kEUR.

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

Un-secured shareholder loan

On 6 April 2019 Fiven completed a loan agreement with its shareholder Tosca Intermediate Holdings SARL. The lender made available to Fiven ASA a loan in the amount of 32.13 mEUR payable in whole or in part to the lender on its demand. The loan plus accrued and capitalized interest shall be repaid by the borrower on the termination date of the loan, being 22 June 2024.

All payment obligations of Fiven ASA shall be postponed and subordinated the following the placement of the Senior Secured Sustainability-Linked Floating Rate Bond, in accordance with a subordination agreement between Tosca Intermediate Holding Sàrl (the shareholder) and the Nordic Trustee & Agency AB, acting as agent on behalf of the bondholders.

Prior to the subordination agreement, Fiven ASA could prepay the whole or any part of the Loan (together with all interest accrued thereon) at any time. Following the bond refinancing and listing, the subordination agreement precludes any prepayment or repayment in the subordination period, on demand or otherwise, that is not made by advance consent by the agent acting as representative of the bondholders. A one-off distribution of 15 mEUR for repayment of outstanding Shareholder Loan and accrued interests was made in July 2021, as approved explicitly in the agreement reached during refinancing.

Note 12 Financial risk

Currency exposure affecting statement of income

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

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

Amounts in EUR thousand	31 Dec 2021			31 Dec 2020		
Currency	NOK	USD	BRL	NOK	USD	BRL
Other non current (financial) assets	15	-	-	12	-	-
Receivables	9 671	81	714	10 460	-	-
Other current (financial) assets	129	-	-	64	-	-
Cash and cash equivalents	410	-	-	152	-	-
Total monetary assets	**10 224**	**81**	**714**	**10 688**	**-**	**-**
Interest bearing liabilities						
Trade payables	162	108	-	349	-	-
Other payables	1 806	-	-	325	-	-
Total monetary liabilities	**1 968**	**108**	**-**	**675**	**-**	**-**
Net currency exposure financial position	**8 257**	**(27)**	**714**	**10 014**	**-**	**-**
31 Dec currency rate	9.99	1.13	6.31	10.47		

Note 13 Intercompany items

	Fiven Norge AS		Materiaux Ceramiques SA		Carbeto de Silício Sika Brasil Ltda		Fiven GmbH		Fiven North America Inc		Total	
Amounts in EUR thousand	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Trade receivables	98	126	406	90	31	61	2	2	-	-	537	279
Other receivables	9 671	10 181	-	-	714	-	-	-	83	-	10 468	10 181
Total	**9 768**	**10 307**	**406**	**90**	**745**	**61**	**2**	**2**	**83**	**-**	**11 005**	**10 460**
Non current liabilities	-	-	1 801	1 666	3 120	3 045	-	-	-	-	4 920	4 711
Trade payables	-	-	6	-	-	-	-	90	21	-	27	90
Total	**-**	**-**	**1 807**	**1 666**	**3 120**	**3 045**	**-**	**90**	**21**	**-**	**4 948**	**4 801**
Revenue	1 889	1 642	1 136	974	2 085	1 626	-	-	-	-	5 110	4 243
Dividend/Group Contribution	9 255	5 903	-	1 179	1 506	-	-	-	-	-	10 761	7 083
Management fee expense	-	-	-	-	-	-	(1 365)	(1 296)	(382)	-	(1 747)	(1 296)
Other income	228	374	-	-	-	-	-	-	3	-	231	374
Financial expense	-	-	(135)	(125)	(75)	(45)	-	-	-	-	(210)	(169)
Total	**11 371**	**7 920**	**1 001**	**2 029**	**3 516**	**1 581**	**(1 365)**	**(1 296)**	**(379)**	**-**	**14 145**	**10 234**

Note 14 Events after the reporting period

No events have occurred after the balance sheet date with material impact on the financial statements for 2021.

Appendix to Fiven 2021 Annual report – Alternative Performance Measures (APMs)

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

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

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

Fiven's financial APMs defined:

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization. EBITDA is a measure of the Group`s operating profit according to IFRS definitions before depreciation and amortization.

Adj. EBITDA

Adj. EBITDA shows the Group's EBITDA before items that require special explanation and is defined as reported EBITDA before "Other income and expenses" (OIE).

OIE include one-off and non-recurring operating expenses.

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

Please note that the definition of Adj. EBITDA has been altered as of the second quarter 2021 as the definition no longer deducts the positive effect to EBITDA from IFRS 16. Further, please note that the measure does not cap other non-recurring costs as according to the bond terms of 12.5%. Consequently, there is a discrepancy between the Adj. EBITDA measure and the EBITDA reported as per Fiven's bond terms (i.e., the one reported to the Bond Trustee).

APM Table:

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2021

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	**7 553**	**10 584**	**(1 950)**	**(77)**	**16 111**
Depreciation and amortization	2 444	1 225	222	1 182	5 072
EBITDA	**9 997**	**11 809**	**(1 728)**	**1 105**	**21 183**
Transaction costs	-	-	-	196	196
Total other non-recurring costs	135	(141)	2 526	(477)	2 043
Other non-financial income/expense	(20)	(27)	(13)	39	(20)
Monitoring fee	-	-	-	1 000	1 000
Adj. EBITDA	**10 112**	**11 641**	**786**	**1 864**	**24 403**

SEGMENT REPORTING FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020

Amounts in EUR thousand	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	**8 039**	**6 396**	**(1 217)**	**(2 757)**	**10 461**
Depreciation and amortization	2 237	769	254	1 521	4 781
EBITDA	**10 274**	**7 167**	**(964)**	**(1 235)**	**15 242**
Transaction costs	-	-	-	1 219	1 219
Total other non-recurring costs	825	388	1 333	(2)	2 544
Other non-financial income/expense	(3)	(4)	-	15	8
Monitoring fee	-	-	-	1 046	1 046
Adj. EBITDA	**11 096**	**7 552**	**368**	**1 044**	**20 059**

Auditor's report

To the General Meeting of Fiven ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Fiven ASA (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Fiven ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independent Auditor's Report - Fiven ASA

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 laws and regulations 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 three years from the election by the general meeting of the shareholders on 15 October 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Groups business operations are largely the same as last year. Impairment assessment of goodwill and other intangible assets carries the same characteristics and risks this year and has consequently been in our focus for the 2021 audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill and other intangible assets At 31 December 2021, the Group had goodwill with a carrying value of EUR 5 390 thousand and other intangible assets with a carrying value of EUR 14 675 thousand. The impairment assessment involves significant managements judgements, and a potential impairment may have material impact on the carrying value of the Group's assets. The use of judgement is particularly related to discount rate (WACC), future revenues from sales of products, EBITDA ratios and capital expenditures. See note 3 «Accounting estimates and judgements» and «Note 17 Impairment assessments» where the impairment model and key assumptions are explained and disclosed.	We obtained management's impairment review. The review includes documentation of management's identification of cash generating units (CGU's). We challenged management's key assumptions used in the cash flow forecasts included within the impairment model. We challenged specifically future revenues, EBITDA ratios and capital expenditures. We tested the mathematical accuracy of cash flow models, and assessed relevant data to historical financial data, future budget approved by management and other obtainable market information such as relevant benchmarks for growth estimates. We evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data. We found the applied discount rate to be within a range of reasonable outcomes.

(2)

Independent Auditor's Report - Fiven ASA

We performed sensitivity analysis on key assumptions in the impairment assessment and found the impairment assessment to be sensitive to changes in WACC, further revenues and EBITDA ratios. We reconciled the sensitivity analysis to the disclosure in the notes.

Finally, we considered the adequacy of financial statements disclosures in note 3 and note 17 and found them appropriate.

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of 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 the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 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

Independent Auditor's Report - Fiven ASA

pwc

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 or 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 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.

(4)

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.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 549300Z4VK4GSH1X0129-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

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

Oslo, 24 March 2022
PricewaterhouseCoopers AS

Anders Ellefsen
Anders Ellefsen
State Authorised Public Accountant (Norway)

Sustainability Linked Bond Progress reporting

February 25th, 2022

Sustainability-Linked Bond Framework Progress Report for calendar year 2021

Executive summary and comment by the Chief Sustainability Officer

Reference is made to the Sustainability-Linked Bond Framework ("**SLBF**") of Fiven ASA ("**Fiven**" or the "**Company**") dated 9 June 2021.

This report provides a status update on the Key Performance Indicators ("**KPIs**") under the SLBF, including emissions of CO_2 and SO_2 per ton produced silicon carbide ("**SiC**"), and consumption of freshwater in the Company's production process (measured as the total amount of water withdrawal in m^3). This report should be read in conjunction with the CSR report included in the Company's 2021 Annual Report (to be published on March 24th, 2022) for a complete update on the sustainability strategy and performance of Fiven ASA.

2021 has been a good year for Fiven and the Company has been able to maintain a clear focus on sustainability measures despite the pandemic. The reduction of the Company's emissions to air and the reduction of the volume of water withdrawal is and will be one of the most important events for Fiven in the coming years. This means that the Company's continued commitment to and follow-up on its Environmental Roadmap set up in 2020 will be essential to achieving its Sustainability Performance Targets ("**SPTs**") and their respective trajectories as outlined in the SLBF.

Fiven is pleased to report that its CO_2 and SO_2 per ton of SiC produced were below the SPT trajectory as of 31 December 2021. Tons CO_2 (per tons of SiC) was at 2.59 versus a target of 2.68. Tons SO_2 (per tons of SiC) was at 0.030 versus a target of 0.049.

The volume of water withdrawal during 2021 was above the SPT trajectory with 1,255,030 m^3 versus a target of 1,190,000 m^3. The absolute value was negatively impacted by a higher production volume, a different production mix than expected, and the lower pluviometry in Brazil. However, the consumption of water per ton of production volume improved in the largest water-consuming plants, Arendal and in Barbacena, with a decrease of 7% and 10% respectively compared to 2020.

Fiven is on track to meet its goal for 2025 for CO_2 and SO_2. As regards water withdrawal, the Company has in 2022 initiated projects across its different entities in order to align also this KPI with the SPTs by 2024.

Fiven proudly manufactures SIKA Silicon Carbide

KPI Performance and alignment with the SPT Trajectory

We hereby confirm as follows :

	2021	SPT trajectory 2021	Alignment with the SPT Trajectory
Tons CO_2 (per tons of SiC)	2.59	2.68	YES
Tons SO_2 (per tons of SiC)	0.030	0.049	YES
Water withdrawal (m^3)	1,255,030	1,190,000	NO

The company DNV verified our KPIs as per the SLBF and attested 2021 achievement. DNV's verification report is available on www.fiven.com

There has been no material update to Fiven's sustainability strategy, vision or plan related to and impacting the KPIs and the SPTs.

For Fiven ASA,

Sabine Radoux

Chief Sustainability Officer

FIVEN

SIKA Silicon Carbide

Fiven proudly manufactures
SIKA Silicon Carbide

FIVEN SUSTAINABILITY-LINKED FINANCE FRAMEWORK

VERIFICATION OF KPI PERFORMANCE

Scope and objectives

DNV Business Assurance Norway AS (henceforth referred to as “DNV”) has been commissioned by FIVEN ASA (henceforth referred to as “FIVEN”) to verify FIVEN’s actual CO_2 and SO_2 emission intensity performance per ton silicon carbide (SiC) produced, as well as absolute water withdrawal performance, on a consolidated corporate level[1] relative to the SPT trajectories described in FIVEN’s Sustainability-Linked Bond Framework (the “Framework”). Our objective has been to verify FIVEN’s methodology to calculate its **i)** total scope 1 CO_2 emissions per tonne produced SiC, **ii)** total SO_2 emissions per tonne produced SiC and **iii**) total volume of water withdrawal in m^3, as well as to verify the underlying data for the three KPIs. Our methodology to achieve this is described under ‘Work Undertaken’.

Responsibilities of the Management of FIVEN and DNV

The management of FIVEN has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform FIVEN management and other interested stakeholders in the BONDS as to how FIVEN’s actual KPI performance relates to the SPT trajectory, based on the information provided to us. In our work we have relied on the information and the facts presented to us by FIVEN. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by FIVEN’s management and used as a basis for this assessment were not correct or complete.

Work undertaken

Our work constituted a review of the available information, based on the understanding that this information was provided to us by FIVEN in good faith. The work undertaken to form our opinion included:

- Discussions with FIVEN management
- Review of FIVEN’s methodology to calculate CO_2 and SO_2 emissions and measure absolute water withdrawal.
- Review of FIVEN’s Consolidated Environmental Reporting for 2021, with KPI performance calculations.
- Spot checks on underlying documentation for determining the performance for each KPI, including:
    - **SiC production:** Annual industrial reports documenting 2021 SiC crude production in Lillesand and Barbacena on a month-by-month basis.
    - **CO_2 and SO_2 emissions:** Methodology and documentation for CO_2 and SO_2 emissions from SiC production at Lillesand and Barbacena. For Lillesand, this includes documentation on carbon factors for CO_2 from SiC and carbon factors for light fuel/diesel, as well as sulphur content for petroleum coke used in the SiC production process. For Barbacena, this includes a check of underlying documentation for month-on-month carbon and sulphur contents in petroleum coke feedstock, as well as carbon factors for light fuel.
    - **Water withdrawal:** Documentation on meter measurements for week-on-week water withdrawal at Lillesand, Arendal and day-on-day water withdrawal at Barbacena has been checked.

[1] Consolidated corporate level defined as the full FIVEN Group operations in Norway, Belgium and Brazil, excluding FIVEN’s Venezuelan plants.

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. www.dnv.com

24/02/2022 Fiven Sustainability Linked Bond - DNV - KPI Performance Verification - February 2022

DNV

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Findings and DNV's opinion

Based on the information provided by FIVEN and the external review procedures conducted, nothing has come to our attention that causes us to believe that FIVEN's actual KPI performance for 2021 is incorrect. DNV also opines that FIVEN's methodology to calculate CO_2 and SO_2 intensity per ton produced SiC, as well as measure absolute water withdrawal, is consistent with the purpose of FIVEN's KPIs as defined in its Framework.

for DNV Business Assurance Norway AS

Oslo, 24th of February 2022

Daniel Brenden
Lead Assessor
Energy Markets & Strategy

Dmitry Sukhinin
Sustainability Manager
Business Assurance

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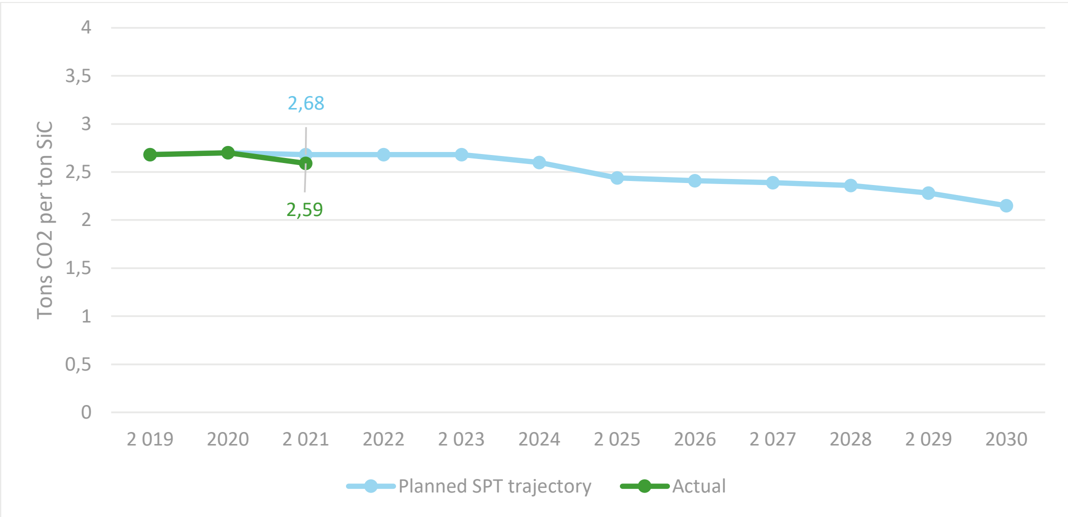
APPENDIX

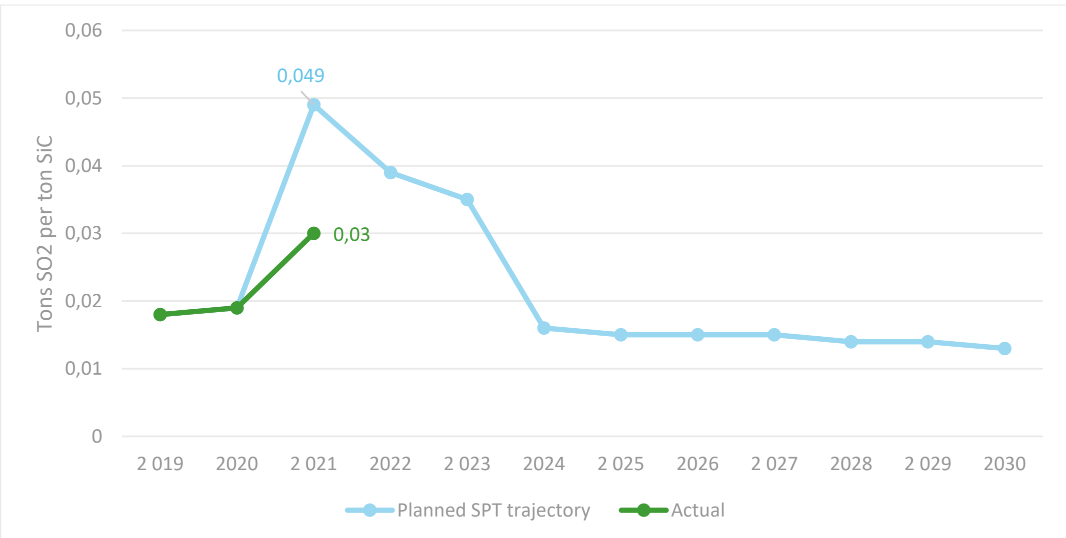
FIVEN's actual KPI performance relative to the SPT trajectory described in FIVEN's Framework

Below graphs visualise the data reviewed by DNV. DNV's findings correspond with FIVEN's representation of actual KPI performance for 2021, relative to its SPT trajectory.

KPI 1: Tons CO_2 per tons SiC produced, Planned SPT trajectory vs actual trajectory



KPI 2: Tons SO_2 per tons SiC produced, planned SPT trajectory vs actual trajectory



DNV

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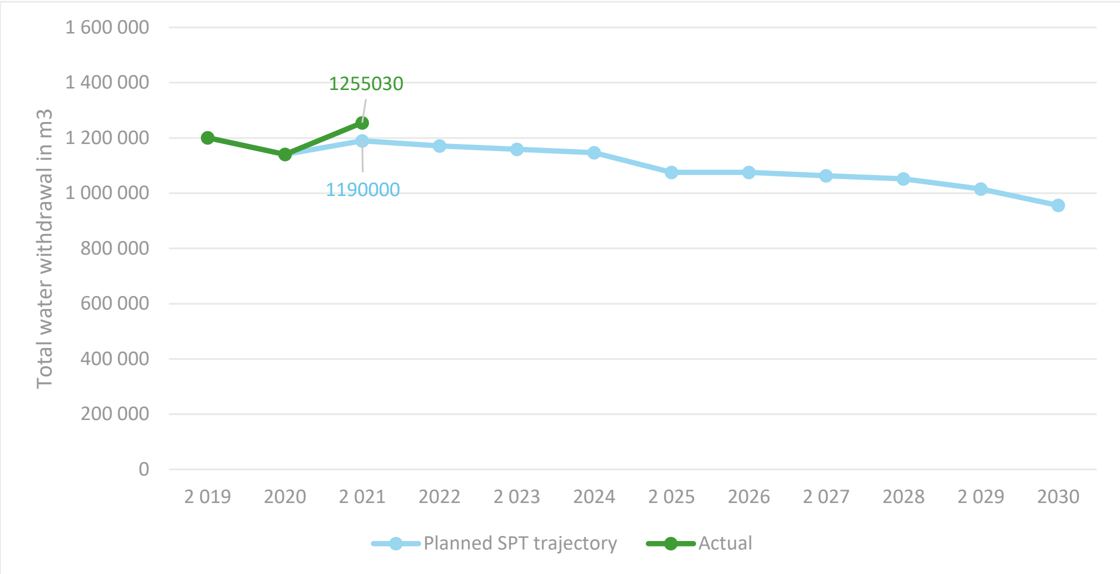
KPI 3: Total volume of water withdrawal in m³, planned SPT vs actual trajectory



Design and production: Artbox AS artbox.no

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