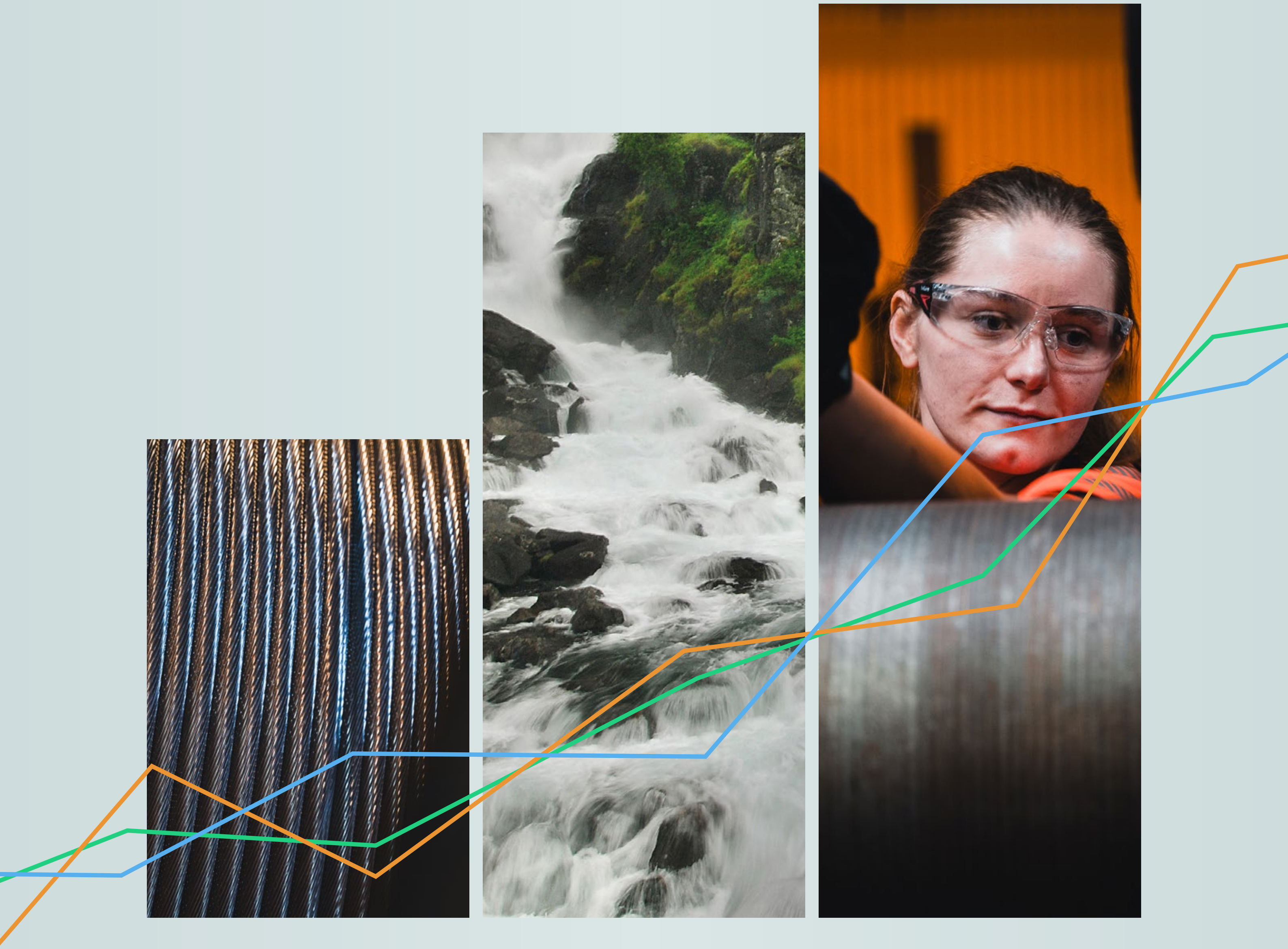
Integrated Annual Report 2024



# Vi bygger nordisk kabel-industri, using the world's cleanest aluminium, og kompetent lokal arbeidskraft.

Norcable

# Vi bygger kabel-industri med the world's cleanest aluminium. Lokalt og bærekraftig.

Bengt Haugland is planning the 10.000 m² factory in Gismarvik.

Bengt Haugland,
CEO Norcable

**2024 was a year marked by rapid change and growing demands on both industry and society. In this context, Norcable has continued to grow, strengthening our position as a forward-looking, green industrial player in Norway. We are proud to contribute to value creation through the local production of aluminium cables – built using the world's cleanest aluminium, within a supply chain that is both short and sustainable.**

We are very pleased with our strong results, not least surpassing NOK 100 million in revenue. But this is just the beginning. We have ambitious goals for the years to come, and we have decided to build a 10.000 m² factory in Gismarvik. This will enhance our production capacity, ensure reliable deliveries, and create local jobs and economic value. The factory will be completed in 2026.

Our local focus is no coincidence. We believe the future industry should be built where people live – with resources, expertise, and ownership rooted in the region. With this foundation, we have established Norcable as a cornerstone company in the development of new, green infrastructure.

Our products are in demand both in Norway and internationally, and we see that our investment in sustainable production processes and locally sourced raw materials is yielding results – for customers the environment. It is important for us to be part of our customers' sustainability focus and their efforts to contribute to local value creation.

Although we focus on sustainability at Norcable, we must admit that we still have a long way to go. We are not yet able to choose the most sustainable suppliers because the costs would prevent us from winning contracts. We also have yet to establish the standards and procedures we aim for.

There is much work ahead, but sustainability has been, and will remain, our guiding star. From production and material selection to logistics and energy optimization, we have begun to build a system that minimizes our footprint and maximizes resource efficiency. We will continue that effort. That's why this annual report is grounded in the belief that sustainability is, and must be, a deeply integrated part of our business philosophy.

Our growth over the past year has been solid. This is not only due to our ability to make quick, strategic decisions, but even more so to the world-class team spirit and commitment of our people. Our employees are the very foundation of everything we achieve. Their knowledge, engagement, and executional strength enable us to deliver quality every day – while also innovating and growing.

**A heartfelt thank you also to our partners and customers for your dedication. We look forward to new opportunities ahead – together.**

# Et stort steg fremover med Integrated Annual Report.


**For the first time since our company was established, we have decided to assemble an Integrated Report that coveres our financials, environmental, social, human rights and governance outcomes. We will use 2024 to disclose our global performances, risks and impacts, as well as highlighting our commitments on those dimensions.**

Despite our hyperscale expansion, Norcable AS is still a small company (revenue 104'8 Mkr, Balance Sheet 78'5 MNOK), which means that we have no legal or regulatory obligations to report either the ESG or our financials performances.

Indeed, we are below the currently applicable thresholds set in the Norwegian Accounting Act ① and the EU Corporate Sustainability Reporting Disclosures (CSRD) ②. However, we want to play our part as a corporate citizen company and keep the planet just and habitable for future generations. This is the reason why we are pleased to share our first integrated report.

We consider it as a first step, and believe that transparency and measurements are the prerequisite for positive impact-oriented actions.

There is no planet B, and we are convinced that the aluminium sector is paramount to a successful environmental transition. This implies transparency and engagement to build low carbon products and services, and to transform our business model to include circular loop along our value chain.

This report presents our 2024 credentials. We are aware that transitioning to low carbon and a just economy will be a journey for our company, and we are committed to it. Our performances and disclosures presented are structured on the following international standards and frameworks:

- → **CSRD with the Voluntary Standard for non-listed, micro, Small & Medium sized companies (VSME).**
- → **SASB (SICS) Metal & Mining Sector Standard.**
- → **IFRS S1 & S2 Industry Based Guidances on Metal & Mining.**
- → **GHG Protocol for the measurement of our Greenhouse Gaz emissions.**
- → **International Aluminium Institute (IAI). Scope 3 calculation guidance.**

On top of the EU VSME, our double materiality assessment and our strategy are also shared. Finally, because our main impacts and vulnerabilities lie in our value chain, we have decided to include it in our disclosure. This is how we embody our transparency and integrity values.

① Annual Report : when 2 criteria are reached for 2 consecutive years 168 MNOK turnover, 84 MNOK Balance Sheet, 50 people.
② CSRD is applicable when 2 out of the 3 criteria 50 M€ turnover, 25 M€ Balance Sheet, 250 people for 2 consecutive years are reached.
Note that the Omnibus package propose to raise the FTE to 1000.In June 2024, Norway has formally adopted the EUCSRD in its Accounting Act.

# Viktig informasjon, to our stakeholders.

**Accelerating the energy transition**
Sustainability has experienced some headwinds in 2024 driven by geopolitical and economic volatility. Many businesses have adopted a wait-and-see approach to evolving policies and regulations.

At Norcable, in spite of a challenging context, we want to confirm our engagement and contribute to the green aluminium transition. We are a small company compared to the key players in the aluminium industy, yet our products powered by renewables, are instrumental in advancing the energy transition. Our 2024 exceptional revenue growth combined with a solid operating profit (EBITDA① = 8.6% of our revenue) demonstrate that our newly launched innovative products, e.g Surface treated cables, meet our clients' expectations.

Economic performance is critical for Norcable's prosperity, but for us, sustainability also means delivering progress for People and Planet.

**Progress for People**
Over 2024, we have more than doubled our FTE and have ended the year with 23 people, compared to 10 in 2023. Norcable is an equal opportunity employer and thrive to create an inclusive and fair corporate culture. Women represent 26% of our total employees, and 33% of our C-Suite. Median age is 34 years which reflects our Human resources strategy to hire, elevate and retain young talents.

We recognize that our team works hard and overcomes many challenges in our fast-growing environment. That's why we are committed to being a rewarding employer by offering competitive salaries. End of 2024, Norcable operators' salary is +16% higher than the average offered in the process and machine processing (SSB source) whatever the gender.

Ensuring safety and security is our foremost priority and we are proud to report zero fatal accident and no serious injuries throughout 2024.

**Progress for Planet**
We work to foster a world with net zero emissions thanks to our products enabling electrification and that are manufactured using hydro powered energy. We also contribute to reduce the resources and metals used through our participation in a coalition aiming to create a economically viable aluminium recycling industry in Norway.

Our main highlights for 2024 are:

→ **In spite of revenue growth of +126% the GHG② emissions from energy and electricity sources owned or controlled by the company (scope 1 & 2, local-based) remain non-material at 9.8 tC02e. This amount is fully offset by Trefadder's carbon credits.**

In parallel, our value chain GHG emissions have increased to reach a total of 17'009 tC02e (compared to 9'394 tC02e in 2023, location based). 90% of the total GHG emissions is resulting from the raw materials consumed. The increase is also explained by the emissions produced during the transportation to deliver our products to our clients in Europe.

We remain committed to decarbonizing our operations. To do so, we plan to adapt our raw material sourcing criteria by integrating ESG indicators. We are aware it will be a long journey.

While our absolute value GHG emissions has climbed, our GHG intensity for 1 NOK of revenue generated, has been reduced by 20% over the period. In parallel, the tC02e per km of cables produced has also been diminished by 12% in 2024.

→ **We have increased our pre-consumer scrap and consequently have contributed to avoid emissions for an amount of 446 tC02.**

In parallel, our limited wastes of 44 t for a total 1.436 t purchased, is fully incinerated and diverted from landfill.

① EBITDA : Earnings Before Interests, Taxes, Depreciation and Amortization
② GHG: Greenhouse Gas
③ RoaCE: Return on Average Capital Employed

→ **We have amplified our participation into the AluGreen project supported by the Norwegian Government and led by Hydro, in partnership with 19 key players coming from the research and academic area (SINTEF, NTNU).**

The project's objective is to build the foundations for an economically viable aluminium circular economy to accelerate the recycling and the reuse of the metal. Norcable is leading a subproject that aims to replace copper by recycled aluminium in components where weight is critical. We are currently in the experimentation and testing phase.

→ **We have also succeeded to implement real time carbon accounting covering our complete value chain and providing real time GHG emissions computations when activities occur (e.g purchasing, transportation, investments).**

The computation is aligned with internationally recognized accounting standards (GHG Protocol). This should help us reduce our company's footprint in the following years. In parallel, we have also rolled out an Electronic Product Declaration system that provides full transparency on our major products' GHG emissions to our clients.

**Creating Value for Shareholders and All Stakeholders**
Our sustainability agenda drives value by growing our business and making us attractive to our customers who seek lower-carbon products to reduce their own GHG emissions. Over 2024, our revenue has climbed to 104.795 MNOK driven by our innovative products.

At the same time, we have been able to maintain a gross profit margin of 40% that has directly contributed to generate a net result after taxes of 4'168 MNOK (3.98% of our revenue).

Those financials credentials demonstrates Norcable's ability to gain a competitive edge in its market and grow its clients' portfolio.

This rapid growth has affected Norcable's Balance Sheet which has increased by +- 40 MNOK from 38.794 MNOK in 2023 to 78.499 MNOK due to additional inventory (+13.4 MNOK) and receivables (+18 MNOK). Investments in the new plant & product development (+9.1 MNOK) also explains the assets growth. Therefore, working capital and net debt have been severely deteriorated over 2024. Norcable has ended 2024 with a net debt that has more than doubled compared to 2023 (60.2 MNOK versus 25.2 MNOK in 2023). RoaCE③ reaches 18.2% in 2024.

To future-proof its business and ensure robust prosperity, our company now faces the challenge of effective capital management and securing financing.  Indeed, scaling in this capital-intensive industry requires not only addressing pressures on working capital, but also getting sufficient funds to invest in additional expertises and infrastructures.

**Our journey to bring transparency and accountability**
Implementing a first integrated report is rarely easy. Being transparent about our sustainability & financial performances while we have no obligations to do it, is a deliberate management decision that demonstrates our commitments to advancing sustainability. We strongly believe that transparency is essential for driving sustainability related actions and achieving positive results.

We are pleased with what we have achieved. We hope that the various chapters of this report will provide you with clear and insightful information on our progress. Looking beyond, we are excited by the ambitions that will guide our sustainability journey in the years to come.

**With regards**
Runar Areklett, Chair of the board
Bengt Haugland, CEO

# Dette er noen av våre highlights in 2024.

+126%

**TURNOVER 2024 VS 2023**
More than doubled

Norcable has achieved a great year and succeeded to more than doubling its turnover over 2024 (104.8 MNOK, or +126% versus 2023), thanks to new products and innovative solutions introduced in our market. Our product mix has hit heights (with a gross profit % of revenue at 40%) and led to an overall operating profitability - EBITDA - reaching 8.6% of our total revenue.

42,5%

**GROSS PROFIT % OF REVENUE**
9,5% of our total revenue

Those results are exceptional in our industry and demonstrate our ability to offer products & solutions that meet our clients' expectations. Our rapid revenue growth has drastically impacted our working capital with increasing receivables and inventories. At the same time, in 2024, we have accelerated our investments – in particular in our new plant in Gismarvik to be ready for production in Q3 2025 – and meet our clients & prospects demands. It is clear to us, that given our industry, solid cash and capital management will be paramount to our continued sustainable development.

To deliver this exceptional revenue, we have recruited additional competence and have ended 2024 with 23 FTE (compared with 10 end of 2023). We have also continued to invest in our people and are proud to offer a salary which is 16% above the national average for process and machine operators (SSB). On top, women now represent 33% of our executive C suite committee.

26%

**WOMEN IN TOTAL**
33% women in our executive C suite committee

Regarding our environmental credentials, the results are more nuanced due to our hyper scaling context.

Our Greenhouse Gas emissions:
→ Scope 1 & 2: the GHG emissions have been kept under our control and can be "considered" as non-material, reaching 9.8 T C02e local-based, in comparison with our business competitors.

→ Scope 3: GHG emissions climb from 9.394 MT to 17.009 T C02e between 2023 and 2024. Our raw material suppliers' GHG emissions (aluminium, steel, cooper) explain the jump in spite of our efforts to source low-cabon European materials & metals.

Norcable is a scale-up organisation and we often have to make arbitrations between our clients expectations to get highly competitive pricing and low carbon components which are still limited and more expensive. This is the reason why, over 2024 we also have amplified our engagement in the AluGreen Project with 19 other partners, to provide easier access to more affordable recycled aluminium.

19

**ALUGREEN PARTNERS**
Recycled aluminium project

Despite operating heavy machinery, high voltage systems, and complex production processes, we recorded zero injuries or life-threatening incidents in 2024. This is the result of a strong safety culture, continuous improvements, and a clear commitment to health and safety at all levels of the organization.

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**FATAL ACCIDENTS & SERIOUS INJURIES**

The AluGreen project explores the practical use of recycled aluminum in power lines and components for electric vehicles and vessels. We have tested the use of additive manufacturing equipment and converted granules from old wires into high-quality aluminum wire. The wire has been used in power lines, a car motor, and busbars within the propulsion system of large cargo ships.

**THE ALUGREEN PROJECT**
Recycled aluminium project

9'005
**ADJUSTED EBITDA, MNOK**

9'125
**INVESTMENTS, MNOK**

# Mye har skjedd, her er noen key happenings in 2024.

2024 has been a busy and exciting year for Norcable. As demand for aluminium cables continues to rise, we've expanded our operations, welcomed new talent to the team, and taken bold steps to strengthen our position in a growing market. Here are some of our key milestones in 2024.

**JANUARY**
Produced our first qualification order for the UK market

**FEBRUARY**
Initiated our Continuous Improvement project with Sintef Manufacturing

**MARCH**
Our first building step of new plant is taken in Haugaland Næringspark

**APRIL**
Frame Agreement is initiated with Transnet BW

**MAY**
Established Nextcable to position Norcable in the submarine cable industry

**JUNE**
Contract signed with Nexans in Halden for the Celtic project

**JULY**
Awarded contracts on overheadlines from Statnett

**AUGUST**
Opening new plant and production capacity in Haugaland Næringspark

**SEPTEMBER**
First wire rod is made in our joint research project with Hydro Aluminium

**OCTOBER**
New Plant Manager starts her work. Main focus is continous improvement

**NOVEMBER**
EPD training to be able to issue and approve our own EPDs in Norcable.

**DECEMBER**
Implementet automatised Carbon Accounding in Odoo ERP

# Dette er folkene våre,
# they are the reason we exist.

At the heart of our success is a strong and dedicated team. Meet the people driving our growth, innovation, and daily operations.

## Management team

**Bengt Haugland**
CEO and Founder

Engineer at Western Norway University of Applied Science

**Formerly:**
→ CTO at Nexans
→ CEO Kystbussen

**Bente Baugstø**
Plant Manager

Masters degree in Chemistry at Norwegian University of Science and Technology (NTNU)

**Formerly:**
→ CEO of INOSA AS
→ Elkem
→ Eramet
→ Hydro

**Ola Andre Olofsson**
CFO

Master of Science in Business, Economy and Innovation at Western Norway University of Applied Science

**Formerly:**
→ Haugaland Vekst

**Asbjørn Gøtz Falnes**
QHSE Manager

Bachelor of Engineering, Electrical and Electronics Engineering at NKI University of Engineering

**Formerly:**
→ Operations Manager Haakonsen Marine
→ Norsk Hydro
→ Kværner

**Anette Nes**
Supply Chain Manager

MSc in Economics and Business Administration, Digital management and business analytics, University of Inland, Norway

**Formerly:**
→ Offshore industry

**Per Eirik Brunovskis**
CRM Manager

Bachelor's degree in Business Administration and Management at Western Norway University of Applied Sciences

**Formerly:**
→ Topsail Insurance
→ Sunshine BNB Services
→ PETO AS

**Ørjan Ingebrigtsen**
Technical Manager

Bachelors of Engineering, Electrical and Automation at University of South-Eastern Norway

**Formerly:**
→ Cavotec
→ Frosth Ingeniører AS
→ Rønning Elektro

**Morten Gudmundsen**
Digital Factory Manager

Masters degree in Cybernetics and Autonomous systems, University of Oslo.

**Formerly:**
→ Certified Industrial pipefitter
→ Robotic design and 3D-modeling.

## Boardmembers

**Runar Areklett**
Chair of the Board

Managing Director, The Vit

State-authorized accountant The Norwegian School of Economics (NHH)

**Formerly:**
→ Deputy CEO power industry, and
→ CFO energy and construction

**Jaakko Sakari Isotalo**
Boardmember

Owner and Managing Director at Bighouse AS

MBA Business Adm., Business Management & Entrepreneurship at Satakunta University of Applied Science

**Formerly:**
→ Entrrepreneurship and investment
→ Karmsund Maritime AS
→ Storesund Marine AS
→ Genfer Group
→ Norverft AS

**Jarle Veshovde**
Boardmember

Investment Director Energy at Valinor

MSc, Petroleum Engineering at Norwegian University of Science and Technology

**Formerly:**
→ THREE60 Energy
→ DeepWell
→ Halliburton
→ Hydro Oil & Energy

**Anders Glavin**
Boardmember

CEO at Linjeservice AS

EL-power engineer

**Formerly:**
→ Linjeservice AS

**Jan Vestergaard**
Boardmember

Business Development Specialist at Tec Con Norge AS

EMBA Business Administration

**Formerly:**
→ Corporate business development Director, Solar
→ Vice President product management & development, NKT cables Group
→ Business owner K2 Grejs APS

**Bengt Haugland**
Boardmember

CEO and Founder Norcable

Engineer at Western Norway University of Applied Science

**Formerly:**
→ CTO at Nexans
→ CEO Kystbussen

## Advisors

**Leif Johan Røthe**
Civil engineer
Sivilingeniør Leif Johan Røthe AS

**Kirsti Sveindal**
Architect, Sivark MNA
CEO at K Architecture & Design

**Camilla Aanensen**
Interior Architect
Glimt Arkitekter

**Frode Styve**
Engineer
Energy consultant
ETA Energi

**Thor Valsø-Jørgensen**
Industrial development and innovation
CEO EcoRise

**Pasi Rakikisto**
Management consultant
CEO HV Cable Solutions

**Stig Jarle Haukø**
Engineer
Nexans

# Slik arbeider vi med
# Value creation.

**The Integrated Reporting Framework from the IFRS Foundation defines the integrated report as a structured communication disclosure describing how an organization's strategy, governance, performance, and prospectives lead to the creation of value in the short, medium and long term.**

The Framework's value creation model highlights how the various capitals used by Norcable under-pin value' creation for the society, the people and also for the company's prosperity and therefore its shareholders.

**Norcable business model and value chain**
Our business model leverages these capital inputs to create value through interconnected activities. Our young organisation only operates from Norway. We plan to start production at a second plant in Gismarvik, in Q3 2025.

Our purpose is to accelerate electrification within Europe and contribute to the energy transition in order to keep the temperatures raising below +1.5 - 2°, in respect to the Paris Agreement.

Our business model aims to design, test and offer low carbon products and solutions and build an economically viable circular loop to enhance the reusability of our products and components (e.g secondary aluminium).

The main features of our organization's upstream and downstream value chain include key suppliers, B to B customers, and end-users. Key suppliers provide essential raw materials while our customers install our products and use our solutions to boost electrification across Europe.

**The capital input approach**

→ **Financial capital** sourced from our shareholders (equity) and other stakeholders (net debt). We use it to invest in product innovation, people and infrastructure to sustain our prosperity.

→ **Manufactured capital** includes production, facilities, transportation, after sales and technology infrastructure.

→ **Intellectual capital** represented by R&D capabilities and proprietary technologies.

→ **Human capital** embodied by a talented and engaged workforce.

→ **Social capital** built stakeholders's relationships (customers, suppliers, other communities) & invest in local talented people.

→ **Natural capital** involves the use of resources such as water, energy and other natural resources.

**The capital output approach**

→ **Financial capital** adjusted EBITDA, investments.

→ **Manufactured capital** high quality products and innovative solutions

→ **Intellectual capital** intangible assets

→ **Human capital** employee development, well being and safety.

→ **Social capital** contributing to our community & stakeholders development.

→ **Natural capital** limiting our negative impact on the environment and contributing to keep an habitable planet for all of us and the next generations.





## Norcable value creation

| → CAPITAL INPUT | CAPITAL OUTPUT → |
|---|---|
| **→ FINANCIAL**<br>12.970 MNOK Shareholders equity<br>60.239 MNOK Net Debt | **FINANCIAL →**<br>9.005 MNOK EBITDA<br>9.125 MNOK Investments |
| **→ MANUFACTURED**<br>1 + 1 (Q3 2025) Sites<br>Norway | **MANUFACTURED →**<br>560/50 Surface Treated®, ACSS Linnet®<br>454-AL59®, ACSR Grackle Sp.®, Celtic PR5® |
| **→ INTELLECTUAL**<br>7.43% R&D<br>3.005 MNOK Intangible Assets<br>New company, Nextcable AS | **INTELLECTUAL →**<br>5.182 MNOK Intangible Assets |
| **→ HUMAN**<br>23 full time employees<br>26% women | **HUMAN →**<br>0 life changing injuries or fatal accidents |
| **→ SOCIAL**<br>+ 16.41% salary<br>34 years old (median)<br>Gender ratio in administration → 75/25 Men/Women | **SOCIAL →**<br>Irish windpower connected with European grid.<br>Contributed to Energiwende building 130KV grid.<br>Hydropower from Etnefjellene to Haugaland Businesspark. |
| **→ NATURE**<br>754.200 KWH Electricity used<br>6.676 $m^3$ Water withdrawal | **NATURE →**<br>99% renewables<br>17.019 MTC02e Scope 1+2+3 |

# Hovedinitiativer i our value chain.

**The illustration presents Norcable's main activities and shows its key inputs and outputs along its value chain. Norcable value creation lies in its high-quality industrial process, its know-how to design, test and offer innovative products and solutions facilitating the energy transition. Its engaged and competent team enable the company to successfully scale.**

→ **Facilitating low-carbon environmental transition**
To achieve this goal and considering its value chain structure, the selection of its raw material suppliers plays a critical role. This is why Norcable organises itself to add carbon emissions, recyclability and human rights respect to its current quality based criteria to select raw material suppliers.

European suppliers represent 64% of its total cost of materials.

→ **Consuming renewable energy**
Norcable is located by the North Sea and is using hydro powered energy to manufacture its products. Its scope 1 & 2 GHG emissions are being kept under strict control at 9.8 TC02e (location based emissions)

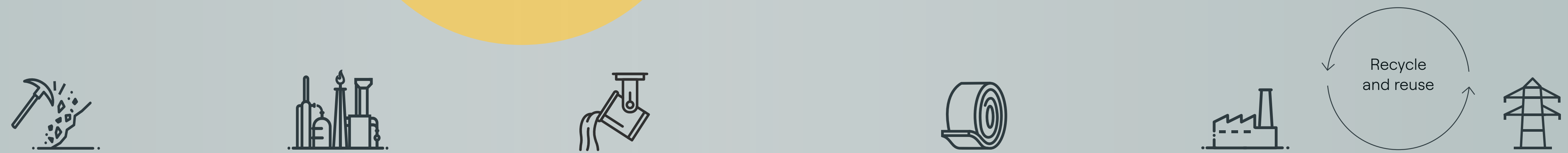
**4:22**

→ The difference in emissions from hydroelectrically produced aluminum to coal-fired aluminum

→ **Focusing on Norwegian and EU markets**
Norcable targets European clients valuing low-carbon products and solutions. This said, arbitrations need to be made to continue scaling since the prices of low-carbon aluminum cables are still higher than the ones produced using fossil fuel energy.

→ **Minimizing pre / post-consumer waste**
Norcable aims to divert waste from incineration and to recycle its pre & post consumer waste for reuse. It participates into the Alu Green Project.

→ **Using real-time data monitoring**
Data quality and organisation allows its usage in real-time, at each step of the value chain. Real-time data availability covers financials and also now, GHG emissions calculation computed on primary data (incl. scope 3).




| Bauxite mining | Aluminium refining | Aluminium smelting | Wire Rod, alloys, ingots | Processing & manufacturing | Products & solutions |
|---|---|---|---|---|---|
| → Extraction of bauxite from open-pit mines<br>→ Environmental and social impact (land use, biodiversity loss and water pollution)<br>→ Upstream emissions from fuel use and land disturbance<br>→ Regional differences in sustainability and regulatory frameworks<br>→ Traceability challenges and limited transparency in origin of raw material | → Conversion of bauxite to alumina<br>→ GHG emissions from fossil-fueled electricity use<br>→ Generation of red mud waste, requiring long-term management<br>→ Refinery location and energy source critical for overall carbon footprint<br>→ Importance of supplier audits and partnerships to ensure responsible refining | → Transformation of alumina into primary aluminium<br>→ Emissions potential due to electricity source (coal vs. hydro/renewables)<br>→ Emissions from smelting process<br>→ Use of low-carbon aluminium from suppliers with hydro power-based production<br>→ Technology and process variation between smelters affects emission intensity | → Primary or secondary Aluminium<br>→ Suppliers' selection<br>→ GHG emissions coming from raw materials represents 91% of Norcable emissions. | → Know how, technology, R&D & investments<br>→ People engagement, security & safety<br>→ Products: surface treated cables, trapezoidal wire/cables<br>→ Local hydro powered electricity<br>→ Recycle process<br>→ Water consumption | → Norcable products & solutions installed enabling a more viable society & accelerating energy transition<br>→ B2B clients: energy distribution, industry, automotive<br>→ Dismantling & recycling process (AluGreen ref) |

# Et marked i endring, – and some uncertainties.

**Norcable AS operates within a market defined by rapid transformation and growing uncertainty.**

**Increasing demand in a volatile context**
The global transition toward electrification is driving the demand for aluminium cables. This material offers clear advantages due to its weight, conductivity, and cost-efficiency when compared to copper. But volatile raw material prices, speculation and competition from low-cost markets increase the necessity to build robust but agile supply chains. Norcable has identified this risk as material, and is currently organising its team to mitigate it.

**Instable geopolitical environment**
The current geopolitical climate is marked by hybrid threats, rising international tensions, energy supply challenges, and fragmented  supply chain. Energy independence is becoming the number 1 priority in Europe, which was highly dependant on Russia's energy exports until the beginning of the Ukrainian invasion. The region is now facing high energy costs impacting its competitiveness. Shifting to renewables and low carbon energy, building raw material circular loop are becoming the backbone for an economically viable European and Norwegian economy.

Aluminium cables are critical components of the energy infrastructure. In this context, Norcable is well positioned to expand its range of products that will help secure energy distribution and infra-structure.In addition, Norcable is participating with 19 other key players, in the AluGreen project which aims to develop a viable recycling aluminium industry in Norway.

**Regulatory and policy framework uncertainty**
Norcable is subject to a range of laws and regulations. These impose stringent standards and potential liabilities concerning plant construction and operations, emissions to air and water, treatment and discharge of waste waters, handling of hazardous materials, waste disposal, among other things. Norcable is respecting these regulations which are applicable in the EU and in Norway.

Today, the regulatory environment is subject to many changes and potential evolution, that could directly and indirectly affect Norcable. Here are 3 of them.

→ **US tariffs:** the U.S. administration have announced that all countries, except the UK, will face a tariff increase to 50% starting 5th of June 2025 on aluminium imports.

→ **EU ETS:** to avoid carbon leakage, the EU has adopted a revised ETS Directive known as the Carbon Boarder Adjustment Mechanism (CBAM). The CBAM will be applicable to primary aluminium imports. Starting in 2026, EU importers of primary aluminium will have to buy certificates representing the metal's GHG emissions.

→ **Omnibus package:** many components of the Green Deal are currently being reviewed (e.g Taxonomy, CSDDD, CSRD)

The company is closely following those changes either to transform them into opportunities or to mitigate their impacts on Norcable's operations and financials.





The shift toward electrification leads to increased demand for aluminium cables. However, volatile raw material prices, geopolitical instability and regulatory uncertainty poses future risks. We are monitoring developments closely.

# Slik arbeider vi med
# Risk management.

**Today, Norcable's risk management system is structured around QHSE dimensions.**

→ Health, security and safety of our employees. In 2024, there were no serious injuries and no fatal accidents.

→ Increased product quality and customers satisfaction, thanks to always improving manufacturing processes & intensive control quality along the value chain.

Annual reviews are being made with the Board and annual objectives are set.

For the first time, we have initiated a process to identify material risks and impacts and produce a Double Materiality Assessment (DMA). We are aware that the DMA will have to be improved and fine-tuned in the following months. Norcable is also willing to engage its affected stakeholders – beyond our shareholders & C-Suite already participating – in this process to confirm the materiality of the impacts and the risks identified.

Globally, this is how we plan to build our risks management system over the following months and years.

**Our priorities for 2025**

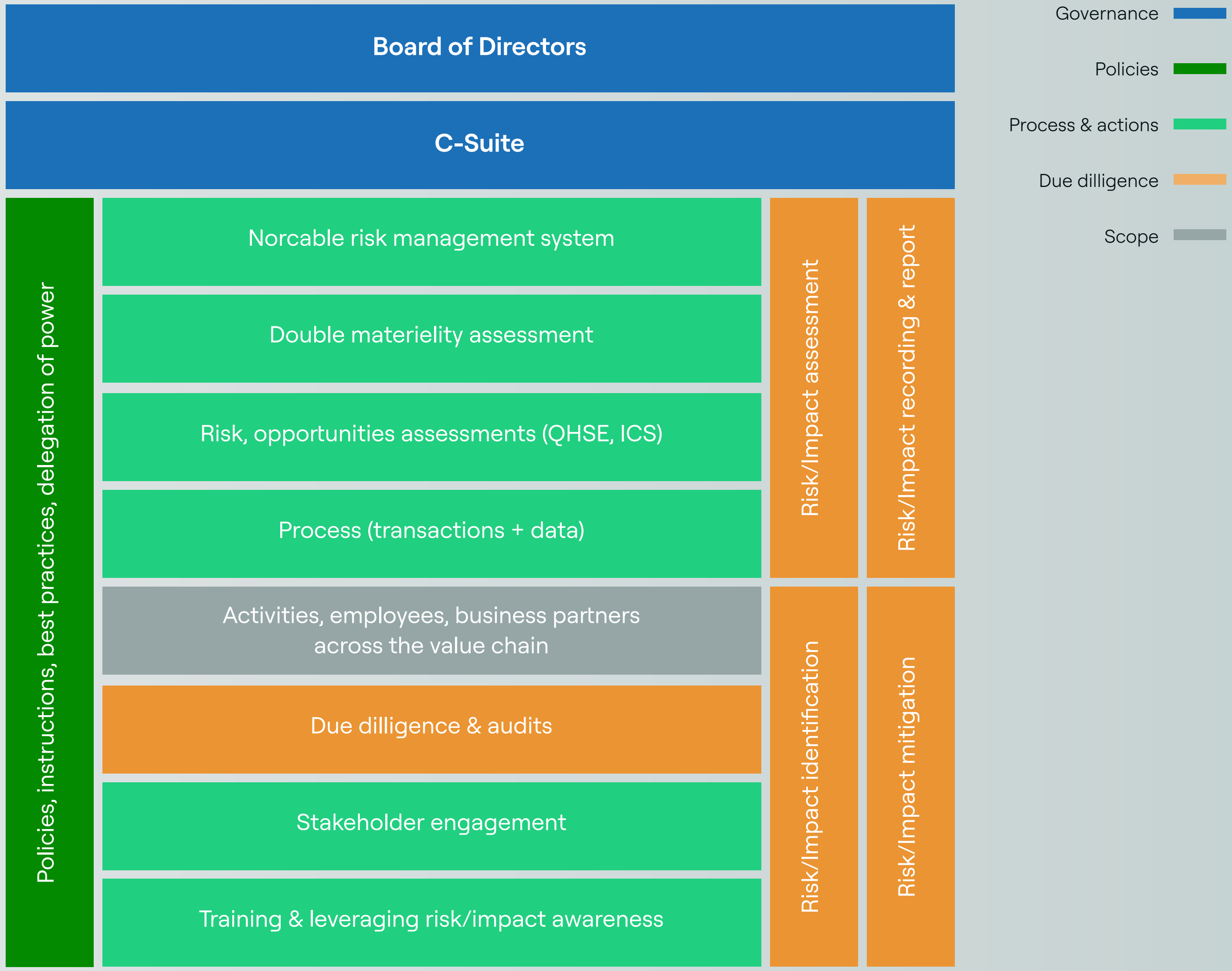
→ Build an internal Control System covering finance, cash management & accounting.

→ Implement policies & best practices to assess & select raw material suppliers to support our ESG ambitions.

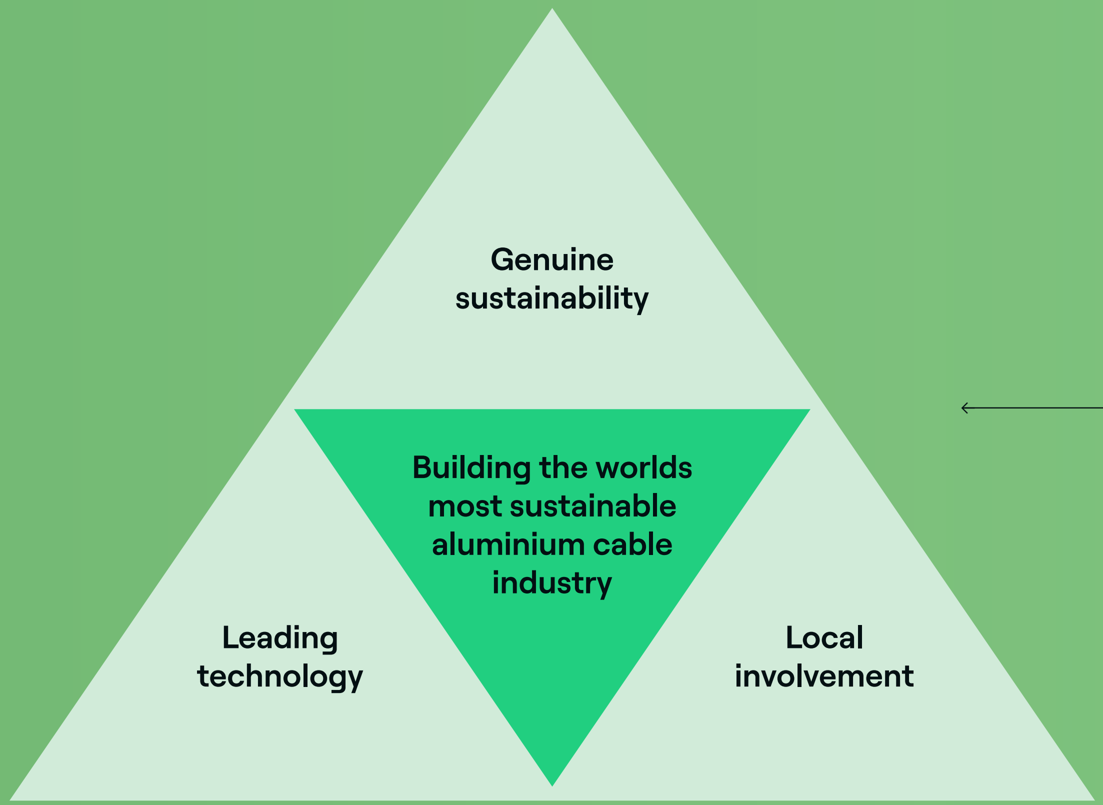
→ Define and test a business Continuity Plan covering our main operational and IT risks

→ Roll out general conditions with our strategic clients & suppliers to mitigate cash management pressures.

## Targeted Risk Management System



# Vi skal bygge verdens mest sustainable cable industry.




Norcable strategic positioning model





## Norcable aims to be a beacon for real, measurable, and locally rooted sustainability in the Norwegian industry.

**Norcable is building a cable industry in Norway based on locally sourced aluminium, with a strong focus on regional value creation.**

Through reliable products, high delivery performance, and a low environmental footprint, we offer customers a responsible alternative in a critical industry. With advanced manufacturing technology and industrial expertise, we are building the capacity needed for vital infrastructure and electrification. In the green transition, we aim not only to meet the demands set for us – but to lead the way with knowledge and inspiration, helping to create sustainable industry in Norway.

### Our 3 strategic pillars

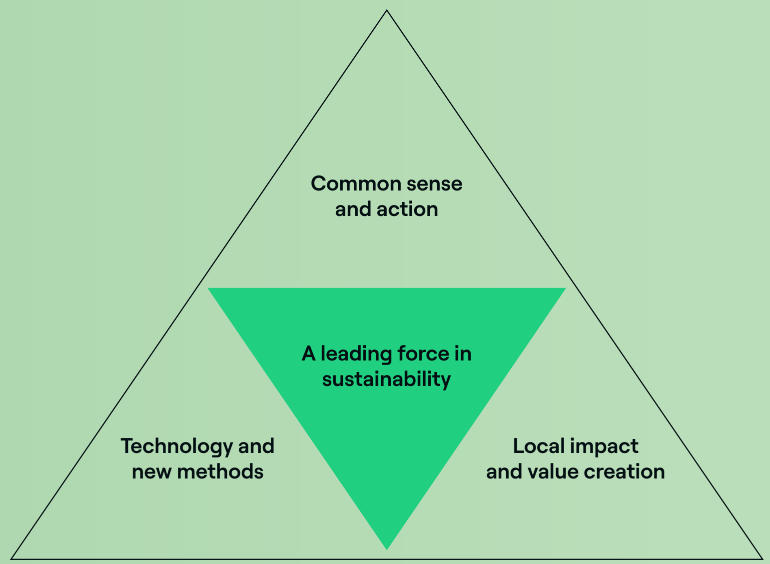
**→ Genuine Sustainability**
Genuine sustainability is about moving from vague promises to real impact. We prioritize concrete actions with measurable results, achieving a healthy balance between environmental care, economic soundness, and social contribution. At Norcable, sustainability is not a separate initiative – it is integrated in our daily operations and decision-making, because we believe that long-term profitability and responsible practices go hand in hand. We report more tangible results than most, and we aim to inspire by setting an example. Our deep involvement reflects our belief that true sustainability requires commitment – not just compliance.

**→ Leading Technology**
Our ambition is to develop world-leading expertise in aluminium cable technology and related fields. We take initiative and engage actively in research, development, and collaborative projects like AluGreen, always pushing boundaries. Our approach to digitalization is proactive – we leverage technology not just to optimize production, but to ensure it will improve sustainable production and growth. We deliberately select areas where we aim to be global leaders and focus our efforts to stay ahead.

**→ Local Involvement**
At Norcable, local involvement means more than presence – it's about building industry and creating jobs where we are. We focus on initiatives that generate visible value, both in our own operations and in those of our customers. We take pride in contributing to the growth of Norwegian industry, and we actively support local competence development through partnerships with universities and colleges. Whenever strong local alternatives exist, we choose them – because we believe value should begin at home.

# Vår modell for bærekraft, we call it – A leading force.

Our sustainability concept is designed not only to structure and guide our own efforts, but also to inspire and influence the direction of the broader industry. It is a framework that links value creation and industrial development with responsibility for people, the environment, and how we govern our sustainability work.




Norcable sustainability model

## ① Common sense and action

For us, sustainability is about practical, measurable initiatives that make a real difference. It's about doing what's right for long-term value creation, while applying sound judgment and care for what surrounds us. This includes:

- Using locally sourced aluminium with the world's lowest carbon footprint
- Increasing our efforts in recycling and material reuse in production
- Improving energy efficiency throughout operations
- Applying sustainability principles across the entire value chain – from procurement to final product
- Practicing full transparency and honest reporting

We believe sustainability must be about action, not just narrative.

## ② Technology and new methods

**Norcable applies modern technology and smart organization to reduce resource use, improve quality, and ensure competitiveness. This involves:**

- → Investing in state-of-the-art machinery and energy-efficient equipment
- → Utilizing advanced ERP systems for optimal operations and resource control
- → Actively participating in technology and innovation initiatives, such as AluGreen
- → Focusing on world-leading expertise through strategic partnerships and continuous learning

We believe technology and innovation are essential to building a smarter and more sustainable industry.





## ③ Local impact and value creation

**Norcable is committed to strengthening local communities – through stable jobs and by being a positive, constructive presence. For us, local impact means:**

- → Securing long-term, sustainable industrial employment
- → Collaborating with educational institutions and local suppliers
- → Contributing to social sustainability and civic engagement – not just climate
- → Building pride and identity through industrial competitiveness
- → Partnering with customers and stakeholders to generate value locally – wherever they are We believe genuine sustainability starts at home – and radiates outward.

# Vår rapportering er based on VSME.

**Norcable has decided to report sustainability performances using the EU VSME standard. The VSME standard does not require to build a Double Materiality Assessment (DMA) or to include the value chain in our performances,**

Norcable believes that the DMA is a remarkable corporate engine to identify, and then mitigate vulnerabilities and dependencies. We believe that this first analysis will contribute to strengthening a future-proof strategy. This is the reason why we have performed our first analysis and have engaged the board and C suite team in the process. The outcome is presented pages 32 to 37.

In addition to the DMA, Norcable has also included the value chain in our climate credentials since its scope 1 & 2 GHG emissions are non-material. Indeed (refer to page 42 & 43): the kWh used in the operations are sourced from water and renewable energy.

We are aware that we will have to improve our reporting process to include affected stakeholders feedbacks and also track and trace key sustainability data regarding our business partners. This will be organised over the following months.

## The VSME reporting interface







### B1 Basis for preparation

- Norcable has chosen to report using the Basic Package to report our 2024 sustainability performances.
- Nace 2732
- Norcable is a limited company
- Total balance sheet amounts to 78.5 MNOK
- Total revenue is 104.8 MNOK
- Norcable operates on 2 sites over 2024:
  - Rented, administrative one: link
  - Rented, factory: Kolstøneset, link
  - Owned, factory: Gismarvik, link (will be in production in Q3 2025)
- Certifications page 39
- For all details related to the financials, please refer to pages XX and XX.

### B2 Practises, policies, initiatives

- The policies, practises and initiatives to reduce its impacts, risks and develop its opportunities are described page 38 of this document.
- Norcable is implementing a risk management system which is disclosed page 22 with its various dimensions.
- For the first time, Norcable has also initiated a process to build a double materiality assessment (IRO). Its material risk, opportunities and impacts are also reported combined with the various actions to mitigate them throughout transition & adaptation plans. Details are available 0n pages 32 to 37.

### B3 Energy & GHG emissions

- Refer to pages 41 & 42
- Scope 1 & 2 KWH: 754.2 Kwh
- Scope 1 & 2 GHG emissions (follow the GHG Protocol standard)
  - Location based: 9.8 tC02e
  - Market based 329.2 C02e
- Total scope 1,2,3
  - Location based: 17.018 TC02e
  - Market based: 17.338 TC02e
- 99% of electricity coming from renewable sources

### B4 Pollution of air, water and soil

- The laws and legal constraints related to the pollution are reported in a document made available to all Norcable's employees. Refer to page 38 of this document.
- Eco-lighthouse certification also controls the respect of the various legal constraints.
- Norcable does not report any pollution resulting from its controlled operations.

### B5 Biodiversity

- Norcable does not operate in or near a biodiversity sensitive area.
- Our operations do not have consequences on the land-use changes in the area where it is located.

### B6 Water

- Norcable does not operate in or near a water-stress area.
- The water withdrawal over 2024 in m³: 6.676. There is not yet measurement of the water discharged, but the team's estimation is around 99% or < 1% consumed.

### B7 Resources use

- Norcable has detailed the value creation model page 17 of the report.
- The Value Chain composition and main steps are described page 18 with the inputs and outputs at each stage of the value chain.
- The waste incinerated - upstream - for its main raw material - the Aluminium - reaches 44 T in 2024 or 3.33% of the AL produced.
- Pre consumer scrap = 115 T Aluminium.
- For all metrics related to waste and circularity, refer to page 44 of the report.
- Norcable is participating into the AluGreen Project with 19 other key players of the Aluminium Industry to accelerate pre & post consumers' scrap recycling. Facilitating secondary aluminium usage is key to transition and adapt to a low carbon economy at an affordable cost.

### B8 Workforce

- Norcable only operates in Norway and the total employees at year end reaches 23 FTE (10 at year end 2023)
- The 23 FTE have unlimited working contract. Norcable also hire people based on an hourly basis: they are not part of the FTE here reported.
- Women % of total FTE: 26%
- For all data related to the workforce, general characteristics refer to page 45.

### B9 Workforce, health & safety

- Refer to page 45 of the report for all data related to the workforce., health and safety.
- There were 0 fatal accidents and change of life incidents in 2024

### B10 Workforce, Remuneration, collective bargaining & training

- Norcable's salary comparison with the process and metal sector in Norway (source SSB) for the operators is +16.4% higher.
- Training hours are not available over 2024 but the monitoring has been implemented for 2025.
- We have been working on a collective bargaining agreement over 2024 that should be in force in 2025.
- For all data related to workforce salary comparison, refer to page 45 of the report.

### B11 Governance

- Refer to page 22 & 23 for the C suite and board organization, competencies and delegations of duties.
- Convictions, fines & briberies: We had no fine or bribery case.

# Vi har gjort vår første Double Materiality Assessment.

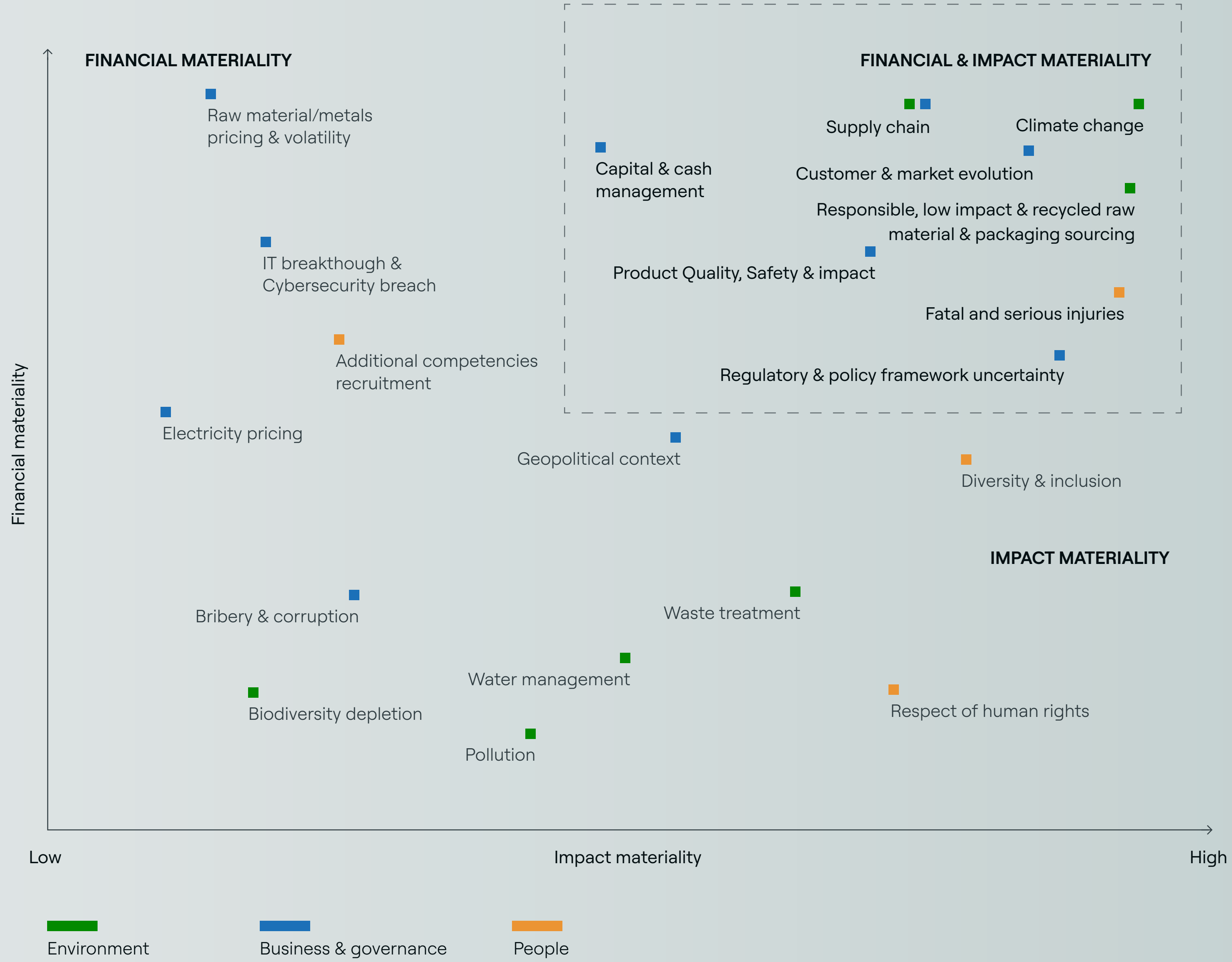
Norcable has built its first Double Materiality Assessment following the CSRD & ESRS standards applicable in the EU & in the Norwegian Accounting Act. The illustration highlights the risks and impacts resulting from the Norcable activities and its value chain organisation.

The business context underpins the outcomes presented. The assessment covers potential and actual positive and negative impacts, risks and opportunities to which thresholds have been applied to evaluate the materiality.

Time horizon is also taken into consideration (short, medium and long term). We are aware that it is our first Double Materiality Assessment: we plan to improve it in the following weeks to ensure that our impacts, vulnerabilities and opportunities are monitored properly.

We also plan to include affected stakeholders in the process since C-Suite and shareholders were the only contributors to this first assessment.

Norcable materiality matrix



| Topic | Integrated report, SDGs | Impact, risks & opportunities | Mitigation |
|---|---|---|---|
| → **Climate change** | → Natural capital<br>→ Financial capital | Climate change and its related physical consequences could negatively affect Hydro Infrastructure and interrupt its operations (flooding, storms). In parallel climate transition risks increase the corporates' demands for energy transition and low carbon Aluminium which is an opportunity for Norcable.<br><br>Norcable negatively impact temperature raising through our increasing GHG emissions resulting from the raw material used in our manufacturing process. | Norcable will conduct a comprehensive analysis to understand the potential impacts of the climate physical risks on the assets and Infrastructure, in order to set up a business continuity plan.<br><br>We plan to reduce its dependencies to fossil fuel and virgin materials/components to reduce our carbon footprint.<br>As a consequence, we have to implement a new criteria to select our aluminium raw material suppliers which represent >80% of the company's GHG emissions. |
| → **Supply chain** | → Financial capital<br>→ Manufactured capital | Norcable is highly dependent on our suppliers' supply chain organisation and structure. We are also working with big aluminium providers which are imposing their general conditions and incoterms that directly affect our working capital. Secured, affordable and low carbon shipping transportation infrastructures/equipments are key to its value creation.<br><br>Tension/conflicts and energy volatility combined with raw material (e.g aluminium) pricing fluctuation directly affect the operating costs. Additional tarifs/carbon taxes (CBAM) and the new ETS markets on transportation are also risks to keep the same level of operational profitability in the future if clients' pricing cannot be increased. | We plan to perform an analysis on our upstream/downstream supply chain to reduce our dependencies & vulnerabilities and also diversify our clients portfolio. Our target is to get a contingency plan to secure our supplier chain that can also be impacted by climate change physical risks.<br><br>We also plan to source multiply key suppliers in our logistic activities to mitigate our risks. This will be done in conjunction with general conditions implementation. Finally, our ambition is to define our general conditions and share them with our suppliers to mitigate the pressure on our working capital (refer to the in-transit in our balance sheet) |
| → **Customer & market** | → Intellectual capital<br>→ Manufacturing capital<br>→ Nature capital<br>→ Financial capital<br>→ Social capital | EU is currently watering down its climate related & ESG regulation (e.g CSDDD, EUDR, CSRD, taxonomy). This could negatively impact the energy transition and the demand for low carbon products on which Norcable positions itself.<br><br>The tarifs set up by the USA on aluminium and steel and more globally on Chinese products, might contribute to re-orientate the exportations to the EU where companies are struggling to keep operational costs at a low level. This could be a risk for Norcable to continue develop its revenue. | Norcable plans to organize a legal and regulatory monitoring to be able to anticipate the implementation of new legal constraints. We are in close contact with clients and prospects to understand their needs and expectations. |

| Topic | Integrated report, SDGs | Impact, risks & opportunities | Mitigation |
|---|---|---|---|
| → **Capital & cash management** | → Financial capital<br>→ Human capital<br>→ Manufacturing capital | Norcable is evolving in a capital intensive industry. Our needs of short-term and long-term financings are growing and could affect its development if not structured appropriately. (ref to net debt and working capital indicator page 46). | Norcable plans to identify and assess the appropriate type of financing needed (short & long term financings incl. capital) to ensure a robust prosperity. Norcable will define and negotiate general conditions with its suppliers/clients to be in a position to better anticipate its working capital needs and secure its cash management. Norcable will roll out an Internal Control System (covering key cash, financial and accounting risks) |
| → **Fatal & serious injuriess** | → Human capital<br>→ Social capital<br>→ Manufacturing capital<br>→ Financial capital | Employees security and safety are components of Norcable operational risk. Given the nature of the cable aluminium production – marked by exposure to high temperatures, chemicals, heavy machinery, and dust – ensuring robust safety protocols is not only a regulatory requirement but also a critical factor in protecting workers' health and well-being.<br><br>Beyond the disastrous human impacts, accidents/incidents might also lead to manufacturing disruption, reputational damages and financial consequences. | We plan to work on various dimensions to mitigate the risks and impacts:<br><br>→ Amplify periodic training courses<br>→ Share and update policies and processes<br>→ Develop awareness on our people impacts and risks. |
| → **Responsible low carbon & recycled raw material sourcing** | → Nature capital<br>→ Social capital<br>→ Human capital<br>→ Financial capital | 90% of the total GHG emissions of Norcable value chain is coming from the raw materials emissions. Therefore, sourcing low carbon raw materials is critical for Norcable to reduce its negative impact on the temperatures raising. | Norcable plans to adapt our suppliers selection criteria and include ESG indicators. We will also source 3-4 referenced raw material suppliers to reduce our risks dependencies to some key suppliers. |
| → **Product quality & safety** | | Deteriorated product quality and safety can directly affect our revenue and reputation. Besides it can also reduce the electricification deployment and in turn low carbon transition. | Norcable plans to strengthen our product quality check along the value chain throughout multiple actions (additional competences, training, suppliers selections, on site quality verification using high quality standards and resistance checks). |

# Prinsipper er definert i våre policy and processes.

The backbone of Norcable policies lies in the Employee Handbook which has been updated in 2024 and is provided to every new employee joining the company. Constraints are also coming from regulations and laws which are respected but not necessarily embedded into written policies or best practices.

This area will be improved in the following years especially to mitigate the material impacts and risks/ opportunities identified and detailed pages 32 to 37.

→ **Employee handbook**
The handbook is a comprehensive policy document covering all key aspects of employment at Norcable AS. It includes rules and expectations for behavior, safety, ethics, working conditions, and relationships with stakeholders, aiming to foster a positive, safe, and compliant workplace culture. Delegation of power is also included. It is a 33 pages document.

→ **QHSE policy**
A one page document that sets out the company's principles, commitments, and guidelines for HMS, quality, and environmental management.
The document refers to Norcable ambitions and link them to the SDG's.

→ **Digitization security plan**
Norcable has issued our first information security plan – part of its digital policy – to ensure continued activity in case of technological disruption. It will be finetuned over 2025. Note that this cyber security plan that aims to ensure its business continuity is a precondition to do business with one of our main client in Norway.

→ **General laws and legal constraints**
Norcable has made available to all our employees, a document in which all laws and legal constraints related to employees, and also to Environmental (energy, pollution, biodiversity) legal and regulatory constraints are detailed. The document is provided to all people joining the company and is also part of the Eco-lighthouse certification (refer to page 39)





# Våre sertifikater and credentials.

Our company contributes to the UN Sustainable Developments Goals (SDGs) Through our business activities, we aim to positively participate to the SDGs 7, 12, 13 & 17. Regarding our people and operations, we focus on the 3,5,8,10,12 objectives.

→ **Certifications**
Our current certifications are presented on this page. We are a small company and have decided to avoid initiating sophisticated and complex certifications process due to our limited resources & time. We select the ones that help us improve our global performances.

We plan to become ASI (Aluminium Stewardship Institute) certified & to benchmark our sustainability performances thanks to the ECOVADIS scoring.

Eco-lighthouse®

Norwegian environmental management certification
Certified (until end of 2026)

ISO 9001:2015

Certified (until end of 2026)

asi Aluminium Stewardship Initiative

We plan to become ASI (Aluminium Stewardship Institute)

# Ambisjoner om vekst.
# These are our numbers.

01234
56789

## Key performances

| Financial | 2024 | 2023 | Targets & ambitions |
|---|---|---|---|
| → Revenue MNOK | 104.7 | 46.3 | Multiply revenue by +13 to 1.400 MNOK in 2030 |
| → EBITDA MNOK (% Revenue) | 9.0 (8.6%) | -4.6 (10%) | Deliver +10% EBITDA % over the period (2030) |
| → RoaCe % Net Result | 18.2% | -34% | We target 14% over the period |
| → Investments MNOK | 9.1 | 3.8 | +230 MNOK investments end of 2030 vs 2024 |

| Nature | 2024 | 2023 | Targets & ambitions |
|---|---|---|---|
| → Scope 1 & 2 (in T C02e, location based) | 10 | 8 | TC02e < 120T in 2030 (or +15% energy efficiency vs 2024) |
| → Total GHG emissions / revenue (gC02e for 1 NOK) | 162 | 203 | 132 g C02e / 1 NOK revenue in 2030 or -35% vs 2023 |
| → Waste generated and recycled | 0 | 0 | All waste is diverted from landfill: kg incinerated. Build a viable business case for recycled post-consumer scrap. Recycled AL = 5% of our AL raw material purchase (resp 2028/2030) |

| Human & social | 2024 | 2023 | Targets & ambitions |
|---|---|---|---|
| → Life changing injuries | 0 | 0 | Zero life-changing injuries |
| → Fatal accident | 0 | 0 | Zero fatal accidents |
| → Diversity ratio Board Level | 0% | 0% | Women represent 40% in 2028 |
| → Diversity ratio in leadership | 33.3% | 25% | Women represent 40% in 2028 |
| → Training hours % working time | - | - | We started monitoring the KPI in 2025 |

| Governance | 2024 | 2023 | Targets & ambitions |
|---|---|---|---|
| → Claims of corruption & integrity | 0 | 0 | Zero claims of corruption |
| → Finance governance | In progress, refer to pages 22 & 23 | | Implement a comprehensive, responsive & engaged financial governance across all functions (Q1 2026) |
| → Risk & Impact management system | In progress, refer to pages 22 & 23 | | Roll out a solid management system, adapted to our stage of development, - ensuring anticipation, identification and mitigation of our material risks/ impacts. Deadline 2027 |

## GHG emissions

| in T C02e | 2024 | 2023 |
|---|---|---|
| → Scope 1 & 2 Location based | 10 | 8 |
| → Total Scope 3 | 17.009 | 9.393 |
| → Purchase goods & services | 15.563 | 7.654 |
| → Out of which; Raw material : Aluminium | 13.797 | 6.502 |
| → Capital Goods | 413 | 1.201 |
| → Upstream transportation & distribution | 295 | 298.9 |
| → Waste generated ① | 198 | 59 |
| → Downstream transportation & Distribution | 479 | 138 |
| → Other ② | 60 | 42 |

| | | |
|---|---|---|
| **Total GHG emissions (location based)** | **17.018** | **9.401** |
| **Total GHG emissions (market based)** | **17.338** | **9.660** |
| Total GHG emission/T ALU prod. | 12.88 | 8.59 |
| TOTAL GHG emission / km cables prod. | 9.87 | 11.27 |
| GHG emission /1 NOK revenue | 162 | 203 |

① Includes all waste incineration + recycling pre consumer scrap emissions. End of life treatment of sold products is not part of the computation.
② Other include commuting (20.6 TC02e, Travel (29.3 TC02e, Fuel (10.6 TC02e) in 2024.

**Data here presented is respecting the GHG Protocol Standard and the IAI Aluminium recommendations. Data is aligned with Norcable's financial scope.**

Norcable has implemented a carbon accounting system directly embedded into its ERP structure, that provides real time GHG emissions (tC02e) when activities are taking place. EPD are also made available to its clients on its main products. Transparency is at the heart of Norcable, this is the reason why the company has decided to disclose its value chain emissions. Primary operational data (T, km, kwh) is mainly used to compute the footprint combined with EPD from its main suppliers.

Norcable total GHG emissions have climbed +81% with its fast growing revenue in spite of its efforts to promote its low carbon products. It demonstrates that its clients continue to prioritise pricing rather than low-carbon products & solutions.

Per NOK of revenue generated, Norcable has succeeded to reduce its GHG emissions by 20% on the period. The tendency is also positive when we consider the TC02e emissions per km of cable produced with -12% reduction.

**Main highlights**
**→ Scope 1 & 2 : 10 Tons C02e are generated from sources owned or controlled by Norcable. 10 Tons can be considered as non-material in its sector, and is the consequence of the energy used which is sourced from renewables. Norcable fully offsets its scope 1 & 2 emissions with Trefadder's carbon credit certificates.**

**→ Scope 3 / emissions from the value chain upstream and downstream = 17.009 MT C02e.**

Purchased goods represent +92% of the scope 3 out of which aluminium raw material GHG emissions contribute to 81% of the total scope 3. Financially speaking, Norcable's Norwegian and European suppliers represent 64% of its 2024 cost of production; But when emissions are concerned, non EU sourcing contribute to the majority of its raw material footprint.

The investments mix in the new plant explain the capital goods emissions: construction using ciment in 2023 has generated the major part the emissions while equipments explain the C02e emissions in 2024.

As far as the waste emissions are concerned, Norcable has chosen to report the emissions generated from the waste treatment (e.g incineration), and the emissions coming from the recycling process. By doing so, Norcable goes beyond the GHG Protocol framework and IAI recommendations. This shows the company's dedication to contribute to a recycled aluminium industry. Note that thanks to this process, Norcable contributes to 447 Tones avoided emissions (not included into the metrics showed according to the GHG Protocol standard)

Transportation: the emissions downstream illustrates the local and northern European based structure of Norcable's clients portfolio and the +126% revenue increase on the period.

## Waste & circular economy

| in Tones | 2024 | 2023 |
|---|---|---|
| → Total aluminium produced | 1.321 | 1.095 |
| → KM of cables produced | 1.725 | 834 |
| → Total waste incinerated ① | 44.2 | 22.4 |
| → Waste % aluminium produced | 3.33 | 2.05 |
| → Waste % cables produced | 2.56 | 2.69 |
| → Pre consumer aluminium scrap | 115 | 75 |
| → Waste GHG emissions T C02e | 197.6 | 58.8 |

① Includes all waste (feral wood, cardboard). Waste to landfill = 0. Does not include End-of-Life treatment from sold products.
② T C02e are location based emissions (using GHG Protocol standard)

**Minimizing waste is a key component of Norcable manufacturing process. Today the waste incinerated represents 3% of the total aluminium produced. Our company sends zero waste to landfill: all waste is incinerated in Norway using decarbonised energy.**

Our pre consumer scap has increased by +54% and is recycled to be reused.

We have included the pre-consumer recycling process in our waste GHG emissions (197.6 TC02e) in addition to the incinerated ones. Norcable contributes to avoid 447 Tones C02e emissions thanks to this mechanism (213 T C02e avoided emissions in 2023)

Norcable is participating with 19 other actors, coming from the industry, academia, science, into the Norway AluGreen initiative to grow a material recycling and reusing industry.

The final objective is to build a resilient and economically viable aluminium circular economy to limit virgin material extraction and accelerate circular loop.

In the AluGreen project, Norcable is leading a subproject aiming to replace copper with recycled aluminium in components where low weight is paramount.





## People

| | 2024 | 2023 |
|---|---|---|
| → Total FTE ① | 23 | 10 |
| → Share of women (employees) ② | 26% | 30% |
| → Share of women (leadership) | 33.33% | 25% |
| → Fatal accident | 0 | 0 |
| → Life changing injuries | 0 | 0 |
| → Salary positioning vs process & marchinery sector ③ | +16.4% | NA |
| → Salary positioning vs metal process sector ③ | +22.4% | NA |
| → Median age structure | 34 years old | NA |

① FTE at year-end. Includes employees with a contract. Hourly-based employees are not included in positions.
② Computed based on permanent positions at year-end.
③ Source: SBB. Computed based on operator salaries (all women/men) at year-end.

**We nurture a healthier, more inclusive, and more equitable world for all our employees and communities. And we walk the talk!**

Our People approach focuses on our employees. Considering our size, we cannot yet address our impact on people outside of our company through our supply chains and partnerships. We consider security, safety, wealth and well-being as our identity and have enshrined them in our processes, policies and best practices.

**Our main highlights are the following**

**→ We have hired +13 people (+130% FTE) and have initiated a structured integration process for the new employees to ensure our culture integrity.**

**→ We have introduced an internal course to better integrate new employees and develop their awareness on our values & practices.**

**→ We plan to organize workshops to develop a comprehensive knowledge of our risks and impacts and related transition plans.**

**→ We have been working on a collective bargain agreement in 2024 that should be implemented in 2025 together with more favorable pension plan conditions.**

## Financial performances, profit & loss

| MNOK | 2024 | 2023 |
|---|---|---|
| → Total revenue | 104.796 | 46.305 |
| → Gross profit | 41.872 | 10.526 |
| → Gross profit % | 40.0% | 22.7% |
| → Operating costs | 34.240 | 16.489 |
| Out of which: | | |
| • Personnel expenses | 11.598 | 7.759 |
| • Rental & premises | 3.052 | 1.945 |
| • Consulting | 1.722 | 1.099 |
| • Electricity | 821 | 491 |
| • Depreciation | 1.374 | 1.341 |
| • Provisiion ⓘ | 3.000 | - |
| | | |
| → EBIT | 7.631 | -5.963 |
| → EBITDA | 9.005 | -4.623 |
| → EBITDA % | 8.6% | -10.0% |
| → Financial results | -3.464 | -1.811 |
| **→ NET RESULT BEFORE TAXES** | **4.168** | **-7.776** |
| | | |
| → Result % revenue | 3.98% | -16.79% |
| → Investments | 9.125 | 3.793 |
| → Net Debt | 60.239 | 25.198 |
| → RoaCe% net result | 18.2% | -34.2% |
| → Working capital | -6.280 | -1.023 |
| → DSO | 42 days | 59 days |
| → DPO | 71 days | 61 days |

ⓘ ?

**In 2024, Norcable has more than double its sales revenue and demonstrates high level of operational profitability with an EBITDA reaching 8.6% of its revenue.**

Two of its newly launched products over 2024 – Trapezoidal Wire, Subsea Cable & the surface treated cables – explain this performance. To achieve such a revenue increase, Norcable has recruited +13 people, and strengthened its management team.

In parallel, to drive its exceptional ambitions, the company has heavily invested over the year especially in a new plant that should be in production in Q3 2025. Norcable has consolidated its position over the Norwegian market as the innovative cable provider accelerating electrification. 70% of its revenue is generated locally and the remaining part in Europe.

To continue its exceptional development and reach its sustainability ambitions, the company faces 2 critical challenges:

→ Continue to convince its clients to buy its hydro-powered low carbon products in spite of their higher prices compared to high C02e manufactured & distributed cables.

→ Roll out an efficient working capital and financing strategy that could underpin its planned development and fund the investments needed.

## Financial performances, balance sheet

| MNOK | 2024 | 2023 |
|---|---|---|
| → Cash & Cash Equivalents ⓘ | 1.122 | 626 |
| → Trade accounts receivables | 21.912 | 3.869 |
| → Inventory | 25.023 | 11.616 |
| **Out of which:** | | |
| • In transit inventory | 9.638 | - |
| | | |
| → Total current Assets | 48.057 | 16.110 |
| → Total non-current Assets | 30.442 | 22.684 |
| **Out of which:** | | |
| • Property, Plant & Equipment | 25.253 | 19.982 |
| • Intangible assets | 5.183 | 2.702 |
| • Financial assets | 7 | - |
| | | |
| **→ TOTAL ASSETS** | **78.500** | **38.794** |
| | | |
| → Trade Accounts Payables | 19.770 | 5.107 |
| → Other current liabilities | 34.567 | 12.026 |
| **→ Total current liabilities** | **54.338** | **17.133** |
| **→ Non-current financial debts** | **7.024** | **8.691** |
| | | |
| → Investments | 9.125 | 3.793 |
| → Net Debt | 60.239 | 25.198 |
| → RoaCe % Net Result | 18.2% | -34.2% |
| → Working capital | -6.280 | -1.023 |
| → DSO | 42 days | 59 days |
| → DPO | 71 days | 61 days |

ⓘ Cash includes overdraft facilities. Counterpart is booked into current liabilities

**The rapid rise of the sales directly led to the +39.7 MNOK company's balance sheet increase:**

→ Accounts receivables +18.1 MNOK in spite of the improvement of the DSO from 59 days to 42 days.

→ Inventory + 13.5 MNOK: due to in transit inventory and additional amount of finished goods. Incoterms with a non-european raw material supplier are at the source of the in transit inventory.

→ Non-current assets + 7.8 MNOK explained by the new plant & capitalised projects (AluGreen)

As a consequence, the working capital of the company has been deteriorated and draft facilities had to be used along the year, to cover part of Norcable's cash needs.

The net debt has climbed from 25.2 MNOK to 60.2 MNOK: it is the outcome of the Norcable's rapid growth and the capital intensive needs of the industry. One of the key challenge to ensure Norcable's robust prosperity is to convince financial players to invest in the company.

The high level of the RoaCe -18.2% of the 2024 result – can play a critical role in their investment decisions.

# Slik ble resultatene i 2024
# Annual financial statement.

## Resultatregnskap

| Operating income | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | | 103 727 896 | 45 096 536 |
| Other operating income | | 1 067 740 | 1 208 566 |
| **TOTAL OPERATING INCOME** | | **104 795 636** | **46 305 102** |

| Operating expenses | | | |
|---|---|---|---|
| Raw materials and consumables used | 1 | -62 924 134 | -35 779 524 |
| Staff costs | 2, 3 | -11 598 208 | -7 758 855 |
| Depreciation of fixed assets and intangible assets | 4 | -1 373 716 | -1 321 696 |
| Write-down on fixed assets and intangible assets | | 0 | -18 920 |
| Other operating expenses | | -21 268 190 | -7 389 365 |
| **Total operating expenses** | | **-97 164 248** | **-52 268 360** |
| **RESULT OF OPERATIONS** | | **7 631 388** | **-5 963 258** |

| Financial income | | | |
|---|---|---|---|
| Other interest income | | 4 989 | 3 212 |
| Other financial income | | 1 973 630 | 5 253 566 |
| **Total financial income** | | **1 978 619** | **5 256 778** |

| Financial expenses | | | |
|---|---|---|---|
| Other interest charge | | -2 741 866 | -1 465 120 |
| Other financial expense | | -2 700 281 | -5 602 902 |
| **Total financial expenses** | | **-5 442 147** | **-7 068 022** |
| **Net financial items** | | **-3 463 527** | **-1 811 244** |
| **ANNUAL RESULT** | | **4 167 860** | **-7 774 502** |

| Appropriations | | | |
|---|---|---|---|
| Performed losses/Uncovered losses | | 4 167 860 | -7 774 502 |
| **TOTAL APPROPRIATIONS** | | **4 167 860** | **-7 774 502** |

## Fixed assets

| Intangible assets | Note | 2024 | 2023 |
|---|---|---|---|
| Development | 4, 5 5 | 182 685 | 2 702 140 |
| **Total intangible assets** | | **5 182 685** | **2 702 140** |
| **Tangible fixed assets** | | | |
| Land, buildings and other property | 4, 7 | 4 387 984 | 1 733 102 |
| Plant and machinery | 4, 7 | 17 338 966 | 17 441 606 |
| Fixtures and fittings, tools, office machinery, etc | 4, 7 | 3 526 152 | 807 364 |
| **Total fixed tangible assets** | | **25 253 102** | **19 982 072** |
| **Financial fixed assets** | | | |
| Investments in shares | 8 | 6 667 | 0 |
| **Total financial fixed assets** | | **6 667** | **0** |
| **TOTAL FIXED ASSETS** | | **30 442 453** | **22 684 212** |

| Inventories | | | |
|---|---|---|---|
| Inventories | 1, 7 | 25 023 167 | 11 615 642 |
| **TOTAL INVENTORIES** | | **25 023 167** | **11 615 642** |

| Receivables | | | |
|---|---|---|---|
| Accounts receivable | | 20 811 740 | 3 351 757 |
| Other short-term receivables | 5, 7 | 1 100 520 | 516 801 |
| **TOTAL RECEIVABLES** | | **21 912 259** | **3 868 558** |

| Bank deposits, cash in hand, etc | | | |
|---|---|---|---|
| Bank deposits, cash in hand, etc | | 1 122 014 | 625 832 |
| **Total bank deposits, cash in hand, etc** | | **1 122 014** | **625 832** |
| **Total current assets** | | **48 057 441** | **16 110 032** |
| **TOTAL ASSETS** | | **78 499 894** | **38 794 244** |

## Equity and liabilities

| Paid-in capital | Note | 2024 | 2023 |
|---|---|---|---|
| Share capital | 9 | 4 442 642 | 4 442 642 |
| Share premium reserve | 9 | 29 505 943 | 29 505 943 |
| Other paid-in capital | 9 | -5 570 | -5 570 |
| **TOTAL PAID-IN-CAPITAL** | | **33 943 015** | **33 943 015** |
| **Retained earnings** | | | |
| Uncovered loss | 9 | -16 804 649 | -20 972 510 |
| **Total retained earnings** | | **-16 804 649** | **-20 972 510** |
| **TOTAL EQUITY** | | **17 138 365** | **12 970 505** |
| **Other long-term liabilities** | | | |
| Liabilities to financial institutions | 7 | 7 023 941 | 8 690 957 |
| **TOTAL OTHER LONG-TERM LIABILITIES** | | **7 023 941** | **8 690 957** |
| **Current liabilities** | | | |
| Liabilities to financial institutions | 7 | 16 389 257 | 8 022 447 |
| Trade creditors | | 19 770 137 | 5 106 693 |
| Public duties payable | | 2 452 904 | 959 892 |
| Other short-term liabilities | | 15 725 290 | 3 043 749 |
| **Total current liabilities** | | **54 337 588** | **17 132 781** |
| **Total liabilities** | | **61 361 529** | **25 823 738** |
| **TOTAL EQUITY AND LIABILITIES** | | **78 499 894** | **38 794 244** |

Runar Areklett
Chair of the board

Anders Glavin
Board member

Jarle Veshovde
Board member

Jaakko Sakari Isotalo
Board member

Bengt Haugland
Board member / General Manager

Jan Vestregård
Board member



## Accounting principles

**Accounting policies: The annual accounts are drawn up in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small enterprises.**

**Current assets and current liabilities**
Current assets and current liabilities normally include items that are due for payment within one year of the last day of the financial year, as well as items related to the cycle of goods. Current assets are valued at the lowest value of the acquisition cost and the assumed fair value (Lowest value principle).

**Fixed assets and long-term liabilities**
Fixed assets include assets destined for permanent ownership and use for the business. Fixed assets are valued at acquisition cost. Fixed assets are entered on the balance sheet and depreciated over the asset's expected economic life. Fixed assets are written down to fair value in the event of a decline in value that is not expected to be temporary. Depreciations are reversed when the basis for the write-down is no longer present.

**Revenue recognition**
Revenue recognition from the sale of goods takes place at the time of delivery. Services are recognised as income in line with performance. The share of sales revenues related to future services is recognised on the balance sheet as unearned income from the sale and subsequently recognised as income in line with the delivery of the services.

**Currency**
Monetary items denominated in foreign currencies are assessed on the basis of the exchange rate of the currency following the listing on the last day of the financial year.

**Goods**
Goods are rated at the lowest of the average acquisition cost and net sales value (lowest value principle).

**Self-manufactured finished goods and work in progress**
The acquisition costs for these goods are direct costs and indirect variable and fixed manufacturing costs. The company has/has not applied the exemption rule in the Accounting Act, which exempts small companies from incurring fixed manufacturing costs when calculating acquisition costs. When calculating fair value, the sales price at a future time of sale is less sales costs and manufacturing costs incurred to bring goods to work in finished sales.

**Receivables**
Accounts receivable are recorded on the balance sheet at face value after deducting provisions for foreseeable losses. Provision for foreseeable loss is made on the basis of an individual assessment of the individual receivables. In addition, an unspecified provision is made for other trade receivables to cover the assumed loss. Other receivables are also subject to a similar assessment.

**Tax**
The tax expense in the income statement includes the tax payable for the period, which is assessed and is due for payment in the next financial year, in addition to the change in deferred tax. Deferred tax is calculated at the tax rate at the end of the fiscal year on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values. The calculation also includes a tax loss carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period are offset and netized.

Any deferred tax on excess values in connection with the acquisition of subsidiaries will not be offset.

**Fou**
The company follows NRS(F) Intangible assets, which include research and development costs. When the standard's criteria for recognising the balance sheet are deemed satisfactory, these costs are capitalised on the balance sheet and depreciated on a straight-line basis over the expected financial life expectancy.
If the costs do not satisfy the criteria for recognising the balance sheet, the costs are expensed on an ongoing basis.

## Note 1 - Goods

| Per inventory type | 2024 | 2023 |
|---|---|---|
| Raw materials | 9 346 897 | 8 619 761 |
| Finished goods | 3 674 343 | 1 862 945 |
| Merchandise | 2 363 719 | 1 132 935 |
| Goods in transit (CIF) | 9 638 207 | - |
| **TOTAL** | **25 023 167** | **11 615 641** |

## Note 2 - Number of full-time equivalents

Number of full-time equivalents employed in the financial year: 25

## Note 3 - Compensation of employees

| Specification of labor costs | 2024 | 2023 |
|---|---|---|
| Salary | 10 975 490 | 7 147 508 |
| Accrual of hourly bank and bonus | 505 584 | - |
| Employer's National Insurance contributions | 1 627 580 | 1 058 964 |
| Pension costs | 182 778 | 123 027 |
| Other personnel expenses | 484 821 | 11 884 |
| Capitalized personnel costs | -2 178 045 | -582 528 |
| **TOTAL** | **11 598 208** | **7 758 855** |

## Note 4 - Property, plant and equipment and intangible assets

| | Property, plantand equipment | Intangible assets |
|---|---|---|
| Acquisition cost 01/01. | 25 895 397 | 3 115 321 |
| Acquisition for the year | 6 644 746 | 2 480 544 |
| Disposal for the year | 0 | 0 |
| **Acquisition cost 31/12.** | **32 540 143** | **5 595 865** |
| Total depreciation, impairment and write-down reversals | -7 287 040 | -413 181 |
| **Carrying value per 31/12.** | **25 253 103** | **5 182 683** |
| Depreciation, impairments and impairment reversals in the financial year | 1 373 716 | 0 |

Economic life of intangible assets: 0 - 5
Depreciation schedule intangible assets: Linear

## Note 5 - Fou

The company has 4 ongoing research and development projects.
Total costs capitalized in 2024 kr. 2 480 544,-.

## Note 6 - Temporary differences - deferred tax/tax benefit

Deferred tax/deferred tax assets in the balance sheet are set aside on the basis of differences between accounting and tax values in accordance with the Norwegian accounting standard for tax.
Temporary tax-increasing and tax-reducing disparities that can be offset have been recognised on a net basis.

| **Temporary differences related to:** | **01/01/2024** | **31/12/2024** | **Change** |
|---|---|---|---|
| Fixed Assets | 10 883 264 | 11 786 705 | -903 442 |
| Current assets | 0 | -3 000 000 | 3 000 000 |
| Loss carried forward | -31 815 373 | -25 422 795 | -6 392 578 |
| **Net Differences** | **-20 932 109** | **-16 636 090** | **-4 296 020** |
| Tax-reducing differences that cannot be offset | 20 932 109 | 16 636 090 | 4 296 020 |
| **TOTAL TEMPORARY DIFFERENCES INCLUDED IN THE BASIS FORDEFERRED TAX/TAX BENEFIT** | **0** | **0** | **0** |
| **Deferred tax 31/12/2024 based on 22%** | **0** | **0** | **0** |

## Note 7 - Debts and guarantee obligations

| **Pledgments** | **2024** | **2023** |
|---|---|---|
| Long-term gills secured by collateral | 7 023 941 | 8 690 957 |
| Short-term debt secured by collateral | 16 389 257 | 8 022 447 |
| **TOTAL MORTGAGE DEBT** | **23 413 198** | **16 713 404** |

| **Pledged assets** | | |
|---|---|---|
| Operating accessories | 25 253 102 | 19 982 072 |
| Accounts receivable | 20 811 740 | 3 351 757 |
| Stock of goods | 25 023 167 | 11 615 712 |
| **TOTAL PLEDGED ASSETS** | **71 088 009** | **34 949 571** |

| **Guarantee liability, surety, etc.** | | |
|---|---|---|
| Bank guarantees | 1 800 000 | 1 800 000 |

The company has an overdraft facility with a drawing limit of kr 19.000.000,-

Decay structure: Of the company's debt, kr is due for payment later than 5 years after the end of the financial year.





## Note 8 - Investments in shares and parts in other companies

| **Company Name** | **Corporate Office** | **No. of shares** | **Ownership (%)** | **Voting right (%)** | **Booked value** | **Market value** |
|---|---|---|---|---|---|---|
| Nextcable AS | Kolstøneset 40, 4265 Håvik | 6 667 | 22.22 | 22.22 | 6 667 | 8 356 |
| **TOTAL** | | | | | **6 667** | |

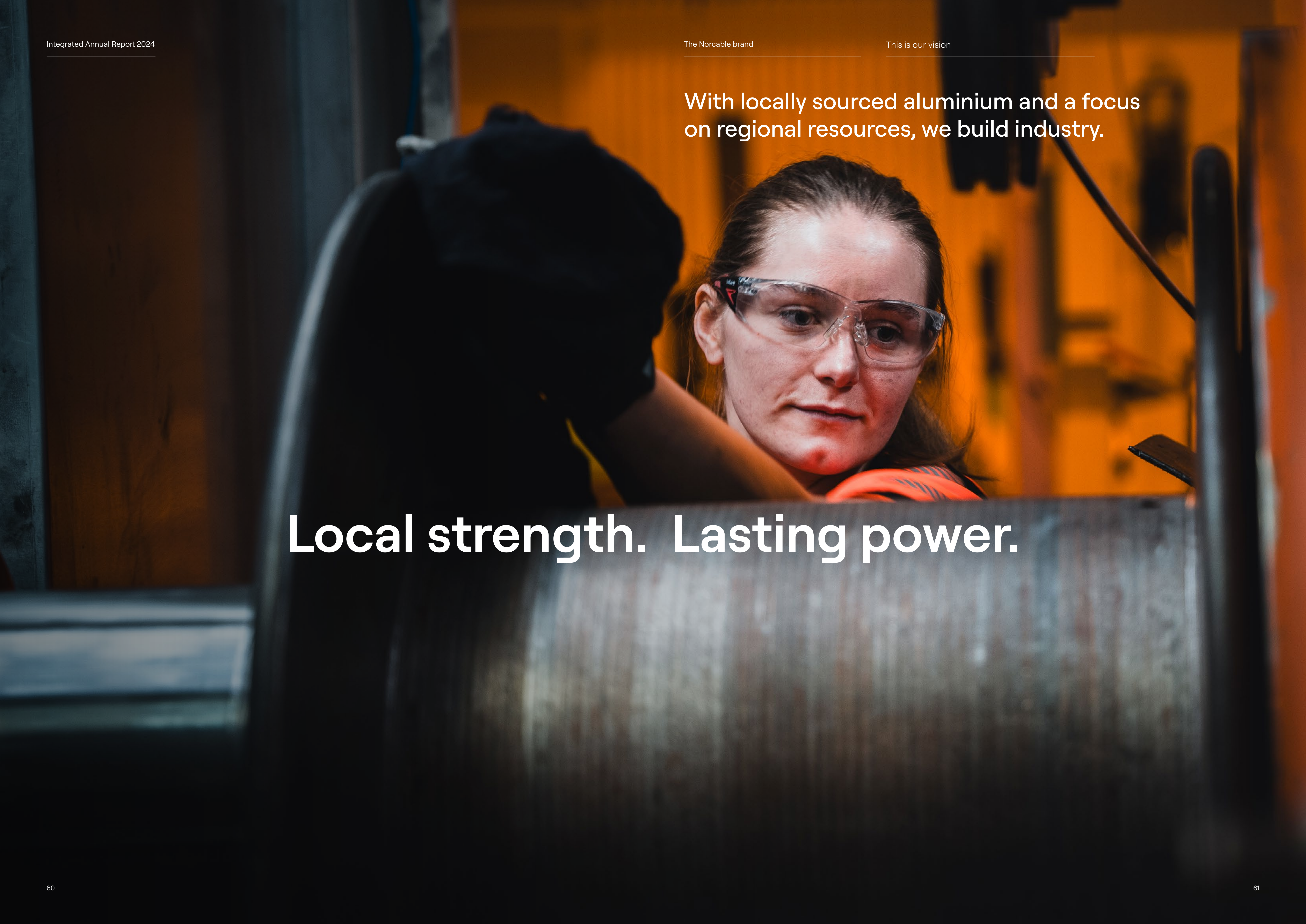
## Note 9 - Equity

| | **Share capital** | **Share premium** | **Other paid in capital** | **Losses** | **Total** |
|---|---|---|---|---|---|
| Equity 31/12/2023 | 4 442 642 | 29 505 943 | -5 570 | -20 972 510 | 12 970 505 |
| Annual result | 0 | 0 | 0 | 4 167 860 | 4 167 860 |
| **Equity 31/12/2024** | **4 442 642** | **29 505 943** | **-5 570** | **-16 804 649** | **17 138 365** |

## Note 10 - Tax specification

| **Taxable income** | **2024** | **2023** |
|---|---|---|
| Result before tax | 4 167 860 | -7 774 502 |
| Permanent differences | 128 160 | 13 083 |
| +/- Change in temporary differences | 2 096 558 | -609 146 |
| - Application of carry-forward deficit | -6 392 578 | 0 |
| **TAXABLE INCOME** | **0** | **-8 370 565** |

| **Tax payable on the balance sheet** | | |
|---|---|---|
| Deduction of grants for R&D (Skattefunn) | 0 | -225 393 |
| **Deduction of grants for R&D (Skattefunn)** | **0** | **-225 393** |



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