

Fell<sup>®</sup>  
tech

# 2023 Annual Report

Empowering Lives with Innovative, Connected Solutions for a Sustainable Future.

## Report Overview



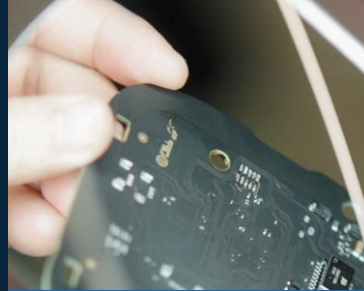
### 1. Company overview

Introduction to Fell Tech and Business Areas



### 2. A year in review

Achievements, Milestones and key Developments



### 3. Operations and Technology

New Developments and Progress Made



### 4. Financial Performance

Overview, Key Metrics and Forecasts



### 5. Governance, Leadership and CSR / ESG

People, Policies, Standards and Strategy

## 2023 has been a year of change and execution, setting us up for growth through 2024 and into 2025



**Christian Frost Røine**  
Co-Founder and CEO

A handwritten signature in dark ink, appearing to read 'Christian Røine'. The signature is fluid and cursive, written over a light-colored background.

As we reflect on the journey of Fell Tech over the past year, we stand at a pivotal juncture shaped by both challenges and significant advancements. 2023 has been a changing year for Fell Tech, and I am immensely proud of what we have achieved together. This annual statement offers a glimpse into our key milestones, innovations, and the strategic direction as we move forward.

This year marked a significant milestone of product launch and customer offering expansion. The official launch of Waterguard+ and the Abra ecosystem represented a culmination of 3 years of dedicated work, setting new standards in IoT solutions within the home and building, marine, and going forward for the energy sector. Our products will enhance safety, efficiency, savings and user experience—fundamentals that drive our mission at Fell Tech.

In 2023, we also focused on strengthening our operational foundations and strategic partnerships. Notably, our collaboration with leading insurance companies for the home and building sector and the marine sector through agreements like those with Navico and the Brunswick Group have enhanced our distribution, ensuring that our solutions reach a broader audience.

We have been proactive in embracing technological integration and smart energy solutions, first initiated by our partnership with Volve in the SPARK project, aiming to bridge energy management with smart grid capabilities.

Our achievements this year have not gone unnoticed. Fell Tech was honored to be listed as number 13 on Deloitte's list of the 50 fastest-growing tech companies in Norway—a recognition of our relentless pursuit of excellence and innovation in the technology landscape.

Looking ahead to 2024, our focus will remain on expanding our technology ecosystem and enhancing the functionalities of our offerings. The upcoming developments and launches are designed not only to meet the evolving needs of our customers but also to anticipate future trends across global markets in the technology sector.

Thank you for your unwavering support and trust in Fell Tech. It is your belief in our vision that propels us forward.

Warm regards, Christian



Introduction to Fell Tech and  
Business Areas

# 1. Company overview

## Our global footprint at a glance



**41 Employees**  
Covering 3 Continents



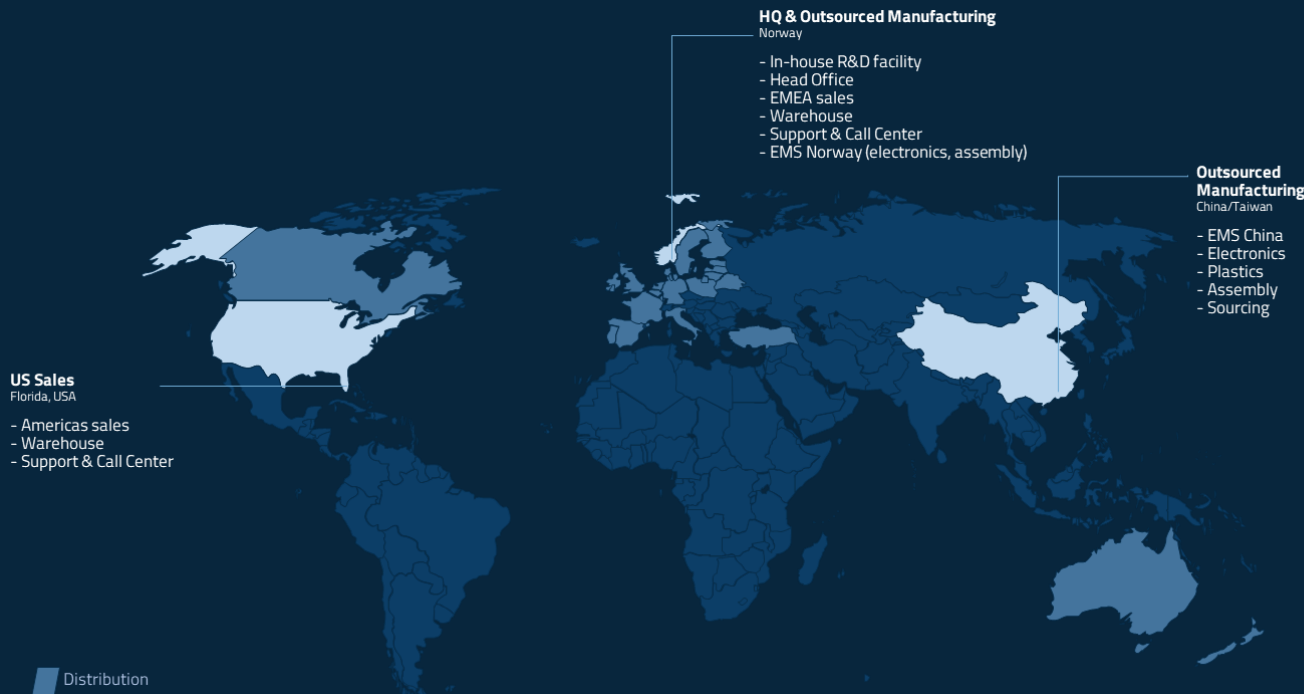
**4 Business Areas**  
Active and under development



**In transition to Recurring Revenue Model**  
Across all business areas



**New major Partnerships across 3 Business Areas**  
Achieving scalability and broadening our market



## Fell Tech is a green-tech company with cross-market technology platform – solving the big problems of tomorrow

Fell Tech is a green-tech company with a highly scalable cross-market technology platform, enabling us to shape a sustainable future by addressing global challenges.

Building on our two decades of experience and proud innovative culture, Fell Tech today operates across four key markets by utilizing the cross-scalability and adaptability of our technical solutions.

### Marine

*Enhancing marine safety and system integration to meet the growing demand for safety, electrification and seamless system integration in an increasingly connected marine and boating industry.*

### Home & Building

*Transitioning homes and buildings to sustainability by meeting the connectivity, ESG and energy efficiency demands of the 21st century.*

### Energy

*Pioneering decentralized energy management by providing “last mile” solutions to help energy utility companies and grid operators to meet the challenge of transforming the world's energy supply and production.*

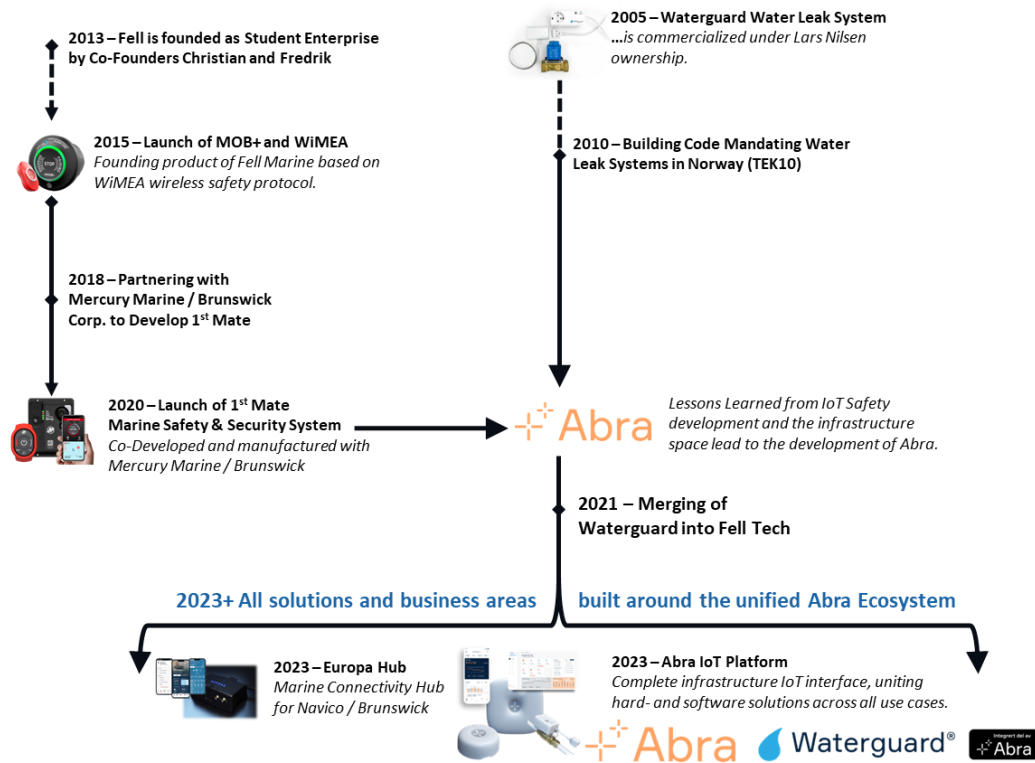
### Healthtech

*Providing safety and independence for seniors with highly accessible and easy to use IoT solutions in the face of a projected doubling of seniors by 2025.*

Fell Tech is poised to shape the future of smart technologies. Our strategic initiatives and ecosystem expansion position us to redefine the markets we operate in while delivering significant value to our shareholders.



## Building on strong backbone from marine and building technology platforms



## Cross market technology platform

### Marine



World leading provider of maritime safety solutions.

Long and proven experience in development and distribution of sensor technology and safety solutions in partnership with globally leading marine companies such as Mercury Marine and Navico/Brunswick Group.

In market since **2015**

### Home & Building



Delivering highly advanced wireless IoT solutions, creating a new layer of infrastructure for buildings.

Seamlessly integrated smart home, safety, fire protection, water leak solutions, comfort and energy management solutions on the Abra ecosystem and Waterguard Water Leak System.

In market since **2005**

### Energy



Development of IoT based energy & grid management solutions based on the Abra ecosystem.

Enabling advanced demand response and peak shaving strategies for utility providers and industrial partners.

Top-Level system for local deployment of microgrid and renewable technologies.

Launches in **2024**

### Healthtech



Enhancing elderly care through accessible IoT solutions, built on the reliable Abra ecosystem platform.

Real-time monitoring, and emergency response capabilities.

Designed to be low-entry, offering an affordable way to provide comprehensive care.

Launches late **2024**



## A brief snapshot of 2023 and what to expect forward

### Who, What, Where - Next

**Who is Fell Tech?** A scale-up green-tech company with a unique platform, ready for large-scale commercialization:

- Positioned for revenue growth with a strong product and services portfolio, recurring revenue business model, and significant market expansion.
- Proven track record of product delivery and market share in existing markets

**What Does Fell Tech Do?** Offers cutting-edge products and services in four key business areas:

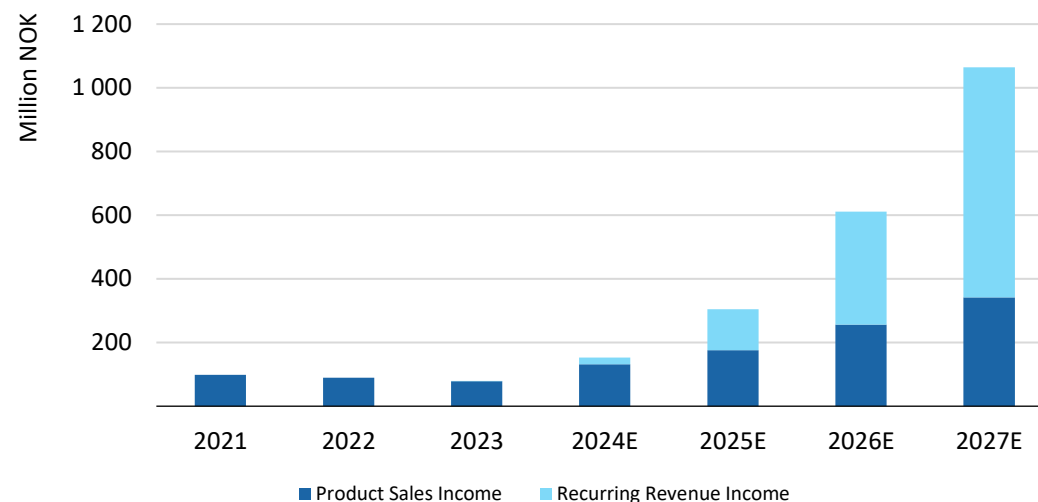
- **Home & Building** (Fell Connect): IoT systems for safety, comfort, and efficiency
- **Marine** (Fell Marine): Life-saving innovations for boating safety and security
- **Energy** (Fell Energy): Intelligent, sustainable energy solutions for EUPs
- **Healthtech** (Fell Health): IoT-enabled monitoring for elderly care

**Where Does Fell Tech Operate?** Operates in the Norwegian and US market, and EU through distributors. Targets multi-dwelling units (MDUs), builders, home associations, utility companies, and marine industry with the products and services.

#### What's Next for Fell Tech?

- Launched the **Abra ecosystem and Waterguard+** in October 2023
- Initiating the manufacturing of the **Europa hub** for Navico in January 2024
- Developing demand response solutions for **grid utility (EUPs)** companies
- Creating a **smart boat** product with the Norwegian Rescue Services launching in 2024
- Expanding the Abra ecosystem to include **EV-charging** H1 2024
- Expanding distribution of Waterguard+ and the Abra ecosystem into **Sweden in 2024** and the **US in 2024**
- Targeting expanded distribution in other Nordic countries and the **EU in 2024/2025**

### Revenue



### Dynamics

**1. Robust Portfolio:** Complete product and services portfolio with zero technical risk, primed for large-scale commercialization.

**2. Recurring Revenue:** Focus on scalable platforms with recurring revenue, expected to comprise around 50% of revenue by end of 2026.

**3. Market Expansion:** Strategy to expand into new markets across business segments, leveraging systemic value, homogenous technology platform, and organizational structure for economies of scale.



Achievements, Milestones and key  
Developments

## 2. A year in review

## Looking back at a pivotal year

In many ways 2023 has been a transformative year for Fell Tech as both a business and organization. Starting with a reorganization of the company's leadership and subordinate departments, Fell Tech entered the new year ready to take on the numerous opportunities and challenges that lay in-between us and our ambitious goal of launching Abra and the new Waterguard+.

From the very start this 'completion' of Abra main scope development and launch of the new Waterguard+ were the overarching goals for our efforts this year, which we are proud to have achieved through an immense combined effort.

**This achievement and the subsequent launch of our new Waterguard+ and Abra products in the latter half of 2023 mark an important milestone in the renewal and expansion of our product portfolio, paving the way towards not only future cross-utilization of our technology ecosystem but also the long-term transition to a recurring revenue platform for Fell Tech as a whole.**

At the same time as the efforts surrounding Abra and Waterguard+, development has not only continued, but accelerated across all our Business Areas. Great progress has been made on the Marine side of our business, with major engineering achievement such as the completion of PV1 for the Europa Hub program, indicating a readiness for mass production and the signing of a new 3-year Master Supplier Agreement (MSA) with the Brunswick Group. Using this momentum and the progress made in 2023, Fell aims to kick-start Europa production in Q1 of the coming year, with further developments in the 1<sup>st</sup> Mate Keyless and SafeBoat programs in the two following quarters thereafter.

These ongoing developments prove our growing and innovative presence in the Marine space and will lead to Fell Tech being able to introduce a number of new offerings and solutions in the coming year thanks to everything that has been achieved in 2023.

Handling the many new developments and the ongoing period of growth which Fell Tech is experiencing has required us to also develop and adjust as an organization. Throughout the year we have spent considerable efforts into re-thinking, formalizing and applying an array of new strategic tools and approaches regarding the way we do Business and Corporate Development. As multiple of our platforms enter their commercialization phase, and with new developments and Business Areas already on the horizon, we have created a transparent and professionalized model for industry partnerships, handling of investment and M&A projects and the process of taking our products to market. These efforts have already led to visible results with the establishment and development of our Energy Business Area going all the way from inception to proof of concept and the first partnership with Volue being signed in only a matter of months.

### January 10<sup>th</sup>

*Launch of Abralife App for both iOS and Android.*

### March - April

*Huge effort put into business / corporate development and integration of new AI tools into workflows, resulting in the creation and professionalization of new business models.*

### May 3<sup>rd</sup>

*Official launch and introduction of AbraCharge at the Nordic EV Summit.*

### June 6<sup>th</sup>

*PV1 for Europa Program is done, with products being ready to ship after years of development and hard work.*

### October 1<sup>st</sup>

*Launch of new Waterguard+ with Abra integration.*

### November 8<sup>th</sup>

*Fell Tech signs a mutual 3-year MSA with the Brunswick Group (Mercury Marine & Navico), signaling full steam ahead for the Europa and NOKI projects.*

### December 1<sup>st</sup>

*Fell Tech named as number 13 on Deloitte's list of the 50 fastest growing Norwegian tech companies.*

### January 12<sup>th</sup>

*Start of Pilot project for Abra with Sparebank 1 and Fremtind.*

### May 19<sup>th</sup>

*Fell Tech launches new website, showing off a new look and ever-growing ambitions.*

### September 22<sup>nd</sup>

*Abra development officially passes Gate 5.*

### October 30<sup>th</sup>

*Fell Tech and Volue announce partnership, planning to implement and offer demand response and grid management solutions to Norwegian grid operators.*

### November 22<sup>nd</sup>

*Fell Tech signs agreement with Ahlsell Nordics for distribution of Waterguard+ in Sweden and later the entire Nordics.*

## Official Abra and Waterguard+ Launch

Undeniably our highlight and the most anticipated event of the year was the unveiling and official launch of the new Waterguard+, built on AbraOS.

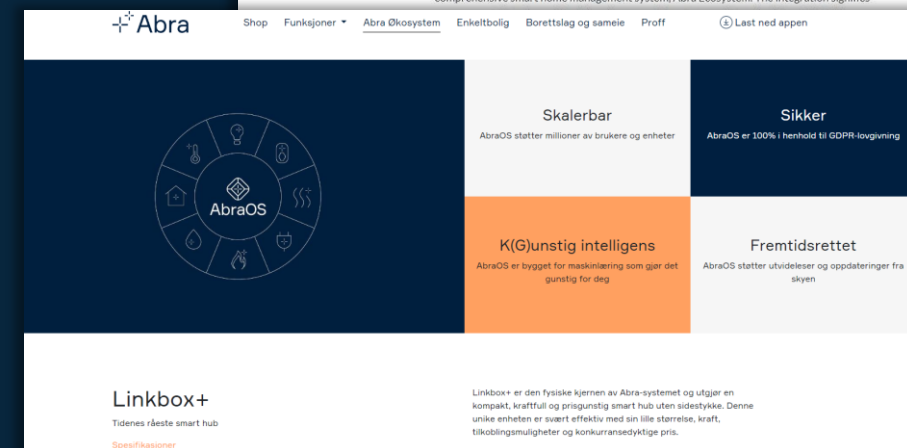
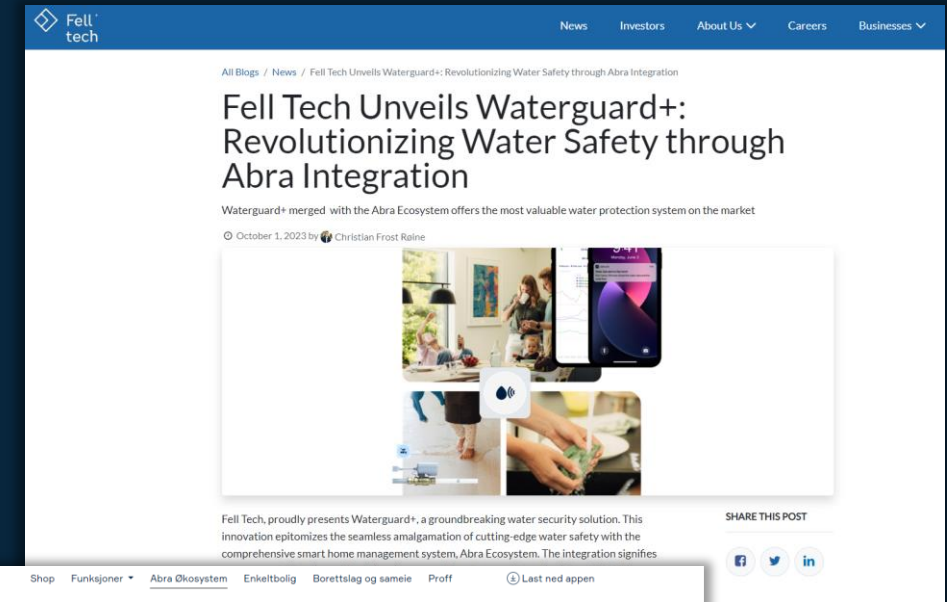
This marked the fruition of more than three years in development time, relentless work and substantial investments. Bringing both Waterguard+ into the age of IoT and successfully launching the first services running and built on AbraOS marks a major milestone for us as company and in our strategic shift towards Abra enabled recurring revenue business models.

Waterguard is today present in more than half a million Norwegian homes, and approximately 70 000 new units are installed yearly.

The advent of Waterguard+ symbolizes brings enhanced connectivity and safety as well as enhanced and expanded user experience enabled by the Abra ecosystem. Through our partnerships with Norway's leading insurance companies, our longstanding and well-established distribution network and not least our brand which installers and consumers trust alike we are confident that Waterguard+ and Abra will take this success-story to new heights in the years to come.

Already boasting an impressive range of functionality, the work which has been done in 2023 lays the foundation for future integration of new services, devices and functionality into Abra, thus turning it into a powerful platform for cross-capitalization and creating end customer utility above and beyond initial deliveries.

This achievement marks an important milestone in the renewal and expansion of our product portfolio, paving the way towards not only future cross-utilization of our technology ecosystem but also the long-term transition to a recurring revenue platform for Fell Tech as a whole.



## Insights into a challenging core market

For one of our core markets, 2023 went down in history as one of the bleakest in the last 30 years. The Norwegian new-builds and building rehabilitation sector suffered from a high interest rate environment not seen since the 1990's.

Weak demand for new built housing units as well as reduced consumer spending on rehab projects as a consequence of growing interest expenditures led to a dramatic downturn as markets were unable to see the light at the end of the tunnel after the 7 interest rate hikes in 2023 after 6 previous hikes in 2022.

Ultimately this brought the central banks interest rate up from a COVID low of 0% to 4.5% in just two years.

The downturn across these industries was dramatic, with a reduction of 32% in new-builds being sold from already weak 2022 to 2023.

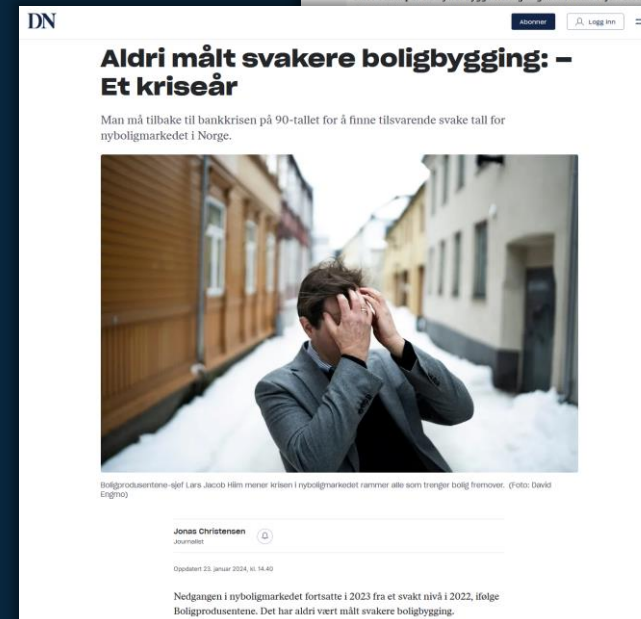
More than 1 600 companies within the construction industry ultimately had to file for bankruptcy in 2023, creating large ripple effects across associated industries such as HVAC installers and plumbers – historically, strong customers and markets for our Waterguard line of products and solutions.

This historical downturn in new B2B projects and consumer spending lead to major difficulties for legacy Waterguard sales and later the planned launch of Waterguard+ throughout 2023, resulting in an externally induced downturn in revenue for our core product portfolio at the time.

We spent much of H2 2023 finding our footing in these new market conditions and are confident that we maneuvered them well given the market conditions and circumstances.

H1 2024 has seen a recovery of the affected industries and as a result of that rebound of related organic Waterguard sales as the market anticipates interest rate cuts and a renewed growth in construction sector activity towards the second half of the year.

Fell Tech has weathered the 2023 storm in the Norwegian market and now stands ready to profit from rebounding activity and demand going forward.



## New Partnerships & Collaborations

At Fell Tech we believe in strong and long-lasting partnerships, with the goal of creating what we like to call “win-win-win” situations for both our partners, end-customers and us. We follow a strategic approach to these B2B2C models in order to create both push and pull forces as the drivers behind our business models. This is enabled by the wide array of applications and benefits which our technology platform and ecosystem enable, thereby opening up multiple distribution channels as we can cross-capitalize on our systems to solve different problems for different partners.

Throughout all of 2023 we have been working hard to establish and further develop our partnerships across the board.

### Insurance Company Partnerships

- A cornerstone of the Waterguard+ launch and our commercialization and distribution strategy for this new generation of solutions is the distribution through our partnerships with Norway's leading insurance companies, Fremtind, Gjensidige and Storebrand. This collaboration offers customers significant benefits, including discounts on home and building insurance upon installation of the automatic leak stopper Waterguard+ integrated with the Abra ecosystem.

### Partnerships in the Marine Sector

- Building further on a well-established partnership, Fell Marine signed a MSA agreement with the Brunswick Group (including Mercury and Navico) in 2023. This builds upon a number of years of work & strong ties between both businesses since 2017 and gives us a great platform with one of the biggest marine companies in the world. At the same time a partnership with the Norwegian maritime rescue services, Redningsselskapet, has been in the works and will see further focus and announcements going into 2024.

### Spark – Energy Partnership with Volue

- Fell Tech has been proud to announce our official partnership with Volue as part of their SPARK partnership program in 2023. Volue is a technology provider to Energy Grid and Infrastructure operators in more than 40 countries, with more than 2700 customers in the professional market. Today, almost 80% of Nordic households are connected to an energy grid for which Volue provides services. Fell is joining SPARK in order to bridge the last mile gap into customers' homes, establish a vital connection with the DSO to enable demand response and grid flexibility.



## Big News - for and about Fell Tech

All the progress we have made over the past year have not gone unnoticed. Fell Tech has received an increasing amount of attention and recognition for both our impressive progress in 2023 and our ambitious plans for the future.

Ranging all the way from specialized industry news outlets to Norway's biggest economics and finance newspaper, Fell has made a name for itself with a number of high-profile stories, announcements and award participations.

Our highlights of the year include:

### Deloitte Technology Fast 50

- Fell Tech was listed as number 13 on Deloitte's list of the 50 fastest growing tech companies in Norway. This recognition is not just a number, it's a testament to our relentless pursuit of innovation and excellence in the IoT landscape.

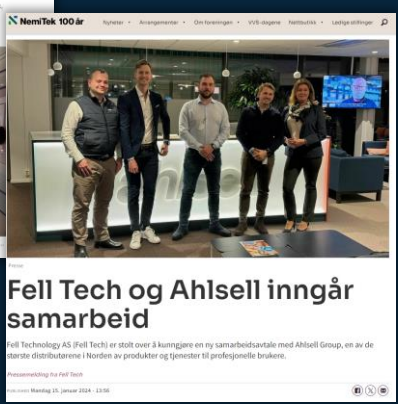
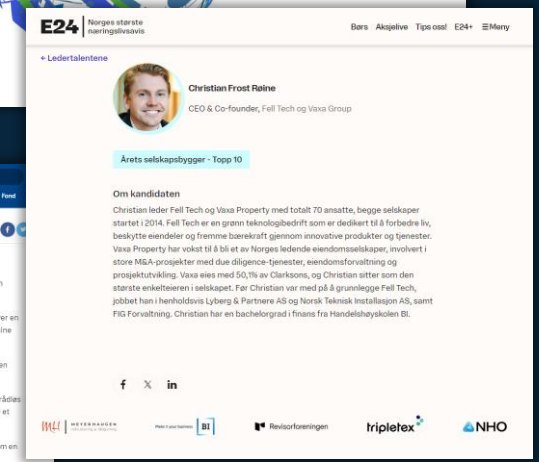
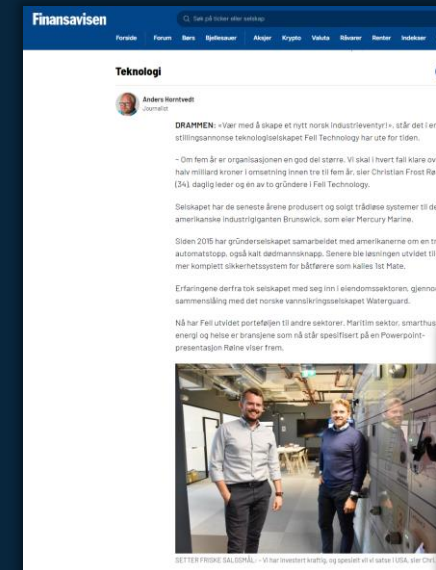
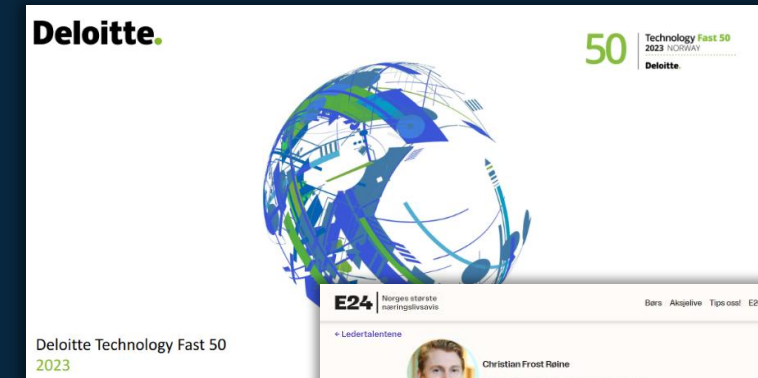
### Ledertalentene

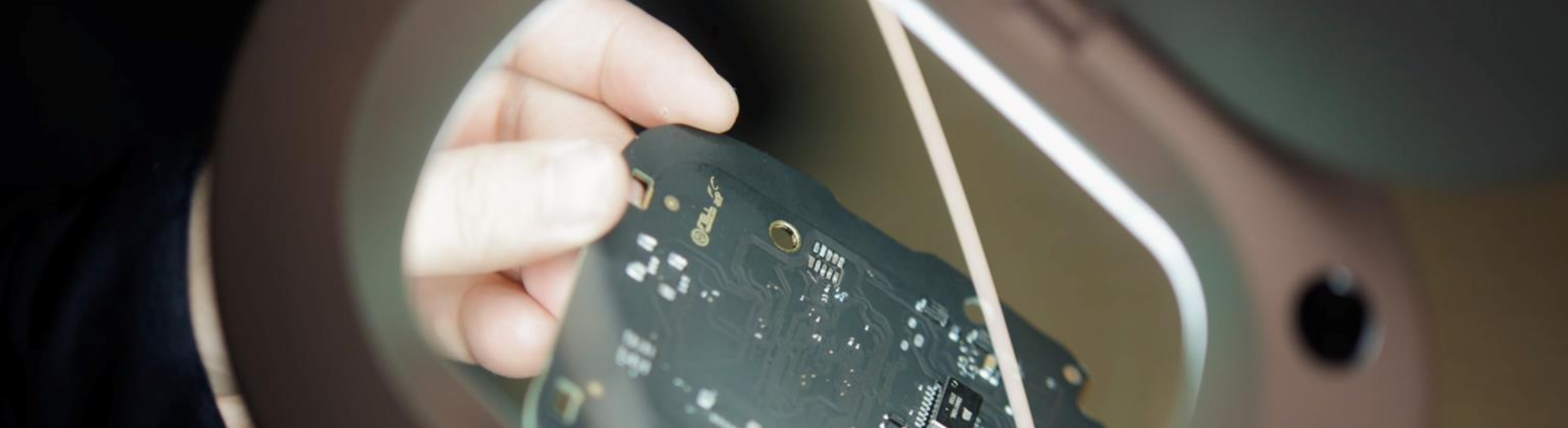
- Our Co-founder and CEO, Christian Frost Røine, was nominated for the prestigious "Årets Ledertalenter" and top 10 finalist in the category "Årets Selskapsbygger" in the award by E24, one of Norway's leading economics and finance newspapers. This is a significant acknowledgment of Christian's visionary leadership and his exceptional role in shaping Fell Tech

### Coverage in Finansavisen and Industry publications

- Fell Tech was covered extensively in an in-depth story by Finansavisen, exploring our history, achievements and ambitious plans for the coming years. The story also covered the interest and involvement which high profile Norwegian investors have shown in our company, a reflection of our promising outlooks. In addition to this Fell Tech has been covered in various industry publications, covering our continuing establishment of new partnerships in the HVAC and retail sector.

Fell Tech is continuously working with improving our media and investor relations, and actively publish regular updates on our webpage.



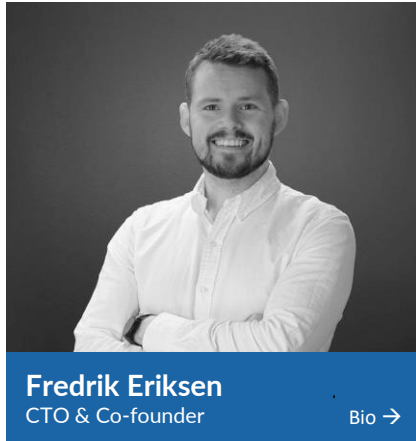


New Developments and Progress  
Made

### 3. Operations and Technology



## Comments from the CTO



*Fredrik Eriksen is a technology entrepreneur and visionary with an extensive background in electronics engineering and wireless safety technology.*

*As the Co-founder and Chief Technology Officer at Fell Technology, Fredrik has been instrumental in shaping the company's innovation strategy since its inception in 2013.*

### Dear Stakeholders,

I am writing to highlight the pivotal progress and forward-looking initiatives at Fell Tech. This past year, our alignment with the company's mission through strategic technology development has been remarkable, yielding significant achievements:

- Launch of Waterguard+ and the Abra Ecosystem.
- Completion of the Abra OS, an operating system uniting our smart security device offerings.
- A groundbreaking reorganization of our development teams. We've shifted from product-specific teams to a unified framework approach, where app and backend developers, among other specialists, collaborate across all projects. This consolidation spans Marine, Home and Building, Energy segments, and will extend to our forthcoming initiative in Health Tech. This restructure enhances efficiency, fosters innovation, and better aligns with our overarching technology strategy.

Our commitment to research and development has led to considerable innovations, while we've adeptly navigated technical challenges through strategic problem-solving and operational improvements.

Looking forward, our collaboration with Volue on a Demand Response solution in H1'24, and the Q3 launch of Abra Charge, are guided by current technological trends and market demands.

Our sustainable technology practices, alongside the dedication of our team, have been central to our success. As we continue to innovate, I am optimistic about the future of Fell Tech, driven by our commitment to excellence and sustainability.

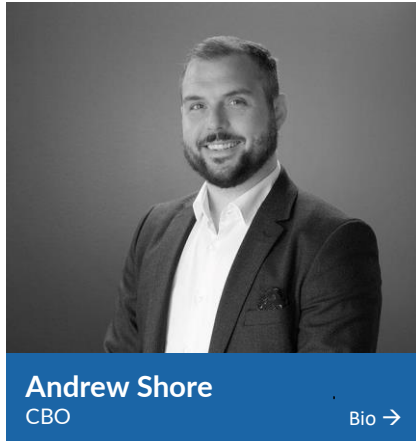
Thank you for your support.

Best,

**Fredrik Eriksen**

**CTO, Fell Tech**

## Progress in Business Operations and Logistics



*Andrew Shore is an experienced supply chain professional with 20 years retail head office experience with leading NASDAQ 100 & FTSE 100 companies across a multitude of industries, currently serving as Chief Business Officer (CBO) at Fell Tech.*

*He joined the company in January 2022, and his main responsibilities are ensuring that the right product is in the right place at the right time.*

### Dear Stakeholders,

I am pleased to share with you the significant strides we have made in optimizing our Business operations, a pivotal aspect of our commitment to delivering excellence and value to our stakeholders.

Throughout the past year, our committed team has diligently focused on refining and elevating our supply chain processes. I am thrilled to share that these endeavors have produced noteworthy outcomes, leading to heightened efficiency, shortened lead times, and an overall enhancement in performance. Moreover, we have bolstered relationships and communication channels both internally & externally.

### Key Achievements:

**Streamlined Procurement Processes & Supplier Collaboration:** Through a comprehensive review of our procurement procedures, we have identified opportunities to streamline processes, reduce costs, and enhance supplier relationships. Throughout 2023, our central emphasis was on executing and proactively mitigating risks linked to the transition plan within the backend supply chain. This strategic focus aimed to pave the way for a seamless phase-out of the legacy product while ensuring a smooth and well-coordinated introduction of the new product, Waterguard+.

**Enhanced Visibility and Transparency:** We have invested in our ERP system platform (Odoo) in order to enhance visibility across the entire supply chain. The comprehensive transition to our ERP system at the group level was successfully concluded in the first half of 2023. This advancement empowers our business to seamlessly plan and execute operations within a unified platform.

**Risk Mitigation Strategies:** The ongoing uncertainties in the global landscape have underscored the significance of risk management for Business Operations. In response, we have enacted resilient strategies to identify and mitigate potential risks within our supply chain. This proactive approach has markedly improved our capability to navigate challenges and sustain operational continuity.

Our ongoing initiatives include further digitization, exploring sustainable sourcing options, and fortifying our supply chain against external disruptions. We value your partnership and are committed to providing you with the highest level of service.

Thank you for your continued support.



## 4. Financial Performance

Overview, Key Metrics and Forecasts

## Marine - Underlying net profit positive, strong outlook with extended product portfolio

### Dynamics

#### Broad product platform:

- Development of both 1<sup>st</sup> Mate and Europa program nearly completed, leading to significantly reduced expenses and increased revenue from a new sales-cycle in the coming years.
- SafeBoat and MOB+ Gen3 built on Abra ecosystem with recurring revenue potential

#### Revenue 26e:

- MOB+ expected 8k units at 14 MNOK
- 1<sup>st</sup> Mate expected 15k units at 35 MNOK sales
- Europa platform expected 15k units at 65 MNOK sales
- SafeBoat with Norway Rescue Services in Sweden/Norway expected 5k units at 10 MNOK, and ARR 3,5-4 MNOK

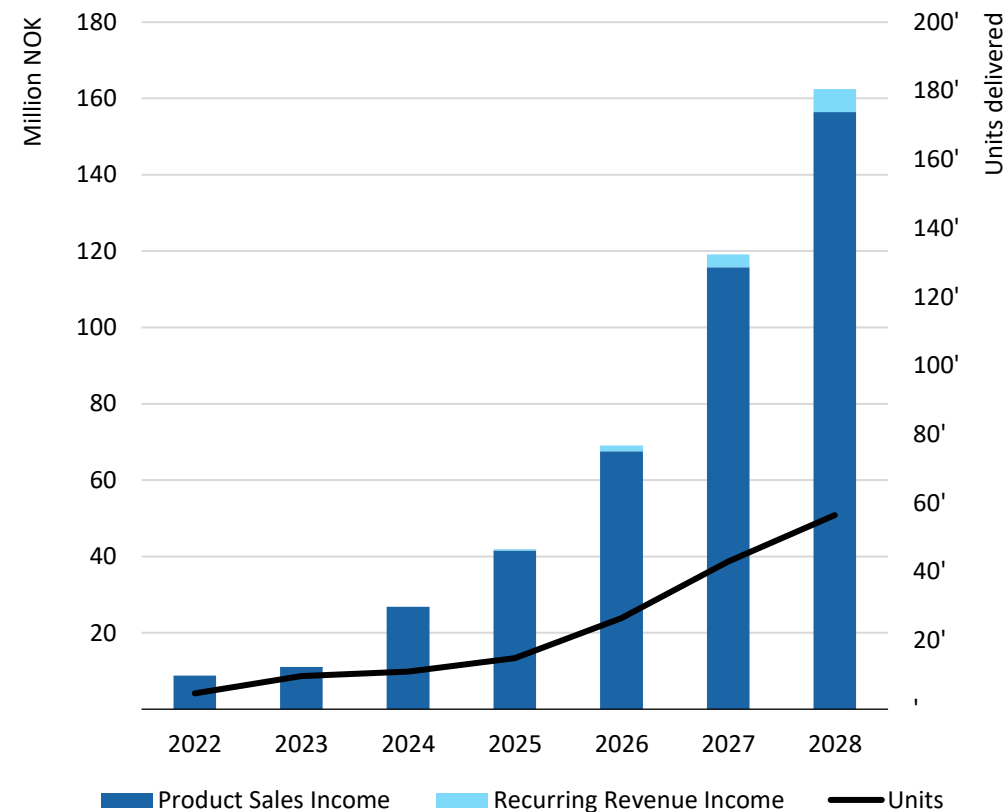
#### Model:

- B2B sales with distribution to Brunswick/ Navico/ Mercury Marine/ Rescue Services Marine.
- Marginal OPEX, no marketing/sales cost
- MOB+ continued in retail and other boat builder OEMs

### Forward Outlook

- **Revenue growth:** Increase in marine hardware revenue from new product platforms ... potential for increased recurring revenue as platform play
- **Operating profit 26e:** Hardware positive 23/24 at 3 MNOK  
EBITDA growth from expanded product portfolio sales to 26 MNOK
- **Margin:** Stable between 25-30%

### Revenue



## Home & Building - Long history with net profit positive, strong outlook from recurring revenue

### Dynamics

#### SAM Pipeline 3-year ARR Norway/Sweden:

- Expected 360 000 contracts with ARPA\* valued at NOK 1 500,- p.a.
- Sale of 65 000 Waterguard units p.a. alone
- Strongest outlook in Insurance, Bank and Builder channels for Abra services

#### Revenue 26e:

- Consistent Waterguard sales at 60-70k units p.a. at 80-100 MNOK.
- Growth / new markets and eCom product sales at around 60MNOK.
- ARR growth from Abra platform to 330MNOK (NO/EU/US) via DTC, Insurance, Builders and Charging / Energy management channels. (ARPA 1 500,- NOK)

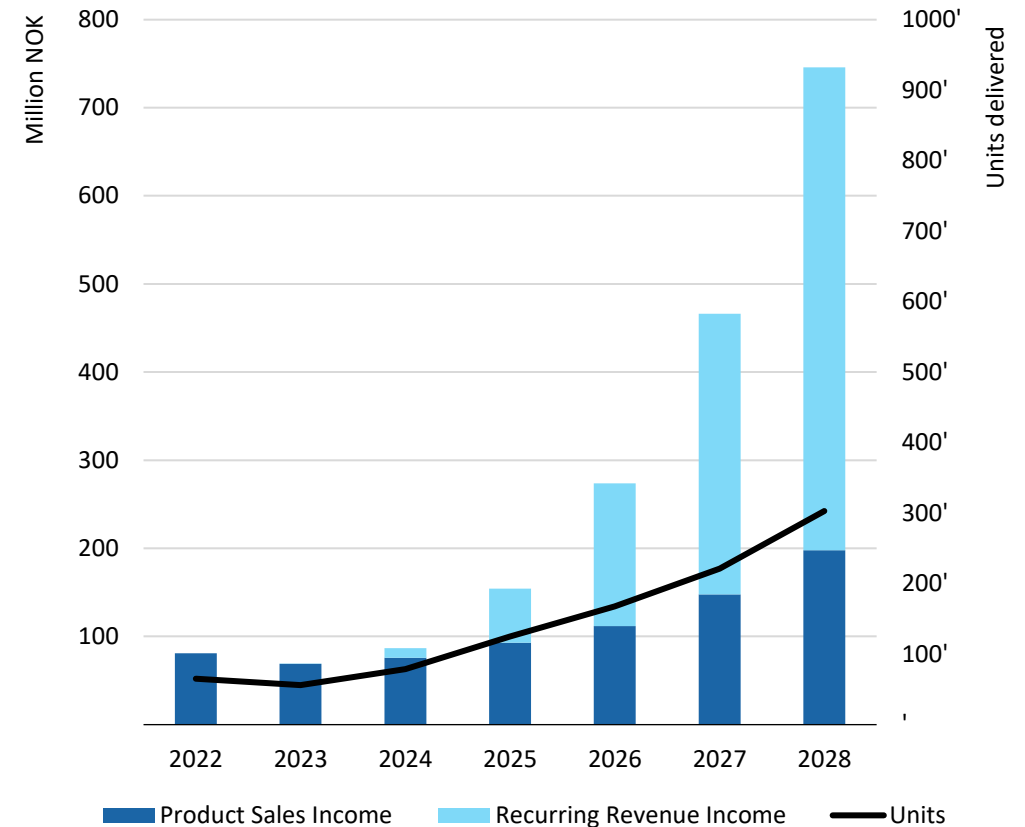
#### Model:

- Efficient distribution through B2B channel partners and MDUs enables lower CAC and scaling recurring revenue on B2B2C basis.
- Scaling with transition to increased B2C sales over time.

### Forward Outlook

- **Revenue growth:** High growth in ARR continuing from H2 2023 into 2024 for existing markets. Ongoing expansion of distribution driven HW sales.
- **Operating profit 28e:** Hardware sales EBIT positive last 10 years at ~15 MNOK. Growth from ARR\* and expanded distribution to 250 MNOK (after financing interest and amortization on ARR model with included hardware deliveries).

### Revenue



## Statement of the annual accounts

### Earnings

The revenue for the group in 2023 was NOK 85.4 million. In 2022, the revenue was NOK 105.0 million. There has been a decrease in revenue for 2023 compared to 2022. The year was generally characterized by low residential construction, primarily due to high interest rates and high inflation. This has resulted in decreased demand for Waterguard systems compared to a normal year. The reduction in demand is expected to be temporary.

Furthermore, the group's subscription revenues have taken longer to realize than initially expected at the start of 2023. The board believes this is merely a timing shift, and that revenues related to this will be realized by the end of 2024 and the beginning of 2025.

### Operating costs

The operating costs for 2023 were NOK 134.8 million compared to NOK 121.1 million in 2022. Cost of goods sold decreased by NOK 2.9 million, partly as a consequence of lower sales and a different product mix.

Wage costs increased by NOK 8.5 million, as expected, since the group is in a growth phase, and there is a natural increase in wage costs associated with this.

Additionally, for the same reason, there is a natural increase in other operating expenses by NOK 3.4 million. Beyond this, there is an increase in depreciation of NOK 4.6 million, primarily due to the commencement of accounting depreciation of capitalized development in 2023.

The annual result for the group was a loss of NOK 42.3 million in 2023, compared to a loss of NOK 15.5 million in 2022.

[Download the full Financial Statement 2023 - Fell Group AS](#)

P & L simplified NOK 1.000	Historical		
	2021	2022	2023
<b>Revenue</b>			
Product sales Income	98 417	89 460	79 082
Recurring Revenue Income	-	-	80
<b>Revenue (Net sales)</b>	<b>98 417</b>	<b>89 460</b>	<b>79 161</b>
Other Income / Development Fee	5 355	15 550	6 277
<b>Revenue</b>	<b>103 772</b>	<b>105 010</b>	<b>85 439</b>
Cost of goods sold (COGS Landed) - Product sales	(66 257)	(67 838)	(64 986)
Cost of goods sold (COGS) - Subscription revenue	-	-	-
<b>Gross margin (GM)</b>	<b>37 515</b>	<b>37 172</b>	<b>20 452</b>
<i>Gross margin %</i>	<i>33 %</i>	<i>24 %</i>	<i>18 %</i>
Recurring PD&E OPEX + salaries (R&D)		(3 333)	(5 981)
Salary / staff expenses	(19 925)	(26 758)	(20 509)
Other operating expenses	(18 956)	(18 004)	(11 965)
Marketing expenses		(6 767)	(7 065)
<b>EBITDA</b>	<b>(1 366)</b>	<b>(17 691)</b>	<b>(25 067)</b>
Depreciation on Assets Customer Contract (Fell Connect AS)			-
Depreciations	(1 325)	1 584	(2 985)
<b>Operating income (EBIT)</b>	<b>(2 691)</b>	<b>(16 106)</b>	<b>(28 053)</b>
Non-recurring salary and OPEX "one-offs"			(21 292)
<b>Operating income (EBIT) incl. extraordinary items</b>	<b>(2 691)</b>	<b>(16 106)</b>	<b>(49 344)</b>
<b>Key figures</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Revenue growth (year-on-year)	-11 %	1 %	-19 %
Gross margin product sales	33 %	24 %	18 %
COGS growth (year-on-year)	-12 %	2 %	-4 %
OPEX growth (year-on-year)	56 %	41 %	-17 %
COGS as percent of sales	67 %	76 %	82 %



People, Policies, Standards and Strategy

# 5. Governance, Leadership and CSR / ESG

## Diverse and invested leadership group



**Christian Frost Røine**  
CEO & Co-founder

[Bio →](#)



**Fredrik Eriksen**  
CTO & Co-founder

[Bio →](#)



**Cato Sandstrand**  
CPO & CCO

[Bio →](#)



**Ole Ronny Vekseth**  
CFO

[Bio →](#)



**Andrew Shore**  
CBO

[Bio →](#)



**Catalina Enes**  
COO

[Bio →](#)



**Tommy Thorstensen**  
Director Customer Operations

[Bio →](#)



**Silja Param**  
Program Management Officer

[Bio →](#)



## Our efforts on Sustainability, Corporate Governance and Quality.

Fell Tech is a green tech company, with a focus on developing solutions for a sustainable future. As such, questions of Environmental, Social and Governance impact every aspect of our organization.

In 2023 we have taken further steps to strengthen, organize and improve our efforts in ensuring the highest possible standards for our approach to these issues. This includes both internal processes, like a revamping of our Sustainability Strategy, health and safety policies and a transparency focused approach to our value chain, as well as external initiatives such as subjecting all our suppliers to an integrity guide.

At Fell Tech, we're committed to building strong, mutually beneficial relationships with our suppliers, adhering to the Norwegian requirement for transparency, The Transparency Act. Our supplier terms and terms of purchase are designed to ensure a fair and transparent partnership, aligning our business objectives for mutual growth and success. With these guidelines, we strive to establish effective cooperation that adheres to the highest standards of integrity, quality, and sustainability.

We have mapped our contribution to the UN's SDG Goals, and more tangibly, the impact of the solutions we offer on both BREEAM and EU Taxonomy compliance.

Fell Tech as an organization is ISO9001 certified, meaning hold our internal quality assurance to the highest standards, contributing to our customers receiving high-quality products and service. Additionally, Product Development and Engineering Processes in Fell Tech is performed in accordance with automotive AIAG APQP manual and standards, adding to our integrity and reinforcing our strive for qualitative excellence.

We will continuously improve to provide products and solutions that fulfil or exceed our customers, employees, partners and other relevant interested parties' expectations in terms of quality, ethical and social conduct and long-term sustainability. Our belief is that excellence is not an act, but a habit. Quality is everyone's responsibility.

[We invite you to explore the rich documentation and knowledge base concerning Fell Tech's work with these issues which we have built on our Website.](#)



## Preparing for success with a strategic approach to business and corporate development.

Fell Tech has grown significantly in both number employees, business areas, technological refinement and overall complexity in 2023.

Wanting to not only stay on top of all the processes in such complex and rapidly evolving organization, but also aiming to develop and expand it further requires a strong strategic framework and organized approach to the way we do things.

2023 has in many ways been a year in which we have redefined our approach to not only doing business, but also professionalized and solidified how we strategically develop our businesses and organization.

This work has spun across every aspect of business and corporate development from a “tactical” level all the way up to almost philosophical work with our corporate strategy principles.

We have analyzed and strengthened our value creation process, created strong internal routines and tools for business development, implemented OKR tracking and laid out our approach to doing co-investment or M&A projects.

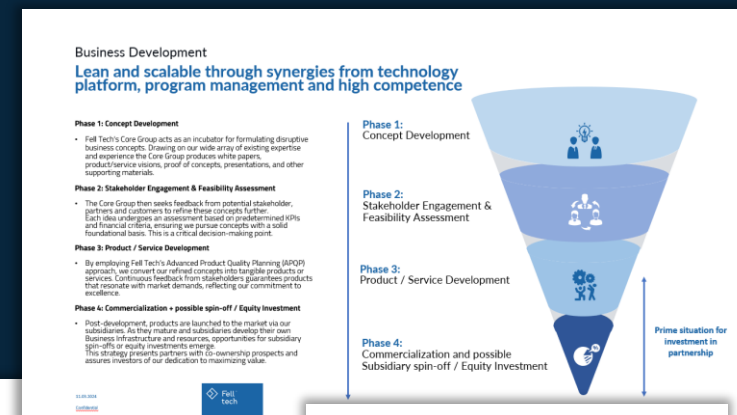
This work has resulted in a set of tangible and applied internal tools and mechanism for entering new markets, developing new business areas and corporate finance maneuvers on both a subsidiary and group level.

As result, we have built a common understanding of these principles for value creation internally, and developed a more confident approach to creating, or partaking in, new strategic initiatives in the markets and business areas which we operate or aim to operate in.

Fell Tech thus enters 2024 with clear and ambitious vision for future growth and corporate / organizational development, and a clear set of guidelines and tools to achieve these goals.

With this strong and flexible strategic framework to operate from, we aim to create new business opportunities, strengthen our existing business areas and create the operational and financial success attractive to both investors and partners alike.

In the coming year the foundation which we have laid in 2023 will play a major role in scaling our technology platform across new applications and markets and finding the right partners to achieve this success with.



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