

Q3 2021



Interim Financial Statements
for the period ended September 30

Fibo

This is Fibo Group

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

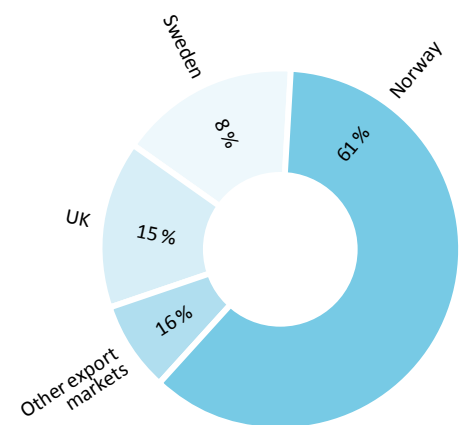
The cost-efficient solution is built in a quick and easy installation process and is sold throughout Europe as well as North America and Oceania representing an eco-friendly alternative to other materials. The solution, with its highly attractive assortment of designs, is well-suited across multiple use cases and caters to a versatile range of end markets including

renovation and/or construction of residential, commercial and public properties. With basis in an automated and digitalized production facility in Lyngdal, Norway with ample room to increase production volumes, the Company is ready to meet increasing demand fueled by strong secular trends promoting cost-efficient and eco-friendly solutions.

Fibo Group main markets

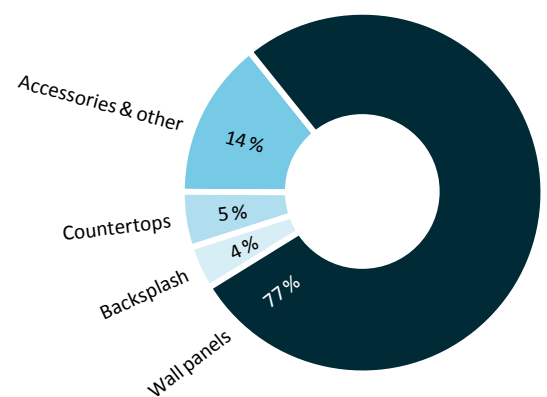


Geographical revenue distribution



Net sales YTD 30.09.2021

Revenue per product



Revenue YTD 30.09.2021

Number of employees 141

Number of legal units incl. parent company 7

Number of markets where Fibo is established 4

A SMART WAY TO TRANSFORM WALLS

Fibo is a leading supplier of high-quality, waterproof wall solutions — eliminating the need for a separate membrane layer. Our wall solutions are easier to install, more affordable and represent a more environmentally friendly alternative to ceramic tiles.



Highlights

Executive Summary – Continued Growth and Margin Expansion, Fueled by International Markets

In the third quarter of 2021, Net Sales grew by 11% year-on-year (YoY) and EBITDA¹ by 25%. The EBITDA margin ended at 13% compared to 11% in Q3-20, an improvement achieved through sales growth and margin expansion from long term efficiency initiatives. LTM EBITDA continues to grow, reaching NOKm 107 at the end of the quarter.

Domestic Net sales was affected by a general slowdown in the building material market through the period, while international markets remain on a strong growth trajectory. International growth is spearheaded by UK, delivering all-time-high results for several consecutive periods.

The financial position at the end of the quarter is strong. A robust revenue growth, expanding margins and an attractive cash conversion contributes to a significant deleveraging. The reported Leverage Ratio as of 30.09.2021 is 1.4 (2.5 in 2020) and the Cash Cover Ratio is 11.6 (8.3 in 2020).

Sales

Net Sales for the quarter reached NOKm 155, compared to NOKm 140 last year, which represents a YoY growth of 11.2%. Net Sales in the first nine months reached NOKm 548, compared to NOKm 481 last year, which corresponds to a growth rate of 14.1%.

The strong increase in net sales is primarily driven by volume growth across geographies, coupled with a positive price and product mix effect from increased international sales. While Norwegian sales were down by 4.5% due to a generally weak market, international sales continued the steady growth from previous

quarters and reached a 42% YoY increase in the third quarter. UK benefits from a very strong traction in the B2B market, as the construction industry has regained its confidence following Brexit and the Covid-19 pandemic.

EBITDA

Q3-21 EBITDA ended at NOKm 20 (13%) compared to NOKm 16 (11%) in Q3-20. Year-to-date EBITDA reached NOKm 86 (16%) compared to NOKm 59 (12%) last year. The significant YoY margin improvement is a result of a boost in international sales, driving a higher average price per sq.m. sold, coupled with multiple successful cost-cutting initiatives and a scalable operational base. After being muted by a weak Norwegian currency during the last years, the impact of these margin expanding initiatives is now emerging with the appreciation of the Norwegian currency.

As a response to increasing costs of raw materials during the last year's turmoil in the commodities markets, Fibro has announced price increases effective from Q4-21.

1) EBITDA presented is excl. Non-Recurring items. Please see note 6 for details on how this number is calculated.

Third Quarter 2021

SALES
Growth

+11.2%

EBITDA
Growth

+24.5%

EBITDA
Margin

12.7%

CASH
Conversions

93.5%

Year to Date 2021

SALES
Growth

+14.1%

EBITDA
Growth

+63.0%

EBITDA
Margin

15.6%

CASH
Conversions

98.2%

Group key figures

NOKm	Q321	Adjusted Q320	Adjusted YTD21	Adjusted YTD20	Adjusted LTM	Adjusted FY20
Net Sales	155.4	139.7	548.2	480.5	720.9	653.1
Contribution Margin I	58.6	48.8	210.1	169.3	269.2	228.5
Contribution Margin I %	37.7%	34.9%	38.3%	35.2%	37.3%	35.0%
EBITDA excluding Non-Recurring Items *	19.7	15.9	85.6	58.9	106.5	79.8
EBITDA %	12.7%	11.3%	15.6%	12.3%	14.8%	12.2%
EBIT excluding Non-Recurring Items	14.5	10.5	69.6	42.7	85.3	58.4
EBIT %	9.3%	7.5%	12.7%	8.9%	11.8%	8.9%
Non-Recurring Items	1.0	-	12.4	-2.9	13.5	-1.8
Gross Debt	250.0	250.0	250.0	250.0	250.0	250.0
Net Debt	133.9	166.6	133.9	166.6	133.9	164.6
Leverage Ratio	1.4	2.5	1.4	2.5	1.4	2.3
Cash Cover Ratio	11.6	8.3	11.6	8.3	11.6	8.5
Cash Position	116.1	83.0	116.1	83.0	116.1	85.0

* EBITDA presented is excluding non-recurring items, IFRS 16 adjustments and is including reversal av accruals — normalization adjustments.

DOMESTIC Q3 Sales growth

-4.5%

INTERNATIONAL Q3 Sales growth

+42.0%

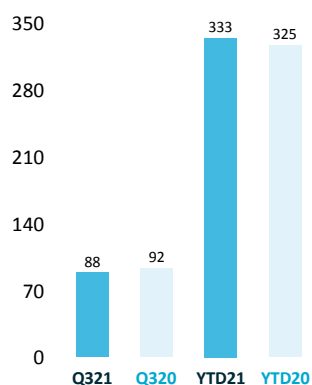
NET DEBT Q3 NOKm

134

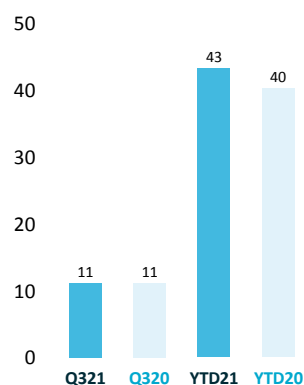
LEVERAGE Q3 Ratio

1.4

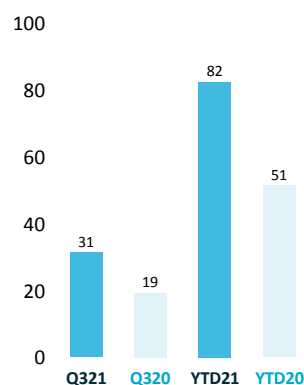
Norway NOKm



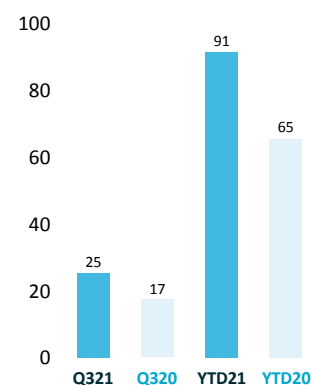
Sweden NOKm



UK NOKm



Other export markets NOKm



Consolidated income statement

NOK 1000	Note	Q321	Q320	YTD21	YTD20	FY20
Revenue	2,3	155 354	139 703	548 301	480 463	653 148
Total revenue		155 354	139 703	548 301	480 463	653 148
Raw materials and consumables used		78 294	75 169	274 529	253 550	346 563
Salary and personnel costs		23 195	19 056	79 789	71 274	98 854
Depreciation and amortization		6 910	7 043	20 926	21 141	27 983
Other operating expenses		32 159	26 746	107 668	86 270	121 190
Total operating costs		140 558	128 014	482 912	432 235	594 590
Net profit (loss) before gains and losses and financial items		14 796	11 689	65 389	48 228	58 558
Other gains and (losses) net		-401	583	2 528	119	5 408
Net profit (loss) before financial items		14 395	12 273	67 917	48 347	63 966
Finance income		27	27	169	98	116
Finance expense		-9 905	-10 518	-31 611	-33 975	-44 716
Net finance		-9 879	-10 492	-31 442	-33 877	-44 600
Net profit (loss)	6	4 517	1 781	36 475	14 470	19 366
Income tax expense		857	162	8 024	3 062	4 131
Net profit (loss) after tax		3 659	1 618	28 450	11 408	15 235

Consolidated statement of comprehensive income

NOK 1000	Q321	Q320	YTD21	YTD20	FY20
Net profit (loss) after tax	3 659	1 618	28 450	11 408	15 235
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit and loss</i>					
Actuarial gains (losses) on defined benefit pension plans	-	-	-	422	422
Tax related to items which will not be reclassified	-	-	-	-105	-105
<i>Other comprehensive income to be reclassified to profit and loss in subsequent periods</i>					
Exchange differences	-48	367	-445	1 400	1 310
Net other comprehensive income	-48	367	-445	1 717	1 627
Total comprehensive income/(loss) for the year	3 611	1 985	28 005	13 125	16 862
Attributable to					
Equity holders of the parent	3 611	1 985	28 005	13 125	16 862

Consolidated statement of financial position

NOK 1000	Note	30.09.2021	30.09.2020	31.12.2020
ASSETS				
Non-current assets				
Plant, machinery and equipment		81 781	94 348	92 540
Intangible assets		412 961	417 950	416 535
Right-of-use asset		74 358	80 967	79 313
Other non-current assets		4 507	719	2 543
Total non-current assets		573 607	593 984	590 931
Current assets				
Inventories		74 963	72 674	80 375
Accounts receivable		53 026	18 492	42 628
Other current assets		4 835	2 621	8 121
Receivable from parent company		1 000	–	–
Cash and cash equivalents		116 129	83 386	85 362
Total current assets		249 952	177 174	216 486
Total assets		823 559	771 157	807 418
EQUITY AND LIABILITIES				
Equity				
Paid in capital				
Share capital		32 829	32 829	32 829
Share premium account		271 101	271 101	271 101
Total paid in capital		303 930	303 930	303 930
Other equity				
Retained earnings		23 675	-6 508	-2 771
Total other equity		23 675	-6 508	-2 771
Total equity		327 605	297 422	301 159
Non-current liabilities				
Pension obligation		4 464	1 566	2 519
Deferred tax liabilities		36 014	33 401	38 154
Interest-bearing loans and borrowings, non-current	4	–	244 135	245 183
Leasing liabilities, non-current		75 256	79 029	78 128
Total non-current liabilities		115 733	358 131	362 164
Current liabilities				
Interest-bearing loans and borrowings, current	4	248 073	–	–
Leasing liabilities, current		12 093	12 003	12 025
Accounts payable and other current liabilities		110 287	99 880	130 250
Current income taxes payable		9 768	3 721	–
Total current liabilities		380 221	115 604	142 275
Total liabilities		495 955	473 735	506 258
Total equity and liabilities		823 559	771 157	807 418

Statement of changes in equity

NOK 1000	Attributable to parent company equity holders					Total equity
	Paid in		Other equity			
	Share capital	Share premium	Translation reserves	Actuar gains and losses	Accumulated losses	
EQUITY AS AT 01.01.2020	32 829	271 101	-411	-4 351	-14 871	284 297
Total comprehensive income						
Net profit for the period					15 235	15 235
Other comprehensive income net of tax			1 310	317		1 627
Total comprehensive income	–	–	1 310	317	15 235	16 862
EQUITY AS AT 31.12.2020	32 829	271 101	899	-4 034	364	301 159
Total comprehensive income						
Net profit for the period					28 450	28 450
Other comprehensive income net of tax			-445			-445
Total comprehensive income	–	–	-445	–	28 450	28 005
Transactions with owners of the company						
Group contribution to parent entity					-1 560	-1 560
Total transactions with owners of the company	–	–	–	–	-1 560	-1 560
EQUITY AS AT 30.09.2021	32 829	271 101	454	-4 034	27 254	327 605

Consolidated cash flow statement

NOK 1000	Q321	Q320	YTD21	YTD20	FY20
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	4 517	1 781	36 475	14 470	19 367
Adjustments for:					
– Pensions paid	–	–	–	-1 096	-1 096
– Income taxes paid	-395	-135	-395	-495	-936
– Depreciation and amortization	6 910	7 043	20 926	21 141	27 983
– Net finance and other gains and losses	10 279	9 909	28 914	33 758	39 192
Changes in working capital	-5 684	-12 436	-22 680	33 755	25 298
Net cash flow from operating activities	15 626	6 161	63 239	101 533	109 808
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant, equipment and intangibles	-1 288	-507	-1 570	-2 862	-4 343
Other non-current assets	–	–	–	-3 039	-3 039
Interest received	169	–	169	–	116
Net cash flow used in investing activities	-1 119	-507	-1 401	-5 901	-7 266
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of lease liabilities	-3 003	-2 981	-9 015	-8 949	-11 935
Interest and other financial expenses paid	-4 844	-7 114	-22 175	-23 778	-31 657
Group contribution paid to parent company	-2 000	–	-2 000	–	–
Net cash flow from financing activities	-9 847	-10 095	-33 190	-32 727	-43 592
Net currency translation effect on bank accounts	451	-501	2 118	-6 212	-282
Net increase/(decrease) cash and cash equivalents	5 112	-4 942	30 767	56 693	58 668
Cash and cash equivalents at beginning of period	111 017	88 328	85 362	26 693	26 693
Cash and cash equivalents at end of period	116 128	83 386	116 128	83 386	85 361

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for nine months ending 30 September 2021 were approved by the Board of Directors on XX.11.2021.

The company is a limited liability company, incorporated in Norway, with corporate headquarters in Oslo. The address of its registered office is Karenslyst Alle 53, 0279 Oslo. Fibo Group AS ('the Company') and its subsidiaries (together, 'the Group') is in the business of development, production, marketing and sale of wall panels and other laminated products. The production is carried out in Lyngdal, Norway. The Group has sale offices in Sweden, Finland and UK in addition to Norway.

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement, and should be read in accordance with the Group's Annual Report for 2020, which has been prepared according to IFRS as

adopted by EU. There are no changes in accounting policy effective from 1 January 2021 that have impact on the Group accounts.

In the interim financial statements for 2021, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2021 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2020.

The Board confirms that these interim financial statements have been prepared on a going concern basis. The carrying amounts of Financial assets and Financial liabilities recognized in the Consolidated statement of financial position approximate their fair values, according to Management's assessment.

NOTE 2 OPERATING SEGMENT INFORMATION

NOK 1000	Norway	Export	Total segments	Elimination and group items	Consolidated
YTD21					
Revenue					
External customers	332 700	215 900	548 600	–	548 600
Intersegment	87 798	–	87 798	-87 798	–
Total revenue	420 498	215 900	636 398	-87 798	548 600
Segment EBITDA	78 894	32 097	110 991	-24 676	86 315
Depreciation and amortization	20 133	242	20 375	551	20 926
Segment EBIT	58 761	31 855	90 616	-25 227	65 389
YTD20					
Revenue					
External customers	325 351	155 112	480 463	–	480 463
Intersegment	61 062	–	61 062	-61 062	–
Total revenue	386 413	155 112	541 525	-61 062	480 463
Segment EBITDA	66 658	14 746	81 404	-12 035	69 369
Depreciation and amortization	20 132	146	20 278	863	21 141
Segment EBIT	46 526	14 600	61 126	-12 898	48 228
FY20					
Revenue					
External customers	432 850	220 298	653 148	–	653 148
Intersegment	110 890	–	110 890	-110 890	–
Total revenue	543 740	220 298	764 038	-110 890	653 148
Segment EBITDA	66 060	25 147	91 207	-4 666	86 541
Depreciation and amortization	26 507	334	26 841	1 142	27 983
Segment EBIT	39 553	24 813	64 366	-5 808	58 558

NOTE 3 SEASONALITY OF OPERATIONS

Due to the seasonal nature of the Norway segment, higher revenues and operating profits are usually expected in the first quarter of the year. Other export markets segment seasonality is more evenly spread across the year.

NOTE 4 BORROWING

In 2019 the Group issued Senior secured bonds. The bonds are repayable after 3 years. The Group has pledged all material assets including, but not limited to, shares in subsidiaries, intra-group loan assignments, fixed assets, inventory, account receivables and bank accounts.

The carrying amount of the senior secured bond loans as at 30 September 2021 is NOKm 248, consisting of a face value loan of NOKm 250, reduced with capitalized costs of NOKm 1.9. The corresponding amounts for the interest-bearing bond loans as at 30 September 2020 are NOKm 244 face value of NOKm 250 and capitalized cost of NOKm 5.9.

The loans are subject to covenant restrictions and the most important being the ratio of net debt to EBITDA.

NOTE 5 RELATED PARTY TRANSACTION

As previously disclosed, the Company, together with its owner Fibo Holding AS, has run a process to evaluate strategic alternatives for the Fibo Group. Based on this evaluation, the Company and its owner have decided to initiate a refinancing of its existing NOK 250m bond. In connection with the refinancing, Fibo Group has mandated ABG Sundal Collier ASA and Carnegie AS to arrange a series of fixed income investor meetings. Subject to inter alia market conditions, a senior secured bond issue may follow.

NOTE 6 ALTERNATIVE PERFORMANCE MEASURES

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. Additionally, it is management's intent to provide alternative performance measures

that are regularly reviewed by management to enhance the understanding of Fibo's performance.

FIBO uses NGAAP EBITDA excluding Non-Recurring items as alternative performance measure (APM).

RECONCILIATION FROM NET PROFIT (LOSS) TO NGAAP EBITDA EXCL. NON-RECURRING ITEMS

NOK 1000	Q321	Q320	YTD21	YTD20
Net Profit (loss)	4 517	1 781	36 475	14 470
Reported EBITDA excl. Non-recurring Items	19 734	15 853	85 583	58 900
Difference	-15 217	-14 073	-49 108	-44 430
IFRS 16 adjustments for the period	687	830	2 125	2 493
Normalization adjustments for the period	–	105	-4 145	1 376
Non recurring Items for the period	1 034	–	12 431	-2 895
Depreciation and amortization excl. IFRS 16	5 258	5 391	15 969	16 184
Other gains and (losses) net	401	-583	-2 528	-119
Net finance excl. IFRS 16	7 837	8 330	25 257	27 391
Total difference explained	15 217	14 073	49 108	44 430

IFRS 16 ADJUSTMENTS FOR THE PERIOD

NOK 1000	Q321	Q320	YTD21	YTD20
Net profit (loss)	4 517	1 781	36 475	14 470
IFRS 16 - Reversal of rent cost from operating expenses	-3 006	-2 984	-9 018	-8 949
IFRS 16 - Depreciation	1 652	1 652	4 957	4 956
IFRS 16 - Interest cost on leasing liability	2 040	2 162	6 186	6 486
Net profit (loss) excl. IFRS 16 adjustment	5 203	2 611	38 599	16 963
Net Effect of IFRS 16 for the period	-687	-830	-2 125	-2 493

NOTE 7 RECLASSIFICATION

A factoring agreement with Avida is in place for Fibo AS and Fibo AB, entered in 2019. The agreement involves ongoing invoice purchase of the whole ledger. Bonus and marketing support provisions were previously reported net of trade receivables. The company has considered, that more accurate

presentation of the bonus and marketing support provisions at the end of the reporting period is to be reported as part of accounts payable and other current liabilities. Comparative figures for 2020 have been reclassified to conform to the current year presentation.

Definitions and calendar

Alternative performance measures and other definitions

Cash Cover Ratio

Cash and cash equivalents divided on minimum cash position of NOKm 10 per quarter.

Contribution Margin

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

EBIT

Earnings before interest and tax.

EBITDA

Earnings before interest, tax, depreciations and amortization.

EBITDA Margin

EBITDA presented is excluding Non-Recurring items and IFRS 16

Non-Recurring Items

Items that are unusual or infrequent in their nature.

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

Leverage Ratio

Net Debts divided on EBITDA excluding Non-Recurring Items.

LTM / Trailing twelve months

The time period refers to the most recently completed 12 month period.

Net Debt

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

Net Financial Items

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

Net Sales

Sales Net of VAT, discounts and sales bonuses.

Financial calendar for 2021

Interim Report

Q4 2021 no later than February 28, 2022

Q3 2021

For more information please contact

Per Richard Olsen
pol@fibosystem.com
fiboinvestor.com

Fibo Group AS
Karenslyst Allé 53
0279 Oslo
Norway

