

Q3
2022



This is Fibo Group

Fibo Group is the global leader offering a waterproof and premium quality solution for wet room walls pioneered through 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



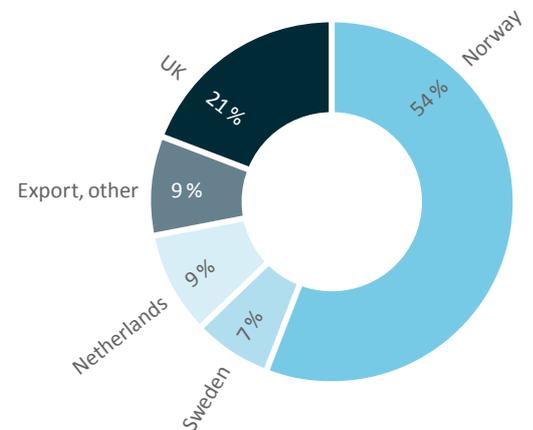
Number of employees **143**

Number of legal units incl. parent company **7**

Number of markets where Fibo is established **4**

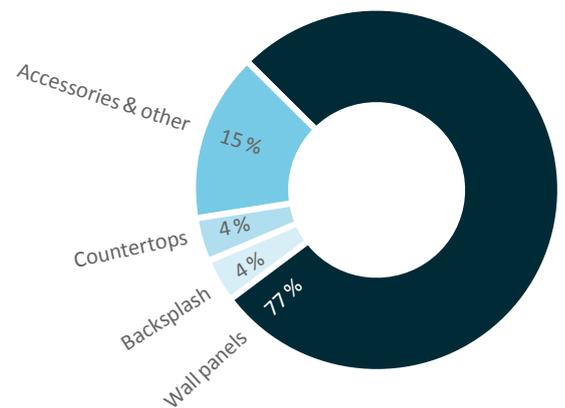
Geographical revenue distribution

Net Sales YTD 30.09.2022



Revenue by product

Net Sales YTD 30.09.2022 (excluding UK)



A dark, textured surface, possibly a wall or ceiling, with numerous water droplets of varying sizes scattered across it. In the upper right background, a circular metallic object, likely a light fixture or vent, is visible but out of focus. The overall lighting is dim, creating a moody and industrial atmosphere.

COMMITTED TO PRODUCING SUSTAINABLE ECO-FRIENDLY PRODUCTS

Fibo is a leading supplier of high-quality, waterproof solutions. We carefully select suppliers that comply with strict recycling requirements, and our eco-friendly wall systems are made from PEFC-certified wood.

Highlights

Executive Summary — Continued sales growth despite challenging markets

In the third quarter of 2022, Net Sales grew by 4% and EBITDA¹⁾ declined by 65% year-on-year (YoY). There has been a continued good order intake but delays in supply chain has driven a higher backlog of orders. Cost increases in supply chain have occurred before price increases have been implemented, which is affecting margins negatively.

Strong growth trajectory in international markets contributed to overall positive development in Net Sales for the quarter and year to date, while domestic Net Sales were behind last year.

The financial position at the end of the quarter is strong. In January 2022, Fibo Group AS refinanced its loans by successfully completing a NOKm 500 senior secured bond issue. Revenue growth and an attractive cash conversion is expected to contribute to continued deleveraging, despite increased Leverage Ratio at the end of the quarter of 4.7 (3.8 in Q222).

The underlying volume development in received orders was positive compared to last year, however, unexpected changes to the European supply chain in the building materials segment following the Russian invasion of Ukraine led to some delays in production and delivery. Consequently, Fibo has a large backlog of orders that has not yet been converted to revenue per end of Q3 and as this backlog is mostly on historical price levels Fibo is affected by a combination of historical selling prices and increased material costs which temporary reduces margin in Q3.

Sales

Net Sales for Q322 reached NOKm 161.9, compared to NOKm 155.8 in Q321, representing a YoY growth of 4%.

While Norwegian sales were down by 7% due to delays in production and deliveries, international sales continued to grow and reached a 19% Year-on-Year (YoY) increase in the third quarter. International growth is spearheaded by UK, delivering high results for several consecutive periods and growing 25% YoY.

Net Sales in the first nine months reached NOKm 574.8 compared to NOKm 546.7 last year, which corresponds to a growth rate of 5%.

EBITDA

EBITDA¹⁾ in the third quarter of 2022 ended at NOKm 8.5 (5.3%) compared to NOKm 24.2 (15.5%) in Q321, a 65% reduction in profitability.

Year-to-date EBITDA reached NOKm 76.5 (13.3%) compared to NOKm 94.3 (17.2%) last year.

Lower profitability can be explained by unexpected changes to raw material prices and associated changes to logistics and production.

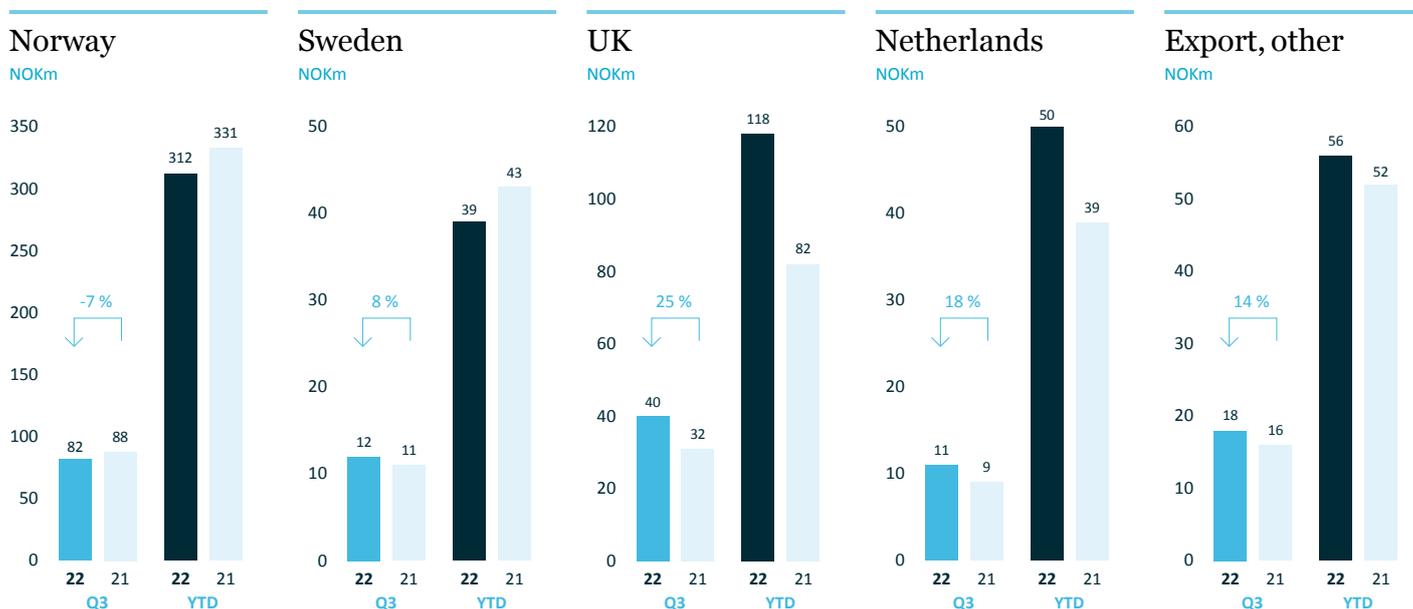
1) EBITDA presented is excluding non-recurring items and including IFRS 16



Group key figures

NOKm / %	Q322	Q321	YTD22	YTD21	LTM Q322	2021
CONSOLIDATED INCOME STATEMENT						
Net sales	161.9	155.8	574.8	546.7	751.0	723.1
Net sales growth	4.0 %	11.5 %	5.1 %	14.1 %	4.2 %	11.0 %
Contribution margin	45.1	58.7	202.6	208.4	273.0	278.9
Contribution margin %	27.8 %	37.7 %	35.2 %	38.1 %	36.4 %	38.6 %
EBITDA excluding non-recurring Items *)	8.5	24.2	76.5	94.3	100.4	118.1
EBITDA %	5.3 %	15.5 %	13.3 %	17.2 %	13.4 %	16.3 %
Non-recurring items and normalization adjustment	2.9	1.0	10.2	12.4	15.8	13.6
CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION						
Gross debt	584.8	337.3	584.8	337.3	584.8	336.4
Cash and cash equivalents	108.4	116.1	108.4	116.1	108.4	113.0
Net debt	476.4	221.2	476.4	221.2	476.4	223.4
Leverage ratio	4.7	2.0	4.7	2.0	4.7	1.9

*) EBITDA presented is excluding non-recurring items and including IFRS 16.



Consolidated income statement

NOK 1000	Note	Q322	Q321	YTD22	YTD21	2021
CONTINUING OPERATIONS						
Revenue	2	161 931	155 760	574 769	546 736	722 954
Total revenue		161 931	155 760	574 769	546 736	722 954
Raw materials and consumables used		96 968	78 294	303 337	274 529	361 437
Salary and personnel costs		24 367	23 195	85 164	79 789	113 230
Depreciation and amortization		6 777	6 910	20 302	20 926	26 963
Other operating expenses		35 007	32 159	119 938	107 668	145 337
Total operating costs		163 118	140 558	528 742	482 912	646 967
Net profit (loss) before gains and losses and financial items		-1 187	15 202	46 027	63 824	75 988
Other gains and (losses) net		-118	-401	462	2 528	2 630
Net profit (loss) before financial items		-1 305	14 801	46 489	66 352	78 618
Finance income		133	27	302	169	188
Finance expense		-14 185	-9 905	-46 956	-31 611	-41 781
Net finance		-14 052	-9 879	-46 654	-31 442	-41 593
Net profit (loss) before tax		-15 357	4 923	-165	34 910	37 025
Income tax expense		-3 379	857	-36	8 024	8 447
Net profit (loss) after tax		-11 980	4 065	-130	26 886	28 577

Consolidated statement of comprehensive income

NOK 1000	Q322	Q321	YTD22	YTD21	2021
Net profit (loss) after tax	-11 980	4 065	-130	26 886	28 577
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit and loss</i>					
Actuarial gains (losses) on defined benefit pension plans	0	0	0	0	0
Tax related to items which will not be reclassified	0	0	0	0	0
	0	0	0	0	0
<i>Other comprehensive income to be reclassified to profit and loss in subsequent periods</i>					
Exchange differences	-146	-48	471	-445	-507
Net other comprehensive income	-146	-48	471	-445	-507
Total comprehensive income/(loss) for the year	-12 126	4 017	341	26 441	28 070
Attributable to					
Equity holders of the parent	-12 126	4 017	341	26 441	28 070

Consolidated statement of financial position

NOK 1000	30.09.22	30.09.21	31.12.21
ASSETS			
Non-current assets			
Plant, machinery and equipment	74 103	81 781	80 733
Intangible assets	408 573	412 961	411 795
Right-of-use asset	69 328	74 358	72 706
Other non-current assets	4 473	4 507	4 943
Total non-current assets	556 477	573 607	570 177
Current assets			
Inventories	107 438	74 963	83 176
Accounts receivable	53 496	53 026	54 267
Other current assets	5 487	4 835	6 463
Receivable from parent company	–	1 000	1 000
Cash and cash equivalents	108 356	116 129	112 967
Total current assets	274 777	249 952	257 873
Total assets	831 254	823 559	828 051
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	32 829	32 829	32 829
Share premium account	12 677	271 101	271 101
Total paid in capital	45 506	303 930	303 930
Other equity			
Retained earnings	19 949	23 675	23 739
Total other equity	19 949	23 675	23 739
Total equity	65 455	327 605	327 669
Non-current liabilities			
Pension obligation	4 454	4 464	4 900
Deferred tax liabilities	37 411	36 014	37 885
Interest-bearing loans and borrowings, non-current	491 736	–	–
Leasing liabilities, non-current	71 908	75 256	74 245
Total non-current liabilities	605 509	115 733	117 029
Current liabilities			
Interest-bearing loans and borrowings, current	–	248 073	249 037
Leasing liabilities, current	12 875	12 093	12 116
Accounts payable and other current liabilities	141 141	110 287	113 851
Current income taxes payable	6 275	9 768	8 351
Total current liabilities	160 290	380 221	383 354
Total liabilities	765 799	495 955	500 383
Total equity and liabilities	831 254	823 559	828 051

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	Actuarial gains and losses	Accumulated loss		
2021							
Equity as at 01.01.2021	32 829	271 101	899	-4 034	364	301 159	
Net profit for the period					28 577	28 577	
Other comprehensive income net of tax			-507	4 034	-4 034	-507	
Total comprehensive income	-	-	-507	4 034	24 543	28 070	
Transactions with owners of the company							
Issuance of group contribution					-1 560	-1 560	
Total transactions with owners of the company	-	-	-	-	-1 560	-1 560	
YTD22							
Equity as at 01.01.2022	32 829	271 101	392	-	23 347	327 669	
Net profit for the period					-130	-130	
Other comprehensive income net of tax			471		-	471	
Total comprehensive income	-	-	471	-	-130	341	
Transactions with owners of the company							
Dividends		-255 000				-255 000	
Capital reduction	-	-2 984				-2 984	
Issuance of group contribution					-4 571	-4 571	
Total transactions with owners of the company	-	-257 984	-	-	-4 571	-262 555	
Equity as at 30.9.2022	32 829	13 117	863	-	18 646	65 455	
YTD21							
Equity as at 01.01.2021	32 829	271 101	899	-4 034	364	301 159	
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							
Issuance of group contribution					-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	Q322	Q321	YTD22	YTD21	2021
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	-15 358	4 923	-165	34 910	37 025
Adjustments for:					
— Income taxes paid	-979	-395	-2 514	-395	-365
— Depreciation and amortization	6 777	6 910	20 302	20 926	26 963
— Net finance and other gains and losses	14 170	10 279	46 192	28 914	38 963
Changes in working capital	-14 147	-6 091	-1 159	-21 116	-29 306
Net cash flow from operating activities	-9 537	15 626	62 656	63 239	73 280
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant, equipment and intangibles	-3 994	-1 288	-5 426	-1 570	-5 304
Interest received	133	169	302	169	188
Net cash flow used in investing activities	-3 860	-1 119	-5 123	-1 401	-5 116
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	0	0	500 000	0	0
Repayment of borrowings	0	0	-251 250	0	0
Payments of lease liabilities	-3 086	-3 003	-9 258	-9 015	-12 025
Capital reduction	-2 984	0	-2 984	0	0
Transaction cost related to borrowings	-625	0	-10 625	0	0
Interest and other financial expenses paid	-12 655	-4 844	-30 774	-22 175	-29 286
Group contribution paid to parent company	0	-2 000	0	-2 000	-2 000
Dividends paid to parent company	0	0	-255 000	0	0
Net cash flow from financing activities	-19 350	-9 847	-59 891	-33 190	-43 311
Net currency translation effect on bank accounts	-2 582	451	-2 253	2 118	2 752
Net increase/(decrease) in cash and cash equivalents	-35 329	5 112	-4 611	30 767	24 853
Cash and cash equivalents at beginning of period	143 685	111 017	112 967	85 362	85 362
Cash and cash equivalents at end of period	108 356	116 128	108 356	116 128	112 967

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for the quarter ended 30. september 2022 were approved by the Board of Directors on 28 november 2022. 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

2021, which has been prepared according to IFRS as adopted by EU. There are no changes in accounting policy effective from 1 January 2022 that have impact on the Group accounts.

In the interim financial statements for 2022, 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 2022 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 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 3 BORROWINGS

Fibo Group AS and its owner have in January 2022 successfully completed a NOK 500m senior secured bond issue with a tenor of 3 years and a coupon rate of 3m NIBOR + 6.00 % p.a. Settlement date was 28 January 2022 and the Bonds will apply for listing on Oslo Børs. The bondholders for the NOK 500m senior secured bond have a put option to realize the bond at 101 % in case of listing failure event. Management has assessed the likelihood for that to happen as insignificant. Net proceeds from the Bond Issue were partly applied towards the repayment of the existing

NOK 250m senior secured bond and partly allowing for distribution to the shareholder. The bonds are subject to Incurrence test (ratio of net debt to EBITDA) in case of tap issue or distribution to the shareholders.

The carrying amount of the senior secured bond loans as at 30 september 2022 is NOKm 491, consisting of a face value loan of NOKm 500, reduced with capitalized costs of NOKm 9.

NOTE 4 RELATED PARTY TRANSACTIONS

According to the resolution of the General Assembly meeting held on 4 February 2022 dividends of 255mNOK were declared and paid, from the 2020 profits on 14 February 2022. Further a capital reduction of 3 NOKm was adopted to be settled after the creditor period of 6 weeks is ended.

Definitions and calendar

Alternative performance measures and other definitions

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 including IFRS 16

Leverage ratio

Net debts divided on EBITDA excluding non-recurring items.

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.

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.

Financial calendar

Interim Reports

Q4 2022 no later than February 28, 2023

Q3 2022

For more information please contact

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