

Q3 2020

Interim Financial Statements

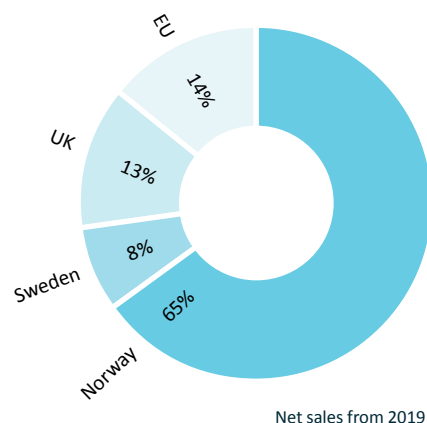
For the period ended September 30, 2020

Fibo

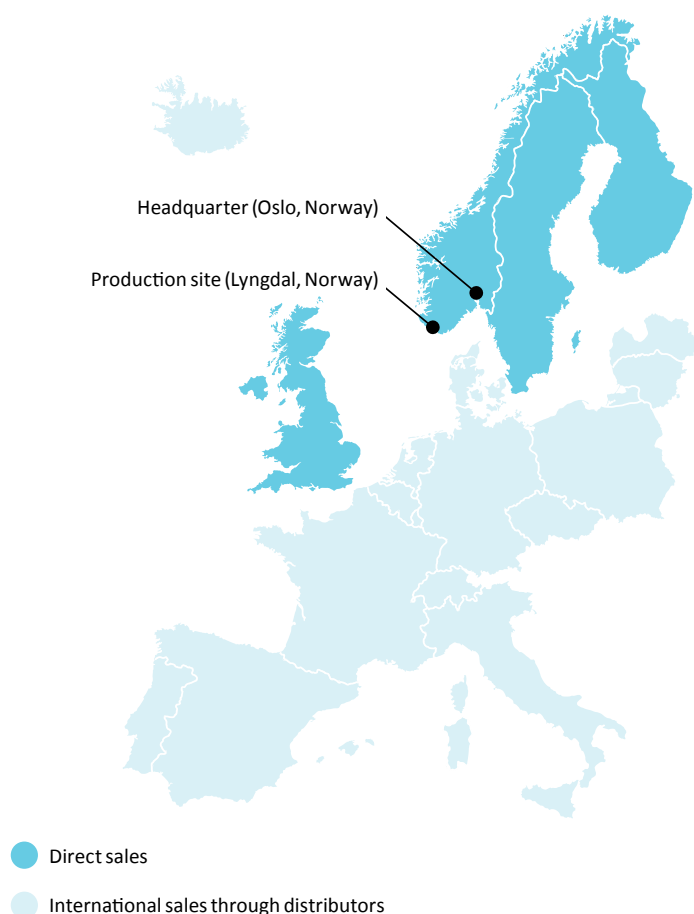
This is Fibo Group

Fibo Group is a leading global manufacturer of high-quality waterproof wall panel systems. Based in Lyngdal, Norway, the company serves residential and commercial customers across the new construction, repair and remodel, and manufactured housing markets throughout Scandinavia, Europe, New Zealand, Canada and North America.

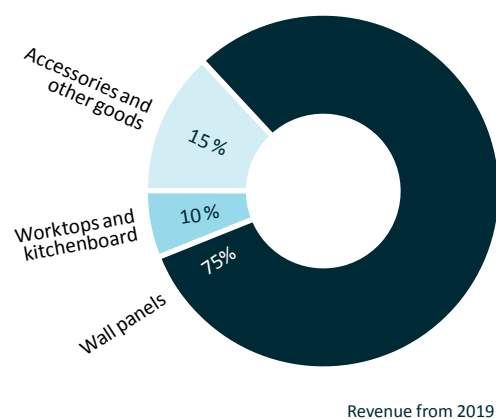
Geographical distribution of Net sales



Fibo Group main markets



Revenue per product group



Number of employees 139

Number of legal units incl. parent company 7

Number of markets where Fibo is established 4

A modern interior scene featuring a wall made of large, white, rectangular panels with thin grey grout lines. On the left, a dark grey console table holds several decorative items: a tall glass vase with a dried branch, a white ceramic vase, and a small white pot with a succulent. In the bottom right corner, a black-framed mirror leans against the wall, and a black pot with a green plant sits on the floor. The floor is a light, neutral color.

A SMART WAY TO TRANSFORM WALLS.

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

Highlights

Executive Summary — strong performance with EBITDA growth for the 3rd quarter in row

In the third quarter of 2020 Net Sales grew by 6 % and EBITDA¹ grew by 36 %. The EBITDA margin ended at 11 % compared to 9 % in Q3-19. The relative margin improvement year on year for the quarter is a result of higher sales volumes in combination with a continued strong cost control in light of Covid-19.

Like previous quarters, most Fibo markets are unaffected by Covid-19 in Q3-20. The ease of the lock-down and virus control measures in the UK resulted in sales coming back to Q3-19 levels. The return to a normalized market situation has taken more time than anticipated, but the market recovery for the UK is expected to continue into next quarter, seeing potential for growth year on year in Q4-20.

The Group has incurred losses from the adverse FX development as a result of Covid-19. Measures implemented from late March have however largely compensated for the losses, combined with higher average prices. In addition, there has been a positive FX effect from sales to international markets. Measures were eased during Q3-20, but contingency plans are in place should the need arise.

The financial position as at September 30 is satisfactory and the EBITDA growth this quarter leads to a continued deleveraging for the Group with a reported Leverage Ratio of 2,5 (3,9,1 in Q2-19).

The development over the coming months is still associated with some uncertainty and it is somewhat likely that Covid-19 will affect Fibo's business. This is due to the nature of the business with a large share of the sales for a given quarter being generated by projects won in previous quarters. Furthermore, Fibo is highly exposed to FX fluctuations and normalized levels is a prerequisite for maintaining margin levels both short term and long term. The magnitude and timing of such potential future impacts are difficult to predict at the current time and is also on the demand side dependent on stimulus packages from the governments across markets.

Third Quarter 2020

SALES
Growth

+5.6%

EBITDA
Growth

+35.9%

EBITDA
Margin

11.3%

CASH
Conversions

96.8%

Year to Date 2020

SALES
Growth

+3.7%

EBITDA
Growth

+26.2%

EBITDA
Margin

12.0%

CASH
Conversions

95.0%

1) EBITDA presented is excl. exceptional items and IFRS 16.
Please see page 12 for more details.

Third Quarter 2020

Net Sales for the quarter came in at NOKm 140 compared to NOKm 132 for Q2-19, which corresponds to a growth rate of 6 %. The Norwegian market grew by 4 % in Q3-20, while international sales grew by 8 % in the same period. Sales in both UK and Sweden are closely in line with Q3-19 while sales to other Export markets grew by 34 %. Domestic sales growth is driven by a strong project market in combination with better performance for other product groups than wall panels and higher average prices derived from product mix. For Export markets, sales growth is driven by an overall good performance among distributors mainly across Europe and selected distributors overseas.

EBITDA for the quarter came in at NOKm 16 (11 %) compared to NOKm 12 (9 %) in Q3-19. The relative margin improvement year on year for this quarter is mainly a result of higher sales volumes yielding positive effect on marginal cost in production in combination with Covid-19 measures. In addition, adverse impact from FX is partly offset by higher average prices and higher sales prices translated into NOK from international sales (SE, UK and Export markets). No exceptional items reported for the quarter.

Year to Date 2020

Net Sales year to date ended at NOKm 481 compared to NOKm 463 last year, which corresponds to a growth rate of 4 %. The growth is largely driven by a strong performance in Norway (NOKm 16 and +5 % growth) followed by Export markets (NOKm 10 and + 18 % growth) and Sweden (NOKm 2 and +6 % growth). The UK market is still behind last year's sales, particularly due to the lock-down. But, as sales continue to recover, the deviation is expected to be further reduced by year-end.

EBITDA ended at NOKm 58 (12 %) year to date compared to NOKm 46 (10 %) last year. The relative margin improvement year on year is a result of higher average prices (i.e. customer and product mix), improved production efficiency in combination with higher sales volumes boosting scale effects and last but not least the impact of Covid-19 measures implemented from end of March in Q1. This implies that the adverse impact from FX to a large extent has been absorbed year to date, particularly by the extraordinary cost measures.

Group key figures

NOKm	Q320	Q319	YTD20	YTD19	LTM	FY19
Net Sales	139.7	132.3	480.5	463.3	629.0	612.0
Contribution Margin I	48.8	45.5	169.3	160.3	220.6	211.6
Contribution Margin I %	34.9%	34.4%	35.2%	34.6%	35.1%	34.6%
EBITDA excluding Exceptional items	15.7	11.6	57.5	45.6	67.3	55.4
EBITDA %	11.3%	8.8%	12.0%	9.8%	10.7%	9.1%
EBIT excluding Exceptional Items	10.4	6.0	41.3	28.9	46.5	34.0
EBIT %	7.4%	4.5%	8.6%	6.2%	7.4%	5.6%
Exceptional Items	0.0	0.4	-2.9	2.0	-1.2	3.8
Gross Debt	250.0	250.0	250.0	250.0	250.0	250.0
Net Debt	166.6	201.3	166.6	201.3	166.6	223.3
Leverage Ratio	2.5	3.9	2.5	3.9	2.5	4.0
Cash Cover Ratio	8.3	4.9	8.3	4.9	8.3	2.7
Cash Position	83.4	48.8	83.4	48.8	83.4	26.7

DOMESTIC Q3 Sales growth

4.3%

INTERNATIONAL Q3 Sales growth

8.4%

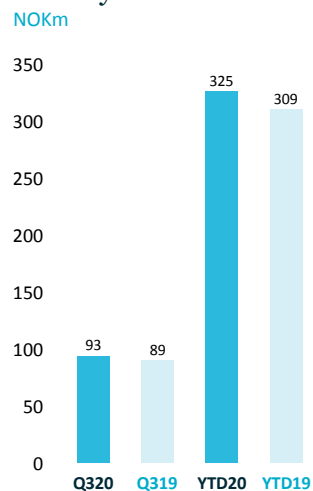
NET DEBT Q3 NOKm

167

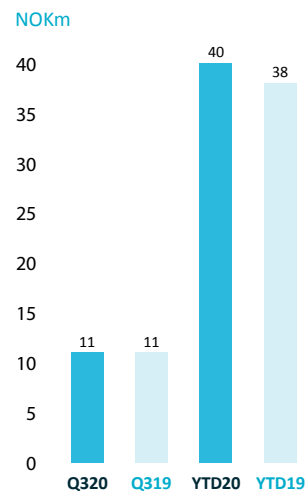
LEVERAGE Q3 Ratio

2.5

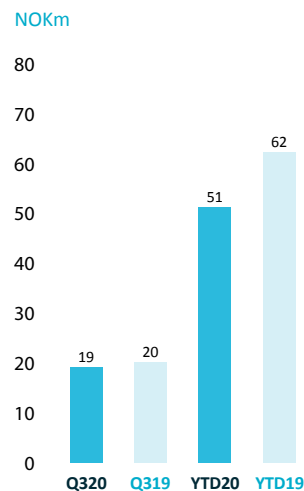
Norway



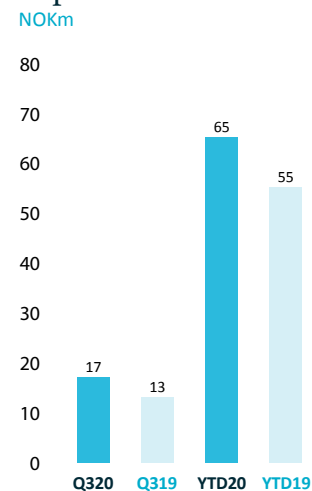
Sweden



UK



Export markets



Q3 2020

Interim Financial Statements

For the period ended September 30, 2020

Consolidated income statement

NOK 1000	Q320	Q319	YTD20	YTD19	FY19
Continuing operations					
Revenue	139 703	132 252	480 463	463 610	611 824
Total revenue	139 703	132 252	480 463	463 610	611 824
Raw materials and consumables used	75 169	70 603	253 550	243 909	319 475
Salary and personnel costs	19 056	21 276	71 274	76 050	104 320
Depreciation and amortization	7 043	7 237	21 141	21 675	28 001
Other operating expenses	26 746	26 243	86 270	91 204	124 532
Total operating costs	128 014	125 359	432 235	432 838	576 328
Net profit (loss) before gains and losses and financial	11 689	6 893	48 228	30 772	35 496
Other gains and (losses) net	583	-761	119	5 626	5 349
Net profit (loss) before financial items	12 273	6 132	48 347	36 398	40 845
Finance income	27	82	98	333	447
Finance expense	-10 518	-12 541	-33 975	-35 312	-46 975
Net finance	-10 492	-12 459	-33 877	-34 979	-46 528
Net profit (loss)	1 781	-6 327	14 470	1 419	-5 684
Income tax expense	162	-1 412	3 062	149	-1 313
Net profit (loss) after tax	1 618	-4 915	11 408	1 270	-4 371
Attributable to					
Equity holders of the parent	1 618	-4 915	11 408	1 270	-4 371
Earnings per share, ordinary and diluted	0.005	-0.016	0.038	0.004	-0.015

Consolidated statement of comprehensive income

NOK 1000	Q320	Q319	YTD20	YTD19	FY19
Net profit (loss) after tax	1 618	-4 915	11 408	1 270	-4 371
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit</i>					
Actuarial gains (losses) on defined benefit pension plans	0	0	421	0	-4 103
Tax related to items which will not be reclassified	0	0	-105	0	903
<i>Other comprehensive income to be reclassified to profit and loss in subsequent periods</i>					
Exchange differences	367	792	1 401	597	471
Net other comprehensive income	367	792	1 717	597	-2 729
Total comprehensive income/(loss) for the year	1 985	-4 123	13 125	1 867	-7 100
Attributable to					
Equity holders of the parent	1 985	-4 123	13 125	1 867	-7 100

Consolidated statement of financial position

NOK 1000	Q320	Q319	FY19
ASSETS			
Non-current assets			
Plant, machinery and equipment	94 348	103 381	104 274
Intangible assets	417 950	422 805	421 340
Right-of-use asset	80 967	87 576	85 923
Other non-current assets	719	495	506
Total non-current assets	593 984	614 258	612 042
Current assets			
Inventories	72 674	77 664	83 383
Accounts receivable	17 906	21 542	20 489
Other current assets	2 621	1 559	2 941
Cash and cash equivalents	83 386	48 750	26 693
Total current assets	176 588	149 515	133 506
Total assets	770 572	763 773	745 548
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	-6 508	-10 490	-19 633
Total other equity	-6 508	-10 490	-19 633
Total equity	297 422	293 440	284 297
Non-current liabilities			
Pension obligation	704	3 812	5 989
Deferred tax liabilities	33 401	35 806	34 124
Interest-bearing loans and borrowings, non-current	244 135	241 181	241 767
Leasing liabilities, non-current	79 029	82 424	81 620
Total non-current liabilities	357 270	363 223	363 500
Current liabilities			
Leasing liabilities, current	12 003	11 913	11 935
Loans and other current liabilities to parent company	0	1 884	0
Accounts payable and other current liabilities	100 156	92 906	85 347
Current income taxes payable	3 721	407	470
Total current liabilities	115 880	107 110	97 752
Total liabilities	473 150	470 333	461 251
Total equity and liabilities	770 572	763 773	745 548

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 1.1.2020	32 829	271 101	-411	-4 351	-14 871	284 297
Total comprehensive income						
Net profit for the period					11 408	11 408
Other comprehensive income net of tax			1 401	316		1 717
Total comprehensive income	0	0	1 401	316	11 408	13 125
Total transactions with owners of the company	0	0	0	0	0	0
EQUITY AS AT 30.9.2020	32 829	271 101	990	-4 035	-3 463	297 422
EQUITY AS AT 31.12 2018	29 845	268 335	-882	-1 151	-10 314	285 833
Net profit for the period					1 270	1 270
Other comprehensive income net of tax			597			597
Total comprehensive income			597	0	1 270	1 867
Transactions with owners of the company						
Issue share capital	2 984	2 766			-10	5 740
Total transactions with owners of the company	2 984	2 766	0	0	-10	5 740
EQUITY AS AT 30.9.2019	32 829	271 101	-285	-1 151	-9 054	293 440

Consolidated cash flow statement

NOK 1000	Q320	Q319	YTD20	YTD19	FY19
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	1 781	-6 327	14 470	1 420	-5 684
Adjustments for:					
- Pensions paid	0	0	-1 096	0	-2 373
- Income taxes paid	-135	-119	-495	-209	-1 059
- Depreciation and amortization	7 043	7 237	21 141	21 675	28 001
- Net finance and other gains and losses	9 909	13 220	33 758	29 443	41 180
Changes in working capital	-12 436	1 173	33 755	29 787	15 861
Net cash flow from operating activities	6 161	15 184	101 533	82 116	75 926
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant, equipment and intangibles	-507	-810	-2 862	-1 783	-2 805
Other non-current assets	0	0	-3 039	74	-472
Interest received	0	0	0	0	447
Net cash flow used in investing activities	-507	-810	-5 901	-1 709	-2 830
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity, net of transaction cost	0	0	0	5 740	5 740
Proceeds from borrowings	0	0	0	250 000	239 524
Repayment of borrowings	0	0	0	-258 053	-258 053
Payments of lease liabilities	-2 981	-2 963	-8 949	-11 646	-10 476
Transaction cost related to borrowings	0	-1 793	0	-7 722	-11 847
Interest and other financial expenses paid	-7 114	-9 060	-23 778	-21 598	-20 003
Net cash flow from financing activities	-10 095	-13 816	-32 727	-43 279	-55 115
Net currency translation effect on bank accounts	-501	118	-6 212	3 431	521
Net increase/(decrease) in cash and cash equivalents	-4 942	676	56 693	40 559	18 502
Cash and cash equivalents at beginning of period	88 328	47 956	26 693	8 191	8 191
Cash and cash equivalents at end of period	83 386	48 750	83 386	48 750	26 693

Revenue by jurisdiction

NOK 1000	Q320	Q319	YTD20	YTD19	FY19
Revenue Norway	92 474	88 693	325 351	309 437	405 898
Revenue UK	19 406	19 594	50 617	61 599	84 256
Revenue Sweden	11 040	11 402	39 705	37 506	46 956
Other EU markets	16 783	12 563	64 790	54 770	74 714
Total revenue	139 703	132 251	480 463	463 309	611 824
Revenue by product					
Wall panels and countertops	118 748	112 413	408 393	393 813	505 183
Other	20 955	19 838	72 069	69 496	106 641
Total revenue	139 703	132 251	480 463	463 309	611 824
Timing of revenue recognition					
Goods transferred at a point in time	139 703	132 251	480 463	463 309	611 824

Reconciliation between Net profit (loss) and EBITDA excl. exceptional items

NOK 1000	Q320	Q319	YTD20	YTD19
Net Profit (loss)	1 781	-6 327	14 470	1 420
Reported EBITDA excl. Exceptional Items	15 748	11 592	57 523	45 587
Difference	-13 968	-17 919	-43 054	-44 167
IFRS 16 adjustments for the quarter	830	980	2 493	2 936
Exceptional Items for the quarter	-	425	-2 895	2 025
Depreciation and amortization excl. IFRS 16	5 391	5 585	16 184	16 564
Other gains and (losses) net	-583	761	-119	-5 626
Net finance excl. IFRS 16	8 330	10 168	27 391	28 267
Total difference explained	13 968	17 919	43 054	44 167

IFRS 16 adjustment for the period

NOK 1000	Q320	Q319	YTD20	YTD19
Net profit (loss)	1 781	-6 327	14 470	1 420
IFRS 16 - Reversal of rent cost from operating expenses	-2 984	-2 963	-8 949	-8 893
IFRS 16 - Depreciation	1 652	1 652	4 956	4 956
IFRS 16 - Interest cost on leasing liability	2 162	2 291	6 486	6 873
Net profit (loss) excl. IFRS 16 adjustment	2 611	-5 347	16 963	4 356
Net Effect of IFRS 16 for the period	-830	-980	-2 493	-2 936

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 exceptional 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 excluding Exceptional Items divided on Net Sales.

Exceptional Items

Items that are unusual or infrequent in their nature.

Leverage Ratio

Net Debts divided on EBITDA excluding Exceptional 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.

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. This report has not been subject to audit.

Financial calendar for 2020/2021

Interim Report

Q4 2020 no later than February 28, 2021

Q1 2021 no later than May 31, 2021

Q2 2021 no later than August 31, 2021

For more information please contact

Martin Prytz
MPr@fibosystem.com
www.fiboinvestor.com

Fibo Group AS
Karenslyst Allé 8 B
0278 Oslo
Norway

Q3 2020