Q4 2021

Interim Financial Statements

for the period ended December 31

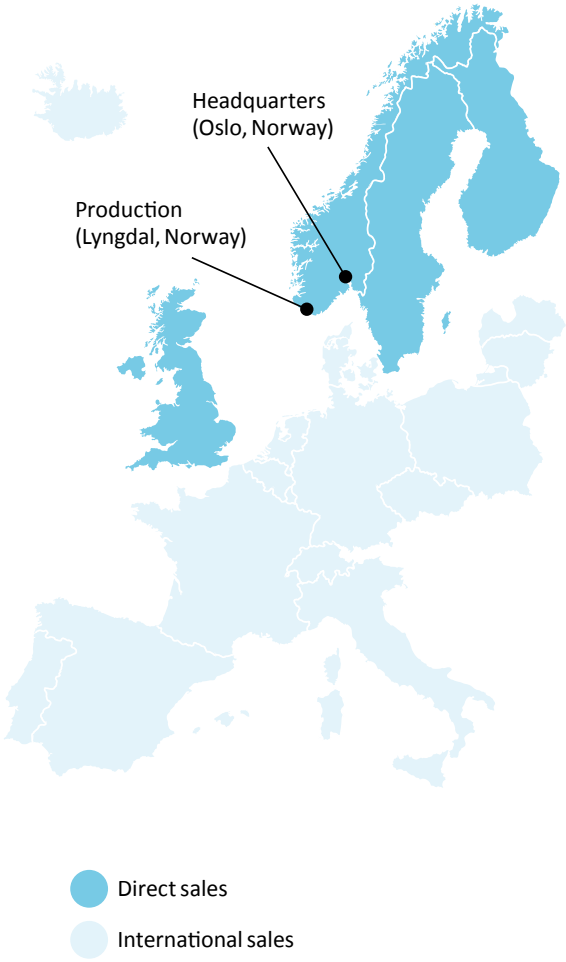
Fibo

This is Fibo Group

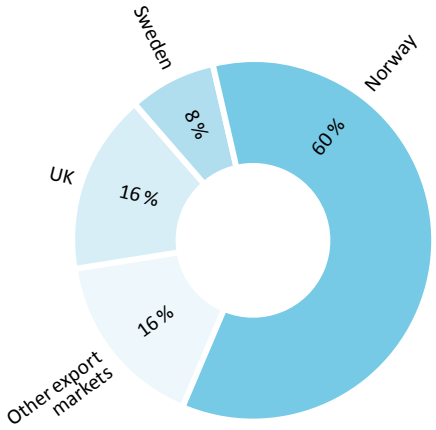
Fibo Group is the global leader offering a waterproof and premium quality solution for wet room walls pioneered through 70 years legacy of continuous development.

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

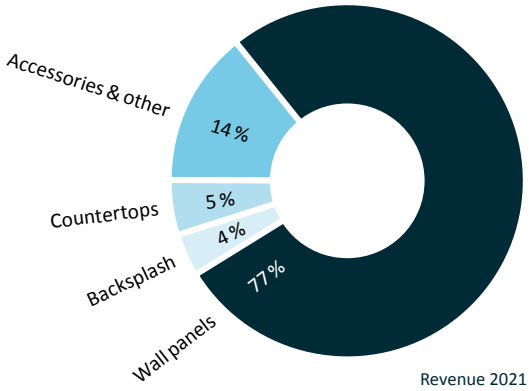


Geographical revenue distribution



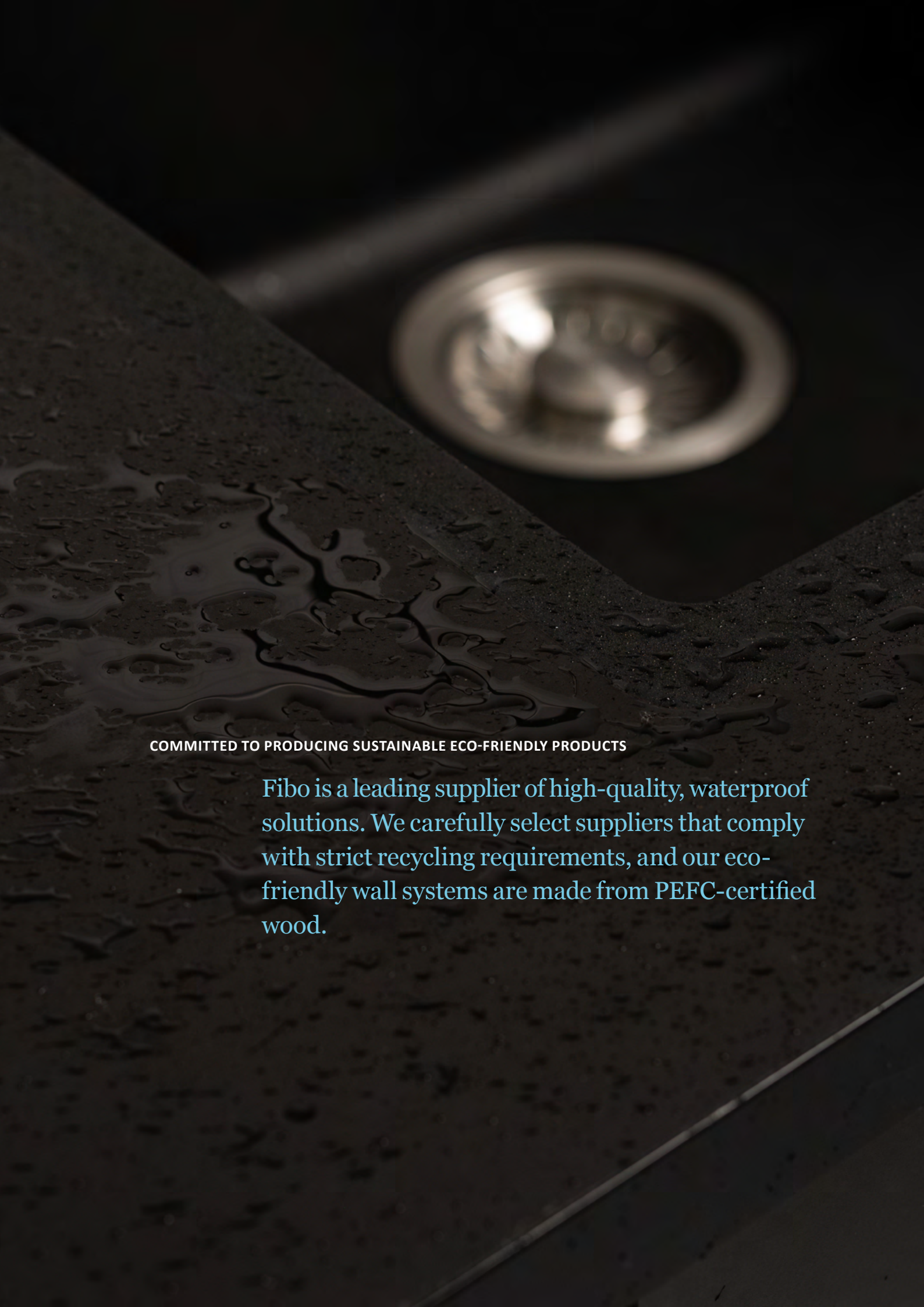
Net sales 2021

Revenue per product



Revenue 2021

Number of employees	142
Number of legal units incl. parent company	7
Number of markets where Fibo is established	4



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 Growth and Strong Profitability despite a Challenging Home Market

In the fourth quarter of 2021, Net Sales grew by 1.2% YoY and EBITDA[1] by 0.6% compared to a strong Q4-20. A full year EBITDA of NOKm 106 represents a 36% growth in profitability, which is achieved through sales growth and margin expansion from long term efficiency initiatives.

Domestic Net Sales is still affected by a general slowdown in the building material market, while international markets remain on a strong growth trajectory.

The financial position at the end of the quarter is strong. A robust revenue growth and an attractive cash conversion contributes to a significant deleveraging. The reported Leverage Ratio as of the end of the year is 1.2 (2.3 in 2020) and the Cash Cover Ratio is 11.3 (8.5 in 2020).

Possible sanctions due to the ongoing conflict in Ukraine may create challenges to the supply of certain raw materials.

Sales

Net Sales for the quarter reached NOKm 176, compared to NOKm 174 the previous year, representing a YoY growth of 1.2%. Full year Net Sales reached NOKm 725, compared to NOKm 653 last year, corresponding to a growth rate of 10.4%.

While Norwegian sales were down by 5.9% due to a generally weak market, international sales continued to grow and reached a 13% Year-on-Year (YoY) increase in the fourth quarter. International growth is spear-headed by UK, delivering all-time-high results for several consecutive periods and growing 44% YoY.

EBITDA

EBITDA in the fourth quarter ended at NOKm 21 (11.8%) and full year EBITDA reached NOKm 106 (14.7%) compared to NOKm 78 (12.0%) last year, a 35.6% growth in profitability.

The significant profitability improvement is a result of a boost in international sales, driving a higher average price per sqm. sold, coupled with multiple successful efficiency initiatives within supply chain and production 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 demonstrated by a 3.5 percent points full year improvement in contribution margin I.

1) EBITDA presented is excluding non-recurring items and IFRS 16. For adjustments of EBITDA, see note 6.

Fourth Quarter 2021		Year to Date 2021	
SALES *Growth*	EBITDA *Growth*	SALES *Growth*	EBITDA *Growth*
+1.2%	+0.6%	+10.4%	+35.6%
EBITDA *Margin*	CASH *Conversions*	EBITDA *Margin*	CASH *Conversions*
11.8%	82.1%	14.7%	95.0%

Group key figures

NOKm	Q421	Adjusted Q420	Adjusted 2021	Adjusted 2020
Net Sales	176.2	174.1	723.0	654.6
Contribution Margin I	**70.5**	**60.6**	**279.1**	**229.9**
Contribution Margin I %	40.0%	34.8%	38.6%	35.1%
EBITDA excluding Non-Recurring Items *	**20.9**	**20.7**	**106.1**	**78.3**
EBITDA %	11.8%	11.9%	14.7%	12.0%
EBIT excluding Non-Recurring Items	**16.5**	**15.5**	**85.8**	**56.9**
EBIT %	9.4%	8.9%	11.9%	8.7%
Gross Debt	250.0	250.0	250.0	250.0
Net Debt	**137.0**	**164.6**	**137.0**	**164.6**
Leverage Ratio	1.2	2.3	1.2	2.3
Cash Cover Ratio	11.3	8.5	11.3	8.5
Cash Position	113.0	85.0	113.0	85.0

* EBITDA presented is excluding non-recurring items and IFRS 16. For adjustments of EBITDA, see note 6.

DOMESTIC
Q4 Sales growth

-5.9%

INTERNATIONAL
Q4 *Sales growth*

+13.1%

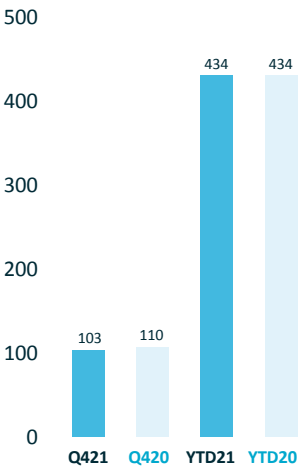
NET DEBT
Q4 *NOKm*

137

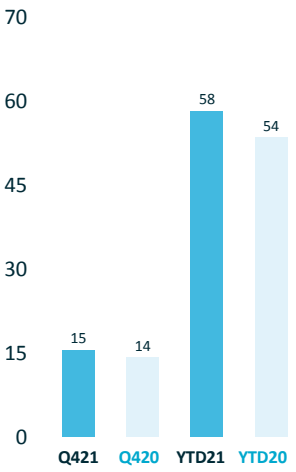
LEVERAGE
Q4 *Ratio*

1.2

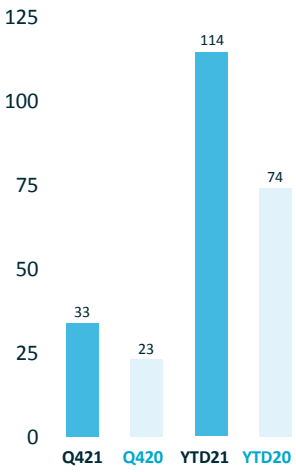
Norway
NOKm



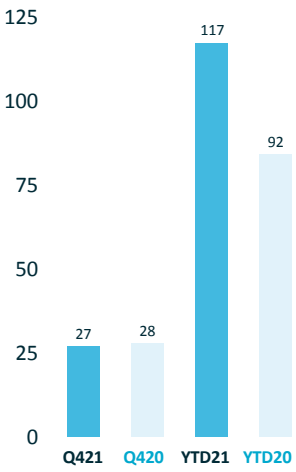
Sweden
NOKm



UK
NOKm



Other export markets
NOKm



Accounts

Consolidated income statement

NOK 1000	Note	Q421	Q420	2021	2020
Continuing operations					
Revenue	2,3	176 218	172 685	724 518	653 148
Total revenue		**176 218**	**172 685**	**724 518**	**653 148**
Raw materials and consumables used		86 907	93 012	361 437	346 562
Salary and personnel costs		31 287	27 580	115 582	98 854
Depreciation and amortization		6 037	6 843	26 963	27 983
Other operating expenses		39 824	34 920	142 985	121 190
Total operating costs		**164 055**	**162 355**	**646 967**	**594 590**
Net profit (loss) before gains and losses and financial items		**12 163**	**10 331**	**77 552**	**58 559**
Other gains and (losses) net		102	5 289	2 630	5 408
Net profit (loss) before financial items		**12 265**	**15 620**	**80 182**	**63 966**
Finance income		19	18	188	116
Finance expense		-10 169	-10 740	-41 781	-44 716
Net finance		**-10 150**	**-10 722**	**-41 593**	**-44 600**
Net profit (loss)		**2 115**	**4 898**	**38 589**	**19 366**
Income tax expense		423	1 069	8 447	4 131
Net profit (loss) after tax		**1 692**	**3 829**	**30 142**	**15 235**

Consolidated statement of comprehensive income

NOK 1000	Note	Q421	Q420	2021	2020
Net profit (loss) after tax		**1 692**	**3 829**	**30 142**	**15 235**
Other comprehensive income					
Other comprehensive income not to be reclassified to profit and loss					
Actuarial gains (losses) on defined benefit pension plans		–	–		422
Tax related to items which will not be reclassified		–	–		-105
Other comprehensive income to be reclassified to profit and loss in subsequent periods					
Exchange differences		-62	367	-507	1 310
Net other comprehensive income		**-62**	**367**	**-507**	**1 627**
Total comprehensive income/(loss) for the year		**1 630**	**4 196**	**29 635**	**16 862**
Attributable to					
Equity holders of the parent		1 630	4 196	29 635	16 862

Consolidated statement of financial position

NOK 1000	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Plant, machinery and equipment		82 299	92 540
Intangible assets		411 795	416 535
Right-of-use asset		72 706	79 313
Other non-current assets		4 943	2 543
Total non-current assets		**571 743**	**590 931**
Current assets			
Inventories		83 176	80 375
Accounts receivable		50 201	42 628
Other current assets		6 463	2 000
Receivable from parent company		1 000	–
Cash and cash equivalents		112 967	85 362
Total current assets		**253 807**	**216 486**
Total assets		**825 551**	**807 418**
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital		32 829	32 829
Share premium account		271 100	271 101
Total paid in capital		**303 930**	**303 930**
Other equity			
Retained earnings		25 304	-2 771
Total other equity		**25 304**	**-2 771**
Total equity		**329 233**	**301 159**
Non-current liabilities			
Pension obligation		4 900	2 519
Deferred tax liabilities		37 885	38 154
Interest-bearing loans and borrowings, non-current		–	245 183
Leasing liabilities, non-current		74 245	78 128
Total non-current liabilities		**117 029**	**363 984**
Current liabilities			
Interest-bearing loans and borrowings, current		249 037	–
Leasing liabilities, current		12 116	12 025
Accounts payable and other current liabilities		109 785	130 250
Current income taxes payable		8 351	–
Total current liabilities		**379 288**	**142 275**
Total liabilities		**496 317**	**506 258**
Total equity and liabilities		**825 551**	**807 418**

Statement of changes in equity

	Attributable to parent company equity holders					
	Paid in		Other equity			
NOK 1000	Share capital	Share premium	Translation reserves	Actuar gains and losses	Accumulated profits and losses	Total equity
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					30 142	30 142
Other comprehensive income net of tax			-507	4 034	-4 034	-507
Total comprehensive income	**–**	**–**	**-507**	**4 034**	**26 108**	**29 635**
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 31.12.2021	**32 829**	**271 101**	**392**	**–**	**24 912**	**329 234**

Consolidated cash flow statement

NOK 1000	Q421	Q420	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	2 115	4 897	38 589	19 367
Adjustments for:				
— Pensions paid	–	–	–	-1 096
— Income taxes paid	30	-441	-365	-936
— Depreciation and amortization	6 037	6 843	26 963	27 983
— Net finance and other gains and losses	10 048	5 434	38 963	39 192
Changes in working capital	-7 359	-8 457	-30 039	25 298
Net cash flow from operating activities	**10 872**	**8 276**	**74 111**	**109 808**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment and intangibles	-3 718	-1 481	-5 288	-4 343
Other non-current assets	–	–	–	-3 039
Interest received	35	116	204	116
Net cash flow used in investing activities	**-3 683**	**-1 365**	**-5 084**	**-7 266**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of lease liabilities	-3 009	-2 986	-12 024	-11 935
Interest and other financial expenses paid	-7 097	-7 879	-29 272	-31 657
Group contribution paid to parent company	–	–	-2 000	–
Net cash flow from financing activities	**-10 106**	**-10 865**	**-43 296**	**-43 592**
Net currency translation effect on bank accounts	-244	5 930	1 874	-282
Net increase/(decrease) cash and cash equivalents	-3 162	1 975	27 605	58 668
Cash and cash equivalents at beginning of period	116 128	83 386	85 362	26 693
Cash and cash equivalents at end of period	**112 967**	**85 361**	**112 967**	**85 361**

Notes

NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for the year ended 31. December 2021 were approved by the Board of Directors on 28.02.2022.

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 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
FY21					
Revenue					
External customers	435 700	288 818	724 518	–	724 518
Intersegment	108 266	–	108 266	-108 266	–
Total revenue	**543 966**	**288 818**	**832 784**	**-108 266**	**724 518**
Segment EBITDA	71 702	39 087	110 789	-6 274	104 515
Depreciation and amortization	25 999	331	26 330	633	26 963
Segment EBIT	**45 703**	**38 756**	**84 459**	**-6 907**	**77 552**
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**

Notes

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 31 December 2021 is NOKm 249, consisting of a face value loan of NOKm 250, reduced with capitalized costs of NOKm 1.0. The corresponding amounts for the interest-bearing bond loans as at 31 December 2020 were NOKm 245.2 face value of NOKm 250 and capitalized cost of NOKm 4.8.

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

NOTE 5 RELATED PARTY TRANSACTIONS AND EVENTS AFTER THE BALANCE SHEET DATE

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 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. The Bond Issue attracted significant interest from the Nordics and Europe and was oversubscribed. Settlement date was 28 January 2022 and the Bonds will apply for listing on Oslo Børs. 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 extraordinary shareholders meeting on 4 February 2022 adopted distribution of dividends in an amount of NOK 255m and a NOK 3m share capital reduction. Dividends of NOK 255m were declared and paid, from the 2020 profits on 14 February 2022.

Notes

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	Q421	Q420	2021	2020
Net Profit (loss)	2 115	4 898	38 589	19 366
Reported EBITDA exl. Non-recurring Items	20 869	20 737	106 106	78 260
Difference	**-18 754**	**-15 839**	**-67 517**	**-58 893**
IFRS 16 adjustments for the period	664	772	2 789	3 206
Normalization adjustements for the quarter	–	5 493	-4 491	5 492
Non recurring Items for the quarter	5 675	1 054	18 106	-1 839
Depreciation and amortization exl. IFRS 16	4 385	5 190	20 354	21 374
Other gains and (losses) net	-102	-5 289	-2 630	-5 408
Net finance exl. IFRS 16	8 132	8 618	33 389	36 068
Total difference explained	**18 755**	**15 839**	**67 517**	**58 893**

IFRS 16 ADJUSTMENTS FOR THE PERIOD

NOK 1000	Q321	Q320	2021	2020
Net profit (loss)	**2 115**	**4 897**	**38 589**	**19 367**
IFRS 16 - Reversal of rent cost from operating expenses	-3 006	-2 984	-12 024	-11 935
IFRS 16 - Depreciation	1 652	1 652	6 609	6 609
IFRS 16 - Interest cost on leasing liability	2 018	2 104	8 204	8 532
Net profit (loss) excl. IFRS 16 adjustment	**2 779**	**5 669**	**41 378**	**22 573**
Net Effect of IFRS 16 for the period	**-664**	**-772**	**-2 789**	**-3 206**

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.

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.

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

Q1 2022 no later than May 30, 2022
Q2 2022 no later than August 29, 2022
Q3 2022 no later than November 29, 2022
Q4 2022 no later than February 28, 2023

Q4 2021

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