

BEWi ASA Interim report July – Sept 2020



Key highlights

- Sales growth of 14 per cent following acquisitions and earnings improvement
- Acquisition of major Norwegian packaging and insulation company
- Shares admitted to trading at Merkur Market in Norway

“Continued growth and improved earnings”

Jul – Sep 2020

- Net sales of EUR 122.1 million (107.4)
- Adjusted EBITDA was EUR 17.9 million (12.9)
- Operating income (EBIT) was EUR 10.6 million (5.6)
- Net profit was EUR 5.7 million (2.7)

Jan – Sep 2020

- Net sales of EUR 332.3 million (325.9)
- Adjusted EBITDA was EUR 48.5 million (42.3)
- Operating income (EBIT) was EUR 29.0 million (19.2)
- Net profit was EUR 16.5 million (8.4)

CONSOLIDATED KEY FIGURES

<i>Amounts in million EUR (except percentage)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Net sales	122.1	107.4	332.3	325.9	429.9
Operating income (EBIT)	10.6	5.6	29.0	19.2	20.3
EBITDA	18.1	12.3	50.5	39.3	48
<i>EBITDA margin (%)</i>	14.8%	11.5%	15.2%	12.1%	11.1%
Adjusted EBITDA	17.9	12.9	48.5	42.3	51.8
<i>Adj. EBITDA margin (%)</i>	14.7%	12.0%	14.6%	13.0%	12.0%
Items affecting comparability	0.1	-0.5	2.0	-3.0	-3.9
Net profit/loss for the period	5.7	2.7	16.5	8.4	5.6
Earnings per share, basic and diluted (EUR)	0.04	0.02	0.12	0.06	0.04
Earnings per share, basic and diluted (NOK)	0.43	0.19	1.27	0.59	0.40
Capital Expenditure (CAPEX)	-4.9	-2.6	-11.5	-9.3	-14.3

COMMENTS FROM THE CEO

The third quarter has been an eventful quarter for our company. We acquired the Norwegian packaging and insulation company BDH Holding AS, divested properties in Denmark and the shares of our Norwegian holding company, BEWi ASA, were successfully admitted to trading on the Norwegian trading facility Euronext Growth. Also, today we announced our intention to apply for a listing of our shares at Oslo Børs.

The Covid-19 pandemic continues creating uncertainty and impacting our everyday lives. As the level of impact on our operations varies across segments and markets, our integrated and diversified business model has again proven resilient. Despite challenging market conditions, we are delivering growth and improved margins, and we have been fortunate to maintain nearly full production at our facilities.

Our circular activities remain a high priority and we stay committed to reaching our annual recycling target of 60,000 tonnes, securing full circularity. We recently commenced operations of our new recycling facility in Portugal and we expect to start operations in Denmark during the fourth quarter. At the same time, our sustainability work embraces far more than our Circular division. To further improve our work, we have strengthened our organisation with Camilla L. Bjerkli (PhD) as our Director of Sustainability.

During the third quarter, the raw material prices increased, impacting the results of our RAW segment positively, although prices are still at low levels. Our insulation business is growing year over year. Volumes have been stable in the Nordics, but decreased in the Benelux region, although a positive development was noted towards the end of the quarter. Both our downstream segments, Packaging & Components and Insulation continue to benefit from the favourable raw material prices.

EUR 122.1 million
Net sales

In August, we announced the acquisition of the Norwegian packaging and insulation provider BEWi Drift Holding AS (BDH), in line with our strategy for growth and diversification. BDH is an important contributor to the growth in our Packaging & Components segment since the third quarter last year. The integration of BDH is progressing as planned and the Group targets synergies of EUR 2.3-4.5 million per year. The segment also delivered a satisfying improvement in profitability.

EUR 17.9 million
Adjusted EBITDA

Our divestment of certain properties in Denmark this quarter, and our recently announced intention to divest properties in the Netherlands, supports our long-term growth strategy by releasing capital and increasing our financial flexibility.

14.7%
Adjusted EBITDA margin

On Friday 28 August, we had the first day of trading of our shares at the Merkur Market in Oslo, marking an important milestone for us, enabling new growth opportunities. Today, we launched our intention to transfer our shares to a full listing at the Oslo Børs during December.

Christian Bekken, CEO
Trondheim, 10 November 2020



FINANCIAL REVIEW

THIRD QUARTER

Net sales increased by EUR 14.7 million to EUR 122.1 million (107.4) for the third quarter, corresponding to an increase of 13.7 per cent. The increase was driven by acquisitions. Lower raw material prices continued to impact sales growth negatively in segment RAW. Some markets noted a recovery this quarter compared to the second quarter. For more information on the change in net sales from the corresponding period of 2019, see the Revenue Bridge included on page 14.

Adjusted EBITDA increased by EUR 5.0 million to EUR 17.9 million (12.9). Improved GAP for segment RAW and favourable raw material prices for Insulation and Packaging and Components, combined with good cost control and positive effects from the turnaround in Sweden, contributed to the improved results.

Operating income (EBIT) came in at EUR 10.6 million (5.6), an increase of EUR 5.0 million over the same period last year. IPO related costs for the quarter amounted to a negative EUR 1.0. EBIT was positively impacted by capital gains of EUR 1.6 million from sale and leaseback transactions and sale of machinery.

Net financial items amounted to a negative EUR 2.7 million (-2.5). Net profit for the quarter was EUR 5.7 million (2.7).

FIRST NINE MONTHS

Net sales increased by EUR 6.4 million to EUR 332.3 million EUR (325.9) for the first nine months, corresponding to an increase of 2.0 per

cent. The increase was driven by acquisitions. Lower raw material prices impacted sales growth negatively in segment RAW. Lower volumes in the Insulation segment in Benelux and the impact of Covid-19 also had a negative effect on sales compared to last year.

Adjusted EBITDA increased by EUR 6.2 million to EUR 48.5 million (42.3). Improved GAP in segment RAW and favourable raw material prices for Insulation and Packaging and Components, combined with good cost control and positive effects from the turnaround in Sweden, contributed to the improved results.

Operating income (EBIT) came in at EUR 29.0 million (19.2), an increase of EUR 9.8 million over the same period last year. EBIT was positively impacted by the reversal of negative goodwill in an associated company in France, which contributed EUR 3.5 million to share of income from associates. Capital gains of EUR 1.7 from sale and leaseback transactions and sale of machinery also contributed positively to EBIT. Restructuring costs and impairment attributable to the restructuring of the Swedish insulation business impacted EBIT negatively at the beginning of the year.

Net financial items amounted to a negative EUR 7.8 million (-7.9). The tax-free sale and leaseback of a production facility resulted in a EUR 0.9 million positive tax effect. The effective tax rate was also positively impacted by the share of income from associates. Net profit for the first nine months was EUR 16.5 million (8.4).

SEGMENT RAW

A quarter with stable volumes and improving margins driven by stable production and impact from normal raw material price shifts.

Key figures

Million EUR	Q3-20	Q3-19	YTD-20	YTD-19	2019
Net Sales	44.6	52.7	140.8	159.6	206.7
Of which internal	9.4	19.0	42.5	59.1	71.6
Of which external	35.2	33.7	98.3	100.4	135.1
Net operating expenses	-40.7	-52.0	-133.5	-154.1	-201.7
Adjusted EBITDA	3.9	0.7	7.3	5.4	5.0
Adjusted EBITDA %	8.8%	1.3%	5.2%	3.4%	2.4%
Items affecting comparability	0.6	-0.1	0.5	-0.1	-0.1
EBITDA	4.5	0.6	7.8	5.4	4.9
Depreciations	-0.9	-0.9	-2.8	-2.6	-3.5

Third quarter 2020

Volumes in the quarter were in line with the corresponding quarter of 2019. Net sales decreased by 15.3 per cent to EUR 44.6 million (52.7), coming from lower underlying raw material prices. Lower volumes were sold internally, while higher volumes were sold externally, including sales to associated companies.

Raw material price, i.e. styrene, still traded on relatively low prices. However, compared to the second quarter, raw material prices increased by approximately 20 per cent, impacting GAP (styrene gross profit) and gross margin positively. Volatility in raw material prices impacts the segment's EBITDA directly and is explained by the lag between changes in raw material price and sales price adjustments.

The production in the extruder production line is stabilising, also contributing to the positive EBITDA development for the quarter. Adjusted EBITDA increased to EUR 3.9 million this quarter (0.7).

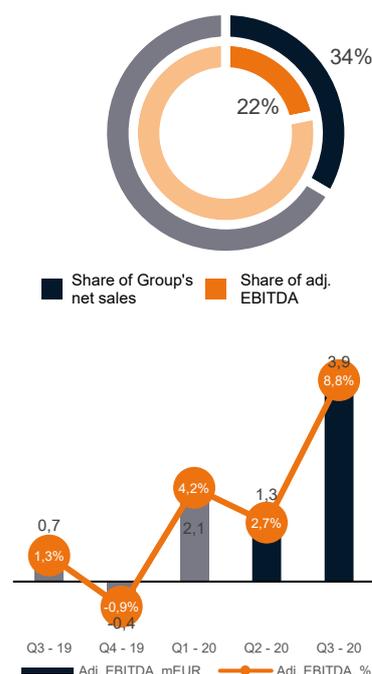
First nine months 2020

For the first nine months of 2020, volumes increased approximately 10 per cent, largely explained by improved production efficiency and positive sales development to associated companies and external customers. Net sales decreased by 11.8 per cent to EUR 140.8 million (159.6).

Adjusted EBITDA increased to EUR 7.3 million (5.4) driven by volume, stable production and improved GAP.

About RAW

Segment RAW develops and produces white and grey expanded polystyrene and Biofoam, known as EPS beads or Styrofoam. This raw material is marketed both internally and externally for further production of end products. After expanding and extruding the polystyrene beads, the material can be moulded or otherwise processed into several different end products and areas of application. In total BEWi has 2 sites in 2 countries producing RAW material



SEGMENT INSULATION

Stable Nordic market but continued weaker market in the Benelux area. Integration of the XPS production site in Norrköping and BDH running according to plan and contributing positively to the improved EBITDA.

Key figures

Million EUR	Q3-20	Q3-19	YTD-20	YTD-19	2019
Net Sales	36.9	34.5	108.0	107.5	139.3
Of which internal	1.1	0.5	1.7	1.8	2.1
Of which external	35.8	34.0	106.3	105.7	137.2
Net operating expenses	-31.0	-29.1	-89.0	-90.1	-117
Adjusted EBITDA	5.9	5.4	19.0	17.4	22.3
Adjusted EBITDA %	16.0%	15.6%	17.6%	16.1%	16.0%
Items affecting comparability	-2.4	-0.2	0.3	-1.2	-1.4
EBITDA	3.5	5.2	19.3	16.2	20.9
Depreciations	-1.6	-1.2	-4.9	-3.4	-4.9

Third quarter 2020

Net sales for the third quarter increased by 7.3 per cent to EUR 36.9 million (34.5). Excluding acquisitions, sales decreased by 7.0 per cent. Volumes were stable in the Nordics but decreased in the Benelux. However, the Benelux market developed more positively by the end of the quarter.

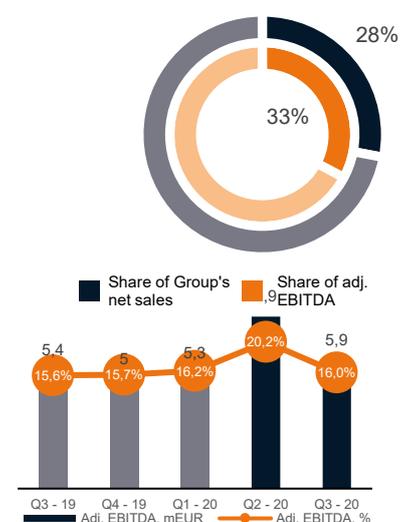
Adjusted EBITDA increased by 9.7 per cent to EUR 5.9 million (5.4). Excluding the acquisition, adjusted EBITDA increased by 6.9 per cent. Lower volumes in the quarter and a negative product mix, with fewer sales of value-added products, were fully compensated by favourable raw material prices and cost control. Both the integration of the XPS production site in Norrköping, Sweden and integration activities concerning BEWi Drift Holding, BDH, acquired in August progressed according to plan.

First nine months 2020

For the first nine months of 2020, net sales increased by 0.5 per cent to EUR 108.0 million (107.5). Excluding acquisitions, sales decreased by 7.3 per cent. Volumes in the Nordics have been stable during the year while a slowdown has been noted in the Benelux area. Adjusted EBITDA increased to EUR 19.0 million (17.4). As for the quarter, lower volumes were fully compensated by favourable raw material prices and cost control. In addition, Sweden developed positively following the turnaround case in combination with the integration of the XPS production site acquired in March. Contribution from associated companies as well as the recently acquired operation BDH is also positive.

About Insulation

Segment Insulation develops and manufactures an extensive range of insulation products for the construction industry. The material is composed primarily of EPS and XPS. BEWi is one of the larger European manufacturers of EPS-based Insulation products. The Benelux is the main market representing more than 50 per cent of total sales within the business area. In total, BEWiSynbra has 17 facilities in 6 countries producing Insulation products. Also, the Group has minority interests in 6 facilities in France, 6 facilities in Germany and 3 in the UK.



SEGMENT PACKAGING AND COMPONENTS (P&C)

Stable earnings with various markets developments within the segment. Standing out positively is the food industry, fish boxes mainly, while the automotive industry had negative volume development.

Key figures

Million EUR	Q3-20	Q3-19	YTD-20	YTD-19	2019
Net Sales	50.2	39.5	125.3	120.4	157.6
Of which internal	0.6	0.6	1.7	2.2	2.5
Of which external	49.6	38.9	123.6	118.2	155.1
Net operating expenses	-40.9	-31.8	-99.9	-98.2	-128.7
Adjusted EBITDA	9.3	7.7	25.4	22.2	28.9
Adjusted EBITDA %	18.5%	19.5%	20.3%	18.4%	18.3%
Items affecting comparability	3.5	0.0	3.3	-0.4	-0.4
EBITDA	12.7	7.7	28.7	21.8	28.4
Depreciations	-3.2	-2.8	-8.8	-8.6	-11.5

Third quarter 2020

Net sales increased by 27.1 per cent to EUR 50.2 million (39.5), mainly driven by acquisitions and a 5 per cent increase in volumes. The increased volumes came from all regions except in Norway, where volumes were in line with last year. Markets that witnessed the biggest hit from Covid-19 in the second quarter picked up well and some of the sales in the third quarter can be regarded as recovering volumes from the more uncertain market situation the previous quarter.

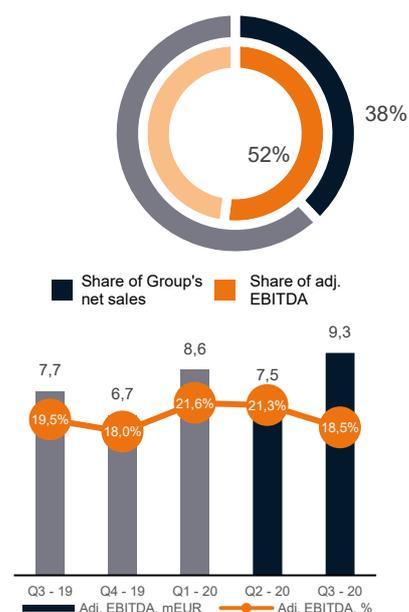
Adjusted EBITDA increased by 20.0 per cent to EUR 9.3 million (7.7). Excluding acquisitions, adjusted EBITDA increased close to 14 per cent. Volume increase, continuing good outcome from the turnaround case in Sweden and good cost control all contributed to the good development. Integration activities in relation to BEWi Drift Holding, BDH, is running according to plan.

First nine months 2020

For the first nine months of the year, net sales increased by 4.1 per cent to EUR 125.3 million (120.4). Adjusted for acquisitions, net sales decreased by 4.7 per cent. Good volumes this quarter offset the negative volume development the previous quarter and the volume development so far this year, excluding acquired operations, is slightly positive compared to last year. Adjusted EBITDA increased by 14.7% to EUR 25.4 million (22.2). Excluding acquisitions, adjusted EBITDA has increased approx. 12 %. Volume increase, product mix, continuing good outcome from the turnaround case in Sweden and good cost control have all contributed to the good development.

About Packaging & Components, P&C

Segment P&C develops and manufactures standard and customized packaging solutions and technical components for customers in many industrial sectors. Examples include boxes for transportation of fresh fish and other food, protective packaging for pharmaceuticals and electronics, and components for cars and heating systems. The material is composed primarily of EPS, EPP and fabricated foam. In total BEWi has 19 facilities in 6 countries producing P&C components. Also, the Group has minority interests in 2 facilities in the UK.



CIRCULAR AND CORPORATE

BEWiSynbra Circular (“Circular”), launched in October 2018, is responsible for increasing the Group’s collection and recycling of EPS. BEWi stays strongly committed to its annual recycling target of 60,000 tonnes of EPS, which will make the Group fully circular.

Since the establishment of Circular, the Group has launched several activities to increase the collection and recycling of EPS, besides the activities on-going in local operations to minimise waste and innovate sustainable products.

During the third quarter, the Group continued to strengthen its circular activities. In Denmark, integration efforts were ongoing following the acquisition of certain strategic assets, including an extruder, in the second quarter and the Group expects to commence recycling operations during the fourth quarter. In Portugal, the set-up of the new recycling facility was completed in October, and operations Commenced.

Costs related to Group functions that do not belong to any specific business segment are booked as unallocated costs. This includes costs related to the Group’s circular activities, Business Development and other Group functions. For the third quarter of 2020, the unallocated costs amounted to EUR 1.2 million (0.9).

FINANCIAL POSITION AND LIQUIDITY

Consolidated cash flow

Cash flow from operating activities amounted to EUR 10.8 million in the third quarter (22.9), including EUR 0.0 million (13.7) in cash flow from the change in working capital, which followed normal seasonality for working capital. For the first nine months of 2020, cash flow from operating activities was EUR 13.3 million (16.3), including EUR -19.1 million (-10.1) in cash flow from working capital. By using various government initiatives related to Covid-19 to postpone payments, EUR 3.8 million in corporate income tax and EUR 3.4 million in VAT and social security charges were postponed by the end of the third quarter, impacting cash flow YTD from income tax paid and change in working capital positively. EUR 6.0 million of that is expected to be settled before year-end.

Cash flow used for investing activities amounted to EUR 4.0 million (-3.9) in the third quarter. For the first nine months, cash flow from investing activities amounted to EUR -9.6 million (-11.8). Divestments of real estate and other non-current assets contributed EUR 11.2 million and EUR 16.0 million respectively to the cash flow during the quarter and nine-month period.

Cash flow from financing activities amounted to EUR -23.4 million (-9.1) in the third quarter this year, mainly impacted by a EUR 13.9 million bond redemption. For the first nine months, cash flow from financing activities amounted to EUR -30.0 million (-5.6), mainly impacted by the bond redemption, refinancing of acquired companies and a SEK 175 million (equivalent to EUR 16.6 million) draw-down of overdraft facilities.

Consolidated financial position

Total assets amounted to EUR 505.0 million as of 30 September 2020, compared to EUR 445.1 million at year-end 2019. The increase is mainly related to acquisitions and draw-down of the overdraft facility.

Total equity amounted to EUR 168.9 million as of 30 September 2020, compared to EUR 150.1 million at year-end 2019.

Net debt amounted to EUR 184.6 million as of 30 September 2020 (130.0 excluding IFRS 16), compared to EUR 134.4 million at year-end 2019 (101,5 excluding IFRS 16). The increase since year-end 2019 is mainly attributable to seasonal effects in working capital, investments and acquisitions.

Cash and cash equivalents were EUR 29.4 million as of 30 September 2020, compared to EUR 56.3 million at year-end 2019. The cash position by the end of the period was positively impacted by the precautionary measure in March to draw down SEK 175 million (equivalent to EUR 16.6 million) from the overdraft facilities in light of the market turmoil and uncertainty around the Covid-19 situation.

Capital expenditures

Capital expenditures totalled EUR 4.9 million in the third quarter (2.6) and EUR 11.5 million for the first nine months of 2020 (9.3).

ORGANISATION

As of 30 September 2020, BEWi ASA had 1,438 people employed, up from 1,266 at 31 December 2019.

IMPORTANT EVENTS IN THE QUARTER

Acquisition of BEWi Drift Holding

On 17 August, BEWi announced the acquisition of BEWi Drift Holding AS (BDH) for a total consideration of NOK 400 million, of which NOK 100 million was paid through a directed share issue approved by an extraordinary general meeting, and the remaining NOK 300 million as cash. The acquisition provides the Group with an expanded product portfolio and geographic reach.

The integration of BDH progressed well during the third quarter. Following integration, the Group targets synergies of EUR 2.3-4.5 million per year.

Other events

On 11 August, BEWi announced that it entered into a long-term agreement for the delivery of fish boxes to SalMar's new plant at Senja in northern Norway.

On 21 August, BEWi ASA became the new parent company of the Group when BEWiSynbra was acquired in a share exchange, in which each share in BEWiSynbra entitled the shareholders to a new share in BEWi ASA.

On 28 August, the shares of BEWi ASA were admitted to trading at the Merkur Market in Norway.

In September, BEWiSynbra divested two real estate properties in Denmark in a sale and leaseback transaction.

In connection with the preparation of the third quarter interim report, the Company decided to change the presentation currency for the consolidated accounts to EUR.

COVID-19

In 2020, the Covid-19 pandemic has caused major disruptions to the world economy. For BEWi, the level of impact varies across segments, industries and regions, again proving the group's integrated and diversified business model as very robust in these challenging times.

While the European automotive industry remains significantly affected by the pandemic, other industries, such as food and pharmaceutical, are less impacted.

Despite challenging market conditions, BEWi has been able to maintain nearly full production at its facilities during the third quarter and sales, excluding acquisitions, are fairly stable compared to the corresponding period last year. The Group experienced that some markets noted a recovery in the third quarter.

During the last month, several countries are experiencing a second upswing of the pandemic as the number of people infected is rising across Europe. Authorities are re-implementing strict regulations, including national lockdowns. BEWi is closely monitoring the developments in the regions and industries the group is exposed to. Although the uncertainty remains high, the Group's diversified portfolio serves as a stabilising and risk-reducing factor for the Group as a whole.

BEWi has also initiated measures to reduce costs and to utilise the support measures implemented by several European countries. Short time work and temporary lay-offs have been implemented in countries where revenue and production have been impacted the most. Temporary government grants, reducing costs, have been utilized, but to a limited extent and amounted to EUR 0.4 million during the nine months period and EUR 0.1 million in the third quarter. Various government initiatives to postpone payments of corporate income tax, VAT and social security charges have also been used, postponing in total EUR 7.2 million by the end of September, of which EUR 6.0 million is expected to be settled before year-end. The impact of Covid-19 for the rest of the year is difficult to estimate. The development is closely monitored, and measures will be taken in accordance with regulations and advice of local authorities and adjusted in line with development.

SHARE INFORMATION

As of 30 September, the number of shares outstanding amounted to 143,943,671 with a par value of NOK 1. Each share entitles to one vote. All shares issued are fully paid.

ACQUISITIONS

On 9 January, BEWi announced that the Company had agreed to acquire an insulation facility in the Swedish city of Norrköping and on 28 February, the deal was closed through the acquisition of Ravago Building Solutions Nordic AB. At the same time, it was announced that the production facility in Norrtälje will be closed early 2021.

On 28 February, BEWi announced that the Company had agreed to acquire 75 per cent of the Dutch company De Wijs-van Loon BV including its subsidiary Poredo BV. De Wijs-van Loon BV is a company at the forefront of converted recycled EPS.

On 10 June, BEWi announced that the Company had entered an agreement to acquire certain assets deriving from the Danish recycling company EPS-Recycle, thereby establish the recycling company BEWiSynbra Circular Denmark A/S.

On 22 June, BEWi announced that the Company had acquired 49 per cent in a UK company that derives from Jablite, a manufacturer and supplier of EPS products for insulation and civil engineering applications, and Styropack, a producer of EPS packaging.

On 17 August, BEWi announced the acquisition of BEWi Drift Holding AS (BDH), a Norwegian supplier of food packaging and solutions for

insulation. The acquisition provides an expanded product portfolio and geographic reach to the Group.

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's risks and risk management are described in the 2019 Annual Report of BEWiSynbra Group AB.

SUBSEQUENT EVENTS

On 16 October, BEWi announced its intention to divest real estate in the Netherlands in a sale and leaseback transaction to a company partly owned by the Bekken family for a market-based consideration of approximately NOK 300 million.

On 10 November, the Board of Directors resolved to apply for a listing of BEWi ASA's shares on Oslo Børs, alternatively Oslo Axess.

Next event

Interim report January – December

24 February 2021

Trondheim, 10 November 2020
The Board of Directors and CEO
BEWi ASA

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

Organic growth	Organic growth is defined as growth in net sales for the reporting period compared to the same period last year, excluding the impact of currency and acquisitions. It is a key ratio as it shows the underlying sales growth.
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA is a key performance indicator that the Group considers relevant for understanding the generation of profit before investments in fixed assets.
EBITDA margin	EBITDA as a percentage of net sales. The EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
EBIT	Earnings before interest and tax. EBIT is a key performance indicator that the Group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures. Depreciations are included, however, which is a measure of resource consumption necessary for generating the result.
EBIT margin	EBIT as a percentage of net sales. The EBIT margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
Items affecting comparability	Items affecting comparability include costs related to the planned IPO, transaction costs related to acquired entities, including the release of negative goodwill from acquisitions, severance costs and other normalisations such as divestment of real estate, closing of facilities, unscheduled raw material production stops and other.
Adjusted (adj.) EBITDA	Normalised earnings before interest, tax, depreciation and amortization (i.e. items affecting comparability and deviations are added back). Adjusted EBITDA is a key performance indicator that the Group considers relevant for understanding earnings adjusted for items that affect comparability.
Adjusted (adj.) EBITDA margin (%)	EBITDA before items affecting comparability as a percentage of net sales. The adjusted EBITDA margin is a key performance indicator that the Group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
Adjusted EBIT	Normalised earnings before interest and tax (i.e. non-recurring items and deviations are added back). Adjusted EBIT is a key performance indicator that the Group considers relevant for understanding earnings adjusted for non-recurring items that affect comparability.
Operating cash flow	Earnings before interest and tax, adjusted for items not affecting cash flow and changes in operating capital. Operating cash flow is a key performance indicator that shows the contributions of the business to the cash flow for the financing of investments and acquisitions.
Equity ratio	Total equity in relation to total assets. The equity ratio is a key performance indicator that the Group considers relevant for assessing its financial leverage.
Net debt	Interest-bearing liabilities excluding obligations relating to employee benefits, minus cash and cash equivalents. Net debt is a key performance indicator that is relevant both for the Group's calculation of covenants based on this indicator and because it indicates the Group's financing needs.

ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Operating income (EBIT)	10.6	5.6	29.0	19.2	20.3
Amortisations	1.5	1.7	4.5	4.9	7.2
EBITA	12.1	7.3	33.5	24.1	27.5
Items affecting comparability	-0.1	0.5	-2.0	3,0	3.9
Adjusted EBITA	12.0	7.8	31.5	27.1	31.4
EBITA	12.1	7.3	33.5	24.1	27.5
Depreciations	6.0	5,0	17.0	15.3	20.4
EBITDA	18.1	12.3	50.5	39.3	48,0
Items affecting comparability	-0.1	0.5	-2.0	3,0	3.9
Adjusted EBITDA	17.9	12.9	48.5	42.3	51.8

ITEMS AFFECTING COMPARABILITY

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
IPO related costs	-1.0	0,0	-1.0	-0.1	-0.1
Severance and integration costs	0.0	-0.3	-0.5	-1.2	-1.1
Restructuring costs	0.0	0,0	-0.4	-1.2	-1.1
Transaction costs	-0.4	-0.1	-0.8	-0.2	-1,0
Additional purchase price	0.0	0,0	0.0	-0.1	-0.1
Capital gains from sale of fixed assets	1.6	0,0	1.7	0,0	0,0
IT restructuring	0.0	0,0	-0.4	0,0	0,0
Recognition of negative goodwill in associate	0.0	0,0	3.5	0,0	0,0
Other	0.0	-0.1	-0.2	-0.2	-0.4
Total	0.1	-0.5	2.0	-3,0	-3.9

REVENUE BRIDGE: CHANGE IN NET SALES FROM CORRESPONDING PERIODS IN 2019

<i>Amounts in million EUR</i>	RAW	%	Insulation	%	P&C	%	Unallocated	%	Change intra-group revenue	Total net sales	%
Q3 2020											
Acquisitions	-	-	5.5	16.5%	10.6	26.9%	0.9	105.3%	-0.2	16.9	15.7%
Currency	-	-	0.0	0.2%	-0.6	-1.7%	-0.3	-39.0%	0.0	-0.9	-0.9%
Organic growth	-8.1	-15.3%	-3.1	-9.4%	0.7	1.7%	0.1	14.5%	9.2	-1.2	-1.1%
Total increase/decrease	-8.1	-15.3%	2.4	7.3%	10.7	26.9%	0.7	80.7%	9.0	14.7	13.7%

<i>Amounts in million EUR</i>	RAW	%	Insulation	%	P&C	%	Unallocated	%	Change intra-group revenue	Total net sales	%
YTD 2020											
Acquisitions	-	-	8.3	7.7%	10.6	8.8%	2.3	137.3%	-0.2	21.1	6.5%
Currency	-	-	-0.3	-0.3%	-2.7	-2.3%	0.0	-1.1%	0.1	-3.0	-0.9%
Organic growth	-18.8	-11.8%	-7.6	-7.0%	-2.9	-2.4%	0.1	7.5%	17.4	-11.8	-3.6%
Total increase/decrease	-18.8	-11.8%	0.4	0.4%	5.0	4.1%	2.4	143.7%	17.3	6.4	2.0%

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

CONSOLIDATED CONDENSED INTERIM STATEMENT OF INCOME

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Net sales	122,1	107.4	332.3	325.9	429.9
Other operating income	-	0.2	0.0	0.7	0.9
Total operating income	122.1	107.5	332.3	326.7	430.8
Raw materials and consumables	-44.7	-50.9	-134.9	-147.5	-198.1
Goods for resale	-14.0	-3,0	-18.7	-11.5	-13.8
Other external costs	-24.8	-22,0	-72.2	-68.2	-90.7
Personnel cost	-22.2	-19.6	-62.3	-60.9	-80.9
Depreciation/ amortisation and impairment of tangible and intangible assets	-7.5	-6.7	-21.5	-20.2	-27.6
Share of income from associated companies	0.1	0.3	4.5	0.7	0.6
Capital gain from sale of assets	1.6	-	1.7	-	-
Total	-111.5	-101.9	-303.4	-307.5	-410.5
Operating income (EBIT)	10.6	5.6	29.0	19.2	20.3
Financial income	0.1	0.0	0.2	0.3	0.2
Financial expenses	-2.8	-2.5	-8.0	-8.2	-11.2
Net financial items	-2.7	-2.5	-7.8	-7.9	-11,0
Income before tax	7.9	3.2	21.1	11.3	9.3
Income tax expense	-2,2	-0.5	-4.6	-2.9	-3.7
Profit for the period	5.7	2.7	16.5	8.4	5.6

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Profit for the period	5.7	2.7	16.5	8.4	5.6
OTHER COMPREHENSIVE INCOME					
Items that may later be reclassified to profit or loss					
Exchange rate differences	-1.7	-1.5	-7.6	0.9	0.9
Items that will not be reclassified to profit or loss					
Remeasurements of net pension obligations	0.0	-1.0	-0.7	0.5	-1.2
Income tax pertinent to remeasurements of net pension obligations	0.0	0.2	0.1	-0.1	0.2
Other comprehensive income after tax	-1.7	-2.3	-8.2	1.3	-0.1
Total comprehensive income for the period	4.0	0.4	8.3	9.7	5.5

PROFIT ATTRIBUTABLE TO:

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Profit for the period attributable to:					
Parent Company shareholders	5.7	2.7	16.6	8.4	5.6
Non-controlling interests	0.0	0.0	-0.1	0.0	0.0
Total comprehensive income attributable to:					
Parent Company shareholders	4.0	0.3	8.4	9.6	5.5
Non-controlling interests	0.0	0.1	-0.1	0.1	0.0
Earnings per share:					
Average number of shares:	141,332,006	138,937,980	139,741,814	138,937,980	138,937,980
Earnings per share (EPS), basic and diluted (EUR)	0.04	0.02	0.12	0.06	0.04
Earnings per share (EPS), basic and diluted (NOK)	0.43	0.19	1.27	0.59	0.40
<i>EPS in NOK is calculated using average rates for the period</i>					

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

<i>Amounts in million EUR</i>	30.09.2020	30.09.2019	31.12.2019
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	79.8	71.1	71.2
Other intangible assets	78.6	75.4	74.1
Total intangible assets	158.4	146.4	145.3
Property plant and equipment			
Land and buildings	75.2	64.4	63.1
Plant and machinery	73.9	69.4	71.5
Equipment, tools, fixtures and fittings	9.3	9.6	10.5
Construction in progress and advance payments	5.7	5.3	3.2
Total property, plant and equipment	164.1	148.6	148.3
Financial assets			
Shares in associates	7.6	1.6	1.5
Other financial non-current assets	7.2	4.4	5.8
Total financial assets	14.8	6.1	7.3
Deferred tax assets	5.2	4.4	4.6
TOTAL NON-CURRENT ASSETS	342.5	305.6	305.5
CURRENT ASSETS			
Inventory	52.5	43.7	38.2
Other current assets			
Accounts receivable	73.0	60.5	41.5
Current tax assets	0.6	0.4	0.3
Other current receivables	3.8	2.3	2.0
Prepaid expenses and accrued income	2.8	1.5	1.3
Other financial assets	0.4	-	-
Cash and cash equivalents	29.4	21.6	56.3
Total other current assets	110.0	86.3	101.4
TOTAL CURRENT ASSETS	162.5	130.0	139.6
TOTAL ASSETS	505.0	435.5	445.1

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION, CONT.

<i>Amounts in million EUR</i>	30.09.2020	30.09.2019	31.12.2019
EQUITY			
Share capital	13.6	0.1	0.1
Additional paid-in capital	142.5	130.7	134.4
Reserves	-19.5	6.2	0.7
Accumulated profit (including net profit for the period)	32.0	17.8	15.5
Equity attributable to Parent Company shareholders	168.6	154.9	150.7
Non-controlling interests	0.3	-0.5	-0.6
TOTAL EQUITY	168.9	154.4	150.1
LIABILITIES			
Non-current liabilities			
Pensions and similar obligations to employees	2.8	2.2	2.6
Provisions	0.8	0.3	0.6
Deferred tax liability	23.7	23.5	22.9
Non-current bond loan	137.8	73.4	137.4
Other non-current interest-bearing liabilities	49.0	30.5	29.8
Total non-current liabilities	214.1	129.9	193.3
Current liabilities			
Current bond loan	-	51.0	14.7
Other current interest-bearing liabilities	27.2	9.3	8.7
Other financial liabilities	-	3.6	0.5
Accounts payable	45.8	43.6	45.0
Current tax liabilities	10.5	4.8	4.7
Other current liabilities	12.7	12.2	6.3
Accrued expenses and deferred income	25.8	26.8	21.7
Total current liabilities	122.0	151.3	101.7
TOTAL LIABILITIES	336.1	281.2	295.0
TOTAL EQUITY AND LIABILITIES	505.0	435.5	445.1

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<i>Amounts in million EUR</i>	1.1.-30.09.2020	1.1.-30.09.2019	1.1.-31.12.2019
OPENING BALANCE	150.1	149.6	149.6
Change in accounting principles	-	-2.7	-2.7
ADJUSTED OPENING BALANCE	150.1	146.9	146.9
Net profit/ loss for the period	16.5	8.4	5.6
Other comprehensive income	-8.2	1.3	-0.1
Total comprehensive income	8.3	9.7	5.5
New share issue*	9.5	-	-
Dividend non-controlling interests	-	-	-0.1
Acquisition non-controlling interest	1.0	-2.3	-2.3
Total transactions with shareholders	10.5	-2.3	-2.4
CLOSING BALANCE	168.9	154.4	150.1

*The new share issue took place in the former parent company, BEWiSynbra Group AB, when BEWi Drift Holding AS was acquired.

CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOW

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Operating income (EBIT)	10.6	5.6	29.0	19.2	20.3
Adjustment for non-cash items etc.	5.8	6.3	15.5	19.3	26.9
Net financial items	-2.6	-2.1	-6.5	-6.8	-10.1
Income tax paid	-3.0	-0.6	-5.5	-5.2	-6.9
Cash flow from operating activities before changes in working capital	10.9	9.2	32.4	26.4	30.2
Changes in working capital	-	13.7	-19.1	-10.1	5.7
Cash flow from operating activities	10.8	22.9	13.3	16.3	35.9
Acquisitions non-current assets	-4.9	-2.6	-11.5	-9.3	-14.3
Divestment non-current assets	11.2	-	16.0	-	-
Business acquisitions/ financial investments	-2.3	-1.3	-14.1	-2.5	-4.8
Cash flow from investing activities	4.0	-3.9	-9.6	-11.8	-19.1
Borrowings	0.2	-	16.6	0.2	64.5
Repayment of debt	-23.5	-9.1	-46.6	-5.8	-48.3
Dividend to non-controlling interests	-	-	-	-	-0.1
Cash flow from financing activities	-23.4	-9.1	-30.0	-5.6	16.1
Cash flow for the period	-8.5	9.9	-26.3	-1.1	32.9
Opening cash and cash equivalents	38.0	11.9	56.3	22.9	22.9
Exchange difference in cash	-0.1	-0.2	-0.6	-0.2	0.5
Closing cash and cash equivalents	29.4	21.6	29.4	21.6	56.3

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 | General information

The Company and the Group

BEWi ASA, corporate registration number 925 437 948, is a holding company registered in Norway with a registered office in Trondheim, address Postboks 3009 Lade, NO-7441 Trondheim.

BEWi ASA was incorporated on 29 July 2020 and was through a share exchange transaction with the former shareholders of BEWiSynbra Group AB (the previous parent company – “BEWiSynbra”) on 21 August 2020 reorganised as the new holding company of BEWiSynbra and its subsidiaries (BEWi ASA, BEWiSynbra and subsidiaries; the “Group”).

See further details about the legal restructuring below. Through this legal reorganisation, BEWi ASA is the shareholder of 100 % of the shares in BEWiSynbra and controls indirectly 100 % of BEWiSynbra’s subsidiaries.

The Group’s interim report for January – September 2020 was approved by the Board of Directors on 10 November 2020 for publication. This report has been subject to limited review by the auditors.

Legal restructuring

BEWi ASA was incorporated on 29 July 2020. On 21 August 2020 all of the shares in BEWiSynbra AB were contributed to BEWi ASA against an issuance of a total of 143,943,671 shares in BEWi ASA to the shareholders of BEWiSynbra AB (a share exchange), simultaneously with a write-down of the existing share capital of BEWi ASA. This thereby established the same shareholder structure in BEWi ASA as in BEWiSynbra immediately before the reorganisation. Following the legal restructuring, BEWi ASA has become the new parent company of the Group.

The rationale for the reorganisation was to establish BEWi ASA as the new top holding company of BEWiSynbra ahead of the admission to trading on Merkur Market.

The reorganisation represents a capital reorganisation and not a business combination. The carrying values of assets and liabilities in BEWiSynbra were recognised in the Group (with BEWi ASA as the new parent company) with the same carrying values as in BEWiSynbra in line with predecessor accounting (i.e. to continuity) and with no fair value adjustments. Furthermore, as the reorganisation is considered to be a capital reorganisation from an accounting perspective, BEWiSynbra’s historical consolidated financial statements represent the Group’s historical financial information going forward, and as such these financial statements reflect the Group’s historical activities.

Number convention, presentation and functional currency and comparative information

Amounts are given in EUR million unless otherwise indicated. Information in parentheses refers to the comparative periods.

The Company’s and the Group’s presentation currency is EUR. A significant part of the Group’s business is conducted within subsidiaries with other functional currencies than EUR, such as NOK, DKK, SEK and ISK.

In connection with the admission to trading at the Merkur Market, the Group decided to change its presentation currency. Historically SEK has been applied as presentation currency for BEWiSynbra’s consolidated financial statements. The Group decided to change the presentation currency from SEK to EUR for the consolidated financial reporting with effect retrospectively for this third quarter interim report

and in accordance with provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates. Comparative financial figures are translated from SEK to EUR using either average rates for the income statement, or year-end exchange rate for the period end. The exchange rates applied are the average exchange rate SEK to EUR for the respective years and period ends.

NOTE 2 | Accounting policies

The BEWiSynbra Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied to comply with those described in BEWiSynbra Group AB's Annual Report for 2019, apart from the government grants. Government grants are recognised when there is a reasonable assurance that the grants will be received and that the Company will comply with the conditions attached to them. Government grants are recognised in profit or loss on a systematic basis over the periods in which the related expenses, which the grants are intended to compensate for, are recognised. Government grants are recognised as a reduction of such related expenses. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Annual Accounts Act.

The presentation currency in the consolidated accounts was changed to EUR in September 2020, from SEK used in prior reporting in BEWiSynbra Group.

NOTE 3 | Related party transactions

Christian Bekken, CEO of BEWi ASA, is together with other members of the Bekken family a major shareholder of the company through Frøya Invest AS, KMC Family AS and BEWi Holding AS. Other related parties are the two 34% owned associated companies Hirsch France SAS and Hirsch Porozell GmbH and the 49% owned associated company Jabalite Group Ltd. Transactions with those companies are presented in the tables below.

During the third quarter, BEWi Drift Holding AS (BDH) was acquired from BEWi Holding AS, a company owned by members of the Bekken family, for an equity value of EUR 15.1 million, of which EUR 5.6 million was settled in cash and by offsetting a receivable, and EUR 9.5 was settled through a new share issue.

During the third quarter, properties used in the Danish production was sold in a sale and leaseback transaction to a company owned by members of the Bekken family for a net consideration of EUR 10.2 million and in the second quarter, a similar sale and leaseback transaction took place in Sweden when a property for sold for a net consideration of EUR 4.3 million.

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Transactions impacting the income statement					
Sale of goods to:					
HIRSCH France SAS	1.4	-	3.0	-	0
HIRSCH Porozell GmbH	9.4	8.0	25.0	21.5	27.4
Total :	10.8	8.0	28.0	21.5	27.4
Purchase of goods from:					
Bekken owned companies	-	-	-	-	0.5
Total :	-	-	-	-	0.5

Interest Income from:					
Hirsch France SAS	0.0	-	0.1	-	-
Jablite Group UK	0.0	-	0.0	-	-
Total :	0.0	-	0.0	-	-
Rental expenses to:					
Bekken owned companies	1.1	0.8	2.5	2.1	2.7
Total :	1.1	0.8	2.5	2.1	2.7

	30.09.2020	30.09.2019	31.12.2019
Transactions impacting the balance sheet			
Non-current receivables:			
Bekken owned companies	0.3	-	-
HIRSCH France SAS	2.3	-	2.5
Jablite Group Ltd	1.6	-	-
Total :	4.2	-	2.5
Current receivables:			
Bekken owned companies	0.9	-	-
HIRSCH Porozell GmbH	0.6	0.1	-
Total :	1.5	0.1	-
Current liabilities:			
Bekken owned companies	1.0	-	-
Total :	1.0	-	-

NOTE 4 | Segment information

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision-maker. The Executive Committee constitutes the chief operating decision maker for the BEWi Group and takes strategic decisions in addition to evaluating the Group's financial position and earnings. Group Management has determined the operating segments based on the information that is reviewed by the Executive Committee and used for the purposes of allocating resources and assessing performance. The Executive Committee assesses the operations based on three operating segments: RAW, Insulation and Packaging & Components. Sales between segments take place on market terms.

Amounts in million EUR	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
RAW					
Segment revenue	44.6	52.7	140.8	159.6	206.7
Intra-group revenue	-9.4	-19.0	-42.5	-59.2	-71.6
Revenue from external customers	35.2	33.7	98.3	100.4	135.1
Insulation					
Segment revenue	36.9	34.5	108.0	107.5	139.3

Intra-group revenue	-1.1	-0.5	-1.7	-1.8	-2.1
Revenue from external customers	35.8	34.0	106.3	105.7	137.2
Packaging and Components					
Segment revenue	50.2	39.5	125.3	120.4	157.6
Intra-group revenue	-0.6	-0.6	-1.7	-2.2	-2.5
Revenue from external customers	49.6	38.9	123.6	118.2	155.1
Unallocated					
Segment revenue	1.6	0.9	4.1	1.7	2.5
Intra-group revenue	0.0	-0.1	0.0	-0.1	-0.1
Revenue from external customers	1.6	0.8	4.1	1.6	2.5
Total					
Total segment revenue	133.2	127.6	378.3	389.2	506.1
Total Intra-group revenue	-11.1	-20.2	-45.9	-63.2	-76.2
Total revenue from external customers	122.1	107.4	332.3	325.9	429.9

Each segment sells products that are similar in nature. External revenue for the different segments also represent the Group's disaggregation of revenue.

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Adj. EBITDA					
RAW	3.9	0.7	7.3	5.4	5.0
Insulation	5.9	5.4	19.0	17.4	22.3
Packaging and Components	9.3	7.7	25.4	22.2	28.9
Unallocated	-1.2	-0.9	-3.2	-2.6	-4.4
Total adj. EBITDA	17.9	12.9	48.5	42.3	51.8
EBITDA					
RAW	4.5	0.6	7.8	5.4	4.9
Insulation	3.5	5.2	19.3	16.2	20.9
Packaging and Components	12.7	7.7	28.7	21.8	28.4
Unallocated	-2.6	-1.2	-5.4	-4.0	-6.3
Total EBITDA	18.1	12.3	50.5	39.3	48.0
EBITA					
RAW	3.6	-0.3	5.0	2.8	1.4
Insulation	1.9	4.0	14.4	12.8	16.1
Packaging and Components	9.5	4.9	19.9	13.1	16.9
Unallocated	-2.8	-1.3	-5.9	-4.6	-7.0
Total EBITA	12.1	7.3	33.5	24.1	27.5
EBIT					
RAW	3.5	-0.5	4.7	2.2	0.7
Insulation	1.4	3.6	12.9	11.5	14.1
Packaging and Components	8.6	4.0	17.3	10.4	13.4
Unallocated	-2.9	-1.4	-6.0	-5.0	-7.8
Total EBIT	10.6	5.6	29.0	19.2	20.3
Net financial items	-2.7	-2.5	-7.8	-7.9	-11.0
Income before tax	7.9	3.2	21.1	11.3	9.3

External revenue by country (buying company's geography)

<i>Amounts in million EUR</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Total Finland	7,7	8,4	20,7	22,3	28,8
Total Sweden	11,2	10,4	36,9	36,9	48,4
Total Denmark	11,6	11,7	35,1	37,7	48,6
Total Norway	25,5	16,2	52,1	43,6	58,9
Total Portugal & Spain	7,0	7,4	18,5	21,9	29,2
Total Iceland	3,4	0,9	4,0	2,5	2,8
Total Baltics	1,7	2,3	6,2	6,0	8,3
Total UK	5,0	2,5	8,4	5,7	9,5
Total Germany	8,9	10,8	27,2	31,5	40,7
Total Poland	3,6	4,1	12,5	12,3	16,6
Total Russia	4,6	2,5	8,2	6,6	9,5
Total Netherlands	21,5	23,9	71,5	77,3	101,5
Total Belgium	2,3	1,9	6,5	6,4	8,4
Total France	2,6	1,5	7,7	6,0	8,6
Total Other	5,5	2,9	16,9	9,1	10,1
Total Group	122,1	107,4	332,3	325,9	429,9

NOTE 5 | The Group's borrowings

<i>Amounts in million EUR</i>	30.09.2020	30.09.2019	31.12.2019
Non-current liabilities			
Bond loan	137.8	73.4	137.4
Liabilities to credit institutions	1.7	1.7	1.2
Liabilities leases	47.3	28.8	28.7
Total	186.7	103.8	167.2
Current liabilities			
Bond loan	0.0	51.0	14.7
Liabilities to credit institutions	0.3	0.1	0.6
Liabilities leases	10.3	8.3	7.4
Debt factoring	0.0	0.9	0.8
Overdraft	16.6	0.0	0.0
Liabilities to non-controlling interests	0.0	0.0	0.0
Total	27.2	60.2	23.4
Total liabilities	213.9	164.1	190.7
Cash and cash equivalents	29.4	21.6	56.3
Net debt including IFRS 16 impact	184.6	142.5	134.4
Subtracting liabilities capitalised in accordance with IFRS 16			
Non-current liabilities leases	45.8	26.7	27.0
Current liabilities leases	8.8	7.0	5.9
Total	54.6	33.7	32.9
Net debt excluding IFRS 16 impact	130.0	108.8	101.5

Net debt is also presented excluding the effect of IFRS 16, since the impact of IFRS 16 on net debt and EBITDA is excluded in the relevant covenant calculations.

The Group's loan structure

As of 30 September 2020, the Group had two bond loans outstanding. SEK 155 million outstanding at the beginning of the year of the SEK 550 million bond, issued in 2017, was fully redeemed on 3 April 2020.

Issued amount	Frame	Amount outstanding	Date of issuance	Maturity date
EUR 75 million	EUR 100 million	EUR 75 million	April 19, 2018	April 19, 2022
EUR 65 million	EUR 115 million	EUR 65 million	November 22, 2019	November 22, 2023

The bonds are recognized under the effective interest method at amortized cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognized during the quarter are presented in the table below.

Bond loans	Interest terms	Nominal interest		Average interest	
		1.7-30.9.2020	1.1-30.9.2020	1.7-30.9.2020	1.1-30.9.2020
EUR 75 million	Euribor 3m + 4.75%	4.29-4.50%	4.29-4.50%	5.31%	5.42%
EUR 65 million	Euribor 3m + 3.40%	2.97-3.18	2.97-3.18%	3.63%	3.76%

In January 2020, the Group's main bank extended the overdraft facility by SEK 100 million to SEK 375 million (equivalent to EUR 35.6 million). As of 30 September, SEK 175 million (equivalent to EUR 16.6 million) was utilised as it in Q1 was decided to make a draw-down as a precautionary measure amidst the market turmoil and uncertainty around the Covid-19 situation. In addition, the Group has a number of liabilities in acquired companies, such as liabilities to credit institutions that have not been refinanced post-acquisition, and liabilities for lease contracts.

Pledged assets

For the overdraft facility and bonds, collateral has been lodged in the form of business mortgages, pledged shares in subsidiaries and material intra-group loans to subsidiaries.

Contingent liabilities

Guarantees issued to suppliers amounted to EUR 24.0 million. The Group is furthermore liable to financial institutions for the potential damage caused to them with respect to lease contacts not yet commenced. Such contingent liabilities amounted to EUR 1.7 million.

NOTE 6 | Fair value and financial instruments

<i>Amounts in million EUR</i>	Level 1	Level 2	Level 3	Total	Carrying amount
Financial assets measured at fair value through profit and loss					
Participation in other companies	-	-	0.3	0.3	0.3
Derivative asset	-	0.4	-	0.4	0.4
Total	-	0.4	0.3	0.7	0.7
Financial liabilities measured at fair value through profit and loss					
Derivative liability	-	-	-	-	-
Total	-	-	-	-	-
Financial liabilities measured at amortised cost					
Bond loans	141.1	-	-	-	137.8
Total	141.1	-	-	-	137.8

Financial instruments are initially measured at fair value, adjusted for transaction costs, except for financial instruments subsequently measured at fair value through profit and loss. For those instruments, transactions costs are recognized immediately in profit and loss. The Group is classifying its financial instruments based on the business model applied for groups of financial instruments within the Group and whether separate financial instruments meet the criteria for cash flows that are solely being payments of principal and interest on the principal amount outstanding. The Group is classifying its financial instruments into the Group's financial assets and financial liabilities measured at fair value through profit and loss and financial assets and financial liabilities measured at amortized cost. The table above shows the fair value of financial instruments measured at fair value, or where fair value differs from the carrying amount because the item is recognized at amortized cost (the bond loans). The carrying amount of the Groups' other financial assets and liabilities is considered to constitute a good approximation of the fair value since they either carry floating interest rates or are of a non-current nature.

Level 3 – Changes during the period (EUR million)	Participation in other companies
As of Dec 31, 2019	0.2
Exchange differences	0.1
Acquisitions	1.3
Divestments	-1.3
As of September, 30 2020	0.3

* Level 1 – listed prices (unadjusted) on active markets for identical assets and liabilities.

* Level 2 – Other observable data for the asset or liability are listed prices included in Level 1, either directly (as price) or indirectly (derived from price).

* Level 3 – Data for the asset or liability that is not based on observable market data.

NOTE 7 | Business combinations**BEWi Drift Holding AS (BDH)**

On 17 August, BEWi announced the acquisition of BEWi Drift Holding AS (BDH), a Norwegian supplier of packaging products for use on land and at sea and solutions for insulation. The acquisition provides an expanded product portfolio and geographic reach to the Group. In 2019, BDH's revenue and EBITDA were approximately NOK 850 million and NOK 55 million (local GAAP) respectively. The consideration for the share was paid in a combination of cash, settlement of receivable and new shares issued. EUR 21.0 million in external loans were settled in connection with the acquisition. The purchase price and fair value of assets and liabilities acquired are presented in the table below. The main fair value adjustments were related to trademark, customer relations, technology and property, plant and equipment. The company is consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to goodwill of EUR 8.1 million. Goodwill is not tax-deductible. Until 30 September, the BDH had contributed EUR 15.0 million to the Group's net sales, EUR 1.3 million to adjusted EBITDA and EUR 0.5 million to EBIT. Transaction costs amounted to EUR 0.1 million.

Amounts in million EUR

Issue in kind	9.5
Cash consideration	5.1
Settlement receivable	0.5
Total	15.1
Recognised amount of identifiable assets and acquired liabilities assumed	
Trademark	1.4
Customer relations	9.2
Technology	1.2
Property, plant and equipment	20.7
Other fixed assets	0.9
Inventory	16.0
Current receivables	11.3
Cash and cash equivalents	1.8
Non-current liabilities	-36.1
Deferred tax receivables	-2.9
Current liabilities	-15.4
Total identifiable net assets	8.1
Liabilities to non-controlling interests	1.1
Goodwill	8.1
Cash and cash equivalents in acquired business	1.8
Total cash outflow from acquisition of business	-3.2

**The acquisition analysis is preliminary*

Other acquisitions

On 9 January, BEWi announced that the Company had agreed to acquire an insulation facility in the Swedish city of Norrköping and on February 28, the deal was closed through the acquisition of Ravago Building Solutions Nordic AB. The company had a turnover of SEK 133 million and an EBITDA of SEK - 9 million in 2019. Through the acquisition, which supports the strategy to strengthen the position in the Nordic insulation market, the Group will get access to high volumes of XPS, enabling to offer a combination of EPS and XPS to customers. At the same time, it was announced that the production

facility in Norrtälje will be closed early 2021. The consideration was paid in cash. The company is consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to goodwill of EUR 2.8 million.

On February 28, BEWi announced that the Company had agreed to acquire 75 per cent of the Dutch company De Wijs-van Loon BV including its subsidiary Poredo BV. De Wijs-van Loon BV is a company at the forefront of converted recycled EPS. The consideration was paid in cash and gave rise to minor goodwill. The company is consolidated from the date of acquisition.

On 10 June, BEWi announced that the Company had agreed to acquire certain assets deriving from the Danish recycling company EPS-Recycle, thereby establishing the recycling company BEWiSynbra Circular Denmark A/S.

The combined purchase price and fair value of assets and liabilities acquired in these other acquisitions are presented in the table below. Until 30 September, these other acquisitions had contributed EUR 6.1 million to the Group's net sales, EUR 0.5 million to adjusted EBITDA and EUR 0.0 million to EBIT.

Amounts in million EUR

Cash consideration	8.3
Total	8.3
Recognised amount of identifiable assets and acquired liabilities assumed	
Property, plant and equipment	7.4
Inventory	2.7
Current receivables	0.9
Cash and cash equivalents	0.8
Non-current liabilities	-4.4
Deferred tax receivables	-0.9
Current liabilities	-1.8
Total identifiable net assets	4.7
Goodwill	3.6
Cash and cash equivalents in acquired business	0.8
Total cash outflow from acquisition of business	-7.5

**The acquisition analyses are preliminary*

NOTE 8 | Shares in associates

BEWi Group owns 34% in HIRSCH Porozell GmbH, which operates six production sites in Germany. The carrying amount of the shares as of 30 September 2020 was EUR 2.2 million. During the first nine months of 2020, net sales in HIRSCH Porozell GmbH amounted to EUR 67.5 million, EBITDA to EUR 8.3 million, operating profit (EBIT) to EUR 6.4 million and net profit to EUR 4.1 million, as reflected in the consolidation of BEWi.

BEWi Group owns 34% in HIRSCH France SAS, which operates six production sites in France and owns 49.9% of the shares in the French company Issosol SAS. The carrying amount of the shares as of 30 September 2020 was EUR 5.2 million and non-current receivables from the company amounted to EUR 2.3 million. During the first nine months of 2020, net sales in HIRSCH France SAS amounted to EUR 48.3 million, EBITDA to EUR 4.5 million, operating profit (EBIT) to EUR -0.4 million and net profit to EUR -0.8 million. In addition, the results were positively impacted by EUR 10.3 million from the reversal of negative goodwill, of which EUR 3.5 million impacted BEWi's share of income. The negative goodwill arose when HIRSCH France SAS acquired the business located at the six production sites.

The seller had decided to divest its EPS business in France. Local management has performed a purchase price allocation and for this purpose obtained an external valuation of real estate, the biggest portion of the assets acquired. BEWi has performed an independent assessment of the components of the purchase price allocation.

In June 2020, BEWi invested 49% in a newly established company, Jabalite Group Ltd, operating five production sites in the UK. The carrying amount of the shares as of 30 September 2020 was EUR 0.1 million and non-current receivables from the company amounted to EUR 1.6. During the first nine months of 2020, net sales in Jabalite Group Ltd amounted to EUR 7.9 million, EBITDA to EUR -0.2 million, operating profit (EBIT) to EUR -0.4 million and net profit to EUR -0.4 million.

NOTE 9 | Earnings per share

	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Profit for the period attributable to parent company shareholders (million EUR)	5.7	2.7	16.6	8.4	5.6
Average number of shares	141,332,006	138,937,980	139,741,814	138,937,980	138,937,980
Earnings per share (EPS), basic and diluted (EUR)	0.04	0.02	0.12	0.06	0.04
Earnings per share (EPS), basic and diluted (NOK)	0.43	0.19	1.27	0.59	0.40

EPS in NOK is calculated using the average rate in the period

On 17 August 2020, the number shares outstanding increased from 138,937,980 to 143,943,671 in a new share issue. Earnings per share is calculated by dividing profit attributable to parent company shareholders by the weighted number of ordinary shares during the period. The weighted of ordinary numbers of shares in 2019 up until 21 August 2020 corresponds to the number of shares in BEWiSynbra Group AB, as further described in note 1. There are no dilutive potential ordinary shares.

NOTE 10 | Subsequent events

On 16 October, BEWi announced its intention to divest real estate in the Netherlands in a sale and leaseback transaction to KMC Properties AS, a company partly owned by the Bekken family for a market-based consideration of approximately NOK 300 million.

On 10 November, the Board of Directors resolved to approve for a listing of BEWi ASA's shares on Oslo Børs, alternatively Oslo Axess.



To the Board of Directors of BEWi ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated interim balance sheet of BEWi ASA as of 30 September 2020, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 30 September 2020, and its financial performance and its cash flows for the nine-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Trondheim, 10 November 2020
PricewaterhouseCoopers AS

Kjetil Smørdal
State Authorised Public Accountant

Five-year summary

<i>Amounts in million EUR (except percentage)</i>	2019	2018	2017	2016	2015
Net sales	429.9	380.7	194.8	169.7	170.3
Operating income (EBIT)	20.3	13.7	3.6	6.4	6.0
EBITDA	48.0	28.6	8.9	11.4	10.8
<i>EBITDA margin (%)</i>	<i>11.1%</i>	<i>7.5%</i>	<i>4.6%</i>	<i>6.7%</i>	<i>6.3%</i>
Adjusted EBITDA	51.8	30.9	11.4	12.8	11.7
<i>Adj. EBITDA margin (%)</i>	<i>12.1%</i>	<i>8.1%</i>	<i>5.9%</i>	<i>7.5%</i>	<i>6.8%</i>
Items affecting comparability	-3.9	-2.3	-2.5	-1.4	-0.9
EBITA	27.5	18.3	4.5	7.3	6.8
<i>EBITA margin (%)</i>	<i>6.4%</i>	<i>4.8%</i>	<i>2.2%</i>	<i>4.3%</i>	<i>4.0%</i>
Adjusted EBITA	31.4	20.7	7.0	8.7	7.7
<i>Adj. EBITA margin (%)</i>	<i>7.3%</i>	<i>5.4%</i>	<i>3.6%</i>	<i>5.1%</i>	<i>4.5%</i>
Net profit/loss for the period	5.6	1.6	4.2	4.5	4.9
Cash flow from operating activities	35.9	17.6	7.4	7.7	8.7
Capital Expenditure (CAPEX)	-14.3	-13.8	-10.0	-5.1	-3.7

As from 2019, the Group applies IFRS 16. The impact from IFRS 16 in 2019 was EUR 7.5 million on EBITDA, EUR -5.4 million on depreciations, EUR -2.5 million on financial expenses, EUR 0.1 million on income tax and EUR -0.3 million on net profit.

Quarterly data

<i>Amounts in million EUR (except percentage)</i>	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net sales	122.1	105.1	105.1	104.0	107.4	115.3	103.3	118.4	112.0
Operating income (EBIT)	10.6	11.9	6.5	1.2	5.7	9.0	4.5	1.8	3.1
EBITDA	18.1	18.7	13.7	8.6	12.4	15.9	11.1	7.9	7.5
<i>EBITDA margin (%)</i>	<i>14.8%</i>	<i>17.8%</i>	<i>13.1%</i>	<i>8.3%</i>	<i>11.5%</i>	<i>13.8%</i>	<i>10.7%</i>	<i>6.7%</i>	<i>6.7%</i>
Adjusted EBITDA	17.9	15.8	14.8	9.5	12.8	16.2	13.3	9.8	9.5
<i>Adj. EBITDA margin (%)</i>	<i>14.7%</i>	<i>15.0%</i>	<i>14.1%</i>	<i>9.2%</i>	<i>12.0%</i>	<i>14.0%</i>	<i>12.8%</i>	<i>8.2%</i>	<i>8.5%</i>
Items affecting comparability	0.1	2.9	-1.0	-0.9	-0.5	-0.3	-2.2	-2.0	-2.0
EBITA	12.1	13.3	8.0	3.3	7.4	10.7	6.0	4.2	4.3
<i>EBITA margin (%)</i>	<i>9.9%</i>	<i>12.7%</i>	<i>7.6%</i>	<i>3.1%</i>	<i>6.9%</i>	<i>9.2%</i>	<i>5.8%</i>	<i>3.5%</i>	<i>3.9%</i>
Adjusted EBITA	12.0	10.4	9.0	4.1	7.9	11.0	8.3	6.1	6.3
<i>Adj. EBITA margin (%)</i>	<i>9.8%</i>	<i>9.9%</i>	<i>8.6%</i>	<i>4.0%</i>	<i>7.4%</i>	<i>9.5%</i>	<i>7.9%</i>	<i>5.1%</i>	<i>5.6%</i>
Net profit/loss for the period	5.7	8.5	2.3	-2.9	2.7	4.1	1.6	-1.4	-0.4
Cash flow from operating activities	10.8	7.3	-4.9	19.5	22.9	7.6	-14.2	15.1	7.0
Capital Expenditure (CAPEX)	-4.9	-3.5	-3.1	-4.9	-2.6	-3.4	-3.4	-4.6	-4.1



BEWi ASA
Postboks 3009 Lade
7441 TRONDHEIM

Email: info@bewi.com

Website:
<https://bewi.com>