Investor presentation

August 2021

BEWI

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BEWI

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Chapter 1

Transaction overview

Today's presenters

Christian Bekken

CEO of BEWI ASA

- With BEWI Group for 19 years
- Appointed CEO in 2020
- Christian is 2nd generation Bekken family, and has held various senior positions within the Group

Marie Danielsson

CFO of BEWI ASA

- With BEWI Group for 6 years
- CFO since 2015
- Former VP Financial Control and Taxes at Haldex, a world-leading supplier of brake and suspension solutions listed in Stockholm

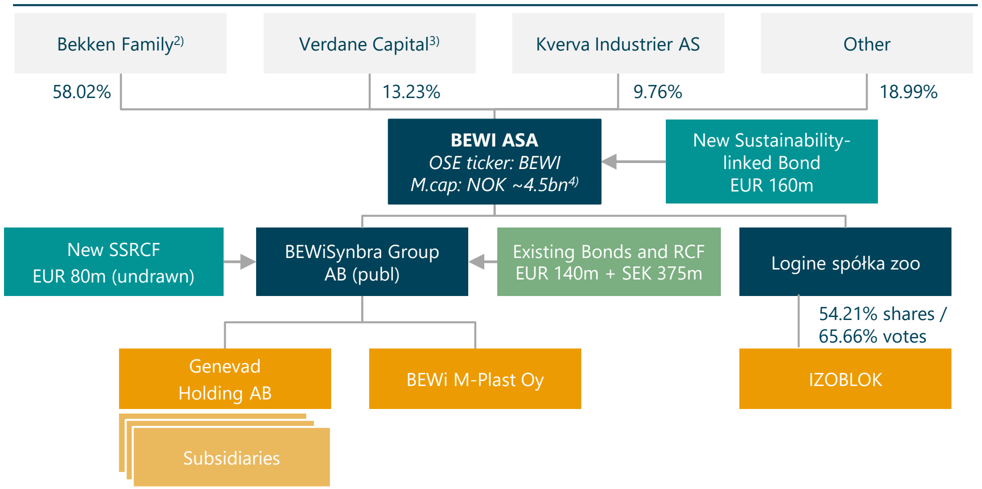
Transaction summary

BEWI

Transaction overview and background

- BEWI ASA (“**BEWI**” or the “**Company**”) is contemplating to issue up to EUR 160 million of Senior Unsecured Sustainability-linked Bonds (the “**Bonds**”) within a total framework of EUR 250 million
- The net proceeds from the bond issue will be used to refinance the two existing senior secured bonds, BEWI 02 (EUR 75 million) and BEWI 03 (EUR 65 million) with maturity in April 2022 and November 2023, respectively, and for general corporate purposes
- As part of the refinancing, BEWI’s subsidiary BEWiSynbra Group AB (publ) will also refinance its existing SEK 375 million Super Senior RCF with a new EUR 80 million Super Senior RCF provided by DNB and Nordea
- Rationale for the contemplated refinancing is to improve financial flexibility and extend maturity profile allowing BEWI to continue to pursue its growth trajectory

Simplified ownership structure[1)]



BEWI capitalization

EURm	30 June 2021	Bond issue	Pro forma
New 5-year Sustainability-linked Bonds	-	160	160
Outstanding secured bonds (book value)	140	-140	-
Other interest-bearing debt incl. leasing	89	-6	83
Total interest-bearing debt	**229**	**14**	**243**
Cash & cash equivalents	42	14	57[5)]
Net interest-bearing debt[6)]	**187**		**187**
Book equity	224		224
Total assets	**603**	**14**	**617**
LTM Adj. EBITDA incl IFRS 16	83		83
LTM Adj. EBITDA excl. IFRS 16	70		70
Net debt / LTM Adj. EBITDA[7)]	1.5x		1.5x
Equity ratio	37%		36%

Use of proceeds

Sources	EURm	Uses	EURm
Sustainability-linked bond	160	Repayment of existing bonds	140
Cash and cash equivalents	42	Repayment of drawn RCF	6
		General corporate purposes	57[5)]
Total sources	**202**	**Total uses**	**202**

Notes: 1) As of 4 August 2021; 2) Represented by Frøya Invest AS and Ebe Eiendom AS; 3) Represented by Verdane ETF III SPV K/S (6.97%) and Verdane SKULD 1 AS (6.26%); 4) As of 06.08.2021; 5) Pro forma cash balance before transaction costs, call premium and accrued interest; 6) Including IFRS16 impact. Deviation from reported NIBD (EUR 185m) due to amortized financing cost; 7) Excluding IFRS16 impact, which is aligned with calculations under incurrence test

Summary of key terms

Issuer	BEWI ASA
Status	Senior Unsecured Sustainability-Linked
Initial Issue Amount	EUR 160 million
Maximum Issue Amount	EUR 250 million
Tenor	5 years
Amortization	Bullet at maturity at par value if Sustainability Performance Target has been met, otherwise at 100.75% of par value
Interest Rate	3 months EURIBOR + [●] per cent, p.a. quarterly interest payments
Issue price	100% of par value
Use of Proceeds	Repayment of existing bonds (including any call premium thereof) and general corporate purposes
Incurrence Test	Leverage Ratio (NIBD / EBITDA) of maximum 2.75x Interest Cover Ratio (EBITDA / Net Finance Charges) of minimum 3.00x
Issuer's call option (American)	Optional Early Redemption at par + 30% of the Margin *plus* remaining interest payments until the First Call Date (3.5 years after the Issue Date), thereafter callable at par +30/20/10% of the Margin after 3.5/4.0/4.5 years (all or nothing), with customary adjustments related to performance under the Sustainability Performance Target The Issuer may at one time, following the First Call Date, redeem up to 50% of the outstanding bonds at the applicable call price provided that the redemption is financed by way of one or several Market Loan(s)
Permitted Debt	Ratio debt subject to Incurrence Test (including in relation to Listed Entities). Other permitted debt including, *inter alia*: SSRCF, hedging, leasing, general basket and debt incurred by acquired companies (non-listed entities or shares in a Listed Entity so that the Group Company's total shareholding corresponds to at least 90 per cent. of the shares in such Listed Entity) subject to Incurrence Test and certain grace periods
Permitted Distributions	(i) Up to 50% of consolidated adjusted Net Profit subject to a Leverage Ratio (NIBD / EBITDA) of maximum 2.50x *pro forma* for the Distribution, (ii) interest under any Capital Securities, and (iii) principal under any Capital Securities to the extent financed in full by issuance of other Capital Securities
Other Covenants	Standard including inter alia Negative Pledge, Change of business, arm's length terms, disposal of assets, pari passu ranking, mergers and demergers, compliance with laws
Put Option Event	Bondholders' put option at 101% of par upon a Change of Control Event, Listing Failure Event or Delisting Event
Trustee / Law	Nordic Trustee & Agency AB (publ) / Swedish
Listing	Nasdaq Stockholm within 60 days after the First Issue Date, otherwise put option at 101% of par (Listing Failure Event)
Sustainability Structuring Advisors	DNB Markets and Nordea
Joint Bookrunners	Carnegie, DNB Markets and Nordea

Note: Please refer to Term Sheet for further details

Sustainability-linked Bond framework

Sustainability at BEWI

- BEWI is committed to sustainability and recognizes their role as a leading company in developing circular processes for its industry and thereby promoting a low carbon society
- The Sustainability-linked Bond supports BEWI's 2030 Sustainability Strategy launched in March 2021 and is aligned with the ICMA Sustainability-linked Bond Principles 2020
  - The bond is issued under BEWI's newly established Sustainable Finance Framework, enabling the issuance of Green as well as Sustainability-linked Bonds and Loans
- The Sustainable Finance Framework has been reviewed by Sustainalytics, a leading second party opinion provider, confirming the Framework's alignment with best market practice. Table below provided by Sustainalytics

KPI	SPTs	Strength of the KPI	Ambitiousness of the SPTs
Collected expanded polystyrene (EPS) for recycling (in tonnes)	SPT1: Collected EPS for recycling to reach 45,000 tonnes per year by end-2024 SPT2: Collected EPS for recycling to reach 60,000 tonnes per year by end-2026	Strong	Ambitious

SUSTAINALYTICS

Sustainability-linked features

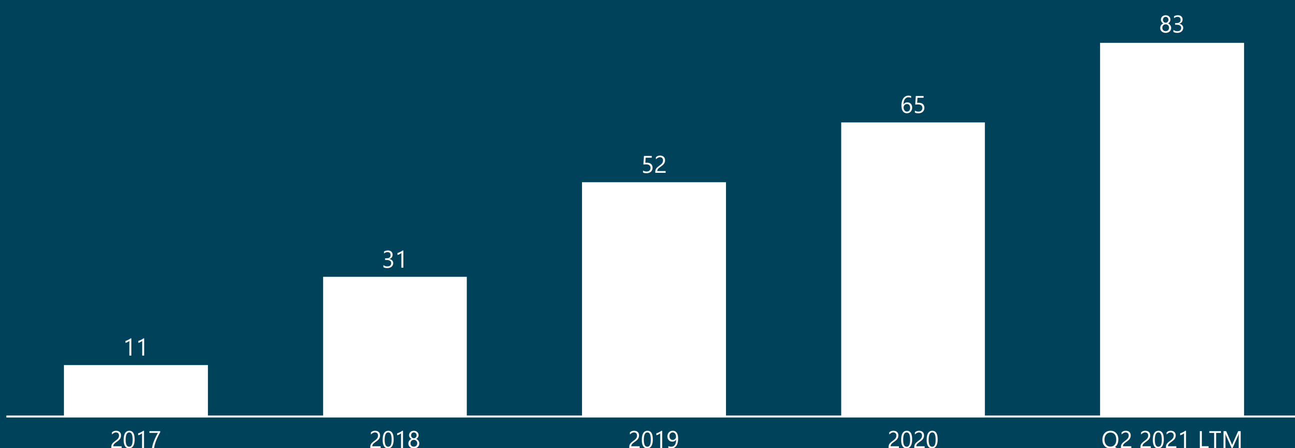
- The selected Key Performance Indicator (KPI) is based on collection of used EPS[1)], which is the first step in ensuring increased recycling rates and creating a circular economy approach
- In relation to this KPI, BEWI has set a Sustainability Performance Target (SPT) of *collecting 45,000 tonnes of used EPS for recycling by the end of 2024* for this bond
- The SPT is connected to the company's 2030 Sustainability Strategy which targets an annual collection of used EPS that is equal to the amount of EPS with a lifetime of less than one year that BEWI annually supplies to the market
- To ensure alignment with the SPT BEWI has highlighted several key steps including:
  - Investments in, and establishment of, collection hubs in areas where there is currently no systems in place for the collection of EPS
  - Use-ReUse – an initiative to raise awareness and knowledge about the importance of sorting and collecting used EPS
  - Cooperation with customers, municipals and other stakeholders to secure sorting and collection of EPS across Europe
  - Investments in green fields
  - M&A of existing collection and recycling companies

Note: 1) Expanded polystyrene

Key credit highlights

- A leading European player with multiple #1 local market positions
- High barriers to entry and economies of scale from a well-invested platform
- Earnings stability from revenue diversification
- Pioneering the industry’s change towards a circular economy
- Demonstrated history of value creation through M&A combined with decreasing leverage over time
- Listed company with an experienced management team backed by long-term family ownership
- Attractive growth outlook underpinned by multiple global secular trends and a focused strategy

Adj. EBITDA (EURm)



Chapter 2

Introduction to BEWI

BEWI is an innovative consolidator in Europe…

BEWI

Key figures

EUR 599 million
net sales[1)]

EUR 83 million
adj. EBITDA[1,2)]

44
total facilties[3)]

200 kt
annual EPS production capacity

20 kt
run-rate recycling capacity

8
recycling facilities

5
circular M&A deals

22
M&A deals from 2014 - 1H 2021

BEWI at a glance

BEWI is a European provider of packaging, components and insulation solutions, founded in 1980 on the island of Frøya, of the coast of Norway

Vision

Protecting people and goods for a better everyday

Key facts

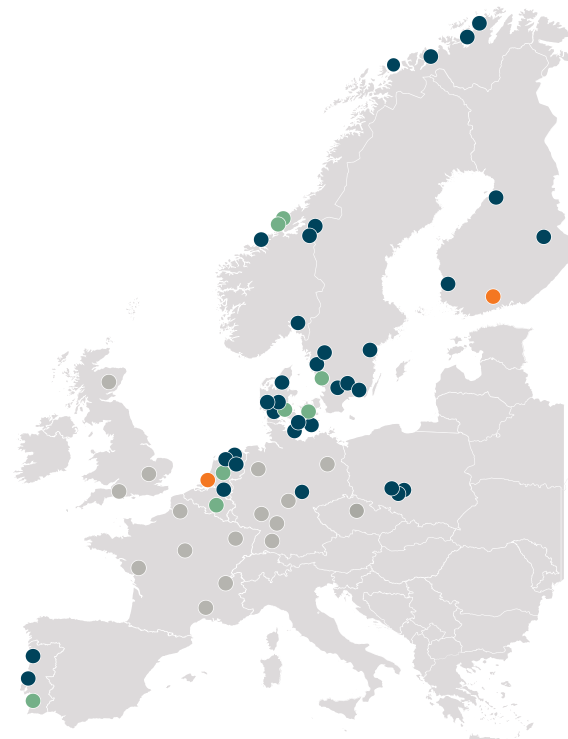
BEWI is the largest vertically integrated EPS producer in Europe, over twice the size of the second largest

The company is listed on Oslo Børs in Norway with a market capitalization of ~NOK 4.5 billion[4)]

BEWI has a proven M&A track-record constituting in 22 mergers in the period 2014 – 1H 2021

BEWI Circular was established in 2018 to lead the way towards becoming fully circular within 2030

Key end-markets include the Food, Pharmaceutical, Automotive, Leisure, Residential housing and Thermal insulation industries



Facilities

- 2x RAW facilities
- 8x Circular facilities
- 34x Downstream facilities
- 16x Jointly owned downstream facilities

Sources: Company information and financials; FactSet | Notes: 1) Q2 2021 LTM; 2) Normalised earnings before interest, tax, depreciation and amortisation (i.e. items affecting comparability and deviations are added back); 3) Excluding facilities held through minorities; 4) As of 06.08.2021

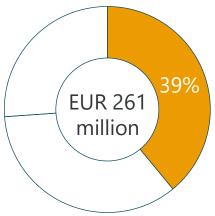
...operating through three core segments...

BEWI

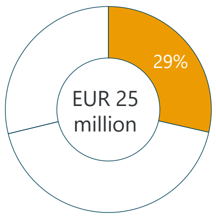
RAW

Production of white and grey expanded polystyrene (EPS) and Biofoam, a fully bio-based particle foam. The raw material is sold both internally and externally

Net sales LTM[1)]



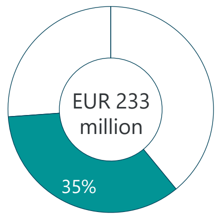
Adj. EBITDA LTM[1)]



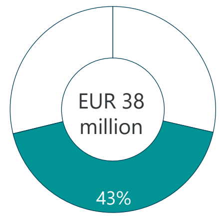
Packaging & Components

Manufacturing of standard and customised packaging solutions and technical components for customers in many industrial sectors

Net sales LTM[1)]



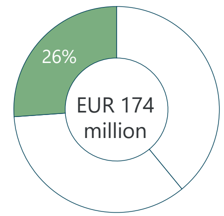
Adj. EBITDA LTM[1)]



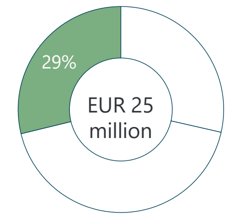
Insulation

Manufacturing of an extensive range of insulation products for the construction and infrastructure sectors

Net sales LTM[1)]



Adj. EBITDA LTM[1)]



BEWI Circular

Note: 1) Q2 2021 LTM

… with over 40 years of history and proven successful M&A integration

BEWI

1980
BEWI is founded by the Bekken family, focusing on packaging and building insulation

2014
Merger between BEWI and StyroChem into BEWI Group

2014
Acquisition SCA packaging

2016
Investment in extruding technology in Porvoo, Finland

2017
Acquisition of Finnish XPS producer M-Plast and the Swedish packaging operations of Por-Pac

2018
BEWI acquires Synbra and creates a leading European integrated EPS producer

2019
Launching EPS recycling initiative, Use-ReUse

2019
Launch and successful trial of the worlds first 100% recycled EPS

2020
BEWI Listing on Euronext Growth in August 2020 and uplisted to Oslo Børs December 2020

2020
Acquisition of Dutch recycling company, Poredo

2020
Acquisition of recycling assets and establishment of Circular Denmark

2020
Acquisition of BEWi Drift Holding (BDH) reinforcing position within food packaging and insulation

Synbra

1973
IP Brabant (Synbra origin) starts EPS polymerisation - capacity of 5kt of beads/year

1999
Acquisition of Styropack (DK and UK)

2011
Strategic alliance with Sulzer and Corbion to develop BioFoam production

2016
Production of 65kt of beads/year

2018
BEWiSynbra acquires fish box business from Frøya Invest and automotive business from KMC Family

2018
Launch of BEWiSynbra Circular, setting increased focus on recycling and recollection of EPS

2019
Acquires recycling companies, Eco Fill and Eurec, to strengthen recycling capabilities

2019
Entering the French market by acquiring 6 facilities as well as stake in Isossol in France

2020
Acquisition of insulation facility in Norrköping

2020
Entering the UK market by acquiring minority stake in Jablite Group

2020
Establishes recycling company in Portugal, expanding recycling capabilities to Southern Europe

2021
Acquisitions of Inoplast, IZOBLOK and Honeycomb Cellpack in Q1

2011-2015: Vertical integration

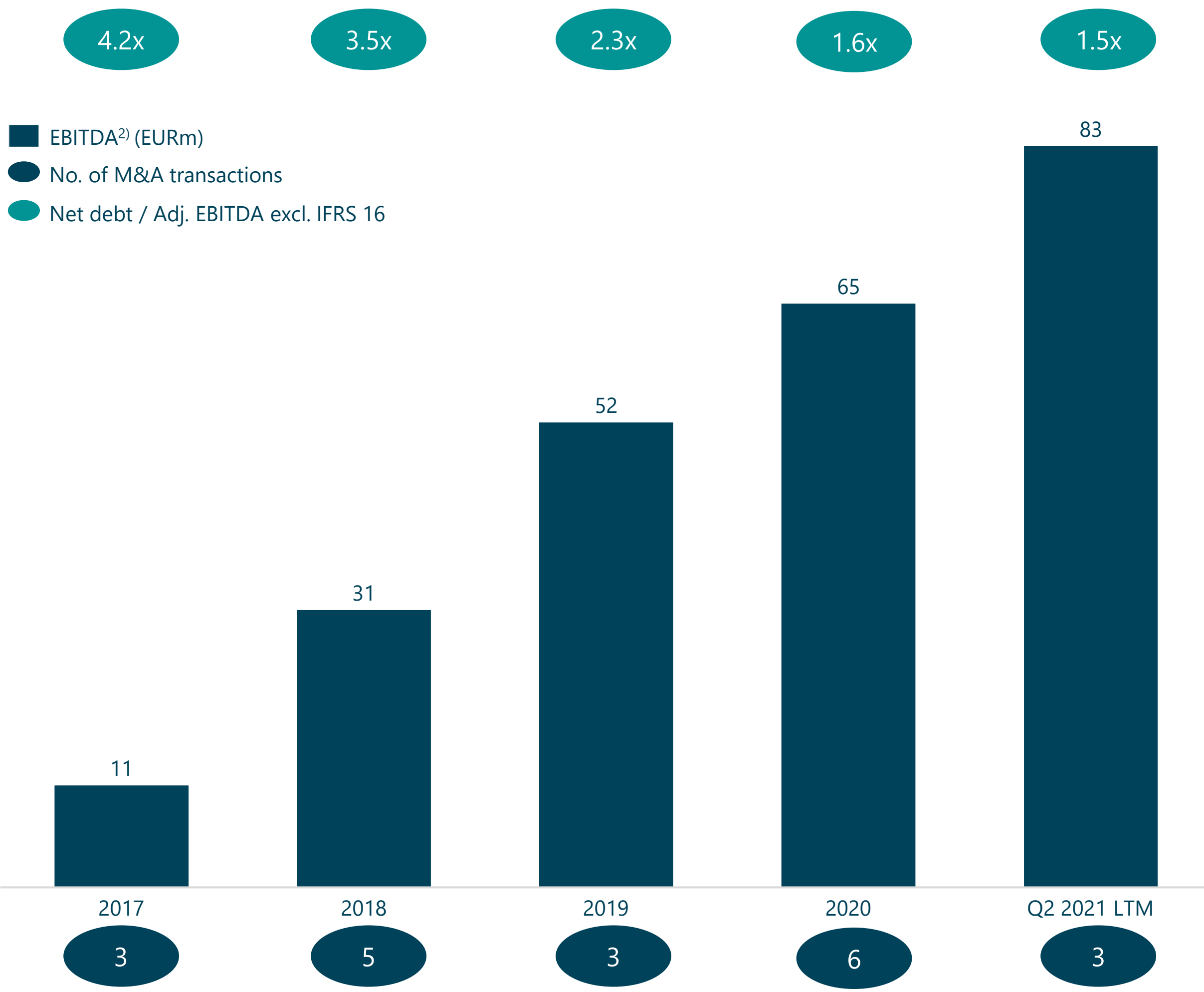
2016 - 2018: European expansion

2018 -> : European expansion focused on integrating recycling capacity

Today BEWI is a listed consolidator with low leverage positioned for the circular future

BEWI

The M&A strategy has been integral in forming the company...



...into BEWI today

- Listed on Oslo Børs with a ~NOK 4.5[1)] billion market cap
- Continued long-term industrial family ownership
- Substantial de-leveraging over time despite an active M&A agenda, investments in greenfields and other organic growth initiatives
- Uniquely positioned and invested into becoming 100% circular

Notes: 1) As of 06.08.2021; 2) Reported EBITDA incl. IFRS 16

Since 1980 BEWI's strategy and vision have been dedicated to offering solutions in innovative and efficient ways…

Strategic priorities

Innovation

Innovation in search for more sustainable materials, products, solutions and production processes

A circular economy

A circular economy aiming at being the most sustainable provider of packaging, components and insulation solutions. By managing the entire value chain, BEWI is committed to closing the loop

Profitable growth

Profitable growth through organic initiatives and M&A opportunities, strengthening recycling operations, enabling geographic expansion and further strengthening of market positions

The BEWI vision

Protecting people and goods for a better everyday

Protecting people

Protecting food

Protecting homes

...with sustainability being a core focus

BEWI

BEWI's approach to sustainability is based on three pillars...

Becoming circular

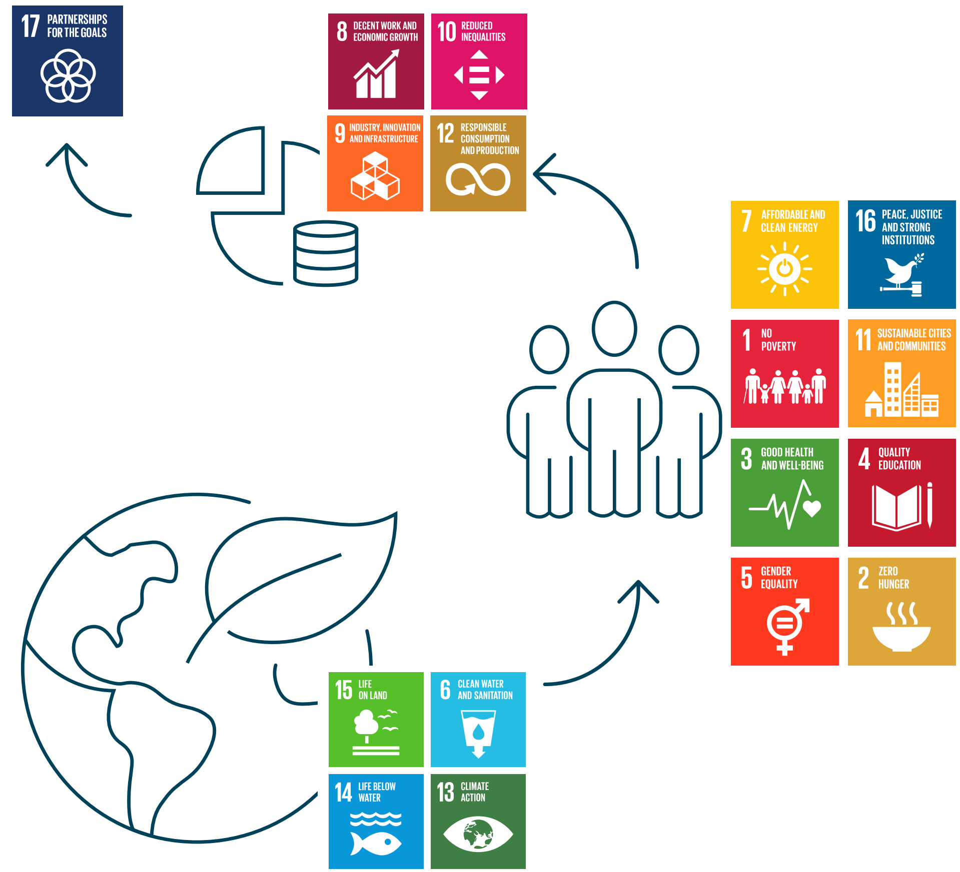
Actively engage in partnerships

Contribute to an inclusive society

BEWI Circular

The unit responsible for increasing the groups collection and recycling of EPS and thus ensuring that BEWI will become circular

...and recognises the importance of our planet's boundaries

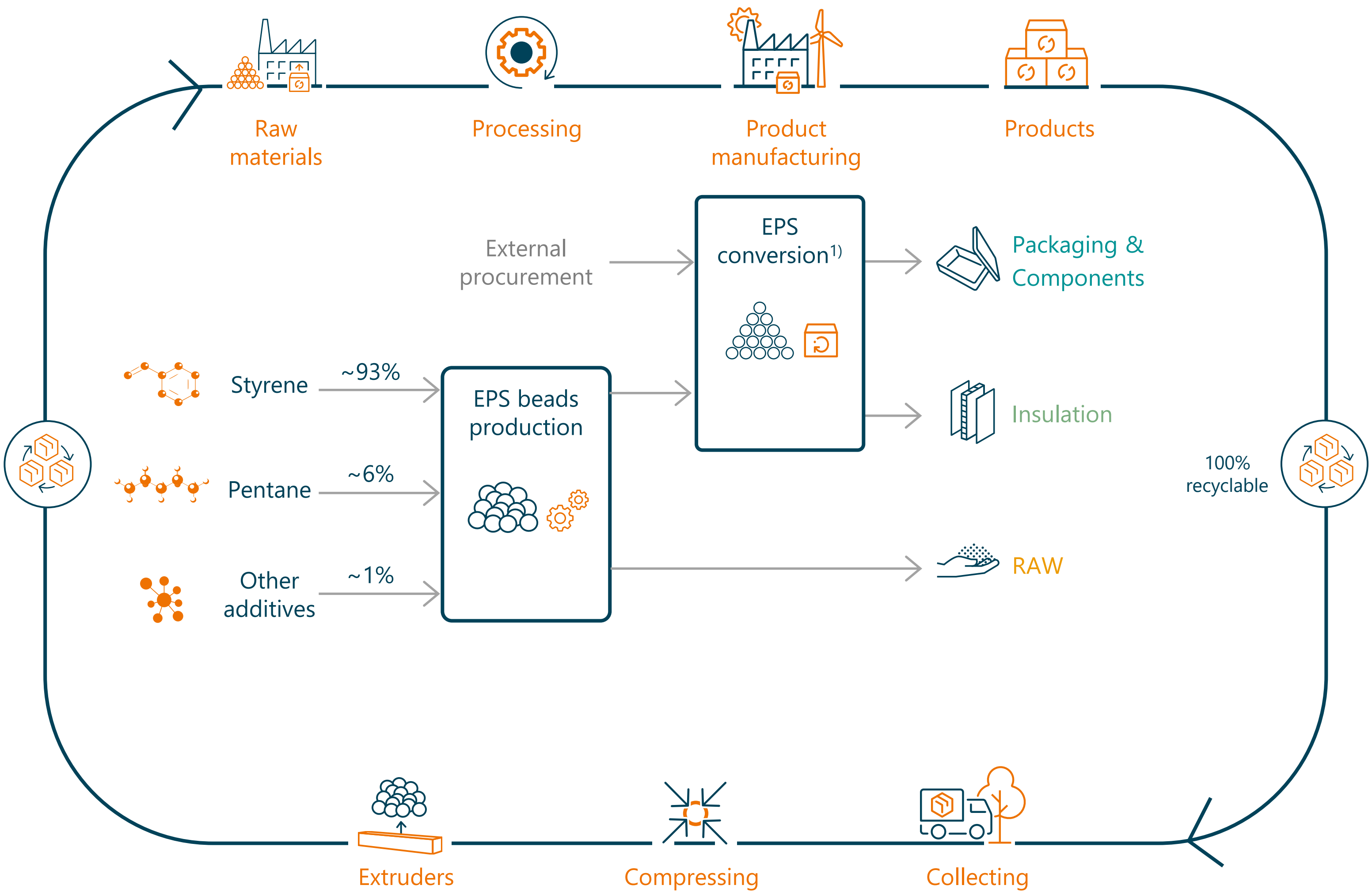


BEWI therefore supports the restructuring of UN's Sustainable Development Goals (SDGs) from a linear list to a figure where the SDGs related to our planet's boundaries set the basic framework for achieving the other SDG's

Chapter 3

Business overview

BEWI has an integrated, flexible and circular value chain



Procurement of raw materials and processing them into EPS beads to be used for production are a part of

RAW

The processes of converting EPS beads, manufacturing products and selling these products are a part of

P&C

Insulation

Collecting, compressing, and extruding used materials into new raw materials and finally new products are all part of

BEWI Circular

Note: 1) The company also manufactures XPS and EPP products. While the company has some EPP capacity, which has increased with the IZOBLOK acquisition, EPP and XPS raw material is mainly sourced externally

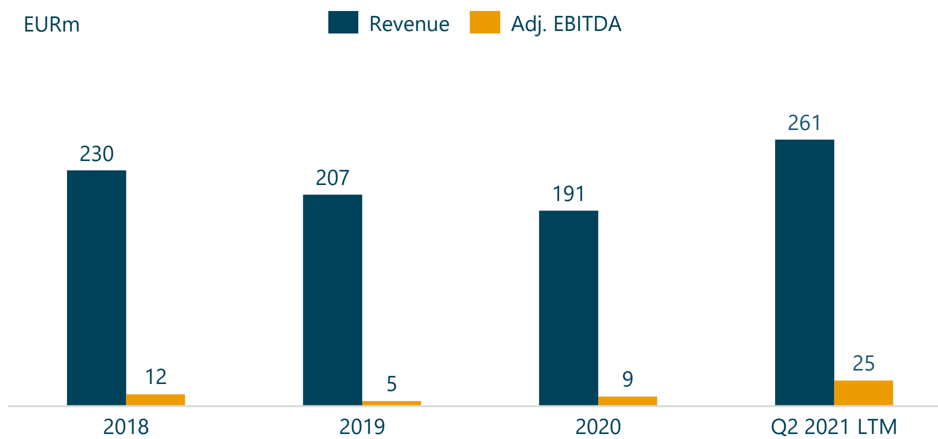
RAW – Enabling BEWI's circular ambition and downstream stability

BEWI

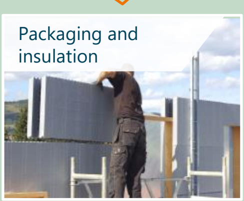
Segment overview

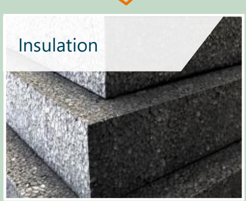
- Segment RAW develops and produces white and grey expanded polystyrene, known as EPS beads or Styrofoam, as well as BioFoam, a fully biobased particle foam
- EPS consists of 98% air and is therefore a lightweight and cost-efficient alternative
- In addition, EPS is 100 percent recyclable and in 2020 BEWI launched its new product Re-Circulum which consists solely of recycled EPS
- Styrene, which is the main input in EPS production, is generated from dehydrogenation of ethylbenzene and is part of a global commodity market
- BEWI sources styrene from European and Russian suppliers to facilities in Porvoo, Finland and Etten-Leur, Netherlands, which have a combined EPS production capacity of ~200kt
- A key procurement strategy of BEWI is to always have at least two suppliers of styrene
- The raw material is sold 50/50 internally[1)] and externally for production of end products
- Through the acquisition of IZOBLOK, BEWI now also has the capacity to produce EPP internally. However, BEWI is a net buyer and all produced EPP is sold to internal downstream

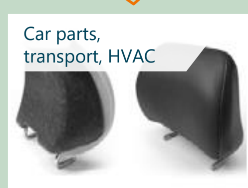
Financial profile



Selected products







Produced by BEWI

RAW creates value for the integrated BEWI

- Ensures stable and reliable supply
- Mitigates price and demand fluctuations
- Facilitates full and stable downstream utilisation
- Provides valuable knowledge and market insight

Source: Company information | Note: 1) Includes sales to joint ventures

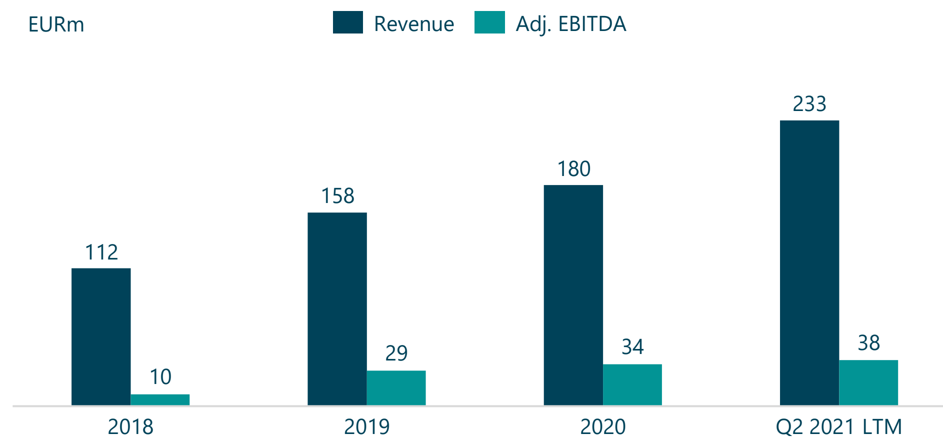
Packaging & Components – Providing highly integrated and specialized solutions to various industries

BEWI

Segment overview

- The Packaging & Components segment develops and manufactures standard and customised solutions and components for customers in many industries
- The IZOBLOK acquisition was closed in July 2021 and will be a part of P&C, which will increase the exposure towards the European automotive industry
- IZOBLOK has an estimated share of 21% for EPP components to the automotive industry in Europe, operates three facilities in Poland and one in Germany and employs ~460 FTEs
- BEWI further strengthened its presence in packaging solutions for the seafood industry after the acquisition of BEWi Drift Holding (BDH) in 2020
- The majority of beads is sourced internally, with White EPS, Grey EPS and BioFoam being produced by BEWI and EPP being produced by IZOBLOK
- P&C currently has 25[1)] production facilities spread across Norway (7), Denmark (6), Sweden (4), Poland (3), Portugal (2), Netherlands (2) and Germany (1)
- Sales[2)] are split between Norway 32%, Denmark 16%, Sweden 14%, Netherlands 10% with the rest being distributed across Europe

Financial profile



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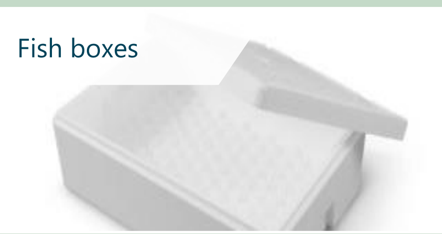

Fish boxes


Honeycomb panels


HVAC[3)] components


Automotive components

Critical success factors

- Superior quality
- High customer service
- Joint R&D
- Proximity to customers

Key customer examples

- Manufacturing
- Medical
- Automotive
- Seafood

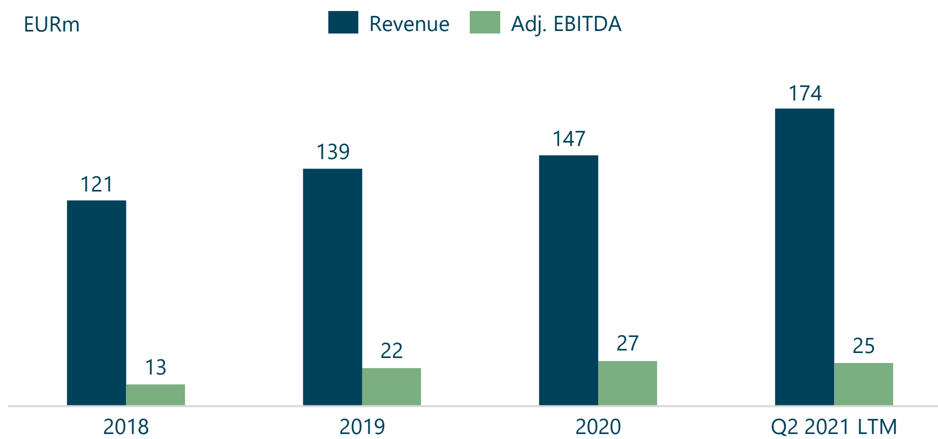
Source: Company information | Notes: 1) Excluding joint ventures; 2) LTM Q2 2021; 3) Heating, ventilation and air conditioning

Insulation – Positioned within both high-value add and standard products, leading the way towards greater energy efficiency

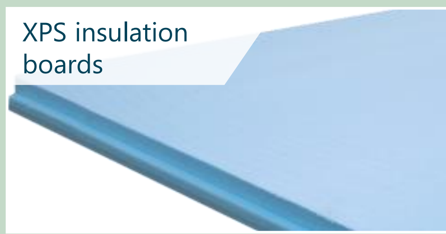
Segment overview

- The Insulation segment develops and manufactures an extensive range of insulation solutions for the construction industry, such as insulation elements and filler for road embankments
- BEWI's insulation products are primarily manufactured from EPS and XPS
- White and grey EPS is produced in-house by BEWI, while GPPS, which is being used to create XPS, is sourced externally
- BEWI is one of the larger European manufacturers of insulation solutions, with the construction industry in the Benelux being Insulation's largest end-market representing approx. 50% of sales within the business area
- Buildings insulated with EPS reduce their energy consumption by up to 90 percent
- Insulation currently has 17[1] production facilities spread across Norway (5), Finland (3), Sweden (3), Netherlands (2), Denmark (2) and Portugal (2)
- Sales[2] are split between Netherlands 44%, Norway 16%, Sweden 12%, Finland 11%, Denmark 11% with the rest being distributed across Europe

Financial profile



Selected products



Critical success factors

- Competitive pricing
- Delivery timing
- Sufficient volumes
- Proximity to customers

Key customer examples

- Contractors
- Resellers
- Developers

Source: Company information | Notes: 1) Excluding joint ventures; 2) LTM Q2 2021

BEWI Circular – Uniting manufacturing and recycling - saving the planet and creating quality materials at the same time

2018 – BEWI Circular founded

Industry leading ~EUR 10 million invested

2019 – Acquisitions and launch

Acquisitions in Denmark and Belgium

Launch of the world's first 100% recycled EPS and the Use-ReUse program

2020 – Expansion and ramp-up

Recycling acquisition in the Netherlands

Establishment of recycling company in Portugal and Circular Denmark

2021 – Commercialization

20kt current run-rate recycling capacity, which is set to increase substantially going forward

8 recycling facilities and 5 M&A circular deals with circular M&A being a key growth strategy

Key future Circular targets

2024 – target recycling capacity 45kt
2026 – target recycling capacity 60kt

Uniquely positioned as a fully integrated player…

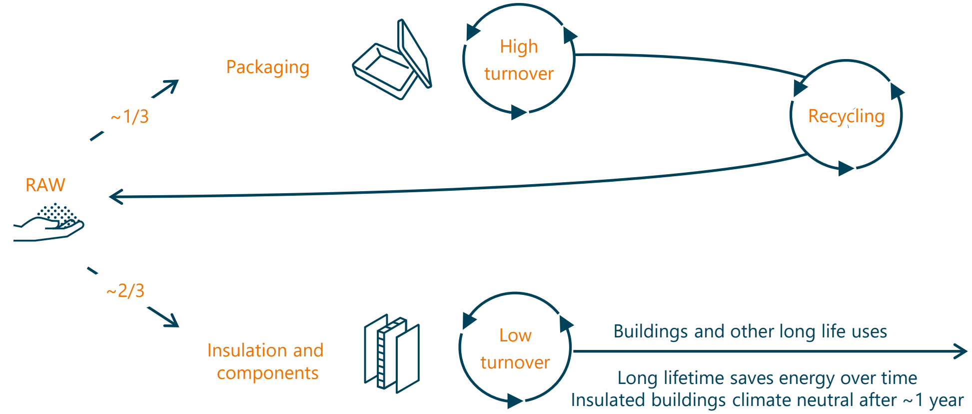
As an integrated provider, meaning that BEWI provides both raw materials and end-products, BEWI can become the first company to close the loop through collection and recycling of EPS

BEWI currently uses ~1/3 of its RAW input to produce packaging solutions and ~2/3 to produce insulation and associated components

Packaging solutions are typically high-turnover products and are the focus of BEWI Circular as insulation solutions have long life-times and become climate neutral after ~1 year through saved energy

Thus, BEWI has chosen to use the target of recycling 60kt by 2026 (45kt by 2024) as the Sustainability Performance Target (SPT), in its Sustainability-linked Finance Framework. This is equivalent to 100% of its RAW used in high-turnover products, and enables Sustainability-linked Bonds and Loans

…which enables BEWI's full commitment to closing the loop



Chapter 4

Key credit highlights

Key credit highlights

BEWI

1. A leading European player with multiple #1 local market positions
The largest vertically integrated EPS producer in Europe, >2x the size of the second largest player
Multiple #1 market positions in Packaging & Components in Scandinavia, Netherlands and Portugal
44 production facilities across 9 geographical markets with combined annual capacity of 200 kt EPS beads

2. High barriers to entry and economies of scale from a well-invested platform
Multiple production facilities across geographies enabling economies of scale throughout the value chain with a fully invested platform
Significant entry investments required and high transportation costs requires proximity to customers creating further entry barriers
Long standing relationships with a broad customer base, with >20 year average relationship in P&C and >10 years in EPS and insulation

3. Earnings stability from revenue diversification
Revenue diversified across segments, end-markets, geographies and customers
Integrated business model with ~1/3 upstream and ~2/3 downstream revenue gives a natural hedge towards raw material prices
Sales to +15 different geographical markets, where Norway is the largest market with 20%[1] of revenue

4. Pioneering the industry's change towards a circular economy
BEWI aims to be become the first company to provide a closed loop value chain for EPS
Dedicated business unit BEWI Circular focusing on collection- and recycling of EPS
Current run-rate EPS recycling capacity of ~20kt with a target of ~60kt which will make the company fully circular

5. Demonstrated history of value creation through M&A combined with decreasing leverage over time
Fragmented market of available targets with value creation opportunities from synergies, geographic expansions and broadened product offering
Successful execution of M&A agenda combined with de-leveraging over time
Clear geographic expansion strategy set through M&A targets throughout Europe

6. Listed company with an experienced management team backed by long-term family ownership
Listed on Oslo Stock Exchange since December 2020 with a market capitalization of NOK ~4.5[2] billion
Backed by long-term family ownership with the Bekken family providing vast industrial experience
Experienced management and board of directors brings a deep understanding of the industry

7. Attractive growth outlook underpinned by multiple global secular trends and a focused strategy
Global mega trends expected to lead to increased demand for EPS in insulation and packaging by ~4-5% per year
Organic growth strategy focused on cross-selling and synergies from acquired companies, new product lines, and expansion of existing facilities
Inorganic growth strategy to drive geographic expansion and complementary offerings

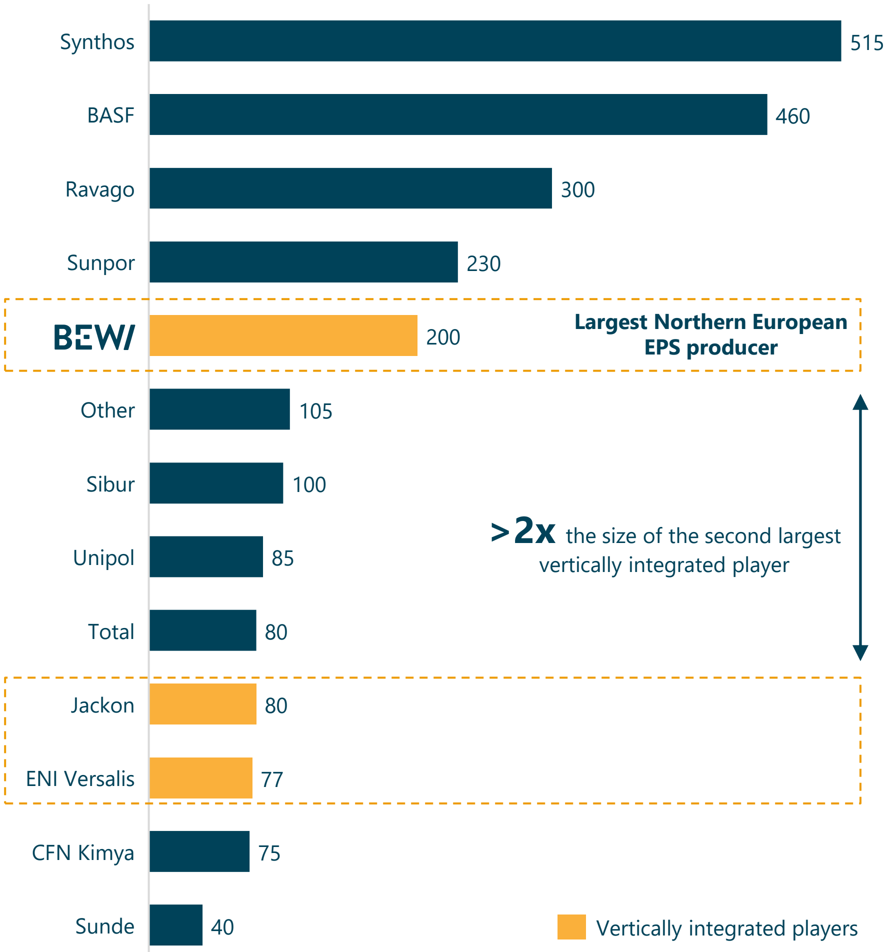
Notes: 1) LTM Q2 2021; 2) As of 06.08.2021

1 A leading European player with multiple #1 local market positions

BEWI

Europe's largest vertically integrated player...

European EPS beads producers – capacity (kt/year)[1]



...with domestic market leadership in EPS P&C and Insulation[1]

	Packaging & Components – Market position	Packaging & Components – Market share	Insulation – Market position	Insulation – Market share
Denmark	1	60 - 65%	2	25- 30%
Netherlands	1	40 – 45%	1	40 – 45%
Sweden	1	70 – 75%	3	20 – 25%
Norway	1	20 – 25%	5	5 – 10%
Portugal	1	50 – 55%	3	15 – 20%
Finland	3	0 – 10%	3	15 – 20%

Note: 1) Management estimates

2 High barriers to entry and economies of scale from a well-invested platform

BEWI

Significant investments required for establishment

- Key investments include factories, machines and tools
- Significant cost of ~EUR 50 million opening a factory has resulted in no new expansions since early 2000's
- Additionally, there are investment needs into customer specific molds for packaging products
- Often requirements of environmental permits further acts as a barrier
- Once assets have been established, long asset lifetimes result in limited maintenance capex, significant operating leverage and a well entrenched position

Strong local presence is needed

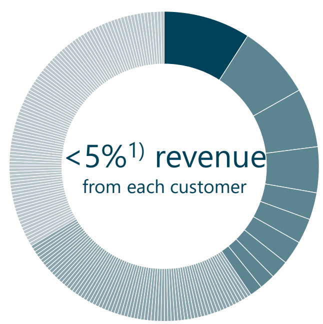
- Critical to be in close proximity to customers due to transportation costs
- Challenging economics in setting up facilities near a competitors plant once a client relationship is already in place
- Hence, there is a clear and lasting first-mover's advantage

Illustration

Large customer base required to enable scale

- Due to the cost of setting up and running operations, having access a large customer base is required to enable sufficient scale
- Low customer concentration reduces operational risk
- BEWI is well positioned with a large customer base enabling scale

Illustration



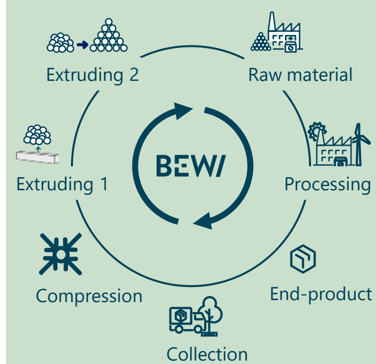
Long-standing customer relationships

- Three key factors create BEWI's robust customer relationships:
  1. Long-term contracts and framework agreements
  2. Customer specific product molds
  3. Joint R&D with customers
- Which has resulted in an average customer relationship length of:

RAW	>10 years
P&C	>20 years
Insulation	>10 years

First mover advantage in recycling segment

- Profits in recycling calls for economies of scale, where BEWI has made significant investments in BEWI Circular
- Consolidations in the recycling space inevitable to achieve the required economies of scale
- BEWI is well positioned to meet future legislations

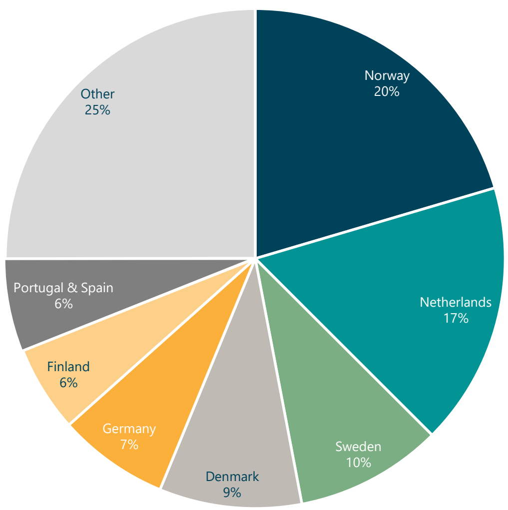


Note: 1) Excluding sales to joint ventures

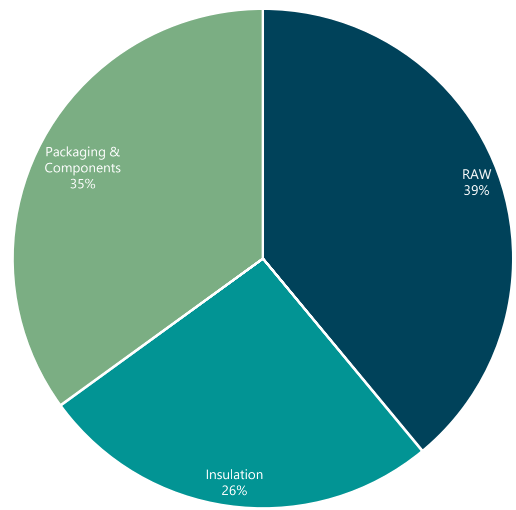
3 Earnings stability from revenue diversification

Competitive advantage through broad diversification

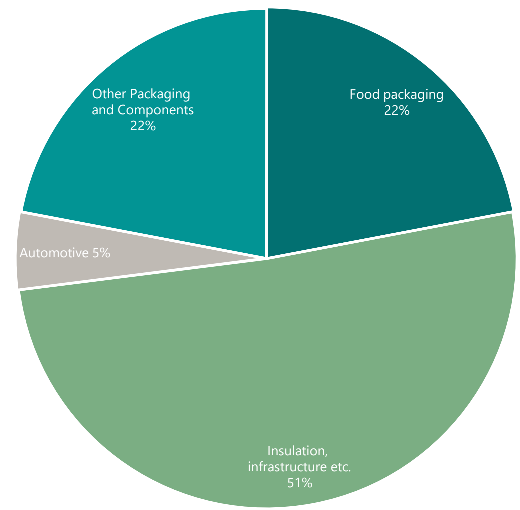
Diversified across countries[1]



Diversified across segments[2]



Diversified across end-markets[3]

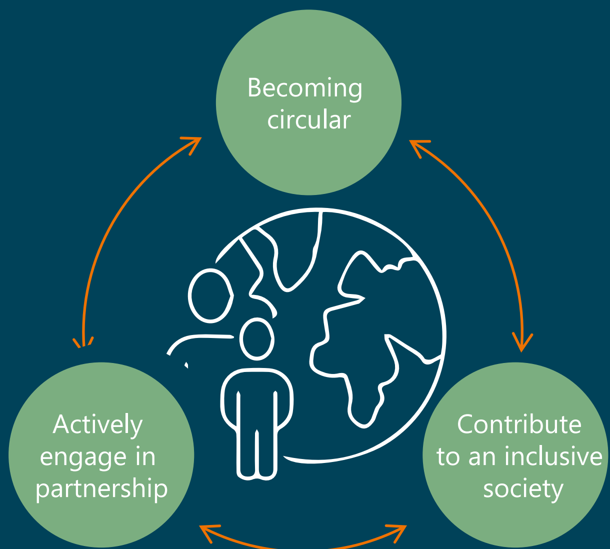


Notes: 1) Net sales by geography LTM Q2 2021; 2) Net sales per segment LTM Q2 2021; 3) Based on management estimates

Pioneering the industry's change towards a circular economy

Strategic sustainability approach established…

Approach to sustainability is based on three pillars



Becoming circular

To be a circular business built on renewable energy

Actively engage in partnerships

Being an active and responsible partner so that BEWI together with BEWI's stakeholders can achieve a circular economy, operating within our planet's boundaries

Contribute to an inclusive society

Create a positive social impact for everyone across the BEWI value chain

…to reach key 2030 targets

Becoming circular

- 50% recycled or non-fossil raw materials
- 50% non-fossil energy sources
- 50% of transport based on non-fossil fuel
- 100% recyclable products
- Zero waste from production
- Collect 100% of materials supplied to the market[1)]

Actively engage in partnerships

- Engage with BEWI stakeholders
- Require sustainable products
- Participate in research projects
- Enable partners in emerging economies to becoming circular
- Engage in international and national industry associations
- 100% of partners comply with the BEWI sustainability standards

Contribute to an inclusive society

- BEWI employees are enabled to grow and engage
- Providing equal opportunities for all
- Never compromise on Health and Safety
- Engage in all BEWI's local communities
- 100% of BEWI's partners comply with BEWI's ethics, labour, and human rights requirements

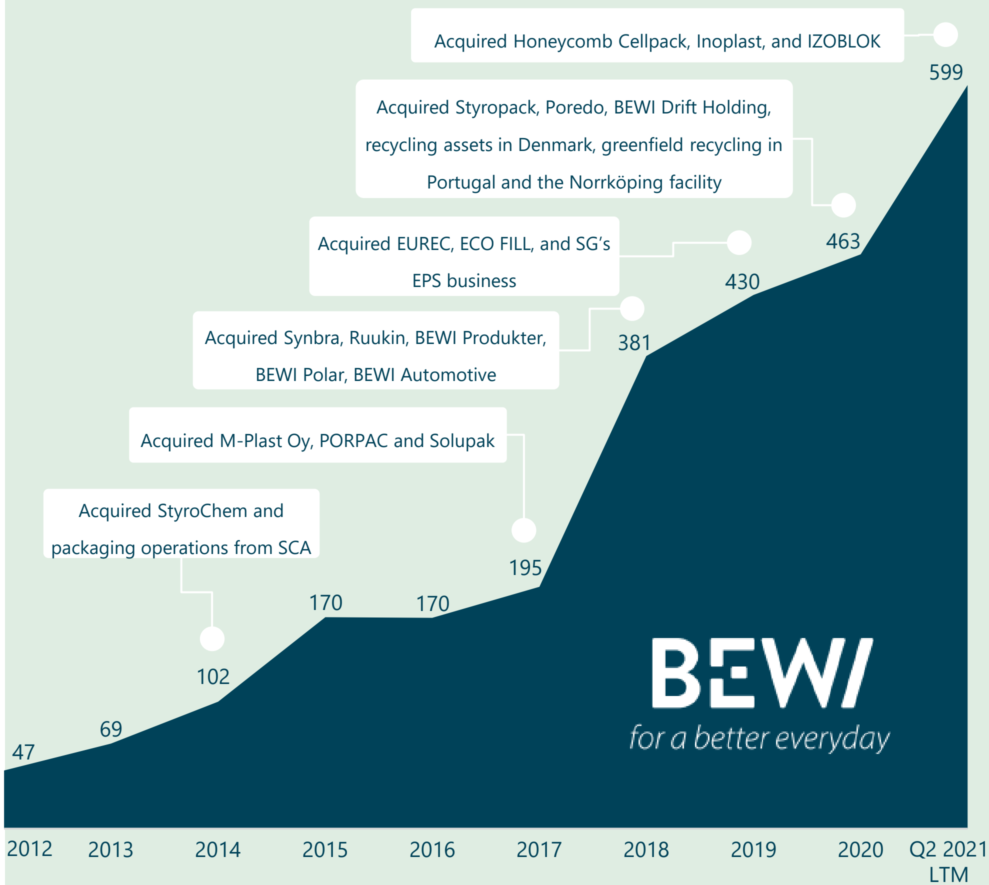
Note: 1) Defined as raw materials supplied to products with a life-time of less than one year

5 Demonstrated history of value creation through M&A combined with decreasing leverage over time

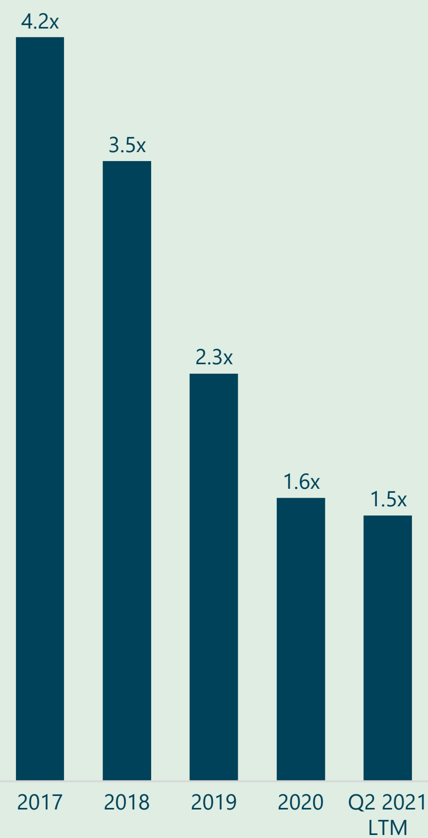
BEWI

M&A together with a substantial de-leveraging has been an integral part of the BEWI growth journey…

Annual net sales (EURm)

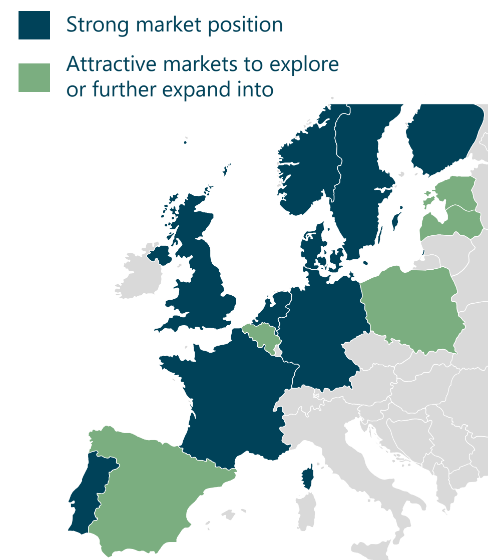


NIBD/Adj. EBITDA excl. IFRS 16



…and is driven by five main factors

- Geographical expansion
- Strengthening market position
- Broadening product offering
- Leading recycling consolidator
- Synergy realisation



Note: Years 2014 and earlier reported sales in SEK average - FX adjustments made by average SEK/EUR for each year

6 Listed company with an experienced management team backed by long-term family ownership

BEWI

Experienced management and board of directors brings a deep understanding of the industry

Christian Bekken

CEO

CEO since 2020

2nd generation Bekken family, been with BEWI since 2002 and has held various senior positions

Marie Danielsson

CFO

CFO of BEWI since 2015

Previously employed as an accountant at KPMG and VP Financial Control and Taxes at Haldex

Jonas Siljeskär

COO

COO since 2014

Joined BEWI in 2010 and has held various senior positions in BEWI

Gunnar Syvertsen

Chairman

Board member since 2014, chairman since April 2018

Experience from being chairman of board, as well as the CEO from several industrial companies

Bekken Family

Founders

Founded BEWI at Frøya in 1980

Instrumental in growing the Company, both organically and through M&A, into today's BEWI

- Listed on Oslo Stock Exchange with a market cap of NOK 4.5[1)] billion
- All of the current management team have been an integral part of the M&A-journey over the previous years
- The experienced management team allows efficient execution of acquisitions and integrations resulting in a scale and margin expansion not attainable for smaller players
- Continued long-term family ownership of ~58%[2)] with a deep understanding of the space ensures correct strategic positioning over time
- Minority stakes owned by Verdane Capital and Kverva brings significant expertise and a proven track record of successful investments
- Experienced BoD with industry know-how and diverse career backgrounds

Notes: 1) As of 06.08.2021; 2) Combined ownership Frøya Invest AS and Ebe Eiendom as of 06.08.2021

7 Attractive growth outlook underpinned by multiple global secular trends and a focused strategy

Several secular global megatrends driving …

Globalisation
- ✓ Increasing global demand for fresh food
- ✓ Trade agreements enabling global trade

Increasing demand for **cold-chain packaging**

Urbanisation
- ✓ Residential new construction growth
- ✓ Rising usage of EPS in infrastructure

Increasing demand for **EPS insulation**

Energy efficiency
- ✓ Favorable regulations for insulation
- ✓ Greener building techniques require improved insulation

Increasing demand for **EPS insulation**

Digitalisation
- ✓ Growing e-commerce
- ✓ Higher quality of smaller packages

Increasing demand for **protective packaging**

Sustainability
- ✓ Resource scarcity
- ✓ Global sustainability focus
- ✓ Ambitious medium – and long-term recycling targets

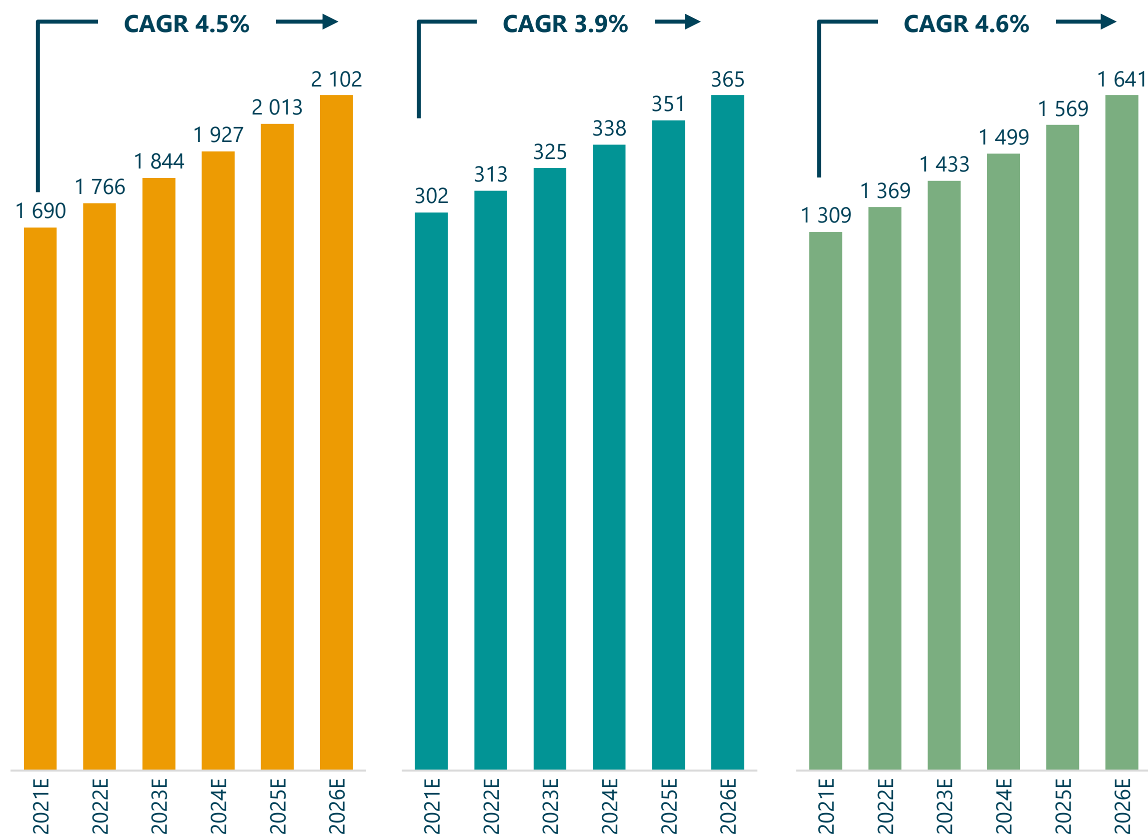
Positioned for future growth in **all markets**

… strong market growth

RAW
European EPS market
EPS volume in kilotons

Packaging & Components
European EPS market by end-user packaging industry
EPS volume in kilotons

Insulation
European EPS market by end-user building and construction industry
EPS volume in kilotons



Source: Europe Expanded Polystyrene (EPS) Market (2021) – Mordor Intelligence

Chapter 5

Market overview

BEWI serves a wide number of industries…

Packaging & Components

Insulation

Food

- Leading supplier of transportation boxes for the dairy and meat industry in Norway
- One of the leading suppliers of food packaging for wild catch and seafood farming
- More than 10 million fish boxes produced annually

Pharmaceutical

- EPS is an ideal choice for several types of pharmaceutical packaging where stable temperatures and shock absorbance is of upmost importance

Automotive

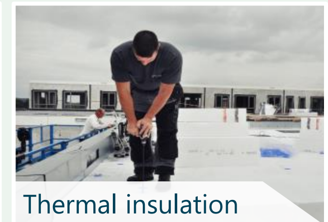
- ~700,000 Volvo cars was produced in 2019, a large share of which contained BEWI's components

Hobby & Leisure

- BioFoam® as granulates for artificial football fields
- Ideal for shock absorbers for children's car seats
- BEWI produces more than 100,000 filling and shock absorbers for Husqvarna razor and cutting saws each year

Residential housing

- ~50,000 tanks produced annually (by e.g. Nibe, Bosch and Enertech) contain BEWI's insulation
- BEWI delivers floor heating discs and pump insulation to major HVAC companies such as Uponor, Alfa Laval and ESBE



Thermal insulation

- ~25% of all insulation materials in Western Europe is made from EPS
- EPS is a key material in infrastructure projects (e.g. roads and railways)

Source: Company information per Q2 2021

...and is exposed to steadily growing underlying end-markets

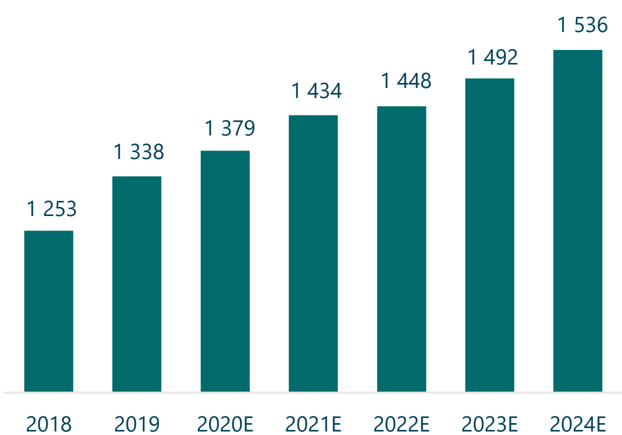
Packaging & Components

Insulation

FISH FARMING

- BEWI is largely exposed to the fish farming industry, being one of the biggest suppliers of fish boxes to the salmon farming industry in Norway
- EPS-packaging helps to keep the fish fresh directly from the sea to the end-user
- Increasing European fish farming supply is expected

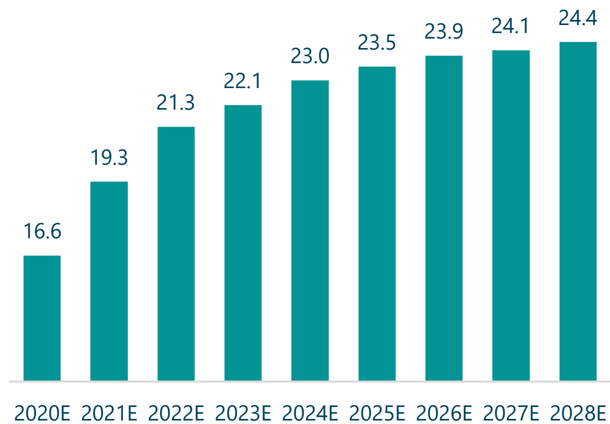
Norwegian harvesting of salmon, '000 tonnes



AUTOMOTIVE

- ~5% of BEWI's sales are derived from the automotive segment, and it is expected to increase with the acquisition of IZOBLOK
- Sales has bounced back after 2020 drop, and production is expected to grow by 10 million vehicles during the next years

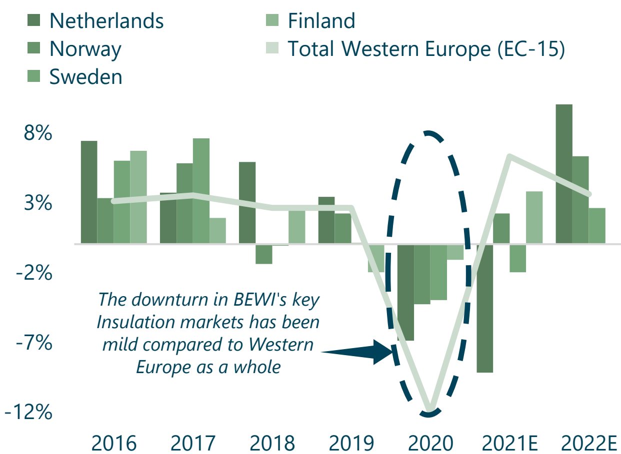
European monthly production of light vehicles, millions



CONSTRUCTION MARKET

- ~25% of all insulation materials in Western Europe are made from EPS. It is also a key material in infrastructure projects such as roads and railways
- The Netherlands account for 44% of sales in the Insulation segment
- An improving post-pandemic construction market should pave the way for higher demand

Western European yearly change in construction activity, %



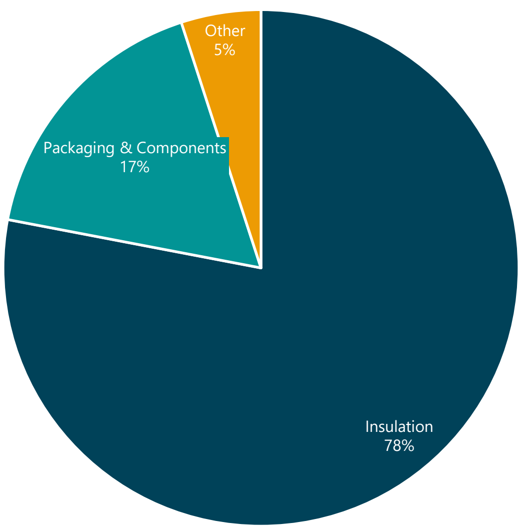
Sources: Company estimates; Kontali; Euroconstruct; Nordea

BEWI is present in all major EPS end-markets, and has unexplored and attractive expansion opportunities in major European economies

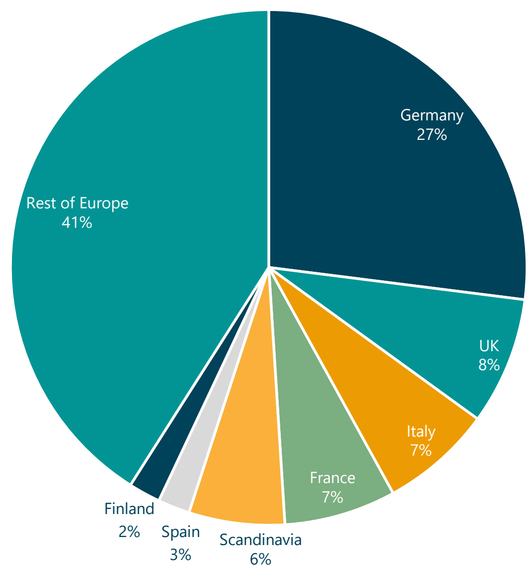
BEWI

Large potential for BEWI to both unlock new markets and increase existing market shares

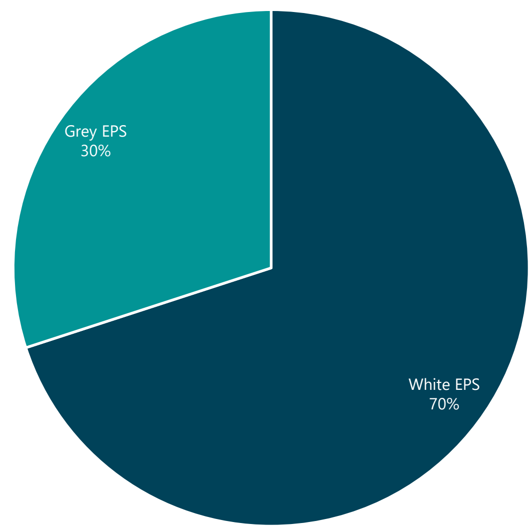
European EPS market by end-segment[1)]



European EPS market by geography[1)]



European EPS market by product type[1)]



Source: Europe Expanded Polystyrene (EPS) Market (2021) – Mordor Intelligence | Note: Forecasted market splits by 2026

Chapter 6

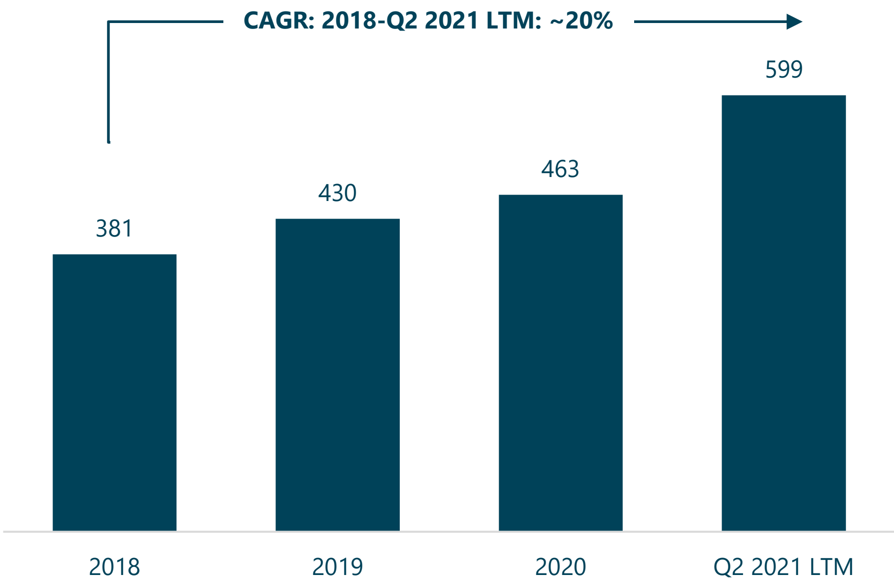
Financials

BEWI has demonstrated stable organic growth in revenue combined with a strong EBITDA development…

BEWI

Net sales

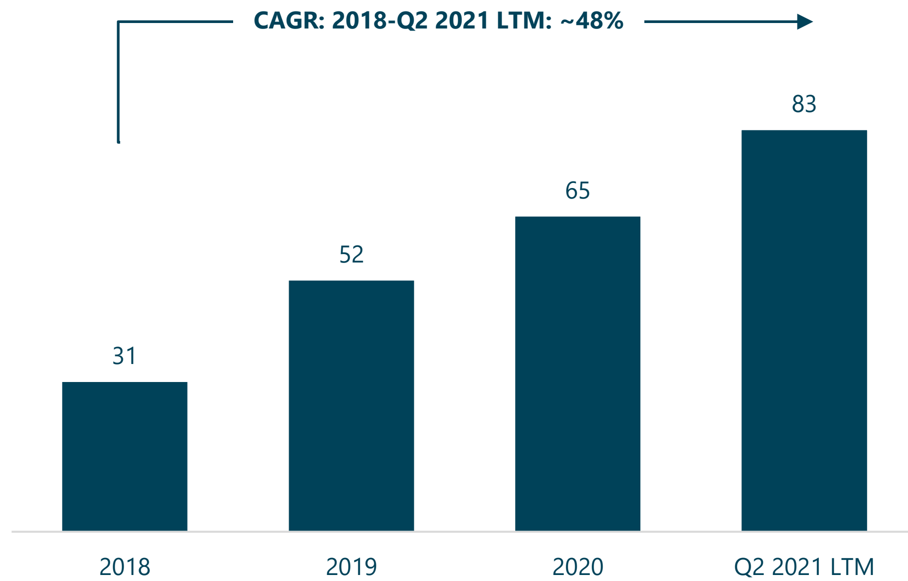
EURm



- Net sales amounted to EUR 599 million Q2 2021 LTM
- For the second quarter 2021 net sales amounted to EUR 198 million (105), corresponding to an increase of ~89% from Q2 2020
- Acquired companies contribute to approximately half of the increase while currency effects had a minor impact
- The organic growth can be explained by both improved volumes in all segments and most regions, as well as increased sales prices

Adj. EBITDA[1)]

EURm

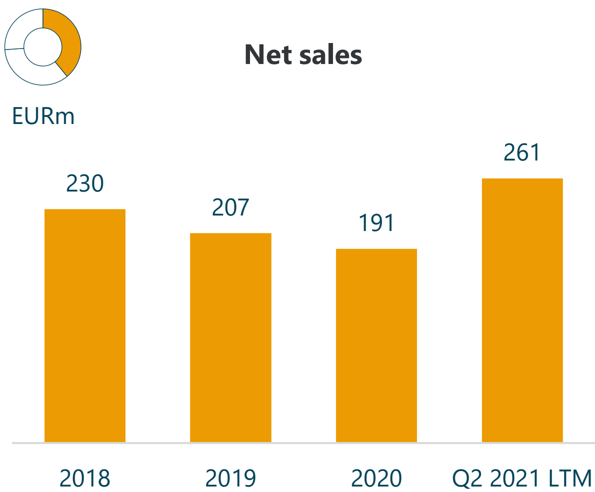


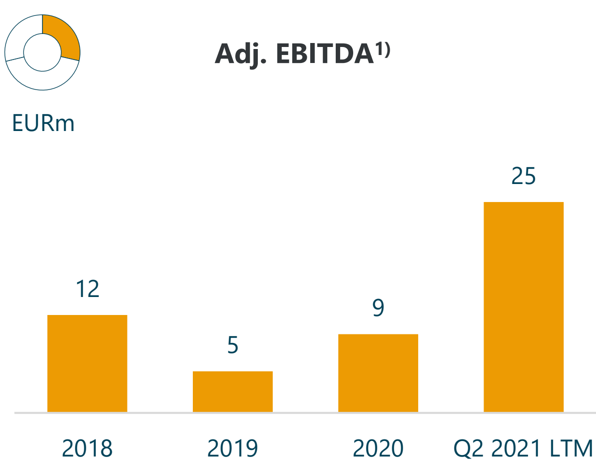
- For the last twelve months Adj. EBITDA amounted to EUR 83 million
- Adjusted EBITDA came in at EUR 32 million for the second quarter of 2021, compared to EUR 16 million for the second quarter of 2020
- The margin in Q2 2021 was 16%, compared to 15% in Q2 2020
- The price of EPS increased significantly in H1 2021 which positively impacted the margins for segment RAW, while putting temporarily pressure on the margins for the two downstream segments. In particular segment Insulation, due to a lag in contractual price indexations in customer contracts

Source: Company information per Q2 2021 | Note: Change in accounting principle from 1 January 2019 (IFRS 16). The numbers do not include the acquisition of IZOBLOK. 1) 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

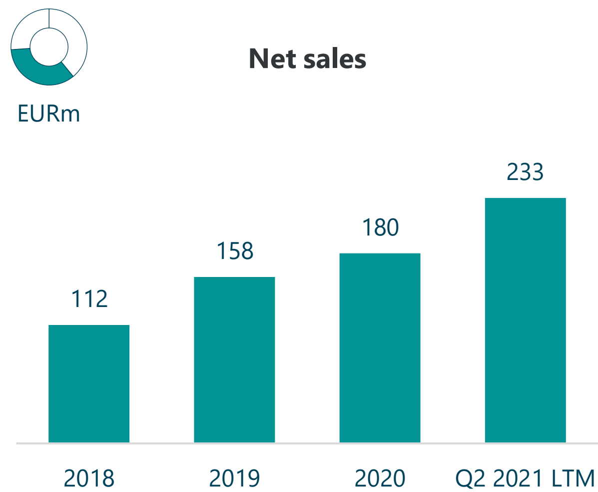
…and has an integrated value chain ensuring solid financial group resilience

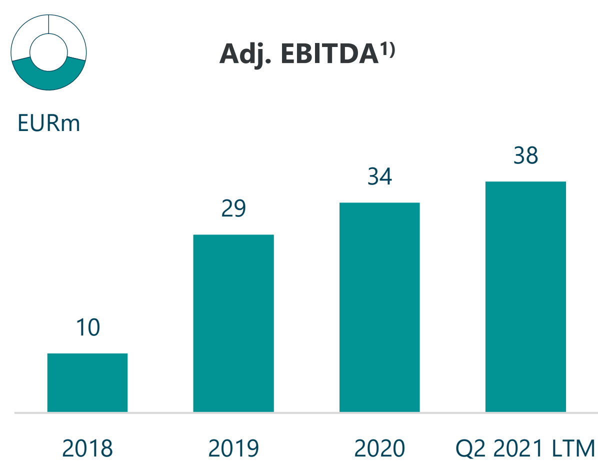
RAW



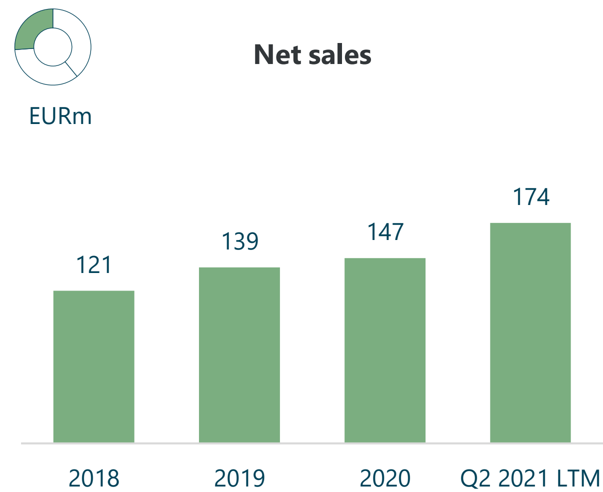


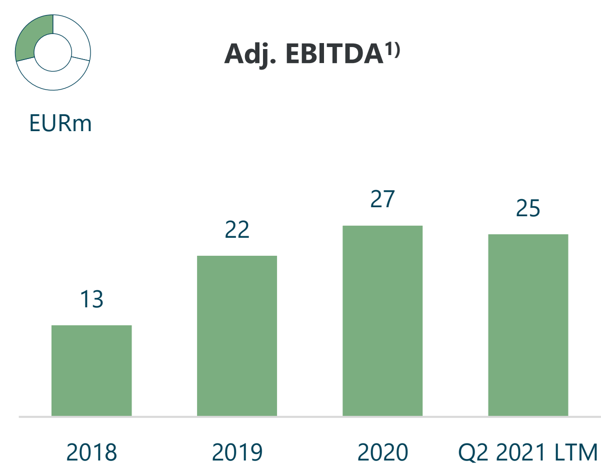
Packaging & Components





Insulation



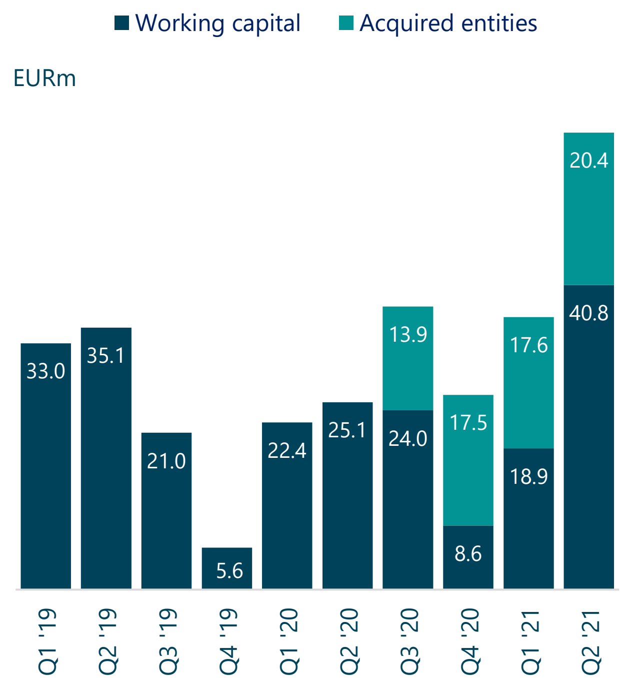


Source: Company information per Q2 2021 | Note: Change in accounting principle from 1 January 2019 (IFRS 16). The numbers do not include the acquisition of IZOBLOK. 1) Normalised earnings before interest, tax, depreciation and amortization (i.e. items affecting comparability and deviations are added back). Adjusted EBITDA is a key performance indicator that the Group considers relevant for understanding earnings adjusted for items that affect comparability

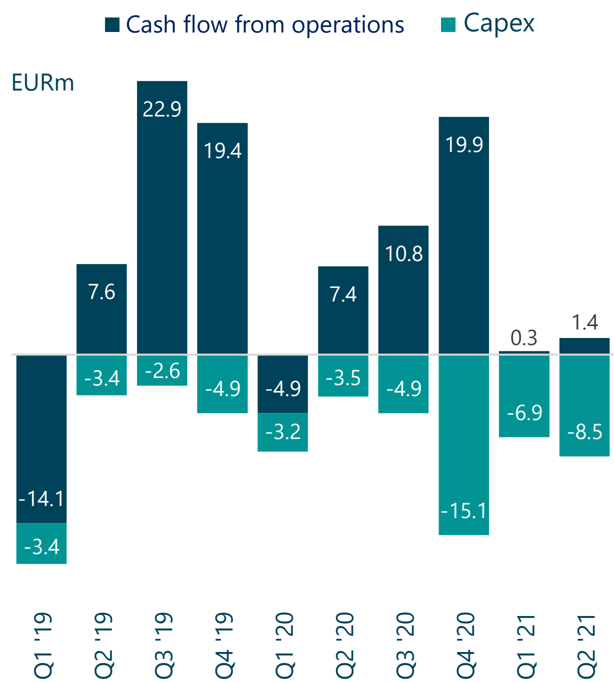
Seasonal but annually stable NWC and low capex requirements ensures high cash conversion

BEWI

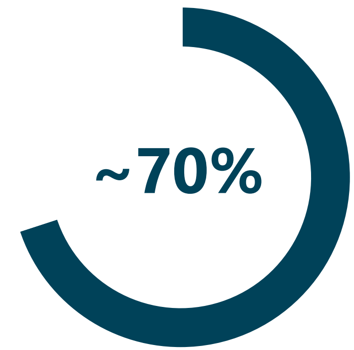
Working capital



Capex



Cash conversion



avg. cash conversion last 2.5 years[1)]

Size combined with vertical integration yields economies of scale

- Cost leadership
- Purchasing power
- Capacity flexibility
- Logistics efficiency

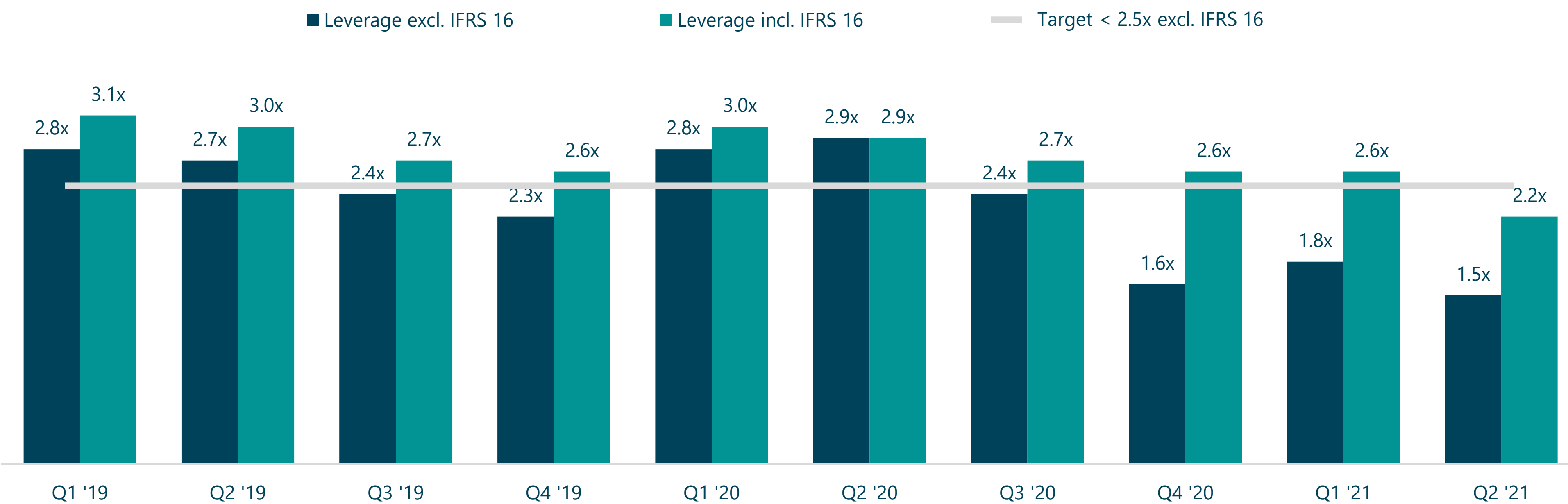
- The increase in working capital is mainly related to companies acquired and increased business activity
- In 2020, the uncertain market circumstances resulted in lower capital expenditures related to normal running operations. However, the company invested more in greenfield projects and other projects related to specific customer contracts securing future growth
- Capex of EUR 8.5 million, of which EUR 2.1 million related to greenfield projects during the second quarter

Source: Company information per Q2 2021 | Note: 1) (Adj. EBITDA – Capex) / Adj. EBITDA from 2019 - H1 2021

BEWI reports stable leverage measures despite M&A agenda and growth initiatives

BEWI

Leverage: Net debt / EBITDA[1)]



- As of Q2 2021 net debt amounted to EUR 185 million as of 30 June 2021 (EUR 106 million excl. IFRS 16), compared to EUR 179 million as of Q1 2021 (EUR 101 million excl. IFRS 16)
- Leverage improved significantly compared to previous quarters due to improved EBITDA and the private placement done in the quarter; the closing and settlement of IZOBLOK in early July
- Leverage is impacted approx. 0.2-0.3x adjusted for IZOBLOK (ie. when payment for the shares has been done)
- The leverage is also largely affected by the seasonality in working capital, with the second quarter being characterised by the highest working capital throughout the year
- The difference between leverage excl. and incl. IFRS 16 is mainly explained by recently divested real estate assets

Source: Company information per Q2 2021 | Notes: Change in accounting principle from 1 January 2019 (IFRS 16); 1) EBITDA ratio: adjusted EBITDA rolling 12-months pro-forma acquired entities

Long-term financial targets

BEWI

Revenue growth	>10%	• Mix of organic, incl. greenfield projects, and M&A growth • 45% CAGR between 2012 and 2019, largely driven by acquisitions • Significant changes in raw material prices may impact the ability to achieve the target
EBITDA margin *(normalised)*	10-15%	• Underlying EBITDA target of 10-15% • Significant changes in raw material prices may impact the ability to achieve the target
NIBD / EBITDA *(LTM excl. IFRS 16)*	<2.5x	• Leverage NIBD / EBITDA below 2.5x, assuming normalised working capital levels • Targeting flexibility to pursue M&A opportunities and maintenance of the dividend capacity
Capex	EUR 13-15 million / year	• Normalised capex levels of EUR 12.5-15.0 million, where replacement capex and expansion capex typically account for ~2/3 and ~1/3, respectively • In addition, the Group will invest in greenfield projects
Dividend payout policy	30-50%	• Target dividend payout ratio of 30-50% of underlying net profit • Annual distribution

Source: Company information per Q2 2021

Chapter 7

Appendix

Listed on OSE with a NOK ~4.5bn market cap and supportive shareholders

Market cap development

Sources: Bloomberg; VPS as of 6 August 2021

Top 20 shareholders

#	Investor	# of shares	%
1	Frøya Invest AS	88,333,152	56.40%
2	Kverva Industrier As	15,292,424	9.76%
3	Verdane Etf Iii Spv K/S	10,922,258	6.97%
4	Verdane Skuld 1 As	9,810,958	6.26%
5	J.P. Morgan Bank Luxembourg S.A.	3,877,995	2.48%
6	Skandinaviska Enskilda Banken Ab	2,865,782	1.83%
7	Ebe Eiendom As	2,529,637	1.62%
8	Halgrim As	2,388,245	1.52%
9	Avanza Bank Ab	2,018,051	1.29%
10	Constructio As	1,770,000	1.13%
11	Nordnet Bank Ab	1,498,405	0.96%
12	Kbc Bank Nv	1,231,889	0.79%
13	Lin As	1,020,000	0.65%
14	Skandinaviska Enskilda Banken Ab	846,117	0.54%
15	Rkv As	757,576	0.48%
16	Furberg & Sønn A/S	575,370	0.37%
17	Equinor Pensjon	403,600	0.26%
18	Skandinaviska Enskilda Banken Ab	397,204	0.25%
19	Matpartner Invest As	350,000	0.22%
20	Nordea Bank Abp	343,035	0.22%
	Top 20	**147,231,698**	**94.01%**
	Total number of shares	**155,478,012**	**100%**

Experienced board of directors

BEWI

Gunnar Syvertsen

Chairman

- **Education**: M.Sc. Engineering from NTNU
- **Chairman** since 2018
- **Experience** from being chairman of board as well as CEO of several companies
- **Other current assignments** include Frøya Invest AS (chairman), Gis AS (chairman), Bewi Holding AS (chairman), and Topaas og Haug AS Entreprenørforretning (board member)

Kristina Schauman

Board Member

- **Education**: M.Sc. Business Administration, Stockholm School of Economics
- **Experience** as CFO of Nasdaq OMX, Apoteket AB, and Carnegie Investment Bank AB, as well as various positions in companies such as Stora AB, ABB and Investor
- **Other current assignments** include Calea AB (board member, CEO), REEDA Capital Management AB (board member), Diaverum AB (board member) and Coor Service Management Holding AB (board member)

Stig Waernes

Board Member

- **Education**: Degree in auditing and accounting from NTNU business school
- **Experience** from auditing, advisory and various director and board positions, and as a regional managing partner and Deputy Chairman of BDO AS
- **Other current assignments** include BEWi Holding AS (CEO), Overaae Holding AS (chairman), Sw Invest AS (chairman, CEO), KMC Properties AS (chairman) and EBE Eiendom AS (chairman)

Anne-Lise Aukner

Board Member

- **Education**: Law degree from the University of Oslo
- **Experience** as managing director and CEO of Nexans Norway and Nexans Sweden. Long experience in management of technology and knowledge-based companies and management of industrial companies
- **Past external roles** include roles such as board member, deputy chairman and leader of the audit committee of Kongsberg Gruppen ASA, board member ISCO Group, and board member TBL/Norsk Industri

Rik Dobbelaere

Board Member

- **Education:** M.Sc. Engineering and MBA from Catholic University in Leuven, Belgium
- **Experience** as CEO BEWiSynbra Group AB, CEO Synbra Holding B.V., senior positions in global industry companies: Global responsibility for the service division at Bombardier; Operations Director Europe for Bombardier's Transportation Division; Head of Intercity and High-Speed Trains at Raychem Corporation

P&L statement

Consolidated condensed interim statement of income

EURm	2018	2019	2020	H1 2021
Net sales	380.8	429.9	462.6	347.0
Other operating income	1.5	0.9	0	0.0
Total operating income	**382.3**	**430.8**	**462.6**	**347.0**
Raw materials and consumables	-207.9	-198.1	-181.1	-148.5
Goods for resale	-8.5	-13.8	-35.3	-41.7
Other external costs	-80.7	-90.7	-99.4	-60.4
Personnel cost	-62.2	-80.9	-88.1	-52.2
Depreciation/ amortisation and impairment of tangible and intangible assets	-14.8	-27.6	-30.4	-17.5
Share of income from associated companies	0.7	0.6	4.9	2.4
Capital gain from sale of assets	5.0	-	6.3	0.0
Total operating expenses	**-368.5**	**-410.5**	**-423.1**	**-317.9**
Operating income (EBIT)	**13.8**	**20.3**	**39.5**	**29.1**
Financial income	0.2	0.2	4.2	0.1
Financial expenses	-7.5	-11.2	-11.4	-10.0
Net financial items	**-7.3**	**-11**	**-7.2**	**-9.9**
Income before tax	6.5	9.3	**32.3**	**19.2**
Income tax expense	-4.9	-3.7	-2.3	-5.7
Profit for the period	**1.6**	**5.6**	**30**	**13.5**

Source: Company data

Balance sheet statement

BEWI

Consolidated condensed interim statement of financial position

Assets

EURm	31.12.2018	31.12.2019	31.12.2020	30.06.2021
Non-currents assets				
Intangible assets				
Goodwill	70.1	71.2	83.8	90.6
Other intangible assets	80.0	74.1	79.4	78.7
Total intangible assets	**150.2**	**145.3**	**163.2**	**169.3**
Property plant and equipment				
Land and buildings	38.6	63.1	70	68.9
Plant and machinery	64.0	71.5	80.8	83.5
Equipment, tools, fixtures and fittings	6.6	10.5	10.2	11.2
Construction in progress and advance payments	10.1	3.2	9.3	13.0
Total property, plant and equipment	**119.3**	**148.3**	**170.3**	**176.6**
Financial assets				
Shares in associates	0.7	1.5	8	11.5
Other financial non-current assets	3.4	5.8	17.2	15.1
Total financial assets	**4.0**	**7.3**	**25.2**	**26.6**
Deferred tax assets	5.0	4.6	5.3	3.6
Total non-current assets	**278.6**	**305.5**	**364**	**376.1**
Current assets				
Inventory	42.0	38.2	57.4	57.8
Other current assets				
Accounts receivable	51.3	41.5	58.3	112.3
Current tax assets	0.3	0.3	2.9	2.4
Other current receivables	3.1	2	6.3	6.3
Prepaid expenses and accrued income	1.8	1.3	2.8	6.1
Cash and cash equivalents	22.9	56.3	51.4	42.3
Total other current assets	**79.5**	**101.4**	**121.7**	**169.4**
Total current assets	**121.5**	**139.6**	**179.1**	**227.2**
Total assets	**400.1**	**445.1**	**543.1**	**603.3**

Equity and liabilities

EURm	31.12.2018	31.12.2019	31.12.2020	30.06.2021
Equity				
Share capital	0.1	0.1	14	14.7
Additional paid-in capital	136.4	134.4	151.9	163.7
Reserves	-1.4	0.7	-16.8	-12.8
Accumulated profit (including net profit for the period)	13.4	15.5	45.6	57.9
Equity attributable to Parent Company shareholders	148.6	150.7	194.7	223.5
Non-controlling interests	1.0	-0.6	0.4	0.4
Total equity	**149.6**	**150.1**	**195.1**	**223.9**
Liabilities				
Non-current liabilities				
Pensions and similar obligations to employees	1.9	2.6	2.5	2.1
Provisions	0.5	0.6	0.7	0.6
Deferred tax liability	27.1	22.9	20.9	20.9
Non-current bond loan	125.6	137.4	137.9	64.0
Other non-current interest-bearing liabilities	7.1	29.9	70.2	70.2
Other financial non-current liabilities	-	-	-	3.8
Total non-current liabilities	**162.2**	**193.3**	**232.2**	**161.6**
Current liabilities				
Current bond loan	0.0	14.7	-	74.5
Other current interest-bearing liabilities	1.6	8.7	13.5	18.7
Other financial liabilities	0.3	0.5	0.9	0.9
Accounts payable	46.6	45	54.9	80.3
Current tax liabilities	5.5	4.7	6.6	4.9
Other current liabilities	9.4	6.3	13.4	11.7
Accrued expenses and deferred income	24.9	21.7	26.5	26.8
Total current liabilities	**88.2**	**101.7**	**115.8**	**217.8**
Total liabilities	**250.5**	**295**	**348**	**379.4**
Total equity and liabilities	**400.1**	**445.1**	**543.1**	**603.3**

Source: Company data

Cash flow statement

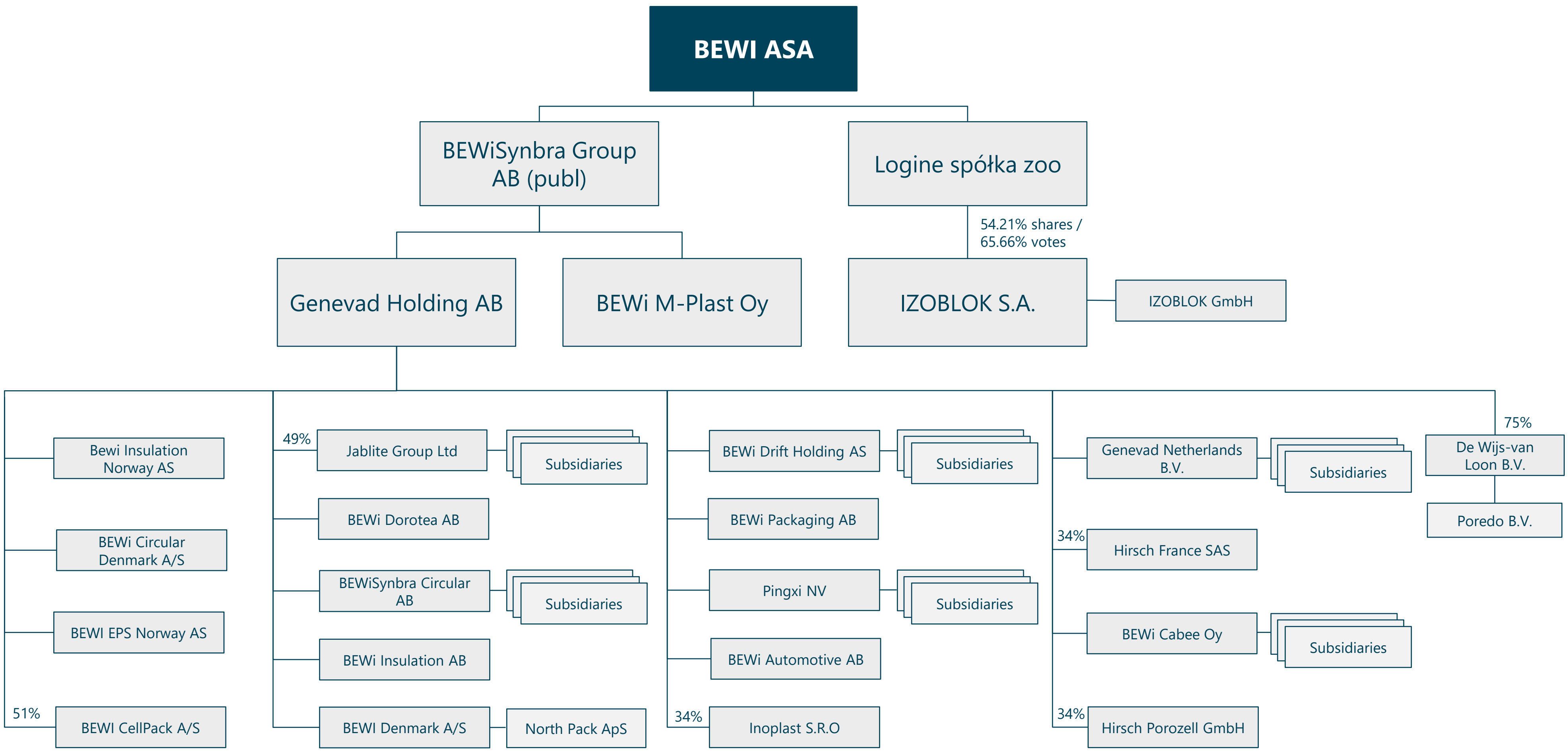
BEWI

Consolidated condensed interim statement of cash flows

EURm	2018	2019	2020	H1 2021
Operating income (EBIT)	13.8	20.3	39.5	29.1
Adjustment for non-cash items etc.	7.9	26.9	19.1	15.5
Net financial items	-4.7	-10.1	-10.1	-6.0
Income tax paid	-4.6	-6.9	-12	-6.3
Cash flow from operating activities before changes in working capital	**12.3**	**30.2**	**36.6**	**32.3**
Changes in working capital	5.3	5.7	-3.4	-30.6
Cash flow from operating activities	**17.6**	**35.9**	**33.2**	**1.7**
Acquisitions non-current assets	-13.9	-14.3	-26.6	-15.4
Divestment non-current assets	11.0	-	43.3	0.2
Business acquisitions/ financial investments	-94.7	-4.8	-14	-7.9
Cash flow from investing activities	**-97.6**	**-19.1**	**2.7**	**-23.1**
Borrowings	73.3	64.5	0.3	5.3
Repayment of debt	-19.2	-48.3	-49.4	-5.7
Dividend to non-controlling interests	-0.1	-0.1	-	-6.4
New share issue, net	38.3	-	8.4	18.9
Cash flow from financing activities	**92.3**	**16.1**	**-40.7**	**12.1**
Cash flow for the period	12.3	32.9	-4.8	-9.3
Opening cash and cash equivalents	0.0	22.9	56.3	51.4
Exchange difference in cash	-0.2	0.5	-0.1	0.2
Closing cash and cash equivalents	**12.2**	**56.3**	**51.4**	**42.3**

Source: Company data

Group legal structure

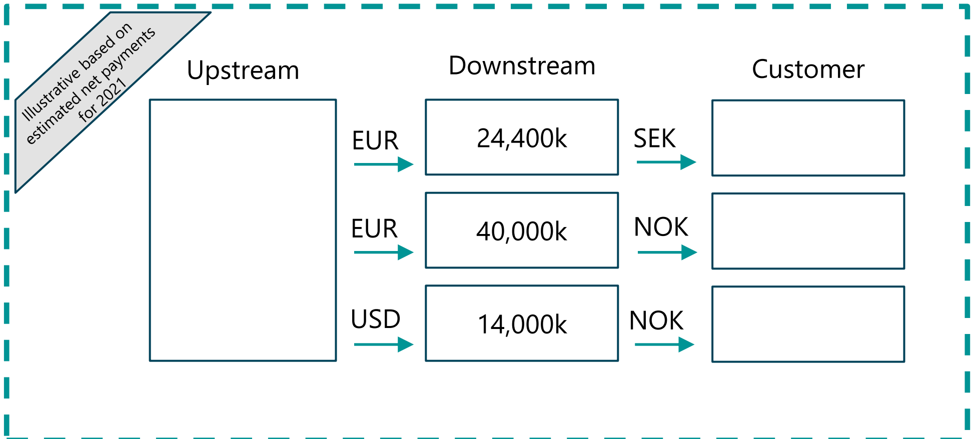


Unless otherwise stated, the ownership is 100%

Note: Legal structure as per July 2021

Currency exposure overview

P&L – net currency exposure



- Currently no financial currency hedges related to operations in use
- BEWI's major transaction exposure is derived from internal invoicing of raw material from Finland to Sweden, Norway, and Denmark
- This exposure is hedged through price – and currency clauses in the customer agreements, which is based on an underlying raw material price in EUR
- Internal invoices are settled within 7 days in order to minimize the FX exposure in booked items (AP/AR) and acts as an implicit hedge on FX exposure
- No FX exposure for sales to Denmark, as DKK is pegged to EUR

BEWi Drift Holding AS

- The major FX exposure comes from the company's trading operations
- This is currently managed by utilizing a non-fixed price list to customers
- However, there are continuous evaluations over whether to implement operational currency hedging in this segment

EPS have attractive product characteristics that enable reduced waste and energy consumption

Characteristics of EPS

- **Durable**
- **Versatile**
- **Lightweight**
- **Cost effective**
- **Shock absorbing**
- **Thermal efficiency**
- **Odourless and non-toxic**
- **100 percent recyclable**
- **Mold and moisture resistant**

EPS products have characteristics that can contribute to major environmental gains

Example of environmental gains from EPS products

Reduced food waste

EPS has superior ability to preserve food during transportation over extensive distances leading to lower food waste

Lower energy consumption

EPS' insulation capabilities lead to improved energy efficiency in buildings thereby reducing emissions

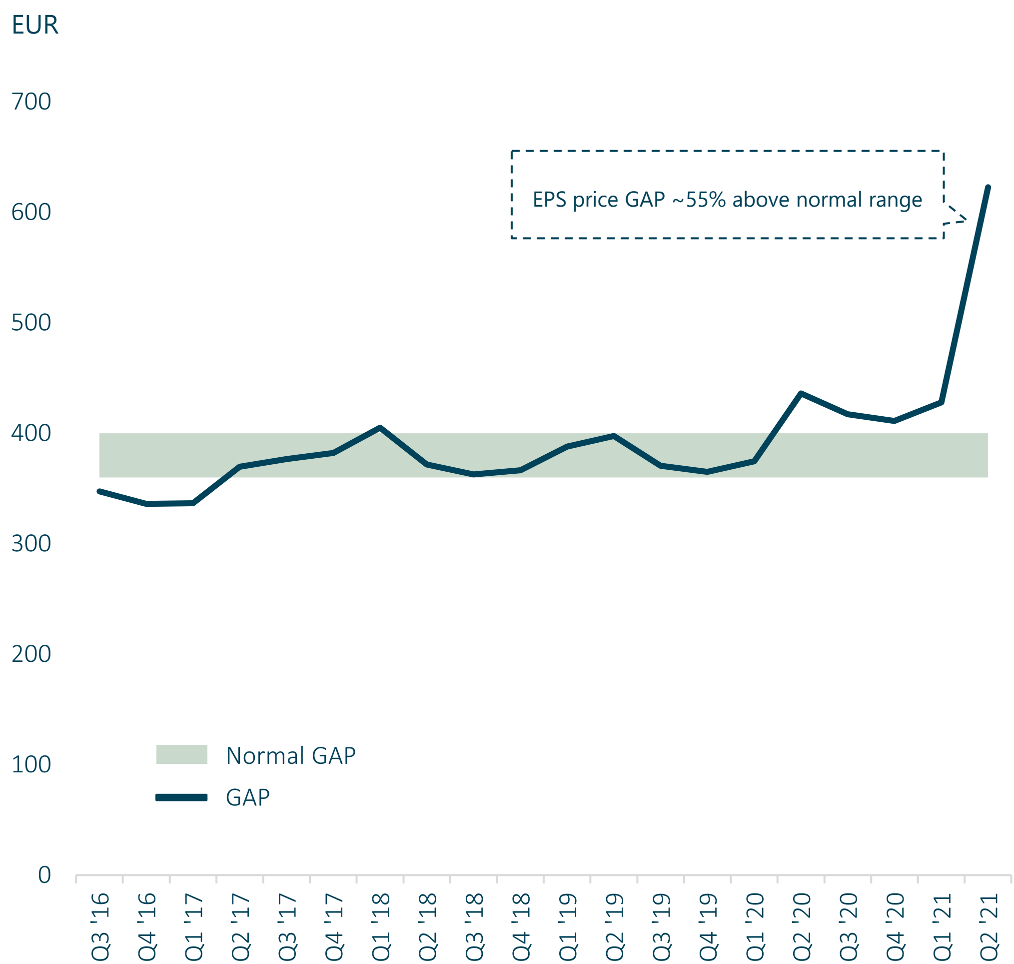
Lower fuel consumption

The EPS material's light weight, strength and durability makes it a superior alternative to other materials, leading to lower fuel consumption and emissions in transportation

Higher styrene prices and shortage of EPS raw material, combined with strong demand has driven an upstream margin expansion

BEWI

Historic GAP between styrene and EPS prices[1)]



Recent shortage has pushed EPS prices up

- Sharp increase in styrene prices in Q1, prices continued upwards in Q2
- Lower supply of EPS, combined with strong demand, resulted in a sharp price increase pushing up margins in the RAW segment, while increasing margin pressures in the downstream segments
- The increased raw material prices had a significantly positive effect on both net sales and EBITDA for segment RAW
- Historically, normal GAP, i.e. difference between styrene prices and EPS prices, has been in the range of EUR 360-400
- GAP was ~55% above normal range in Q2
- BEWI's integrated business model contribute to stabilize overall performance. The company is able to smooth out seasonal demand fluctuations with internal supply adjustments

BEWI outperforms the market due to

- Integrated business model
- Proven delivery capacity
- Solid and long-term customer relations
- Robust dual-source procurement strategy
- Index-regulated customer agreements

Sources: IHS Markit; Company information per Q2 2021 | Note: 1) The data is obtained from IHS Markit

IZOBLOK acquisition
- a case study of BEWI's highly effective M&A strategy

BEWI

IZOBLOK at a glance

- BEWI acquired a majority stake in Q1 2021 and the deal closed in July 2021
- Listed on Warsaw Stock Exchange, GPW Main Market
- Estimated market share of 21% for EPP components to the automotive industry in Europe
- HQ and three facilities in Chorzow, Poland and one facility in Ohrdruf, Germany with a total of ~460 FTEs

Selected product range & blue-chip customers

LAMBORGHINI, Volkswagen, PORSCHE, BMW, VOLVO, BENTLEY, HYUNDAI, Audi

Rationale for the acquisition

- Expansion to increase presence in the automotive components industry
- Adds upstream capabilities to produce EPP beads
- Geographic expansion into Germany and Poland
- Increased R&D capabilities
- Strong synergy potential related to BEWI's EPP business
  - Sourcing raw materials
  - EPP production capacity
  - Sales synergies and vertical integration

Chapter 8

Risk factors

Risk factors

BEWI

*An investment in corporate bonds always involves a certain degree of risk. A number of factors affect and may come to affect BEWI ASA (the "**Issuer**") and its direct and indirect subsidiaries' (together with the Issuer, the "**Group**") operations, earnings, financial position, future prospects and result (the "**Group's Financial Position**") and thereby the Issuer's ability to fulfil its payment obligations under the up to EUR 250 million senior unsecured sustainability linked floating rate bonds 2021/2026 (the "**Bonds**"), and the market value of the Bonds.*

*Below is a description of risk factors which the Issuer and the Group consider to be the most relevant to an assessment by a potential investor of whether to invest in the Bonds. The intention is to describe specific and material risks that are linked to the Group's operations and the Issuer's ability to fulfil its obligations in accordance with the terms and conditions of the Bonds (the "**Terms and Conditions**") and to describe the specific and material risks related to an investment in the Bonds. Before making a decision to invest in the Bonds, any potential investor should carefully make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Bonds.*

Unless otherwise defined or the context requires otherwise, capitalised words and expressions used herein shall have the same meaning given thereto in the Terms and Conditions.

The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category. The most material risk factor in each category is presented first. The assessment of the materiality of each risk factor is based on its probability of occurrence and the expected magnitude of its adverse effect. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

*The Issuer's subsidiary BEWiSynbra Group AB (publ) as borrower and the Issuer as guarantor will in connection with the issue of the Bonds enter into a EUR 80 million unsecured multicurrency sustainability-linked super senior revolving credit facility agreement with DNB Bank ASA and Nordea Bank Abp, filial i Sverige (the "**Super Senior RCF**").*

RISKS RELATED TO THE GROUP'S BUSINESS ACTIVITIES AND INDUSTRY

Competitive landscape

The Group develops, manufactures and distributes insulation products for the construction industry and adapted packaging solutions and components for industrial customers within, among other things, the manufacturing, food and medical industries, based primarily on expanded polystyrene ("**EPS**") and, to a lesser extent, on expanded polypropylene, extruded polystyrene and other materials. The Group is a fully vertically integrated provider of packaging, components and insulation solutions, operating in 3 segments: RAW, Packaging & Components and Insulation. Segment RAW is the production of white and grey EPS and BioFoam[1)], which is further developed into end market products. The Packaging & Components segment develops and manufactures standard and customised packaging solutions and technical components for customers in many industries while the Insulation segment develops and manufactures an extensive range of insulation solutions for the construction industry, such as insulation elements and filler for road embankments.

The Group operates in a highly competitive business area and has a number of competitors across different product categories, segments and geographic markets, including several major national and international competitors. Companies in the market compete not only by brand recognition, product innovation, price, quality of goods and performance and service, but also by other competitive factors such as technology, market penetration, proximity to customers and distribution capabilities. The Group also faces competition from other materials and products. The Group's competitors may grow, organically or through consolidation, to be stronger in the future. Changes in the competitive landscape could lead to decreased income and market shares of the Group which would adversely affect the result of the Group.

Note: 1) BioFoam is a fully bio-based particle foam made from renewable resources, which is used in packaging solutions and can be re-formed, recycled and fully composted.

Limitations on freedom of operation

Within certain markets, the Group has and may in the future have, a significant market share (e.g. within Insulation in the Netherlands and Packaging in Sweden, Denmark and Norway). As a result, there is a risk that applicable competition rules and regulations may restrict the Group's freedom to act in such markets, including with regard to permissible acquisitions, choice of business partners and the setting of prices, exclusivity and other transaction terms and conditions, which would have an adverse effect on the Group's business, results of operations and prospects.

The global economy’s influence on the demand

The Group's products are generally sold to the construction industry and industrial customers within, among other things, the manufacturing, automotive, food and medical industries, and the Group's performance is thus highly dependent on demand in the end-markets in which the Group's industrial customers operate. Because of this correlation between the Group's and its customers markets, there is a significant risk that factors affecting the end-market or a general downturn in such end-markets will affect the Group's sales in the same manner. Since the markets for insulation products and packaging products, such as the construction industry, rare goods and consumer goods, are generally mature in the countries in which the Group operates, there is also a significant degree of correlation between economic growth and the demand for these products.

The packaging and insulation industry tends to be cyclical in its nature with the level of cyclicality differing by end-markets and regions and as a result, the Group's sales performance in the relevant end-market or region depends to a substantial extent on a number of macroeconomic factors which impact the spending of the Group's customers, and which are outside of the Issuer's control (such as GDP (gross domestic product) growth, unemployment rates, consumer and business confidence, social and industrial unrest, the availability and cost of credit, interest rates, taxation, regulatory changes, commodity and utility prices). While the packaging industry for food and pharmacy is generally less affected by cyclicality, the demand for the Group's fish packaging material relies heavily on the fish industry, and in particular the supply and price for salmon, which is affected not only by variations in the end-market, but also by factors affecting the fish, such as disease, lice and weather conditions.

The construction end-market, in which the Group is primarily exposed to new construction and renovation projects, is highly dependent on the overall economic condition of each country and particularly sensitive to interest rates, inflation, public funded infrastructure projects and other fiscal stimuli, as well as the cost of mortgage financing and local regulatory requirements. The Group's insulation segment relies heavily on the construction and infrastructure industry in the Netherlands with 47 per cent. of the insulation segment’s revenue for the twelve months ending on 30 June 2021 deriving from the Netherlands.

Each of the above factors could have an adverse effect on the Group's business and income.

Fluctuations in cost and availability and quality of raw materials

The largest component of the Group's cost of sales is raw material costs, mainly due to the purchase of styrene (raw material used to produce EPS). During 2020 the Group spent EUR 181 million on raw materials (including additives but excluding cost for goods traded) and, as of 30 June 2021, this cost was EUR 149 million for 2021. The Group purchases styrene on the international market through a combination of contract, fixed and spot prices. The Group's raw material costs are subject to variations in supply and demand and, to some extent, on the price of oil (in the long-term the price for styrene is linked to the oil price) and tend to be volatile, resulting in price fluctuations. Due to the variety of contractual arrangements with customers, there is a risk that the Group in the future will not be able to fully or partially recover raw material prices on a timely basis or at all, especially if economic conditions weaken and/or competition intensifies. As a result, margins may be squeezed for a period of time until price increases are achieved to recover input cost increases. Any inability to recover input cost increases for raw materials could adversely affect the Group's results of operations. In addition, quality issues in the raw material the Group purchases could induce costs and adversely affect the quality of the products produced by the Group. There is a risk that each of these factors would reduce earnings for the Group.

Risk factors

Negative publicity

Negative publicity leading to a negative social perception towards the use of refined fossil fuels and/or the EPS industry in general or the use of EPS materials in packaging and components in particular could have a negative impact, not only on the reputation of the Group, but also on customers' and end-users' demand for the Group's products. Over time, any negative social perception could lead to significant changes in the industrial packaging or consumption patterns with respect to the materials or providers used, and as the Group is involved in production and sales of EPS, this could potentially have a severe effect on the Group's financial condition and future prospects. Any negative publicity in respect of any of the Group's products or its operations (such as non-compliance with applicable laws, standards or regulations including anti-competitive behaviour or investigations), may adversely affect the demand for the Group's products and the Group's business and income.

Acquisitions

During recent years, the Group has made several acquisitions and most recently in a majority of the shares in IZOBLOK S.A. Although due diligence investigations have been routinely conducted and local counsel used where deemed appropriate, there is a risk that the due diligence investigations have not uncovered, or will not uncover in the future, all material risks, that the representations, warranties and indemnity provisions of the transactions documents will not in full protect the Group against all losses incurred as a result of defects or other shortcomings related to the acquired business and that the seller in question will not be in position to rectify such defects or indemnify the Group.

The Group's ambition is to continue to have acquisitions as an integral part of its growth strategy and the Group continuously evaluates potential acquisitions that are in line with the Group's strategic objectives, thus exposing the Group to risks related to acquisitions. Acquisition activities presents financial, managerial and operational risks, including risks relating to setting the scope of and performing due diligence, diversion of the members of the management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which may not achieve sales levels and profitability that justify the investments made.

If acquisitions are not successfully integrated or any of the other risks above materialise, the Group's business and results of operations may be adversely affected. Future acquisitions could also result in the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges. Each such risk could adversely affect the Group's financial condition.

Planned and unplanned production interruptions

The Group is vertically integrated and currently operates 44 plants, of which two factories produce EPS raw materials (the upstream business) and eight factories operate with circular activities (e.g. collection, compacting and extrusion of EPS). In addition, 16 factories are owned through the Group's minority ownerships in Germany, France, the Czech Republic and the UK. Consequently, there is a risk that interruptions in one plant, especially any of the two plants involved in the upstream business, may adversely affect the supply to and thus the operations in a number of other plants operated by the Group. Accordingly, the Group faces additional production interruption risks compared to several of the Group's competitors and other non-vertically integrated groups and businesses.

The manufacturing of the Group's products includes multiple technical processes and is reliant on complex machinery. The plants are subject to the risk of breakdowns, government shutdowns or suspensions, inefficiencies, operational human errors, sabotage, technical failures, fires, equipment failure, unplanned maintenance, insufficient routines, lack of control, delays in implementing new machinery or manufacturing methods or other production problems that may interrupt production operations or delay a resumption of production following a plant modification or a turnaround. Any material disruption at any of the Group's plants could impair its ability to use such facilities and several other plants and have a material impact on the Group's ability to produce and sell products or maintain business operations. Further, adequate spare parts and maintenance services may not be available in a timely manner to secure the continuation of the operations. Disruptions at one or more of the Group's plants or other facilities or infrastructure upon which it relies may also, due to the Group being vertically integrated, interrupt production further up or down the production chain and lead to a decrease in volumes and sales, potential loss of customers and damage claims by customers. If disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available (or may be located in another region), may be characterised by substantially higher costs or may take significant time to start production. Moreover, long-term production disruptions may cause the Group's customers to seek alternative sources of supply, which could exacerbate any adverse effects experienced by the Group. Consequently, disruptions at any of the Group's plants, and especially disruption at any two of the Group's current plants involved in the upstream business, could adversely affect its business, operating expenses and income.

Intellectual property rights

The Group's ability to compete effectively depends in part on its ability to obtain, maintain, and protect proprietary information and other intellectual property rights. The Group generally relies on a combination of patents, trademarks, copyrights, domain name registrations and trade secret laws, as well as contractual restrictions and physical measures to protect the Group's trade secrets, proprietary information and other intellectual property rights. The Group currently holds patents, pending patent applications, and other intellectual property rights, in relevant jurisdictions, that it believes may give it a competitive advantage in certain markets. However, the Group may not, in the future, be able to obtain patents, and it is possible that future applications may not result in the issuance of patents.

Further, the Group relies on trade secret laws and practices to protect its proprietary information and confidentiality agreements with its employees, consultants, business partners, potential licensees and others to protect its trade secrets and other proprietary information. There can, however, be no assurances that such protective measures will effectively prevent disclosure or unauthorised use of proprietary information or provide an adequate remedy in the event of misappropriation, infringement or other violations of the Group's proprietary information and other intellectual property rights. Moreover, the Group's strategy for protecting intellectual property rights in relation to employees may be deficient in certain instances, for example if the Group fails to impose sufficient non-disclosure commitments or if the employees or consultants involved in the creation of intellectual property are not covered by sufficient provisions for transferring of such intellectual property to the Group. The occurrence of such an event may negatively impair the Group's ability to protect its intellectual property rights. Such development could adversely affect the Group's business and prospects.

The Group also faces a risk of claims that it has infringed the intellectual property rights of third parties. The Group may be drawn into court proceedings for alleged infringement of the rights of others. If this happens, there is a risk that the Group may be liable to pay significant damages, settlement costs, or be obligated to indemnify its customers or business partners, which could be costly and have a negative impact on the Group's operating profits.

If the Group's protection of its intellectual property rights is not sufficient or if the Group infringes on third party intellectual property rights, this may result in an adverse effect on the Group's business, results of operations and prospects.

Dependence on development of new materials, production processes and technologies

The Group depends on its continued ability to develop new, improved, or more cost-effective materials for end-market applications, methods of production, technologies, and to successfully commercialise and distribute products.

The trend towards commoditisation and standardisation in major parts of the Group's industry segments has increased the importance of research and development in supporting overall margins, particularly in terms of cost-efficient production technologies. Furthermore, the Group must offer ever more specialised products that are intended to offer higher value to customers while managing production costs in order to achieve satisfactory margins. There is a risk that the Group is not able to commercialise new products due to a lack of demand from customers or to develop new methods to gain additional efficiencies in its production processes, and its products may not perform as well as anticipated, which may decrease the profitability of some or all of the Group's products and have a negative impact on the Group's business, results of operations and prospects.

The Group may also not be successful in expanding or improving its product portfolio or may lack the expertise or financial resources in the development of new products. In addition, competitors may develop new materials with favourable physical characteristics, or which comply more effectively with government regulations for content or production, or may improve existing products in a similar manner. The Group may commit errors or misjudgements in its planning and misallocate resources, for instance, by developing materials, methods or technologies that require large investments in research and development and capital expenditure but that are not commercially viable. The importance of providing products and solutions that conserve natural resources and protect the climate has increased, and there is always a risk that the demand for such products and solutions will not grow as expected and that opportunities will be missed. Any failure to successfully develop new, improved, or more cost-effective materials, production processes and technologies, or delays in development, may lead to the Group's products or technologies becoming outdated, which could cause impairments and reduce the Group's future sales. Any material failures in the Group's research and development processes could materially adversely affect the Group's business, results of operations and prospects.

LEGAL AND REGULATORY RISKS

Disputes, proceedings and investigations

There is a risk that the Group may become involved in disputes, legal proceedings, investigations, litigation or arbitration brought by customers or other counterparties, regulatory authorities or governments.

The Group completed the acquisition of the Synbra Group ("**Synbra**") in May 2018. On 5 June 2018 the European Commission (the "**Commission**") confirmed that it had carried out unannounced inspections in several Member States at the premises of companies active in styrene monomer purchasing as a preliminary step in investigations into suspected anticompetitive practices (the "**Styrene Monomer Investigation**"). No Group entity was involved in the Commission's unannounced inspections. Since October 2018 Synbra is, however, included in the Commission's ongoing Styrene Monomer Investigation in respect of Synbra's potential involvement into suspected anticompetitive practices during 2013 and 2014. No formal charges stating an infringement have been brought forward by the Commission against Synbra yet, but there is a risk that such formal charges will be brought forward.

If the Commission concludes that Synbra was engaged in anti-competitive behaviour under the Styrene Monomer Investigation, the Commission may impose a fine on Synbra. Such potential fine is calculated in accordance with the Commission's guidelines on the method of setting fines and in general on the basis of a percentage of relevant purchases and duration. An additional deterrence may be applied for cartels. The potential fine may be increased by aggravating factors (e.g. ringleader, repeat offender or obstructing investigation) and may be decreased by mitigating factors (e.g. limited role or conduct encouraged by legislation). Discounts may be applied for leniency and settlement. The maximum amount of a potential fine should as a general rule and so long as the groups are deemed legally separated not exceed 10 per cent. of the Synbra Group's worldwide turnover in the year preceding the Commission's potential fine decision. It can, however, not be excluded that a potential fine could be up to 10 per cent. of the Group' worldwide turnover in the year preceding the Commission's potential fine decision.

The Group has received customary warranties in relation to, *inter alia*, compliance with laws, from the sellers of Synbra and such warranties are insured under a warranty and indemnity policy. Such warranty and indemnity insurance is capped at EUR 15 million and contains specific and customary qualifications and carve-outs (including knowledge qualifiers) in relation to, *inter alia*, the cover for the compliance with laws warranty. Consequently, there is a risk that the Group may not receive benefits under the insurance upon the occurrence of an insured event, or that such benefits may be limited, and that a potential fine will not be covered by the insurance or that it exceeds the liability limit of such insurance.

The results of any pending or future investigation or proceeding, litigation or arbitration brought by customers or other counterparties, regulatory authorities or governments (including but not limited to the Styrene Monomer Investigation) can, if an unfavourable decision is received by the Group, consist of significant fines, damages, third party claims and/or negative publicity which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Environmental risks

The Group is a manufacturer in the industry sector and the Group's operations have an impact on air, water, land, production of solid waste and biological processes. While the Group's upstream business is subject to a permit requirement, as it is classified as chemical industry, the Group's downstream business (the part of the business which is converting Raw material into foamed products to the market) is only subject to a notification requirement. The Group is also subject to a wide variety of environmental regulations in respect of water use, air, emissions, use of recycled materials, energy sources, storage, handling, treatment and transportation, such as the Industrial Emissions Directive 2010/75EU, REACH, Regulation 1907/2006 of the European Parliament and of the Council of 18 December 2006, the Kyoto Protocol relating to the reduction of greenhouse gas emissions, the EU Emissions Trading Scheme and Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004. Compliance with these rules and regulations is an important aspect of the Group's ability to continue its operations.

There is a risk that the Group incurs costs related to changes to, or stricter enforcement of, applicable regulations, or claims brought by third parties or governmental agencies. In addition, there is a risk that businesses that the Group has acquired, prior to such acquisition, have not always complied with all applicable environmental regulations or that the operational sites are polluted. Each such risk could result in significant costs for the Group, including sanitation costs and legal expenses, and thus adversely affect the Group's operating expenses.

The Group's main products use plastic materials that are derived from refined fossil fuels (oil). There is a risk that these materials may over time be subject to restrictions, change of law and environmental taxes in line with efforts to limit greenhouse gas emissions, which would impact the entire market for plastic products. The Group may in such scenario not succeed in developing renewable or recycled sources to produce EPS and products that are biodegradable at volumes equal to its existing business, which would have a material adverse effect on the Group's business, sales and results of operation.

Regulations, standards and health and safety regulations

In 2019 the substance styrene, which is one of the raw material chemicals used by the Group, was classified by the International Agency for Research on Cancer as group 2A meaning that it is probably carcinogenic to humans. Although this classification had no direct impact, it is the basis for a review of related regulation. For EPS food contact packaging, including fish boxes, a specific migration limit ("**SML**") will be introduced. The migration limit is the permitted level of free styrene in Polystyrene (which could be transferred into food). There is a risk that the SML may be set at a low level, which could have a significant impact on the sales of these products. In addition, there is a risk that the limit values related to styrene exposure for workers and indoor air quality are lowered, which could have significant impact on the Group in relation to cost, price, product image, market shares and margins of the Group.

There is also a risk of other changes in regulations regarding additives used in the Group's production. More restrictive chemicals regulation can be expected, which could have an impact on cost, price, product image, market shares and margins of the Group.

Moreover, there is an increasing pressure towards more stringent fire safety regulations and insurance policies, which, if implemented, may limit the use of and thereby the Group's sales of EPS insulation. This can have an adverse effect on cost, price, product image, market shares and margins of the Group. If the Group cannot replace any lost sales of EPS insulation with other products, such as Xire, it would have a material adverse effect on the Group's sales and results of operation.

Additional requirements may also be implemented in relation to the European Green Deal and CEAP (Circular Economy Action Plan). Such requirements may adversely affect the Group's cost to produce affected products and limit the sales of such products. In addition, there is a risk of more stringent requirements related to recycled content and recyclability for various products. This can have an adverse effect on cost, price, product image, market shares and margins of the Group. If the Group cannot replace any lost sales of affected products with other products (such as recycled raw material and BioFoam), it would have a material adverse effect to the Group's sales and results of operation.

The Group's international business

The Group operates in multiple countries and is therefore subject to compliance with a variety of local and international laws and regulations, which is an inherent risk of international operations. The Group is subject to numerous regulations, including labour and employment, product liability regulations, customs, competition, tax, environmental and zoning and occupancy laws and ordinances that regulate its operations. If these regulations were violated by the Group, its management or employees, the Group could be subject to substantial fines or penalties, damages or claims from third parties, and suffer reputational harm, which could adversely affect the Group's relationship with its stakeholders, reduce demand for the Group's products and adversely affect the Group's business, operating expenses and prospects.

Similarly, there is a risk that changes in laws could make operating the Group's business more expensive or require the Group to change the way it does business. For example, the Group employed 1,504 people as of 30 June 2021 and changes in laws related to employee hours, wages, job classification and benefits could significantly increase operating costs. In addition, changes in product safety or environmental laws, or a development to a stricter implementation and application by the authorities of existing laws and regulations, could lead to increased costs or a ban of certain products produced by the Group. Such changes may require that the Group makes further investments, with increased costs and other commitments for the Group as a result. It may be difficult for the Group to foresee regulatory changes impacting its business and the actions needed to respond to changes in laws, rules or regulations could be costly and may adversely affect the Group's business, operating expenses and prospects.

RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION

The Group may have difficulty accessing financing in sufficient time, on acceptable terms, or at all

The Group primarily finances its operations through equity, own cash flow and interest-bearing debt, mainly consisting of the Bonds and the Super Senior RCF. There is a risk that financing cannot be obtained or renewed in connection with refinancing or at the expiry of their respective terms or can only be obtained at unfavourable terms and conditions. If the Group fails to obtain necessary financing in the future, or to less favourable terms and conditions, it may have a material adverse effect on the Group's business, financial position and financial expenses.

A large part of the Group's assets consists of goodwill

As a result of the Group's growth through acquisitions, intangible assets in the form of goodwill constitute a large part of the Group's total assets (per 30 June 2021, the Group reported goodwill in the amount of EUR 90.6 million on its balance sheet). These intangible assets are following acquisitions subject to impairment tests, which can result in higher impairment costs depending on the amount of goodwill reported as part of the transaction and how the acquired company performs in relation to expectations. Reporting impairments includes uncertainty as the Issuer must make forward-looking assumptions calculating the recoverable amount based, among other things, on assumptions about future cash flows. A negative trend in the business activities may force the Issuer to report impairment equal to all or part of the booked value and if impairment must be reported, this may have a material adverse effect on the Group's operating expenses and financial condition.

The Issuer is dependent on cash flows from subsidiaries

The Issuer's main assets consist of shares in underlying subsidiaries. The ability to bear the costs for e.g. interest-bearing debt are dependent of payments and dividends from subsidiaries, as this represents the Issuer's and the Group’s cash flow. The transfer of funds from subsidiaries may be limited or prevented by both legal and contractual requirements applicable to the Group, including, but not limited to, any limitations with respect to dividend payments set out in shareholders’ agreements entered into by a Group company, legal requirements regarding available funds for dividend payments and thin-capitalisation rules. Should any such limitations with respect to the possibility of transferring funds from subsidiaries occur, or should such subsidiaries for any other reason not generate sufficient liquidity to the Issuer, this may adversely affect the Issuer's liquidity and results.

Majority owner

On 30 June 2021, the 20 largest shareholders of the Issuer held 80.46 per cent. of the shares of the Issuer. The largest shareholder is Frøya Invest AS, owned by the Bekken family, holding 56.81 per cent. Following any potential change of control in the Issuer, the Issuer may be controlled by a majority shareholder whose interest may conflict with those of the Bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholders’ meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, disposals, financings or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the Bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group’s Financial Position.

RISKS RELATED TO THE NATURE OF THE BONDS

Credit risk

Investments in the Bonds carry a credit risk relating to the Issuer and the Group. Investors’ ability to receive payment under the Terms and Conditions is therefore dependent on the Group's capability and willingness to meet its payment obligations, which in turn is dependent on the Group’s Financial Position. If the Group’s Financial Position deteriorates it is likely that the credit risk associated with the Bonds will increase since the risk that the Issuer cannot fulfil its payment obligations under the Bonds increases. The Group’s Financial Position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Bonds with a higher risk premium, which would likely adversely affect the market value of the Bonds. It may also affect the Group’s possibilities to receive debt financing which may negatively affect the Issuer’s ability to repay the Bonds.

Early redemption and put option

Under the Terms and Conditions of the Bonds, the Issuer has reserved the possibility to redeem all or 50 per cent. of the outstanding Bonds before the final maturity date under certain circumstances. If the Bonds are so redeemed, the Bondholders have the right to receive an amount which is higher than the nominal amount (depending on when such redemption occurs) together with accrued but unpaid interest. The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, there is a risk that investors are not able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed, or are only able to do so at a significantly higher risk. In addition, an optional redemption feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem Bonds, the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed, thus presenting a risk to investors. This also may be true prior to any redemption period.

Furthermore, according to the Terms and Conditions, the Bonds are subject to prepayment at the option of each Bondholder (put options) upon the occurrence of certain events, including a change of control of the Issuer or if the Bonds are not admitted to trading on a regulated market (or following a successful listing and subsequent delisting of the Bonds is not re-listed on a regulated market) within a certain time period. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds, which could, for example, cause insolvency or an Event of Default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option.

Insolvency of subsidiaries and structural subordination

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. If any or several of the subsidiaries become subject to any such event, or for any other reason do not generate sufficient liquidity to the Issuer, it may have a material adverse effect on the Issuer’s financial position and its ability to fulfil its obligations under the Bonds. Furthermore, defaults by, or the insolvency of, subsidiaries of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations, including under the Super Senior RCF, or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Issuer and its assets would not be protected from actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Additional debt

The Issuer and/or any other Group Company may incur additional debt, provided that such debt constitutes Permitted Debt pursuant to the Terms and Conditions and provide security for such indebtedness (provided that such security constitutes Permitted Security pursuant to the Terms and Conditions). Incurring such additional indebtedness and the provision of security may reduce the amount (if any) recoverable by the Bondholders if the Issuer is subject to any dissolution, winding-up, liquidation, restructuring, administrative or other bankruptcy or insolvency proceedings.

Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy laws other than those of Sweden or Norway could apply. The outcome of insolvency proceedings in foreign jurisdictions could have an adverse effect on the potential recovery in such proceedings.

Unsecured Bonds and Subordination Agreement

The Bonds constitute senior unsecured obligations of the Issuer. As such, the Bonds are effectively subordinated to any secured debt of the Issuer outstanding from time to time. The Bonds rank *pari passu* in right of payment with the Issuer's other senior unsecured debt outstanding from time to time and senior in right of payment to the Issuer's subordinated debt (if any) outstanding from time to time. The secured creditors of the Issuer (if any) will have priority over the assets securing their debt. In the event that such secured debt becomes due or a secured lender proceeds against the assets that secure the debt, the assets would be available to satisfy obligations under the secured debt before any payment would be made on the Bonds.

Moreover, the Issuer has entered into a Subordination Agreement pursuant to which the Bonds will rank junior to any Super Senior Debt (being Super Senior Facility Debt and Hedging Debt) in case of (i) an acceleration of the Super Senior RCF, (ii) the premature termination or close-out of any hedging transaction under the Super Senior Hedges, or (iii) insolvency. This means that the creditors of the Super Senior Debt will be entitled to payments in priority of the Bondholders.

There is a risk that the assets (if any) remaining after repayment of the Issuer's secured debt and any Super Senior Debt pursuant to the Subordination Agreement, may not be sufficient to repay all or any amounts owing under the Bonds. This presents a significant risk to the Bondholders.

Sustainability-Linked Bonds

The Bonds are defined as sustainability-linked bonds according to the Issuer's sustainable financing framework (the "**Sustainable Financing Framework**") dated as of August 2021. There is currently no generally accepted definition (legal, regulatory or otherwise) of, nor market consensus as to what criteria a particular financial instrument must meet to qualify as, sustainability-linked (and, in addition, the requirements of any such label may evolve from time to time). Accordingly, no assurance is or can be given to investors by the Issuer that the Bonds will meet any or all investor expectations regarding such Bonds qualifying as sustainability-linked.

The Issuer's failure to comply with the Sustainable Financing Framework does not constitute an Event of Default under the Terms and Conditions and would not permit Bondholders to exercise any early redemption rights or receive any other type of compensation, other than an increased redemption amount, for non-compliance with the Sustainable Financing Framework. Hence, there is a risk that expectations of investors, insofar such expectations are related to the compliance with the Sustainable Financing Framework, are not met. Changes in the Sustainable Financing Framework may imply adverse consequences for an investor, who is subject to specific criteria for managing sustainability-linked bonds, if the Bonds no longer meet such criteria. Thus, there is a risk that non-compliance with and/or any changes to, the Sustainable Financing Framework may result in decreased interest from investors which may have an adverse effect on the market value of the Bonds.

Risks related the admission of the Bonds to trading on a regulated market

The issuer intends to list the Bonds within 30 days after the First Issue Date on Nasdaq Stockholm or any other regulated market (as defined in Directive 2014/65/EU on markets in financial instruments) in Sweden after the prospectus for the Bonds has been approved by the Swedish Financial Supervisory Authority *(Finansinspektionen),* but the Issuer shall in any event procure that the Bonds are admitted to trading within 180 days after the First Issue Date.

There is a risk that the Bonds, will not be admitted to trading within the aforementioned time frame, or at all, or following a successful admission is unable to maintain the listing of the Bonds, which may negatively impact the market value of the Bonds. Moreover, if the Issuer fails to procure listing of the Bonds in accordance with applicable laws regulating investment savings accounts (*ISK or IS-konto*), investors holding Bonds on such investment savings account will no longer be able to hold the Bonds on such account, thus affecting such Investor's tax situation. For further information regarding the consequences of a listing failure, see section "*early redemption and put option*" above.

Furthermore, there might not be an existing trading market for the Bonds and a secondary market may not even develop. This can result in Bondholders not being able to sell their Bonds when they wish to or at a profit comparable to similar investments with an existing and functioning secondary market. There is a risk that a lack of liquidity in the market will have an adverse effect on the market value of the Bonds.

There is also a risk that it may be difficult or impossible to sell the Bonds due to price fluctuations, close-down of the relevant market or trade restrictions imposed on the market or certain participants in the market. The degree to which the liquidity and the trading price of the Bonds may vary is uncertain, and presents a significant risk to investors.

No direct actions by Bondholders

Pursuant to the Terms and Conditions, the Agent will represent all Bondholders in all matters relating to the Bonds and individual Bondholders are not entitled to bring any actions against the Issuer relating to the Bonds, unless such actions are supported by the majority pursuant to the Terms and Conditions. Accordingly, there is a risk that the value of the Bonds will decrease meanwhile a requisite majority is not willing to take necessary legal action against the Issuer. The unwillingness of a majority of Bondholders to act could, thus, damage the value of other Bondholders' investments in the Bonds.

There is also a risk that an individual Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could potentially affect an acceleration of the Bonds or other action against the Issuer. For example, if an individual Bondholder were to initiate a bankruptcy proceeding against the Issuer, such proceeding could, despite being in breach of the Terms and Conditions, be legally valid and consequently cause damage to the Issuer and/or the Bondholders.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that are binding upon all Bondholders, including the right to agree to amend and waive provisions under the Terms and Conditions. Hence, there is a risk that the actions of the Agent in such matters affect a Bondholder's rights under the Terms and Conditions in a manner that is undesirable for some Bondholders. In addition, failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders.

European Benchmark Regulation

The interest on the Bonds is determined based on a floating interest rate of 3-month EURIBOR plus a margin. The process for determining EURIBOR and other interest rate benchmarks is subject to a number of statutory rules and other regulations. EURIBOR constitutes a benchmark according to the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"), which regulates the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The Benchmark Regulation could, for example, have a material impact on the Bonds if the methodology or other terms of EURIBOR are changed in order to comply with the terms of the Benchmark Regulation. Such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. Any such change of the methodology presents a significant risk to the return on a Bondholder's investment.