

# Q1 2023

Quarterly report

# BEWI



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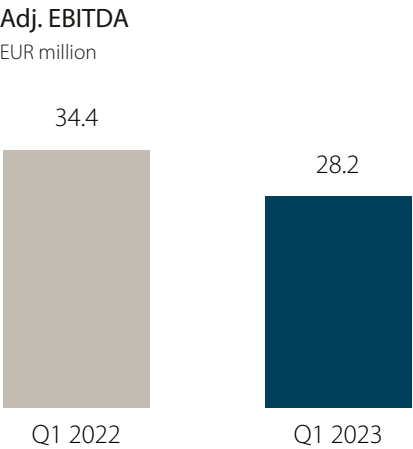
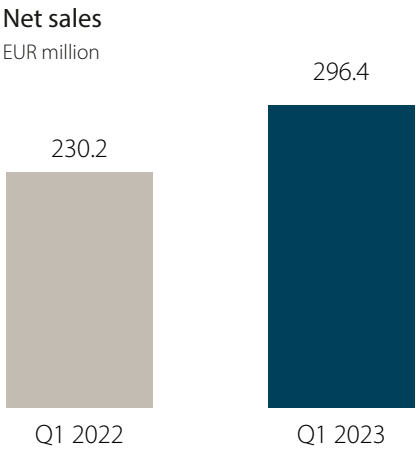
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# Highlights<sup>1</sup>

(numbers in parenthesis refers to comparable figures for the corresponding period of 2022)

## First quarter of 2023

- Net sales of EUR 296.4 million (230.2), up by 29 per cent of which a 11 per cent negative organic growth
- Adjusted EBITDA of EUR 28.2 million (34.4)
  - Positive organic growth in EBITDA for all segments except RAW
- Successful integration work resulting in a revised estimate of EUR 30 million in extracted synergies by 2024
- Initiated measures to adjust capacity to market conditions and improve profitability in the Nordic Insulation business, with estimated annual savings of approximately EUR 5 million
- Divestment of four properties in Denmark and Finland valued at approximately NOK 350 million



11%  
ROCE<sup>2</sup>

Target ~20%

3.2x  
NIBD/Adj. EBITDA<sup>3</sup>

Target <2.5x

<sup>1</sup> For more information on the change in net sales and adjusted EBITDA from the corresponding period of 2022, see [the revenue and EBITDA bridges](#)  
<sup>2</sup> ROCE: Rolling 12 months adjusted EBITA as a percentage of average capital employed during the same periode. Capital employed is defined as total equity plus net debt  
<sup>3</sup> NIBD/ Adj. EBITDA: excluding IFRS 16, adjusted EBITDA rolling 12-months pro-forma acquired entities



Consolidated key figures<sup>1</sup>

Amounts in million EUR (except percentage)	Q1 2023	Q1 2022	2022
Net sales	296.4	230.2	1 050.4
Operating income (EBIT)	9.8	21.8	68.0
EBITDA	26.9	31.9	115.2
<i>EBITDA margin (%)</i>	<i>9.1%</i>	<i>13.8%</i>	<i>11.0%</i>
Adjusted EBITDA	28.2	34.4	133.6
<i>Adj. EBITDA margin (%)</i>	<i>9.5%</i>	<i>14.9%</i>	<i>12.7%</i>
Items affecting comparability	-1.3	-2.5	-18.3
Adjusted EBITA	13.9	26.4	96.1
<i>Adj. EBITA margin (%)</i>	<i>4.7%</i>	<i>11.5%</i>	<i>9.1%</i>
Net profit/loss for the period	-0.7	8.2	35.4
Earnings per share, basic (EUR)	-0.01	0.05	0.21
Earnings per share, diluted (EUR)	-0.01	0.05	0.21
Earnings per share, basic (NOK)	-0.08	0.54	2.12
Earnings per share, diluted (NOK)	-0.08	0.54	2.10
Capital Expenditure (CAPEX)	-11.3	-5.2	-43.7
<i>Return on average capital employed (ROCE)%</i>	<i>11.4%</i>	<i>22.0%</i>	<i>15.3%</i>
<i>Total number of outstanding shares</i>	<i>191 722 290</i>	<i>157 039 804</i>	<i>191 347 992</i>

<sup>1</sup> See [definitions of alternative performance measures](#) not defined by IFRS



## Comments from the CEO

# Strong performance provides robust results and a doubling of synergy estimate

BEWI delivers a strong performance for the first quarter of 2023. We manage to adjust the capacity and costs to the current challenging market conditions and continue to demonstrate strong price management, resulting in organic growth in EBITDA for both downstream segments. Successful integration work enables us to double the estimate for synergies from the Jackson transaction, positioning us for further growth in EBITDA for 2023. Also, we have significantly increased our consumption of recycled material this quarter, an essential prerequisite to reach our target to become a circular company and improve the carbon footprint.

BEWI's net sales for the first quarter of 2023 came in at 296.4 million euro, up from 230.2 million euro for the corresponding quarter last year. We posted an adjusted EBITDA of 28.2 million euro, lower than the very strong 34.4 million euro delivered last year.

Styrene raw material prices and market prices for EPS were quite stable in the first quarter of 2023 compared to the previous quarter, however significantly lower than for the first quarter last year.

The demand from the building and construction industry has continued to be weak in the Nordics and Baltics, impacting volumes for segment RAW and Insulation & Construction (I&C), but remained solid for our business units in Spain and the UK. For other regions, the picture is more

mixed, depending on the specific offering. Given the tough market conditions and a decrease in volumes of 20 per cent, we are very pleased to manage to deliver organic growth in EBITDA for our I&C segment of more than 10 per cent, and to see the profitability improvements posted by the "old Jackson".

The demand for food packaging remains stable. Volumes of fish boxes sold in the quarter were reduced compared to the corresponding quarter last year due to lower slaughter volumes. This has continued into the second quarter but is expected to lead to a strong second half of the year for this part of the business. The Packaging & Components (P&C) segment still delivered organic growth in EBITDA, mainly driven by increased prices and a positive development in demand for automotive and HVAC components.

**Given the tough market conditions, we are very pleased to be able to deliver organic growth in EBITDA for our I&C segment.**

To integrate acquired entities, especially Jackson, have been a top priority the last six months. We have now succeeded in identifying more synergies from the combination with Jackson and the revised estimate is 30 million euro in extracted synergies by 2024, a doubling of the previously communicated estimate. We have also implemented a division-based organisational structure, with strong management teams focusing on operational excellence and strategic growth initiatives within each of our operating segments. And finally, we have implemented a revised pricing model and adjusted the production capacity to the current market conditions. These efforts, combined with solid performances from the new entities have strengthened our position for further growth.

The current market sentiment makes it difficult to predict the outlook for the rest of the year. Our high exposure to the building and construction industry could make us vulnerable to the development of that industry. On the other hand, the outlook for food packaging, as well as technical and automotive components looks very promising for 2023. This, combined with the positive contribution from acquired entities including synergies, and measures implemented to improve profitability, leaves us with a cautiously optimistic outlook for the year. We expect an adjusted EBITDA for the full year of 2023 in line with the pro-forma EBITDA (including acquired companies) of 167 million euro posted for 2022. This represents approximately 25 per cent growth over the 134 million euro reported for 2022.

Going forward, we will remain focused on integrating acquired companies and extracting synergies, as well as adjusting capacity and cost levels to the current market conditions. We also stay committed to our strategic priorities and believe in continued consolidation within selected industries.

BEWI's business model makes us well positioned in the current markets. Backed by a strong organisation, we expect to deliver robust results, enabling us to pursue attractive strategic growth opportunities.

Trondheim, 8 May 2023



Christian Bekken, CEO BEWI ASA

# Financial review

*(Information in parentheses refers to the corresponding periods the previous year).*

## Profit and loss

### First quarter of 2023

**Net sales** amounted to EUR 296.4 million for the first quarter of 2023 (230.2), corresponding to an increase of 28.7 per cent. The contribution from the existing business (organic) was negative 10.8 per cent, while the net effect of acquisitions and divestments was 41.8 per cent. Currency effects had a negative impact of 2.3 per cent.

The majority of the growth from acquisitions was attributable to Jackson. The negative organic growth was largely a result of lower demand from the building and construction industry, in particular in the Nordics and the Baltics, impacting volumes for segments RAW and Insulation & Construction (I&C). Packaging & Components (P&C) noted a positive organic growth, mainly coming from the recovery of the automotive business and the strong demand for HVAC products.

**Adjusted EBITDA** came in at EUR 28.2 million for the quarter (34.4), representing a decrease of 18.0 per cent. The organic growth was negative 36.4 per cent, while acquisitions and divestments contributed with a positive net 19.2 per cent. Currency had a negative effect of 0.7 per cent.

The negative organic growth is mainly explained by lower volumes and margins for segment RAW, which had all-time high prices and margins for the corresponding quarter last year. As previously communicated, margins tend to shift from upstream to downstream segments when raw material prices decrease, and thus, this was partly offset by improved contribution from I&C, despite the tough market conditions for this segment, and from P&C. The segments have demonstrated good price management and implemented measures to adapt production capacity and cost structure to the current market conditions. Further, positive development in demand for automotive and HVAC components also contributed positively to the EBITDA.

The adjusted EBITDA margin was 9.5 per cent for the quarter (14.9). The decrease in margin compared to the corresponding quarter of 2022, is mainly explained by the negative organic growth for RAW and lower margins for I&C following the combination with Jackson.

For more information on the development in net sales and EBITDA, see explanations under each segment and [the revenue and EBITDA bridges](#).

**Operating income (EBIT)** was EUR 9.8 million for the quarter (21.8). The lower EBIT is explained by higher depreciations and amortisations in acquired companies.

**Net financial items** amounted to a negative EUR 10.4 million for the quarter (-6.9). The higher financial expenses are mainly explained by increased interest rates and increased interest-bearing debt following acquisitions. The period was negatively impacted by a EUR 1.0 million fair value adjustment of shares in the listed real estate company KMC Properties ASA, whereas the same period last year noted a EUR 2.9 million negative fair value adjustment related to an option to acquire a minority shareholding.

**Taxes** amounted to a negative EUR 0.2 million (-6.8). The taxes for the first quarter last year were negatively impacted by some major non-deductible items.

**Net result** for the first quarter of 2023 ended at a negative EUR 0.7 million (8.2).

Segment RAW



GAP remained solid, volumes impacted by reduced demand from building and construction industry

Segment RAW develops and produces white and grey expanded polystyrene (EPS), various grades of recycled EPS, as well as Biofoam, a fully bio-based particle foam. The raw material is sold internally and externally for production of end products. Raw material is produced at 3 facilities located in Finland, the Netherlands, and Germany.

Acquisitions affecting comparability

Jackson was consolidated into BEWI's accounts from 1 November 2022.

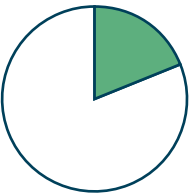
Fourth quarter of 2023

**Net sales** for segment RAW amounted to EUR 93.5 million for the quarter (100.4), a decrease of 6.9 per cent. The acquisition of Jackson contributed to 18.4 per cent growth. Lower volumes and sales prices had a negative impact of 25.4 per cent. The reduction in volumes, which explains approximately half of the negative organic growth, is mainly attributable to lower activity in the building and construction industry.

Styrene raw material prices and market prices for EPS were rather stable in the first quarter of 2023 compared to the previous quarter, however significantly lower than for the first quarter last year.

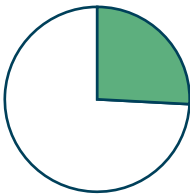
**Adjusted EBITDA** came in at EUR 7.6 million for the first quarter of 2023 (19.4), of which Jackson contributed with EUR 2.1 million. The lower EBITDA is a result of lower volumes and lower GAP (styrene gross margin). In the first quarter last year, the GAP was historically high, driven by a strong market sentiment combined with an upgoing raw material price trend. This year, GAP has been more normalized and, in combination with the lower volumes, the EBITDA has decreased significantly. The reduced GAP impacts EBITDA more than the lower volumes.

Amounts in million EUR (except percentage)	Q1 2023	Q1 2022	2022
Net sales	93.5	100.4	418.0
Of which internal	38.4	31.9	142.0
Of which external	55.1	68.5	276.0
Net operating expenses	-85.9	-81.0	-361.0
Adjusted EBITDA	7.6	19.4	57.0
Adjusted EBITDA %	8.1%	19.3%	13.6%
Items affecting comparability	0.0	-	-17.0
EBITDA	7.6	19.4	40.0
Depreciations	-1.3	-1.0	-4.3



19%

of total net sales<sup>1</sup>  
in Q1 2023

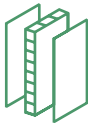


26%

of total adj. EBITDA<sup>2</sup>  
in Q1 2023

<sup>1</sup> Based on revenues from external customers  
<sup>2</sup> Based on total adj. EBITDA for operating segments

Segment Insulation & Construction (I&C)



Organic growth in EBITDA despite challenging markets

Segment I&C develops and manufactures an extensive range of insulation products for the building and construction industry, as well as infrastructure projects. The products are primarily composed of EPS and extruded polystyrene (XPS). BEWI's insulation solutions are produced at 28 facilities in 11 countries. In addition, BEWI has minority interests in 5 facilities in France and 6 facilities in Germany.

Acquisitions affecting comparability

Jablite was consolidated from 1 June, BalPol from 1 September, Jackon from 1 November and Aislenvas from 31 December 2022.

First quarter of 2023

**Net sales** came in at EUR 120.5 million for the quarter (62.4), an increase of 93.2 per cent. Acquisitions contributed with 120.6 per cent growth, while lower volumes and sales prices impacted growth negative with 11.9 per cent.

On average, volumes have declined approximately 20 per cent compared to the first quarter of 2022. The Nordics and Baltics, representing approximately 35 per cent of sales this quarter, are hit harder, while the decline in other regions is more modest, or even positive.

**Adjusted EBITDA** increased with EUR 1.9 million and ended at EUR 8.0 million for the quarter (6.1), an increase of 30.6 per cent. Of this, organic growth was 10.1 per cent, while acquisitions contributed with 43.9 per cent. The impact from divested operations was negative EUR 1.5 million, representing 24.1 per cent.

The organic growth is a result of strong price management and strict cost control, as well as BEWI's ability to ongoing adjust its capacity in response to the market development, allowing the company to improve the EBITDA margin excluding acquisitions to 12.3 per cent.

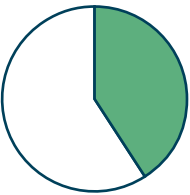
Acquired companies contributed with EUR 2.7 million to the EBITDA, of which Jackon with EUR 0.4 million. The EBITDA margin from acquired entities excluding Jackon was 11.3 per cent, coming from solid operations in Spain and the UK, while the market conditions in the Baltics have been more challenging.

Jackon's insulation business is largely exposed to the Nordic region, where the market has been the most challenging. However, the EBITDA contribution from this business has improved from negative in the previous quarter to positive this quarter.

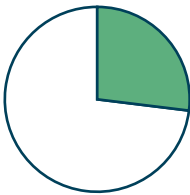
For further details, see the [revenue and EBITDA bridge](#).

Following the announced measures initiated, a provision of EUR 1.2 million has been made for the first quarter of 2023, related to personnel and other contractual costs following idle capacity, mainly in Sweden.

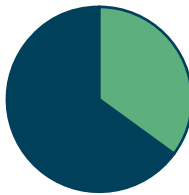
Amounts in million EUR (except percentage)	Q1 2023	Q1 2022	2022
Net sales	120.5	62.4	333.9
Of which internal	0.4	1.0	4.0
Of which external	120.1	61.4	329.9
Net operating expenses	-112.6	-56.3	-302.8
Adjusted EBITDA	8.0	6.1	31.1
Adjusted EBITDA %	6.6%	9.8%	9.3%
Items affecting comparability	-1.2	-	2.5
EBITDA	6.8	6.1	33.6
Depreciations	-6.8	-2.1	-11.3



41%  
of total net sales<sup>2</sup>  
in Q1 2023



27%  
of total adj. EBITDA<sup>3</sup>  
in Q1 2023



■ Nordics & Baltics 35%  
■ Other 65%

<sup>1</sup> Including November and December which were consolidated into BEWI's accounts  
<sup>2</sup> Based on revenues from external customers  
<sup>3</sup> Based on total adj. EBITDA for operating segments

Segment Packaging & Components (P&C)



Stable development and improved EBITDA from both organic and inorganic growth

Segment P&C develops and manufactures standard and customised packaging solutions, as well as technical and automotive components for customers in many industrial sectors. Examples include boxes for transportation of fresh fish and other food, protective packaging for pharmaceuticals and electronics, and components for cars and heating systems. The material is composed primarily of EPS, expanded polypropylene (EPP), fabricated foam, and cardboard. In addition, the company sells traded products, mainly related to food packaging. The solutions are produced at 35 facilities in 9 countries.

Acquisitions affecting comparability

Trondhjems Eskefabrikk was consolidated from 1 May, Styropack (packaging part of Jablite) from 1 June, and Jackon from 1 November 2022.

First quarter of 2023

**Net sales** amounted to EUR 109.7 million for the first quarter of 2023 (91.7), an increase of 19.6 per cent. The segment had organic growth of 2.5 per cent, while acquisitions contributed with 21.8 per cent growth. Currency had a negative effect of 4.3 per cent.

The organic growth was driven by higher sales prices and improved volumes of automotive and HVAC components. This more than offset lower volumes sold to the food industry mainly due to lower slaughter volumes of salmon but also lower traded volumes.

**Adjusted EBITDA** amounted to EUR 13.4 million for the first quarter this year (9.1), up by 46.8 per cent, of which organic growth was 15.2 per cent. Currency effects impacted the segment’s EBITDA with a negative EUR 0.5 or 5.2 per cent.

Acquired companies contributed with healthy EBITDA margins, averaging at 17 per cent. For further details, see the [revenue and EBITDA bridge](#).

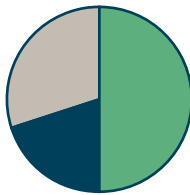
Amounts in million EUR (except percentage)	Q1 2023	Q1 2022	2022
Net sales	109.7	91.7	391.9
Of which internal	1.1	2.8	10.0
Of which external	108.6	88.9	381.9
Net operating expenses	-96.3	-82.6	-343.6
Adjusted EBITDA	13.4	9.1	48.3
Adjusted EBITDA %	12.2%	9.9%	12.3%
Items affecting comparability	-0.1	0.0	4.9
EBITDA	13.3	9.1	53.3
Depreciations	-5.6	-4.4	-19.7



37%  
of total net sales<sup>1</sup>  
in Q1 2023



45%  
of total adj. EBITDA<sup>2</sup>  
in Q1 2023



Food 50%  
Automotive 20%  
Other industries incl. HVAC 30%

<sup>1</sup> Based on revenues from external customers  
<sup>2</sup> Based on total adj. EBITDA for operating segments



## Improved volumes from acquisitions

Segment Circular is responsible for BEWI’s collection and recycling of used material. The segment offers different solutions for waste management and collection, and a range of recycled materials. BEWI has announced an annual target of collecting 60 000 tonnes of EPS for recycling by the end of 2026. The number refers to approximately the volume BEWI puts into end markets with a lifetime less than one year. The remaining volume is used in products with a lifetime of more than one year, i.e., thermal insulation in buildings and infrastructure projects, bike helmets, car components and similar. As of 31 March 2023, BEWI operated 7 recycling facilities in 6 countries.

### Acquisitions affecting comparability

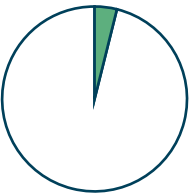
Berga Recycling was consolidated from 1 June 2022 and Inoplast from 31 December 2022.

### First quarter of 2023

**Net sales** for segment Circular amounted to EUR 15.5 million for the first quarter of 2023 (11.4), an increase of 35.7 per cent. Of this, 18.7 per cent was organic growth explained by higher volumes which compensated for lower prices. Further, sale of packaging waste recovery notes, a special system applicable to the plastics industry in the UK, contributed positively to the sales. Currency had a negative effect of 5.2 per cent.

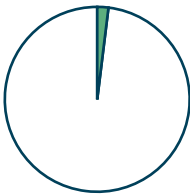
Adjusted EBITDA amounted to EUR 0.5 million for the quarter (1.1). The reduction compared to the first quarter last year was mainly explained by lower prices. The supply chain for Circular is longer than for the other segments, and thus the segment is more sensitive to volatile raw material prices.

Amounts in million EUR (except percentage)	Q1 2023	Q1 2022	2022
Net sales	15.5	11.4	63.1
Of which internal	3.0	0.2	0.7
Of which external	12.5	11.3	62.4
Net operating expenses	-15.0	-10.3	-60.6
<b>Adjusted EBITDA</b>	<b>0.5</b>	<b>1.1</b>	<b>2.5</b>
Adjusted EBITDA %	3.1%	9.5%	3.9%
Items affecting comparability	0.0	-0.1	0.1
<b>EBITDA</b>	<b>0.5</b>	<b>1.0</b>	<b>2.6</b>
Depreciations	-0.6	-0.4	-1.7



4%

of total net sales<sup>1</sup>  
in Q1 2023



2%

of total adj. EBITDA<sup>2</sup>  
in Q1 2023

<sup>1</sup> Based on revenues from external customers

<sup>2</sup> Based on total adj. EBITDA for operating segments

## Corporate costs

Revenues and costs related to group functions that do not belong to any specific business segment are booked as unallocated corporate costs.

For the first quarter of 2023, the unallocated contribution to adjusted EBITDA amounted to a negative EUR 1.2 million (-1.3).

## Financial position and liquidity

### Consolidated financial position

Total assets amounted to EUR 1 289.8 million on 31 March 2023, compared to EUR 1 300.7 million at year-end 2022.

Total equity amounted to EUR 425.8 million on 31 March 2022, compared to EUR 429.8 million at year-end 2022.

Net debt amounted to EUR 563.1 million on 31 March 2023 (368.9 excluding IFRS 16), compared to EUR 550.7 million at year-end 2022 (382.3 excluding IFRS 16).

Cash and cash equivalents were EUR 36.5 million on 31 March 2023, compared to EUR 47.5 million at year-end 2022.

### Consolidated cash flow

**Cash flow from operating activities** amounted to EUR 7.4 million for the first quarter of 2023 (-14.2), including an increase in working capital of EUR 8.3 million (increase of 40.0). Cash flow from change in working capital improved compared to the same period last year. This was a combination of working capital management, mainly resulting in lower inventory levels this year, and the impact on working capital in the first quarter of last year from higher prices. The period was negatively impacted by a EUR 6.9 million partial payment of the fine from the European Commission from 2022.

**Cash flow used for investing activities** amounted to a positive EUR 6.5 million for the first quarter of 2023 (-6.4). Capital expenditures were higher than for the same period of 2022 (see separate section below), driven by specific projects and capital expenditures in acquired companies. The positive cash flow is explained by the divestment of four properties in Finland and Denmark in the period, which resulted in a net cash inflow of EUR 17.7 million.

**Cash flow from financing activities** came in at a negative EUR 23.6 million for the first quarter of 2023 (negative 1.0). In the quarter, the group repaid EUR 93.3 million in debt, mainly related to settlement of external borrowings and utilised overdraft facilities in the former Jackson group. The repayments were mainly financed through additional draw-down

of BEWI's credit facilities. Further, the company completed a share issue related to its share-based incentive programme, adding proceeds of EUR 0.8 million.

### Capital expenditures (CAPEX)

In the first quarter of 2023, CAPEX totaled EUR 11.3 million (5.2). Of this, EUR 4.0 million was attributable to greenfield projects and other customer specific projects, as well as the investment into a new ERP system. The projects are further described below under organic initiatives.

BEWI has announced an annual target for investments (CAPEX) of 2.5 per cent of net sales excluding greenfield projects, customer specific initiatives and ICT investments. Excluding above mentioned initiatives, the CAPEX for the first quarter was in line with this target.

### Return on capital employed (ROCE)

Average return on capital employed fell to 11.4 per cent (22.0) for the first quarter of 2023 (see details on Alternative Performance Measures (APM) on [page 19](#)). The average capital employed has increased significantly the last year following the many, and large transactions completed. This is not yet reflected in a similar growth in rolling 12 months EBITA, as outlined above, and partly as all synergies identified are not yet visible in the income statement.

## Organisation

As of 31 March 2023, BEWI had 3 340 employees, up from 2 063 employees at the end of March last year and from 3 293 on 31 December 2022. The increase since last year, and since the end of 2022, mainly a result of recent acquisitions.

## Important events in the first quarter of 2023

Growth initiatives are a high priority for BEWI. The company invests in organic growth and has a strong pipeline of M&A opportunities.

### Ongoing key organic growth initiatives

Below are examples of ongoing investment programmes in the BEWI group:

#### Packaging, Norway

In March 2021, BEWI announced its plans to set up a new packaging facility on the Jøsnøya island, Hitra, Norway. The real estate group KMC Properties ASA is responsible for the development project, which commenced in May 2022.

From the new facility, BEWI will supply fish boxes to its customers, including the listed companies Mowi and Lerøy, with expected start in the fourth quarter of 2023.

Paper packaging, Denmark

BEWI is experiencing increased demand for paper-based packaging solutions. The group is therefore investing in expanding its production capacity at its facility in Thorsøe, Denmark, currently producing protective paper packaging (honeycomb structure). The project is expected to double the production capacity, with estimated completion in 2024.

New extruder in Etten-Leur

In the fourth quarter of 2021, investments into a new twin screw extrusion line at the RAW production site in Etten-Leur started. The new extrusion line will increase production capacity of recycled grades and grey products, and production is expected to start in the second half of 2023.

Insulation Benelux

In 2022, Jackson initiated an investment in a new production line for production of construction boards in Belgium. The production serves the European market, as well as the UK. The new production line will close to double current capacity. Production is expected to start in the second half of 2023.

ICT

BEWI has started implementation of a new modern IT platform, including an ERP system. Blueprints has been developed and the system will be implemented gradually throughout the group’s segments

and operating units based on clearly identified business benefits.

Acquisitions and divestments

BEWI’s M&A opportunities are mainly within the following categories::

- Strengthening of market positions
- Broadening product offering
- Geographic expansion
- Recycling consolidation

In 2022, BEWI completed seven acquisitions, adding approximately EUR 600 million in annual sales and approximately 1 200 new employees. Given the significance of the acquisitions, combined with the current market conditions, the company’s key priorities are therefore to integrate the new entities well into its business, including extracting synergies, and adjusting its production capacity. However, the company has a strong pipeline of M&A opportunities and expects to continue to grow through strategic transactions.

Divestment of industrial real estate portfolio

On 30 June 2022, BEWI announced that it had entered an agreement with KMC Properties ASA for the sale of up to 24 properties and one land plot, with a gross asset value of up to approximately NOK 2.0 billion.

In November 2022, the first part of the transaction was completed, including 12 properties in Norway

and Sweden valued at approximately NOK 900 million.

On 31 March 2023, BEWI completed the divestment of four properties located in Finland and Denmark valued at close to NOK 350 million, accounting for approximately one third of the second part of the transaction.

The divestments were settled in the form of NOK 200 million in cash and NOK 148.3 million in 20 235 931 new shares in KMC Properties at NOK 7.33 per share. Following the share issue, BEWI holds 8.4 per cent of the outstanding shares in KMC Properties.

In connection with the divestments, long term rental agreements have been entered for the properties.

KMC Properties has an exclusive right to acquire the remaining part of the portfolio within twelve months from the agreement was entered on 30 June 2022.

Other important events  
Integration of acquired entities and progress on extracting synergies from combination with Jackson

On 19 October 2022, BEWI completed its acquisition of Jackson and the company was consolidated into BEWI’s accounts from 1 November 2022.

Following the combination with Jackson, BEWI established a division-based organizational structure, with strong and dedicated management teams focusing on operational excellence and strategic growth initiatives within each division.

BEWI has now completed 70 per cent of the previously communicated synergies of EUR 15 million for 2023 and the company raises its expectations and launch a revised estimate.

BEWI expects to have realised synergies of EUR 15 million (annualised) by the end of the second quarter this year. Further, the company has identified potential synergies to be extracted by 2024 of more than EUR 30 million.

Measures to adjust capacity and reduce costs in Nordic Insulation

Following the combination with Jackson, and in response to the current market conditions, BEWI has initiated measures to optimize its production footprint and reduce capacity to current demand. This includes reduced shifts at several facilities and planned closure of facilities.

In addition, the company has initiated measures to reduce the cost base of its Nordic Insulation division. In total, the company expects annual savings of approximately EUR 5 million.

Share information

As of 31 March 2023, the total number of shares outstanding in BEWI ASA was 191 722 290, each with a par value of NOK 1. Each share entitles to one vote.

In the first quarter, the BEWI share traded between NOK 38.70 and NOK 55.10 per share, with a closing price of NOK 43.8 on 31 March 2023.

Distribution of dividend

In BEWI’s financial report for the fourth quarter of 2022, the board of directors proposed to the general meeting to pay a dividend of NOK 0.60 per share, in line with the company’s dividend policy of 30 to 50 per cent of net profit. The dividends were proposed

to be distributed following a sale of the company’s real estate portfolio.

Exercise of options and share issue

In February 2023, key employees in BEWI exercised a total of 374 298 options under the company’s long-term incentive programme. Following this, the board of directors resolved to increase the company’s share capital by NOK 374 298, by issuance of 374 298 new shares at a subscription price of NOK 22.96 per share.

Outlook

So far in 2023, BEWI’s operating markets have been characterised by high uncertainty and large variations

across different regions and end-markets. The activity in the building and construction industry is currently weak in selected regions, impacting volumes for segment RAW and I&C. Customers are cautious, resulting in low visibility and making it hard to predict when the market will rebound. Still, the underlying fundamentals for insulation solutions in Europe remain strong for the medium to long term.

On the other hand, the outlook for food packaging, as well as technical and automotive components looks very promising for 2023. This, combined with the positive contribution from acquired entities, including synergies and measures implemented to improve profitability, provide BEWI with a cautiously optimistic outlook for 2023.

BEWI expects adjusted EBITDA for the full year of 2023 in line with the pro-forma EBITDA (including acquired companies) EUR 167 million posted for 2022, representing approximately 25 per cent growth over the EUR 134 million reported for 2022.

BEWI will keep a steady focus on integrating acquired companies and extracting synergies, as well as adjusting capacity and cost levels to the current market conditions. The company remains committed to its strategic priorities and will pursue attractive growth opportunities.

Trondheim, Norway, 8 May 2023

The board of directors and CEO of BEWI ASA

Gunnar Syvertsen  
Chair of the Board

Anne-Lise Aukner  
Director

Rik Dobbelaere  
Director

Andreas Akselsen  
Director

Kristina Schauman  
Director

Christian Bekken  
CEO

# Definitions of alternative performance measures not defined by IFRS

<b>Organic growth</b>	Organic growth is defined as growth in net sales for the reporting period compared to the same period last year, excluding the impact of currency and acquisitions. It is a key ratio as it shows the underlying sales growth.	<b>Adjusted (adj.) EBITDA</b>	Normalised earnings before interest, tax, depreciation, and amortisation (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.
<b>EBITDA</b>	Earnings before interest, tax, depreciation, and amortisation. EBITDA is a key performance indicator that the group considers relevant for understanding the generation of profit before investments in fixed assets.	<b>Adjusted (adj.) EBITDA margin</b>	EBITDA before items affecting comparability as a percentage of net sales. The adjusted EBITDA margin is a key performance indicator that the group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>EBITDA margin</b>	EBITDA as a percentage of net sales. The EBITDA margin is a key performance indicator that the group considers relevant for understanding the profitability of the business and for making comparisons with other companies.	<b>Adjusted (adj.) EBITA</b>	Normalised earnings before interest, tax and amortisations (i.e., items affecting comparability and deviations are added back). EBITA is a key performance indicator that the group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures but including depreciations of fixed assets used in production to generate the profits of the group.
<b>EBITA</b>	Earnings before interest, tax, and amortisations. EBITA is a key performance indicator that the group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures but including depreciations of fixed assets used in production to generate the profits of the group.	<b>Adjusted (adj.) EBITA margin</b>	EBITA before items affecting comparability as a percentage of sales. The EBITA margin is a key performance indicator that the group considers relevant for understanding the profitability of the business and for making comparisons with other companies.
<b>EBITA margin</b>	EBITA as a percentage of sales. The EBITA margin is a key performance indicator that the group considers relevant for understanding the profitability of the business and for making comparisons with other companies.	<b>ROCE</b>	Return on average capital employed. ROCE is a key performance indicator that the group considers relevant for measuring how well the group is generating profits from its capital in use. ROCE is calculated as rolling 12 months adjusted EBITA as a percentage of average capital employed during the same period. Capital employed is defined as total equity plus net debt, and the average is calculated with each quarter during the measurement period as a measuring point.
<b>EBIT</b>	Earnings before interest and tax. EBIT is a key performance indicator that the group considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures. Depreciations are included, however, which is a measure of resource consumption necessary for generating the result.	<b>Net debt</b>	Interest-bearing liabilities excluding obligations relating to employee benefits, minus cash and cash equivalents. Net debt is a key performance indicator that is relevant both for the group's calculation of covenants based on this indicator and because it indicates the group's financing needs.
<b>Items affecting comparability</b>	Items affecting comparability include costs related to the planned IPO, transaction costs related to acquired entities, including the release of negative goodwill from acquisitions, severance costs and other normalisations such as divestment of real estate, closing of facilities, unscheduled raw material production stops and other.		

# Reconciliation alternative performance measures

## Alternative performance measures not defined by IFRS

million EUR (except percentage)	Q1 2023	Q1 2022	2022
Operating income (EBIT)	9.8	21.8	68.0
Amortisations	2.8	2.0	9.7
EBITA	12.6	23.9	77.7
Items affecting comparability	1.3	2.5	18.3
Adjusted EBITA	13.9	26.4	96.1
EBITA	12.6	23.9	77.7
Depreciations	14.3	8.0	37.5
EBITDA	26.9	31.9	115.2
Items affecting comparability	1.3	2.5	18.3
Adjusted EBITDA	28.2	34.4	133.6
Adjusted EBITA Rolling 12 months	83.5	95.5	96.1
Average capital employed	735.2	434.0	629.1
Return on average capital employed (ROCE)%	11.4%	22.0%	15.3%

## Items affecting comparability

million EUR	Q1 2023	Q1 2022	2022
Severance, integration and restructuring costs	-1.3	-0.3	-1.6
Transaction costs	0.0	-2.1	-9.2
Capital gains/losses from sale of fixed assets	0.0	-0.1	2.3
Capital gain/losses from sale of subsidiary	-	-	-3.3
Capital gain from sale of associated company	-	-	10.7
Settlement agreement – European Commission	-	-	-17.2
Total	-1.3	-2.5	-18.3

## Revenue bridge: Change in net sales from corresponding periods in 2022

million EUR	RAW	%	I&C	%	P&C	%	Circular	%	Unallocated	%	Intra-group revenue	Total net sales	%
<b>Q1 2022</b>	<b>100.4</b>		<b>62.4</b>		<b>91.7</b>		<b>11.4</b>		<b>0.1</b>		<b>-35.8</b>	<b>230.2</b>	
Acquisitions	18.5	18.4%	75.3	120.6%	20.0	21.8%	2.5	22.3%	-	-	-10.9	105.5	45.8%
<i>Of which Jackon</i>	18.5	18.4%	55.0	88.1%	12.6	13.7%	-	-	-	-	-10.6	75.4	32.8%
<i>Other</i>	-	-	20.3	32.5%	7.4	8.1%	2.5	22.3%	-	-	-0.2	30.0	13.1%
Divestments	-	-	-9.1	-14.6%	-	-	-	-	-	-	-	-9.1	-4.0%
Currency	-	-	-0.6	-0.9%	-4.3	-4.7%	-0.6	-5.2%	0.0	-6.2%	0.2	-5.3	-2.3%
Organic growth	-25.5	-25.4%	-7.4	-11.9%	2.3	2.5%	2.1	18.7%	0.0	-2.5%	3.5	-24.9	-10.8%
Total increase/ decrease	-6.9	-6.9%	58.1	93.2%	18.0	19.6%	4.1	35.7%	0.0	-8.6%	-7.1	66.1	28.7%
<b>Q1 2023</b>	<b>93.5</b>		<b>120.5</b>		<b>109.7</b>		<b>15.5</b>		<b>0.1</b>		<b>-42.9</b>	<b>296.4</b>	

## EBITDA bridge: Change in adjusted EBITDA from corresponding periods in 2022

million EUR	RAW	%	I&C	%	P&C	%	Circular	%	Unallocated	%	Total adj. EBITDA	%
<b>Q1 2022</b>	<b>19.4</b>		<b>6.1</b>		<b>9.1</b>		<b>1.1</b>		<b>-1.3</b>		<b>34.4</b>	
Acquisitions	2.1	10.8%	2.7	43.9%	3.4	36.8%	0.0	1.3%	-0.0	0.2%	8.1	23.5%
<i>Of which Jackon</i>	2.1	10.8%	0.4	6.1%	2.2	23.6%	-	-	-0.0	0.0%	4.6	13.4%
<i>Other</i>	-	-	2.3	37.8%	1.1	12.4%	0.0	1.3%	0.0	0.2%	3.5	10.0%
Divestments	-	-	-1.5	-24.1%	-	-	-	-	-	-	-1.5	-4.3%
Currency	-	-	0.0	0.7%	-0.5	-5.2%	0.0	2.8%	0.1	-11.8%	-0.3	-0.7%
Organic growth	-13.9	-71.5%	0.6	10.1%	1.5	16.0%	-0.6	-59.7%	0.1	7.9%	-12.5	-36.4%
Total increase/ decrease	-11.8	-60.7%	1.9	30.6%	4.3	46.8%	-0.6	-55.6%	-0.1	-3.8%	-6.2	-18.0%
<b>Q1 2023</b>	<b>7.6</b>		<b>8.0</b>		<b>13.4</b>		<b>0.5</b>		<b>-1.2</b>		<b>28.2</b>	

# Consolidated condensed interim financial statements for the period ended 31 March 2022

## Consolidated condensed interim statement of income

million EUR	Q1 2023	Q1 2022	2022
<b>Revenues</b>			
Net sales	296.4	230.2	1 050.4
<b>Total operating income</b>	<b>296.4</b>	<b>230.2</b>	<b>1 050.4</b>
<b>Operating expenses</b>			
Raw materials and consumables	-121.5	-86.4	-432.4
Goods for resale	-24.8	-35.4	-136.1
Other external costs	-71.9	-45.0	-229.9
Personnel cost	-51.8	-32.2	-149.3
Depreciation/amortisation and impairment of tangible and intangible assets	-17.1	-10.0	-47.2
Share of income from associated companies	0.5	0.7	2.8
Capital gain/loss from sale of assets and sale of business	0.0	-0.1	9.7
<b>Total</b>	<b>-286.6</b>	<b>-208.4</b>	<b>-982.5</b>
<b>Operating income (EBIT)</b>	<b>9.8</b>	<b>21.8</b>	<b>68.0</b>
Financial income	1.6	0.3	2.0
Financial expenses	-12.0	-7.2	-27.4
<b>Net financial items</b>	<b>-10.4</b>	<b>-6.9</b>	<b>-25.5</b>
<b>Income before tax</b>	<b>-0.5</b>	<b>14.9</b>	<b>42.5</b>
Income tax expense	-0.2	-6.8	-7.2
<b>Profit/loss for the period</b>	<b>-0.7</b>	<b>8.2</b>	<b>35.4</b>

Consolidated condensed interim statement of comprehensive income

million EUR	Q1 2023	Q1 2022	2022
Profit/loss for the period	-0.7	8.2	35.4
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may later be reclassified to profit or loss</i>			
Exchange rate differences	-4.2	2.8	-2.2
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of net pension obligations	-0.1	0.0	-4.2
Income tax pertinent to remeasurements of net pension obligations	0.0	0.0	0.8
<b>Other comprehensive income after tax</b>	<b>-4.3</b>	<b>2.8</b>	<b>-5.6</b>
<b>Total comprehensive income for the period</b>	<b>-5.0</b>	<b>11.0</b>	<b>29.7</b>

Profit attributable to

million EUR (except numbers for EPS)	Q1 2023	Q1 2022	2022
<b>Profit for the period attributable to</b>			
Parent company shareholders	-1.4	8.5	34.4
Non-controlling interests	0.7	-0.3	0.9
<b>Total comprehensive income attributable to</b>			
Parent company shareholders	-5.7	11.4	28.7
Non-controlling interests	0.7	-0.4	1.0
<b>Earnings per share</b>			
Average number of shares:	191 518 506	156 715 671	164 109 723
Diluted average number of shares	192 423 317	158 147 807	165 490 895
Earnings per share (EPS), basic (EUR)	-0.01	0.05	0.21
Earnings per share (EPS), diluted (EUR)	-0.01	0.05	0.21
Earnings per share (EPS), basic (NOK)	-0.08	0.54	2.12
Earnings per share (EPS), diluted (NOK)	-0.08	0.54	2.10

EPS in NOK is calculated using average rates for the period

Consolidated condensed interim statements of financial position

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	246.5	114.2	262.8
Other intangible assets	131.0	81.0	135.2
<b>Total intangible assets</b>	<b>377.5</b>	<b>195.2</b>	<b>398.0</b>
<b>Property plant and equipment</b>			
Land and buildings	240.0	90.1	238.6
Plant and machinery	169.7	99.5	178.0
Equipment, tools, fixtures and fittings	27.4	12.1	28.2
Construction in progress and advance payments	28.2	10.9	23.9
<b>Total property, plant and equipment</b>	<b>465.2</b>	<b>212.6</b>	<b>468.7</b>
<b>Financial assets</b>			
Shares in associates	11.7	14.3	13.2
Other financial non-current assets	18.5	20.9	8.9
<b>Total financial assets</b>	<b>30.2</b>	<b>35.3</b>	<b>22.1</b>
Deferred tax assets	6.9	2.5	4.4
<b>Total non-current assets</b>	<b>879.8</b>	<b>445.6</b>	<b>893.2</b>

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Current assets</b>			
Inventory	155.5	90.3	167.6
<b>Other current assets</b>			
Accounts receivable	166.2	132.1	156.7
Current tax assets	0.6	0.7	0.7
Other current receivables	18.2	10.3	14.2
Prepaid expenses and accrued income	16.4	7.9	12.5
Other financial assets	16.6	-	8.3
Cash and cash equivalents	36.5	123.9	47.5
<b>Total other current assets</b>	<b>254.5</b>	<b>274.9</b>	<b>239.9</b>
<b>Total current assets</b>	<b>410.0</b>	<b>365.3</b>	<b>407.5</b>
<b>TOTAL ASSETS</b>	<b>1 289.8</b>	<b>810.8</b>	<b>1 300.7</b>

Consolidated condensed interim statements of financial position cont.

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY</b>			
Share capital	18.3	14.9	18.2
Additional paid-in capital	323.2	168.1	322.3
Reserves	-20.3	-7.6	-15.3
Accumulated profit (including net profit for the period)	93.6	89.7	94.7
<b>Equity attributable to Parent Company shareholders</b>	<b>414.8</b>	<b>265.1</b>	<b>419.8</b>
Non-controlling interests	11.0	8.0	10.0
<b>TOTAL EQUITY</b>	<b>425.8</b>	<b>273.1</b>	<b>429.8</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pensions and similar obligations to employees	1.2	1.4	1.3
Provisions	1.7	0.5	0.4
Deferred tax liability	50.5	26.1	58.3
Non-current bond loan	247.4	246.2	246.9
Other non-current interest-bearing liabilities	302.1	74.2	238.2
Other financial non-current liabilities	0.7	6.7	0.7
<b>Total non-current liabilities</b>	<b>603.6</b>	<b>355.0</b>	<b>545.7</b>

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Current liabilities</b>			
Other current interest-bearing liabilities	49.4	17.7	112.4
Other financial liabilities	0.3	4.8	0.4
Accounts payable	96.1	80.1	83.5
Current tax liabilities	20.2	13.1	16.4
Other current liabilities	16.5	18.9	15.1
Accrued expenses and deferred income	78.0	48.1	97.3
<b>Total current liabilities</b>	<b>260.4</b>	<b>182.7</b>	<b>325.2</b>
<b>TOTAL LIABILITIES</b>	<b>864.1</b>	<b>537.7</b>	<b>870.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 289.8</b>	<b>810.8</b>	<b>1 300.7</b>

Trondheim, Norway, 8 May 2023

The board of directors and CEO of BEWI ASA

Gunnar Syvertsen  
*Chair of the Board*

Anne-Lise Aukner  
*Director*

Rik Dobbelaere  
*Director*

Andreas Akselsen  
*Director*

Kristina Schauman  
*Director*

Christian Bekken  
*CEO*

Consolidated condensed interim statements of changes in equity

million EUR	1 Jan–31 Mar 2023	1 Jan–31 Mar 2022	1 Jan–31 Dec 2022
<b>OPENING BALANCE</b>	<b>429.8</b>	<b>262.2</b>	<b>262.2</b>
Net profit for the period	-0.7	8.2	35.4
Other comprehensive income	-4.3	2.8	-5.6
<b>Total comprehensive income</b>	<b>-5.0</b>	<b>11.0</b>	<b>29.7</b>
New share issue, net of transaction costs	0.8	1.0	158.7
Dividend	-	-	-20.8
Share-based payments	0.1	0.2	0.6
Acquisition non-controlling interest	0.1	-1.3	-0.6
<b>Total transactions with shareholders</b>	<b>1.0</b>	<b>-0.1</b>	<b>137.9</b>
<b>CLOSING BALANCE</b>	<b>425.8</b>	<b>273.1</b>	<b>429.8</b>

## Consolidated condensed interim statements of cash flows

million EUR	Q1 2023	Q1 2022	2022
Operating income (EBIT)	9.8	21.8	68.0
Adjustment for non-cash items etc.	17.4	9.2	50.5
Net financial items	-10.0	-2.9	-16.4
Income tax paid	-1.5	-2.3	-14.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>15.7</b>	<b>25.8</b>	<b>87.8</b>
Increase/decrease in inventories	5.3	-8.6	-20.4
Increase/decrease in operating receivables	-12.5	-33.0	28.6
Increase/decrease in operating liabilities	-1.1	1.6	-55.1
<b>Cash flow from changes in working capital</b>	<b>-8.3</b>	<b>-40.0</b>	<b>-46.9</b>
<b>Cash flow from operating activities</b>	<b>7.4</b>	<b>-14.2</b>	<b>40.9</b>
Acquisitions non-current assets	-11.3	-5.2	-43.7
Divestment non-current assets	18.0	0.1	92.8
Business acquisitions/ financial investments	-0.2	-1.3	-228.7
<b>Cash flow from investing activities</b>	<b>6.5</b>	<b>-6.4</b>	<b>-179.7</b>
Borrowings	68.9	1.9	85.0
Repayment of debt	-93.3	-3.9	-18.3
Dividend	-	-	-20.8
New share issue, net	0.8	1.0	1.0
<b>Cash flow from financing activities</b>	<b>-23.6</b>	<b>-1.0</b>	<b>46.9</b>
<b>Cash flow for the period</b>	<b>-9.7</b>	<b>-21.6</b>	<b>-91.9</b>
Opening cash and cash equivalents	47.5	142.3	142.3
Exchange difference in cash	-1.3	3.2	-2.9
<b>Closing cash and cash equivalents</b>	<b>36.5</b>	<b>123.9</b>	<b>47.5</b>

# Notes to the financial statements

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## Note 01 **General information**

### **The company and the group**

BEWI ASA, corporate registration number 925 437 948, is a holding company registered in Norway with a registered office in Trondheim, address Dyre Halses gate 1 a, NO-7042 Trondheim.

Amounts are given in EUR million unless otherwise indicated.

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## Note 02 **Accounting policies**

BEWI ASA applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied to comply with those described in BEWI ASA's Annual Report for 2022. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Norwegian Accounting Act.

Note 03 Related party transactions

Christian Bekken, CEO of BEWI ASA, is together with other members of the Bekken family major shareholders of BEWI ASA through Bekken Invest AS and BEWI Invest AS. Companies owned by the Bekken family are related parties to BEWI ASA.

Other related parties are BEWI's associated companies, for example the two 34 per cent owned companies Hirsch France SAS and Hirsch Porozell GmbH. Transactions with the related parties' companies are presented in the tables below.

Transactions impacting the income statement

million EUR	Q1 2023	Q1 2022	2022
<b>Sale of goods to</b>			
Companies with Bekken as significant shareholder	0.0	1.2	0.4
HIRSCH France SAS	7.2	7.1	25.6
HIRSCH Porozell GmbH	7.6	11.7	46.2
Jablite Group Ltd.	-	2.1	3.6
Inoplast s.r.o.	-	0.7	4.3
BEWI EPS ehf	0.2	-	-
Total	15.0	22.8	80.1
<b>Other income from</b>			
Companies with Bekken as significant shareholder	0.1	0.1	0.3
Inoplast s.r.o	-	0.2	0.6
Total	0.1	0.3	0.9
<b>Purchase of goods from</b>			
Companies with Bekken as significant shareholder	0.1	-	-
Inoplast s.r.o.	-	1.2	4.5
Remondis Technology Spółka z o.o.	1.3	0.5	4.2
Total	1.3	1.7	8.7

million EUR	Q1 2023	Q1 2022	2022
<b>Interest Income from</b>			
Hirsch France SAS	-	0.0	0.1
Jablite Group Ltd.	-	0.0	0.0
Total	-	0.0	0.1

<b>Rental expenses to</b>			
Companies with Bekken as significant shareholder	4.4	2.5	11.4
Total	4.4	2.5	11.4

<b>Other external costs to</b>			
Companies with Bekken as significant shareholder	0.0	0.0	0.1
Total	0.0	0.0	0.1

Transactions impacting the balance sheet

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Non-current receivables</b>			
Companies with Bekken as significant shareholder	0.1	0.1	0.1
HIRSCH France SAS	-	2.3	-
Jablite Group Ltd	-	1.8	-
Total	0.1	4.2	0.1

<b>Current receivables</b>			
Companies with Bekken as significant shareholder	1.9	4.1	1.8
HIRSCH Porozell GmbH	1.6	0.1	0.1
Inoplast s.r.o.	-	0.5	-
Jablite Group Ltd	-	0.0	-
Total	3.5	4.8	1.9

<b>Current liabilities</b>			
Companies with Bekken as significant shareholder	0.3	0.0	0.3
Inoplast s.r.o	-	0.5	-
Total	0.3	0.5	0.3

Note 04 Segment information

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

million EUR	Q1 2023	Q1 2022	2022
<b>RAW</b>			
Segment revenue	93.5	100.4	418.0
Intra-group revenue	-38.4	-31.9	-142.0
Revenue from external customers	55.1	68.5	276.0
<b>Insulation &amp; Construction</b>			
Segment revenue	120.5	62.4	333.9
Intra-group revenue	-0.4	-1.0	-4.0
Revenue from external customers	120.1	61.4	329.9
<b>Packaging &amp; Components</b>			
Segment revenue	109.7	91.7	391.9
Intra-group revenue	-1.1	-2.8	-10.0
Revenue from external customers	108.6	88.9	381.9
<b>Circular</b>			
Segment revenue	15.5	11.4	63.1
Intra-group revenue	-3.0	-0.2	-0.7
Revenue from external customers	12.5	11.3	62.4

million EUR	Q1 2023	Q1 2022	2022
<b>Unallocated</b>			
Segment revenue	0.1	0.1	0.3
Intra-group revenue	0.0	0.0	0.0
Revenue from external customers	0.1	0.1	0.3
<b>Total</b>			
Total segment revenue	339.3	266.0	1 207.3
Total Intra-group revenue	-42.9	-35.8	-156.8
Total revenue from external customers	296.4	230.2	1 050.4

Each segment sells products that are similar in nature. External revenue for the different segments also represents the group’s disaggregation of revenue.

million EUR	Q1 2023	Q1 2022	2022
<b>Adj. EBITDA</b>			
RAW	7.6	19.4	57.0
Insulation & Construction	8.0	6.1	31.1
Packaging & Components	13.4	9.1	48.3
Circular	0.5	1.1	2.5
Unallocated	-1.2	-1.3	-5.4
Total adj. EBITDA	28.2	34.4	133.6
<b>EBITDA</b>			
RAW	7.6	19.4	40.0
Insulation & Construction	6.8	6.1	33.6
Packaging & Components	13.3	9.1	53.3
Circular	0.5	1.0	2.6
Unallocated	-1.2	-3.7	-14.2
Total EBITDA	26.9	31.9	115.2

million EUR	Q1 2023	Q1 2022	2022
<b>EBITA</b>			
RAW	6.3	18.4	35.7
Insulation & Construction	0.0	4.0	22.3
Packaging & Components	7.7	4.6	33.6
Circular	-0.1	0.7	0.9
Unallocated	-1.4	-3.9	-14.8
<b>Total EBITA</b>	<b>12.6</b>	<b>23.9</b>	<b>77.7</b>
<b>EBIT</b>			
RAW	6.2	18.4	35.3
Insulation & Construction	-1.1	3.5	19.4
Packaging & Components	6.7	3.4	28.8
Circular	-0.3	0.7	0.3
Unallocated	-1.6	-4.1	-15.8
<b>Total EBIT</b>	<b>9.8</b>	<b>21.8</b>	<b>68.0</b>
Net financial items	-10.4	-6.9	-25.5
<b>Income before tax</b>	<b>-0.5</b>	<b>14.9</b>	<b>42.5</b>

### External revenue by country (buying company's geography)

million EUR	Q1 2023	Q1 2022	2022
Total Finland	10.1	8.6	54.2
Total Sweden	23.8	15.7	73.8
Total Denmark	21.3	17.4	73.2
Total Norway	55.7	43.6	193.0
Total Portugal & Spain	18.8	15.4	73.6
Total Iceland	7.1	7.0	25.2
Total Baltics	8.9	3.5	33.1
Total UK	19.3	5.9	57.6
Total Germany	36.6	21.4	101.0
Total Poland	11.9	13.3	44.8
Total Russia	-	6.7	14.0
Total Netherlands	35.6	36.7	154.3
Total Belgium	10.1	10.2	38.6
Total France	15.9	8.6	36.1
Total Other	21.3	16.1	77.9
<b>Total Group</b>	<b>296.4</b>	<b>230.2</b>	<b>1 050.4</b>

### Note 05 Depreciation/amortisation and impairment of tangible and intangible fixed assets

million EUR	Q1 2023	Q1 2022	2022
Attributable to operations	-8.9	-5.3	-24.1
Attributable to IFRS 16	-5.0	-2.3	-12.0
Attributable to fair value adjustments in business combinations	-3.2	-2.4	-11.2
<b>Total</b>	<b>-17.1</b>	<b>-10.0</b>	<b>-47.2</b>

Note 06 The group’s borrowings

million EUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Non-current liabilities</b>			
Bond loan	247.4	246.2	246.9
Liabilities to credit institutions	128.2	9.2	87.8
Liabilities leases	173.9	65.0	150.4
Other non-current liabilities	0.7	-	0.7
<b>Total</b>	<b>550.2</b>	<b>320.4</b>	<b>485.8</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	8.1	5.2	69.5
Liabilities leases	22.8	12.5	20.1
Overdraft	18.6	-	22.8
<b>Total</b>	<b>49.5</b>	<b>17.7</b>	<b>112.4</b>
<b>Total liabilities</b>	<b>599.7</b>	<b>338.1</b>	<b>598.2</b>
Cash and cash equivalents	36.5	123.9	47.5
<b>Net debt including IFRS 16 impact</b>	<b>563.1</b>	<b>214.2</b>	<b>550.7</b>
<b>Subtracting liabilities capitalised in accordance with IFRS 16</b>			
Non-current liabilities leases	172.4	63.6	149.1
Current liabilities leases	21.9	11.4	19.3
<b>Total</b>	<b>194.3</b>	<b>75.0</b>	<b>168.4</b>
<b>Net debt excluding IFRS 16 impact</b>	<b>368.9</b>	<b>139.2</b>	<b>382.3</b>

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

The group’s loan structure

As of 31 March 2023, the group has one bond loan outstanding. The bond is unsecured and linked to a sustainability framework, matures on 3 September 2026, with the possibility for BEWI to unilaterally decide on early redemption after 3 March 2025 of 50 per cent of the bond outstanding at that date. The main term for the bond outstanding during the year is presented in the table below.

Issued amount	Frame	Amount outstanding	Date of issuance	Maturity
EUR 250 million	EUR 250 million	EUR 250 million	3 September 2021	3 September 2026

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

Bond loans	Interest terms	Nominal interest 1 Jan–31 Mar 2023	Nominal interest 1 Jan–31 Mar 2023
EUR 250 million	Euribor 3m + 3.15%	5.12-5.93%	5.94%

In addition, the group has a revolving credit facility (RCF) of EUR 150 million granted by two banks. As of 31 March, the revolving credit facility was utilised in the amount of 129.9. In addition, the group has liabilities in acquired companies, such as liabilities to credit institutions, overdraft facilities and liabilities for lease contracts, that have not been refinanced post-acquisition.

Pledged assets

In total the group has pledged asset amounted to EUR 82.2 million for interest bearing liabilities in acquired companies as described above. The bond loan and the revolving credit facility are unsecured.

Contingent liabilities

Guarantees issued to suppliers amounted to EUR 60.7 million.

Note 07 Fair value and financial instruments

million EUR	Level 1	Level 2	Level 3	Total	Carrying amount
<b>Financial assets measured at fair value through profit and loss</b>					
Participation in other companies	4.5	-	0.6	5.1	5.1
Other financial assets <sup>1</sup>	-	10.7	-	10.7	10.7
Derivative asset	-	16.6	-	16.6	16.6
<b>Total</b>	<b>4.5</b>	<b>27.3</b>	<b>0.6</b>	<b>32.4</b>	<b>32.4</b>
<b>Financial liabilities measured at fair value through profit and loss</b>					
Derivative liabilities	0.3	-	-	-	0.3
Other financial non-current liabilities	-	-	0.7	0.7	0.7
<b>Total</b>	<b>0.3</b>	<b>-</b>	<b>0.7</b>	<b>0.7</b>	<b>1.0</b>
<b>Financial liabilities measured at amortised cost</b>					
Bond loan	243.1	-	-	243.1	247.4
<b>Total</b>	<b>243.1</b>	<b>-</b>	<b>-</b>	<b>243.1</b>	<b>247.4</b>

<sup>1</sup> Other financial assets consists of promissory notes, as part of the payment for properties sold, with the right to convert the claim into shares in KMC Properties ASA

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

Level 3 – Changes during the period (EUR million)	Participation in other companies	Other financial non-current liabilities
As of 31 December 2022	0.5	0.7
Fair value adjustment through profit and loss	0.1	-
As of 31 March 2023	0.6	0.7

- Level 1 – listed prices (unadjusted) on active markets for identical assets and liabilities.
- Level 2 – Other observable data for the asset or liability are listed prices included in Level 1, either directly (as price) or indirectly (derived from price).
- Level 3 – Data for the asset or liability that is not based on observable market data.

Note 08 Net financial item

million EUR	Q1 2023	Q1 2022	2022
Interest revenue	1.4	0.1	1.8
Other financial income	0.1	0.2	0.2
Fair value changes derivatives	8.7	-	-
Exchange rate differences	-8.6	-	-
Total financial income	1.6	0.3	2.0
Cash generating interest expenses	-8.3	-2.4	-13.5
IFRS 16 interest expenses	-2.4	-1.2	-6.0
Amortisation financing costs	-0.3	-0.3	-1.2
Other financing costs	0.0	-0.1	0.2
Fair value adjustments shares and participations	-1.0	-2.9	-6.7
Fair value changes derivatives	-	-4.3	8.3
Exchange rate differences	-	4.0	-8.5
Total financial expenses	-12.0	-7.2	-27.4
Net financial items	-10.4	-6.9	-25.5

Note 9 Shares in associates

BEWI has five interests in Shares in associates: HIRSCH Porozell GmbH, HIRSCH France SAS, Energijägarna & Dorocell AB (E&D AB), BEWI EPS ehf and Remondis Technology Spółka z o.o.

The table below presents key aggregated financial data as reflected in BEWI's consolidated accounts.

million EUR (except percentages and sites)	Total
Number of production sites	14
Book value as of 31 March 2023	11.7
Key financials for the first quarter of 2023	
Net Sales Q1 2023	45.0
EBITDA Q1 2023	4.0
Of which owned share of EBITDA	1.4
EBIT	1.7
Net Profit	1.3
Consolidated into BEWI's EBITDA, share of Net profit	0.5
BEWI's share of EBITDA minus impact on consolidated EBITDA	0.9
Net debt	28.9
Of which owned share Net Debt	9.9

Note 10 Earnings per share

	Q1 2023	Q1 2022	2022
Profit for the period attributable to parent company shareholders (million EUR)	-0.7	8.5	34.4
Average number of shares	191 518 506	156 715 671	164 109 723
Effect of options to employees	904 812	1 432 136	1 381 172
Diluted average number of shares	192 423 317	158 147 807	165 490 895
Earnings per share (EPS), basic (EUR)	-0.01	0.05	0.21
Earnings per share (EPS), diluted (EUR)	-0.01	0.05	0.21
Earnings per share (EPS), basic (NOK)	-0.08	0.54	2.12
Earnings per share (EPS), diluted (NOK)	-0.08	0.54	2.10

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

The number shares outstanding have increased from 191 347 992 to 191 722 290 compared to 31 December 2022 in a new share issue in February 2023. Earnings per share is calculated by dividing profit attributable to parent company shareholders by the weighted number of ordinary shares during the period.

Note 11 Five-year summary

million EUR (except percentage)	2022	2021	2020	2019	2018
Net sales	1 050.4	748.2	462.6	429.9	380.7
Operating income (EBIT)	68.0	67.8	39.5	20.3	13.7
EBITDA	115.2	105.5	70.0	48.0	28.6
EBITDA margin (%)	11.0%	14.1%	15.1%	11.1%	7.5%
Adjusted EBITDA	133.6	109.0	65.0	51.8	30.9
Adj. EBITDA margin (%)	12.7%	14.6%	14.0%	12.1%	8.1%
Items affecting comparability	-18.3	-3.4	5.0	-3.9	-2.3
EBITA	77.7	75.4	45.8	27.5	18.3
EBITA margin (%)	7.4%	10.1%	9.9%	6.4%	4.8%
Adjusted EBITA	96.1	78.8	40.8	31.4	20.7
Adj. EBITA margin (%)	9.1%	10.5%	8.8%	7.3%	5.4%
Net profit/loss for the period	35.4	34.4	30.0	5.6	1.6
Cash flow from operating activities	40.9	67.4	33.2	35.9	17.6
Capital Expenditure (CAPEX)	-43.7	-34.7	-26.6	-14.3	-13.8
Average capital employed	629.1	409.6	322.0	301.1	183.2
Return on average capital employed (ROCE) %	15.3%	19.2%	12.6%	10.4%	11.3% <sup>1</sup>

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

<sup>1</sup> without IFRS 16 effects

Note 12 Quarterly data

million EUR (except percentage)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net sales	296.4	257.7	267.5	277.0	230.2	208.2	193.0	198.1	148.9
Operating income (EBIT)	9.8	-10.7	21.1	35.8	21.8	13.8	24.9	22.3	6.8
EBITDA	26.9	4.0	32.9	46.4	31.9	24.5	34.5	31.1	15.5
EBITDA margin (%)	9.1%	1.5%	12.3%	16.8%	13.8%	11.8%	17.9%	15.7%	10.4%
Adjusted EBITDA	28.2	24.4	34.4	40.3	34.4	26.4	34.2	31.6	16.7
Adj. EBITDA margin (%)	9.5%	8.8%	12.9%	14.6%	14.9%	12.7%	17.7%	16.0%	11.2%
Items affecting comparability	-1.3	-20.4	-1.5	6.1	-2.5	-2.0	0.3	-0.5	-1.2
EBITA	12.6	-7.3	23.2	38.0	23.9	15.7	27.0	24.2	8.6
EBITA margin (%)	4.2%	-2.7%	8.7%	13.7%	10.4%	7.5%	14.0%	12.2%	5.8%
Adjusted EBITA	13.9	13.0	24.7	31.9	26.4	17.6	26.7	24.7	9.8
Adj. EBITA margin (%)	4.7%	4.7%	9.2%	11.5%	11.5%	8.5%	13.8%	12.5%	6.6%
Net profit/loss for the period	-0.7	-7.8	10.0	24.9	8.2	9.0	11.9	14.4	-1.0
Cash flow from operating activities	7.4	13.2	16.8	25.0	-14.2	34.5	31.2	1.4	0.1
Capital Expenditure (CAPEX)	-11.3	-20.4	-8.9	-9.2	-5.2	-12.2	-7.2	-8.5	-6.9
Average capital employed	735.2	629.1	520.6	476.8	434.0	409.6	388.6	362.7	340.6
Return on average capital employed (ROCE) %	11.4%	15.3%	19.3%	21.5%	22.0%	19.2%	18.1%	15.4%	12.2%



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