

# BEWI

*for a better everyday*



**INTERIM REPORT**  
**JULY - SEPT / 2021**

## Highlights for the third quarter of 2021<sup>1</sup>

(numbers in parenthesis refers to comparable figures for the corresponding period of 2020)

- Net sales up by 58 per cent to EUR 193.0 million (122.1), of which 14 per cent from acquisitions
- Organic growth from higher volumes and sales prices in all segments
- Adjusted EBITDA increased to EUR 34.2 million (17.9), mainly due to higher margins for RAW
- Operating income (EBIT) of EUR 24.9 million (EUR 10.6)
- Completion of acquisition of majority stake of IZOBLOK and related private placement
- Refinancing completed, including issuance of five-year sustainability-linked bond of EUR 160 million

## Highlights for the first nine months of 2021

- Net sales grew by 62 per cent to EUR 540.0 million (332.3), of which 21 per cent from acquisitions
- Adjusted EBITDA of EUR 82.5 million (48.5)

## Subsequent events

- Offer to acquire Jackson Holding launched 1 October, acceptances for 100% of shares received 15 October
- Acquisition of Belgian insulation company Kemisol announced on 29 October
- Launch of tender offer to acquire all remaining shares in IZOBLOK on 2 November
- Announcement of intention to issue subsequent bonds under existing framework on 3 November

## Consolidated key figures<sup>2</sup>

<i>million EUR (except percentage)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	193.0	122.1	540.0	332.3	462.6
Operating income (EBIT)	24.9	10.6	54.0	29.0	39.5
EBITDA	34.5	18.1	81.1	50.5	70.0
EBITDA margin (%)	17.9%	14.8%	15.0%	15.2%	15.1%
Adjusted EBITDA	34.2	17.9	82.5	48.5	65.0
Adj. EBITDA margin (%)	17.7%	14.7%	15.3%	14.6%	14.0%
Items affecting comparability	0.3	0.1	-1.5	2.0	5.0
Adjusted EBITA	26.7	12.0	61.2	31.5	40.8
Adj. EBITA margin (%)	13.8%	9.8%	11.3%	9.5%	8.8%
Net profit for the period	11.9	5.7	25.4	16.5	30.0
Earnings per share, basic and diluted (EUR)	0.08	0.04	0.17	0.12	0.21
Earnings per share, basic and diluted (NOK)	0.80	0.43	1.75	1.27	2.27
Capital Expenditure (CAPEX)	-7.2	-4.9	-22.6	-11.5	-26.6
Return on average capital employed (ROCE)	18.1%	11.5%	18.1%	11.5%	12.6%

<sup>1</sup> For more information on the change in net sales and adjusted EBITDA from the corresponding period of 2020, see the revenue and EBITDA bridged included on page 17

<sup>2</sup> Definitions of alternative performance measures not defined by IFRS are included on page 15

## Comments from the CEO

*We are delivering yet another quarter with record-high results, driven by continued strong demand and good operational performance. Our net sales amounted to 193 million euro for the third quarter, an increase of 58 per cent compared to the third quarter last year, of which 43 percentage points are organic growth from higher volumes and sales prices in all segments. We record an adjusted EBITDA of 34 million euro, up from 18 million euro for the corresponding period last year, mainly explained by the higher margins (GAP) in our RAW segment.*

*After the close of the third quarter, we launched our offer to acquire all shares in Jackon Holding, introducing the most transformative transaction in our history. We are very pleased that the offer was accepted by all shareholders of Jackon. Although completion of the transaction is still subject to closing conditions including regulatory approvals, we are optimistic about the opportunities ahead and look forward to further strengthening our companies.*

As communicated in previous financial reports, shortage of Styrene in Europe in the first quarter of 2021 resulted in a sharp increase in raw material prices this year. Consequently, and combined with strong demand for EPS based products, this led to an increase in the price of the EPS raw material. During the third quarter, the Styrene prices decreased compared to the previous quarter, while the EPS prices remained high, resulting in a historically high GAP (i.e., the difference between the price of the EPS raw material and Styrene) for the quarter.

The high GAP continue to have a significantly positive effect on both sales and EBITDA for segment RAW, while our downstream segments experience lower margins due to the high raw material cost. In our outlook for the second half of the year, we expected margins for our downstream segments to catch up when raw material prices stabilise. Margins in our Insulation segment were negatively impacted by challenges related to our new production line in Norrköping, Sweden. Excluding this, margins improved for the segment, despite lower volumes due to seasonal variations.

Our Packaging & Components segment delivered improved margins from the previous quarter, both following increase in sales prices in general, as well as increased volumes from higher margin business, despite challenges related to shortage of semiconductors to the automotive industry negatively impacting the margins for the segment.

This quarter, we report the results for segment Circular for the first time. Our Circular business was established 3 years ago, and since then, we have invested more than 10 million euro in assets and companies strengthening our collection and recycling capacity. It is a key priority for BEWI to become a circular company, and we have great expectations for this segment going forward.

In addition to circularity, profitable growth remains a high priority in BEWI. Late September, we hosted our first Capital Markets Update, where we launched our ambition to roughly double our revenues and more than double our EBITDA the next five years, as well as improving our return on capital employed (ROCE) to approximately 20 per cent. The announced transaction with Jackon adds to this ambition, and further strengthens our growth prospects and framework to pursue attractive M&A opportunities. The refinancing completed in August this year provides us with a sustainable and fully funded business plan.

Going forward, we expect a continued stable or strong demand in our key markets throughout 2021. EPS prices are expected to remain at high levels, also implying a high GAP for the fourth quarter.

In summary, we continue to see solid markets, we have a proven integrated and diversified business model, an attractive pipeline of growth opportunities backed by a strong financial platform enabling us to deliver on our ambitions.

Christian Bekken, CEO,  
Trondheim, 2 November 2021



## Financial review

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

### Profit and loss

#### Third quarter of 2021

**Net sales** amounted to EUR 193.0 million for the third quarter of 2021 (122.1), corresponding to an increase of 58.0 per cent. Acquired companies contributed to 14.0 per cent of the increase while currency effects had a minor impact. Organic growth ended at 42.7 per cent.

The organic growth can be explained by improved volumes in all segments, in particular from food packaging in Norway, and higher sales prices. Raw material prices in segment RAW, i.e., Styrene, decreased in the quarter compared to the previous quarter, while EPS raw material prices were maintained at a higher price level due to a strong market.

**Adjusted EBITDA** came in at EUR 34.2 million for the quarter (17.9), representing a margin of 17.7 per cent (14.7). Acquired companies contributed to an increase of EUR 0.3 million compared to the third quarter last year.

Segment RAW favoured from a strong market where sales prices remained at a high level despite decreasing styrene prices compared to the previous quarter. This is the main explanation for the improved EBITDA for the quarter. In addition, increased volumes from food packaging in Norway positively affected the results, while the weaker automotive market negatively impacted the results.

See further comments to the raw materials under the section for important events in the quarter.

For more information on the development in net sales and EBITDA, see explanations under each segment and the revenue and EBITDA bridges on page 15.

**Operating income (EBIT)** came in at EUR 24.9 million for the third quarter (10.6), up by EUR 14.3 million over the same period last year.

**Net financial items** amounted to a negative EUR 7.3 million for the quarter (-2.7), including costs related to the refinancing of EUR 5.6 million and a positive fair value adjustment of shares in a listed real estate company of EUR 1.4 million.

**Taxes** amounted to a negative EUR 5.6 million (-2.2). The effective tax rate was negatively impacted by costs incurred in connection with the refinancing.

**Net result** for the third quarter of 2021 ended at a positive EUR 11.9 million (5.7).

#### First nine months of 2021

**Net sales** increased to EUR 540.0 million for the first nine months of 2021 (332.3), corresponding to an increase of 62.5 per cent. The increase is 21.0 per cent driven by acquisitions, and 40.1 per cent is organic growth. All segments have recorded higher volumes so far this year, compared to the same period of 2020. In addition, significant price increases have been implemented to compensate for the increased raw material prices.

**Adjusted EBITDA** increased by 70.2 per cent to EUR 82.5 million for the first nine months of the year (48.5). 15.2 per cent of the increase relates to acquisitions, while most of the organic increase relates to the improved styrene gross margin (GAP).

**Operating income (EBIT)** came in at EUR 54.0 million for the period (29.0).

**Net financial items** came at a negative EUR 17.2 million so far this year (-7.8). The period was negatively impacted by costs related to the refinancing of EUR 5.6 million. The period was also negatively impacted by a EUR 2.8 million fair value adjustment of shares in a listed real estate company.

**Taxes** amounted to a negative EUR 11.4 million for the first nine months (-4.6). The effective tax rate was negatively impacted by costs incurred in connection with the refinancing.

**Net profit** for the first nine months of 2021 was EUR 25.4 million (16.5).

## Segment RAW

### Improved volumes and EBITDA following a continued strong demand

Segment RAW develops and produces white and grey expanded polystyrene, known as EPS beads or Styrofoam, as well as Biofoam, a fully bio-based particle foam. The raw material is sold both internally and externally for production of end products. After expanding and extruding the beads, the material can be moulded or otherwise processed into several different end products and areas of application. BEWI produces raw material at 2 facilities, one in Finland (Porvoo) and one in the Netherlands (Etten-Leur).

### Key figures

Amounts in million EUR (except percentage)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	89.5	44.6	255.0	140.8	191.2
Of which internal	27.0	9.4	78.6	42.5	56.5
Of which external	62.4	35.2	176.5	98.3	134.7
Net operating expenses	-70.1	-40.7	-216.6	-133.5	-181.8
<b>Adjusted EBITDA</b>	<b>19.4</b>	<b>3.9</b>	<b>38.5</b>	<b>7.3</b>	<b>9.4</b>
Adjusted EBITDA %	21.7%	8.8%	15.1%	5.2%	4.9%
Items affecting comparability	0.0	0.6	0.0	0.5	0.5
<b>EBITDA</b>	<b>19.4</b>	<b>4.5</b>	<b>38.5</b>	<b>7.8</b>	<b>9.9</b>
Depreciations	-0.9	-0.9	-2.8	-2.8	-3.7

### Third quarter of 2021

**Net sales** for segment RAW amounted to EUR 89.5 million for the quarter (44.6), an increase of 100.5 per cent explained by higher volumes and increased sales prices following a significant increase in underlying raw material prices since the third quarter last year.

For more information about the development in raw material prices, see the separate section under important events for the quarter.

**Adjusted EBITDA** amounted to EUR 19.4 million for the third quarter of 2021 (3.9). GAP (i.e., styrene gross profit) strengthened compared to the third quarter last year due to strong demand. Compared to the previous quarter, raw material prices (styrene) decreased, while EPS raw material prices remained high, resulting in a higher GAP.

### First nine months of 2021

**Net sales** for the first nine months of 2021 came in at EUR 255.0 million (140.8) for segment RAW, up by 81.1 per cent from the same period last year explained by higher volumes and increased sales prices, as explained for the quarter.

**Adjusted EBITDA** ended at EUR 38.5 million for the first nine months (7.3). The improvement continues to derive from the strengthened GAP (i.e., styrene gross profit), as for the quarter, in addition to higher volumes.



## Segment Insulation

**Strong demand and improved volumes in Benelux.**

Segment Insulation develops and manufactures an extensive range of insulation products for the construction industry. The products are primarily composed of EPS and XPS. BEWI is one of the larger European manufacturers of EPS-based insulation products. The Benelux is the main market representing around 50 per cent of total sales within the business area. BEWI has 17 facilities in 6 countries producing insulation products. In addition, BEWI has minority interests in 6 facilities in France, 6 facilities in Germany and 1 in the UK.

### Key figures

Amounts in million EUR (except percentage)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	46.8	36.9	145.7	108.0	146.6
Of which internal	0.5	1.1	1.8	1.7	2.4
Of which external	46.3	35.8	143.9	106.3	144.1
Net operating expenses	-41.5	-31.0	-128.5	-89.0	-120.1
<b>Adjusted EBITDA</b>	<b>5.4</b>	<b>5.9</b>	<b>17.2</b>	<b>19.0</b>	<b>26.5</b>
Adjusted EBITDA %	11.5%	16.0%	11.8%	17.6%	18.1%
Items affecting comparability	0.4	-2.4	0.3	0.3	5.9
<b>EBITDA</b>	<b>5.8</b>	<b>3.5</b>	<b>17.5</b>	<b>19.3</b>	<b>32.4</b>
Depreciations	-1.9	-1.6	-5.9	-4.9	-7.4

### Third quarter of 2021

**Net sales** for segment Insulation came in at EUR 46.8 million for the quarter (36.9), an increase of 27.0 per cent. Excluding acquisitions, sales increased by 22.0 per cent driven by higher volumes in Benelux and higher sales prices following a continued increase in raw material prices.

**Adjusted EBITDA** amounted to EUR 5.4 million for the third quarter (5.9), a decrease of 9.1 per cent. Excluding acquisitions, adjusted EBITDA decreased by 10.5 per cent. The decrease is explained by the historically high raw material prices putting pressure on margins. The EBITDA was negatively impacted by challenges related to the new production line in Norrköping, Sweden. Excluding this, margins improved from the previous quarter, despite lower volumes due to seasonal variations.

### First nine months of 2021

**Net sales** amounted to EUR 145.7 million for the first nine months of 2021 (108.0), an increase of 34.9 per cent. Of this, 19.2 per cent was organic growth driven by higher volumes in all regions and increased sales prices related to the higher cost of raw material.

**Adjusted EBITDA** amounted to EUR 17.2 million (19.0). As for the quarter, main reason for the lower EBITDA is explained by the historically high raw material prices.

## Segment Packaging & Components (P&C)

### Stable end markets with volume increases in most regions

Segment P&C develops and manufactures standard and customised packaging solutions and technical components for customers in many industrial sectors. Examples include boxes for transportation of fresh fish and other food, protective packaging for pharmaceuticals and electronics, and components for cars and heating systems. The material is composed primarily of EPS, EPP and fabricated foam. BEWI has 24 facilities in 7 countries producing P&C components. Also, the Group has minority interests in 2 facilities in the UK.

### Key figures

Amounts in million EUR (except percentage)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	79.8	50.2	207.6	125.3	179.9
Of which internal	1.3	0.6	3.1	1.7	2.3
Of which external	78.5	49.6	204.5	123.6	177.6
Net operating expenses	-68.3	-40.9	-176.6	-99.9	-145.8
<b>Adjusted EBITDA</b>	<b>11.5</b>	<b>9.3</b>	<b>31.0</b>	<b>25.4</b>	<b>34.1</b>
Adjusted EBITDA %	14.4%	18.5%	14.9%	20.3%	19.0%
Items affecting comparability	0.5	3.5	0.3	3.3	2.1
<b>EBITDA</b>	<b>12.0</b>	<b>12.7</b>	<b>31.3</b>	<b>28.7</b>	<b>36.2</b>
Depreciations	-4.3	-3.2	-11.6	-8.8	-12.3

### Third quarter of 2021

From 1 July 2021, the financial results for the automotive components company IZOBLOK are consolidated into BEWI's accounts. For details on the contribution from IZOBLOK in the third quarter, see note 8 to the accounts on Business Combinations.

**Net sales** amounted to EUR 79.8 million for the quarter (50.2), an increase of 59.1 per cent. Excluding acquisitions net sales increased by 28.0 per cent, mainly explained by strong volume growth in Norway as well as increased volumes in Sweden and in the Benelux. Sales prices have been adjusted upwards following the increase in raw material prices.

**Adjusted EBITDA** amounted to EUR 11.5 million (9.3), up by 23.6 per, of which 20.7 per cent came from organic growth, mainly explained by the higher volumes in Norway combined with the increase in contractual price indexation towards customers. IZOBLOK contribution to the EBITDA was a negative EUR 1.1 million, explained by the shortage of electronic components to the automotive industry.

The new fish box facility at Senja commenced operations during the third quarter, however, at

limited volumes due to low fish slaughter volumes. Ramp up is expected during the fourth quarter.

### First nine months of 2021

**Net sales** amounted to EUR 207.6 million for the first nine months of 2021 (125.3), an increase of 65.6 per cent. Excluding acquisitions, sales increased by 22.7 per cent explained by higher volumes and increased sales prices in all regions.

**Adjusted EBITDA** amounted to EUR 31.0 million for the first three quarters of the year (25.4), up by 21.9 per cent. Excluding acquisitions, adjusted EBITDA increased by 1.9 per cent explained by the same factors as for the quarter. The lower EBITDA margin is mainly explained by the lag in contractual price indexation to customers, product mix (more trading operation) and the negative contribution from IZOBLOK.

## Segment Circular

### Improved volumes and EBITDA following a continued good market demand

BEWI Circular (Circular) is responsible for increasing the Group's collection and recycling of EPS. Since the establishment of the business unit in 2018, Circular has launched several initiatives, increasing the Group's recycling capacity to approximately 20,000 tonnes. BEWI has announced an annual target of recycling 60,000 tonnes of EPS. The number refers to approximately one-third of BEWI's annual production, which is the volume BEWI puts into the end markets with a lifetime less than one year. The other two-thirds of the volume are used in products with a lifetime of more than one year, i.e., bike helmets, car components, insulation in buildings and similar.

### Key figures

Amounts in million EUR (except percentage)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	5.9	1.6	15.4	4.1	6.3
Of which internal	0.2	0.0	0.3	0.0	0.2
Of which external	5.7	1.6	15.0	4.1	6.1
Net operating expenses	-6.1	-1.8	-14.7	-4.8	-7.6
<b>Adjusted EBITDA</b>	<b>-0.1</b>	<b>-0.3</b>	<b>0.7</b>	<b>-0.7</b>	<b>-1.2</b>
Adjusted EBITDA %	-2.3%	-16.1%	4.4%	-16.5%	-19.5%
Items affecting comparability	-0.1	0.0	-0.1	-0.1	-0.1
<b>EBITDA</b>	<b>-0.2</b>	<b>-0.3</b>	<b>0.6</b>	<b>-0.7</b>	<b>-1.3</b>
Depreciations	-0.3	-0.1	-0.7	-0.2	-0.4

### Third quarter of 2021

**Net sales** for segment Circular amounted to EUR 5.9 million for the quarter (1.6), an increase of 273.2 per cent explained by higher volumes and increased sales prices following significant increase in the virgin raw material prices.

**Adjusted EBITDA** amounted to EUR -0.1 million for the third quarter of 2021 (-0.3). The improved EBITDA was mainly driven by the higher volumes and increased prices as mentioned above. On the contrary, the prices for the feedstock in Circular, i.e., the input/ raw material for segment Circular, have increased due to limited availability, putting pressure on margins.

### First nine months of 2021

**Net sales** for the first nine months of 2021 came in at EUR 15.4 million (4.1) for segment Circular, up by 274.8 per cent from the same period last year explained by higher volumes and increased sales prices, as explained for the quarter.

**Adjusted EBITDA** ended at EUR 0.7 million for the first nine months (-0.7), whereas the improvement primarily relates to the higher volumes, as for the quarter, in addition to higher sales prices.



## Corporate costs

Revenues and costs related to Group functions that do not belong to any specific business segment are booked as unallocated. This includes costs related to the Group's Business Development and other Group functions.

For the third quarter of 2021, the unallocated contribution to adjusted EBITDA amounted to a negative EUR 1.9 million (-0.9). For the first nine months of 2021, the contribution was negative EUR 4.9 million (-2.6).

## Financial position and liquidity

### Consolidated financial position

Total assets amounted to EUR 664.2 million as of 30 September 2021, compared to EUR 543.1 million at year-end 2020. The increase since last year is mainly related to acquired companies.

Total equity amounted to EUR 249.7 million as of 30 September 2021, compared to EUR 195.1 million at year-end 2020.

Net debt amounted to EUR 188.2 million as of 30 September 2021 (111.2 excluding IFRS 16), compared to EUR 170.2 million at year-end 2020 (91.7 excluding IFRS 16).

Cash and cash equivalents were EUR 61.0 million as of 30 September 2021, compared to EUR 51.4 million at year-end 2020.

### Consolidated cash flow

**Cash flow from operating activities** amounted to EUR 31.2 million for the third quarter (10.8), including a decrease of working capital of EUR 8.3 million (-). Cash flow from financial items was negatively impacted by fees related to the early bond redemptions, amounting to EUR 4.2 million. Working capital improved during the quarter and followed normal seasonality for the second half of the year.

For the first nine months of 2021, cash flow from operating activities amounted to EUR 32.9 million (13.3), including an increase in working capital of EUR 22.3 million (19.1). Working capital followed normal seasonality and was, compared to the same period last year, further impacted by increased accounts

receivable following the sales increase.

**Cash flow used for investing activities** amounted to EUR -21.7 million for the third quarter (4.0). Acquisitions, mainly that of IZOBLOK, and higher CAPEX than in 2020 explain the deviation to last year. The same period last year also noted a positive cash flow effect from sale and leaseback transactions.

For the first nine months of 2021, cash flow from investing activities amounted to EUR -44.8 million (-9.6). The reasons for the deviation to the same period as last year, are the same as those for the quarter.

For an overview of the main investments, see section about Capital expenditures.

**Cash flow from financing activities** came in at a positive EUR 9.3 million for the third quarter (-23.4). The bond redemptions and the new bond issue had a net positive effect of EUR 16.8 million, net of transaction costs. The same period last year was negatively impacted by the refinancing of acquired companies.

For the first nine months of 2021, cash flow from financing activities amounted to a positive EUR 21.4 million (-30.0), mainly impacted by the bond refinancing, a new share issue during the period and dividend paid. Although the same period last year saw a EUR 16.6 million precautionary draw-down of overdraft facilities amidst the Covid-19 turmoil, the refinancing of acquired companies and a bond redemption led to a negative cash flow during the first six months of 2020.

### Capital expenditures

In the third quarter of 2021, investments continued according to plan.

For the third quarter of 2021, CAPEX totalled EUR 7.2 million (4.9). EUR 1.8 million related to greenfield projects, which includes customer specific investments for P&C in Norway, and a new extrusion line for Insulation in Norrköping in Sweden.

For the first nine months of 2021, CAPEX amounted to EUR 22.6 million (11.5), of which EUR 9.1 million related to greenfield and ICT projects. See below for further details about the investment programmes/ greenfield projects.

BEWI has previously launched a target of annual investments of EUR 12.5-15.0 million excluding greenfield initiatives. At the company's Capital Markets Update in September 2021, the company announced that it expects its normalised CAPEX going forward to be at approximately 2.5 per cent of revenues excluding M&A's and greenfield initiatives.

For 2021, investments are expected to end at approximately EUR 20.0 to 22.5 million excluding greenfield projects and ICT, mainly due to customer specific investments.

## Organisation

As of 30 September 2021, BEWI ASA had 2,003 employees, up from 1,438 on 31 December 2020 and from 1,504 on 30 June 2021. The increase is mainly attributable to the acquisition of Izoblok.

## Important events in the quarter

In BEWI, organic- and M&A growth initiatives, remains a high priority. The group has several ongoing organic growth initiatives and a strong pipeline of M&A opportunities.

### Ongoing organic growth initiatives

The following investment programmes are ongoing in the BEWI group:

#### Packaging & Components Norway

In 2021, BEWI has established a new fish box facility at Senja, Norway, where the company has a long-term supply agreement with SalMar. Production commenced in the third quarter of 2021 and production is expected to ramp-up during the fourth quarter.

Also, in March 2021, the company announced its plans to set up a new packaging facility on the Jøsnøya island, Hitra, on the west coast of central Norway. The real estate group KMC Properties ASA is responsible for the development project. In the third quarter, KMC Properties announced that it had entered a conditional long-term lease agreement with BEWI for the property and entered an agreement for the pre-project phase.

#### Insulation Sweden

In 2020 and 2021, BEWI has invested in technology and new machinery at its facility in Norrköping,

Sweden, including modern extrusion technology improving production capacity and efficiency. Start-up of the new production line has been delayed, causing extra costs so far in 2021.

#### ICT

BEWI has started implementation of a new modern ERP system. Blueprints are developed during 2021 and the system will be implemented gradually throughout the group's segments and operating units. The first roll-out of the system will be done during the first quarter of 2022 for segment RAW, while the second roll-out will be decided by the subsidiaries of the company, based on clearly identified benefits.

### Acquisitions

During the first nine months of 2021, BEWI completed several acquisitions, primarily focusing on:

- Strengthening of market positions
- Broadening product offering
- Geographic expansion
- Being a leading recycling consolidator

The acquisitions include the Polish automotive components company IZOBLOK, closed early in the third quarter, as well as the Danish paper packaging company Honeycomb Cellpack (now BEWI Cellpack) and a minority interest in the Czech recycling company Inoplast.

(Further information about acquisitions in section Events after the quarter).

### Refinancing completed

In August 2021, BEWI initiated a process to refinance its two existing bond loans and credit facility, enabling the company to pursue further growth opportunities. To support the company's commitments to sustainability, BEWI established a Sustainable Finance Framework, covering the entire refinancing, including both Green and Sustainability-Linked features.

On 19 August, BEWI announced that its wholly owned subsidiary, BEWiSynbra Group AB, had received approval from the holders of its two existing bond loans with maturity in 2022 and 2023 to refinance before the maturity dates. Further, the company on 24 August announced that it had successfully issued new senior unsecured floating rate sustainability-linked bonds in an amount of EUR 160,000,000 under

a framework of EUR 250,000,000 due in September 2026. The interest rate of the new bonds is EURIBOR 3m + 3.15 per cent.

### Significant increase in raw material prices

From mid-February 2021, the price of the raw material for EPS, Styrene, recorded the steepest increase ever seen. Following a force majeure incident at the largest styrene plant in Europe, prices increased by around 50 per cent in one week. In combination with other events, this led to extreme price development for Styrene in Europe. Further, this led to most of the EPS raw material producers minimizing their styrene purchase, both due to the limited availability and the extreme prices, which again led to a shortage of EPS as raw material. Combined with increased demand for EPS-based products, this created an imbalance in the market, resulting in significant increase in the price of the EPS raw material (beads) and consequently the GAP, i.e., the gross profit for EPS beads.

During the third quarter, the Styrene prices decreased compared to the second quarter this year, and was relatively stable, while the EPS prices remained at high levels throughout the quarter.

## Share information

As of 30 September 2021, the total number of shares outstanding in BEWI ASA was 156,610,804, each with a par value of NOK 1. Each share entitles to one vote.

During the third quarter, the share was traded between NOK 26.70 and NOK 54.00 per share, with a closing price of NOK 54.00 on 30 September 2021.

### Completion of private placement

On 7 July 2021, BEWI completed a private placement towards the majority seller of the listed Polish company IZOBLOK Spółka Akcyjna raising gross proceeds of NOK 31.1 million by issuance of 1,132,792 new shares at NOK 27,50 per share.

## Events after the close of the quarter

### Offer to acquire all shares in Jackon Holding

On 1 October 2021, BEWI launched an offer to acquire all outstanding shares in the Norwegian family-owned packaging and insulation company Jackon Holding. Jackon and BEWI are the two largest integrated

providers of EPS in Europe, and the two companies complement each other very well.

The shareholders were offered consideration in the form of new BEWI shares or in cash.

The Akselsen family, holding 50 per cent of the shares through their wholly owned investment company HAAS AS, accepted to receive consideration in the form of shares, subject to a 12-months lock-up. The shareholders holding the remaining 50 per cent accepted to receive cash.

The offer reflected an enterprise value (i.e., on a cash and debt free basis and with an agreed level of working capital) of Jackon of NOK 3,100 million to NOK 3,600 million. The top level of the valuation interval assumed that all Jackon shareholders accepted consideration in the form of shares, while the lower end assumed that the purchase price to be settled in cash.

The cash consideration will be financed through cash sources available to BEWI. Completion of the transaction is subject to satisfactory due diligence, resolution of the BEWI general meeting to issue the consideration shares, and customary closing conditions, including regulatory approvals. The majority shareholder of BEWI, Frøya Invest AS, has confirmed that they will vote in favour of the issuance of the consideration shares. The transaction is expected to be completed during the first half of 2022.

### Financial results for Jackon (NGAAP)

Jackon Holding recorded revenues of NOK 1,075 million for the third quarter 2021, an increase of 31 per cent from the NOK 820 million recorded in the corresponding quarter of 2020. EBITDA came in at NOK 162 million, up from NOK 121 million for the same quarter last year.

For the first nine months of 2021, Jackon had revenues of NOK 3,025 million, compared to NOK 2,368 million last for the same period last year, and recorded an EBITDA of NOK 309 million, up from NOK 255 million.

Jackon had approximately 900 employees on 30 September 2021 and 21 facilities in Norway, Sweden, Finland, Denmark, Germany, and Belgium.

### **Acquisition of recycling company Volker Gruppe**

On 6 October 2021, BEWI announced its acquisition of 51 per cent of the UK based company Volker Gruppe, a trader of compacted and recycled material. The company operates two facilities in the UK and Scotland, where they compact material, and leases compactors to customers. Volker Gruppe is one of the largest suppliers of EPS waste to BEWI Circular, with an annual collection of approximately 6,000 tonnes of EPS, in addition to several other types of waste streams.

Volker Gruppe trades and processes around 25,000 tonnes of plastics and paper per year globally.

BEWI has a future option to acquire the remaining 49 per cent of the shares in Volker Gruppe.

### **Acquisition of the Belgian insulation company Kemisol**

On 29 October, BEWI announced the acquisition of 100 per cent of the shares of the Belgian insulation company Kemisol Group. Negotiations for the acquisition was previously announced on 23 September on a no-name basis.

Kemisol primarily operates in the Benelux region and is one of the largest producers of EPS in Belgium, offering a wide range of products. In addition to production of EPS based insulation products, Kemisol distributes other insulation products such as IKO Enertherm, Ursa Foam, Styrisol and Knauf glass wool.

Kemisol recorded revenues of EUR 18.1 million for the first half of 2021, an increase of 54 per cent from the EUR 11.8 million recorded for the corresponding period of 2020. The EBITDA came in at EUR 3.8 million for the period, up from 2.0 million for the first half of 2020. For the full year of 2020, Kemisol had revenues of EUR 24.7 million and an EBITDA of EUR 4.5 million.

Total consideration for 100 per cent of the shares is approximately EUR 30 million, which will be paid in cash through available sources.

Closing of the acquisition is conditional upon customary conditions specified in agreement and is expected in November 2021.

### **Tender offer for all remaining shares in IZOBLOK**

On 2 November, BEWI launched a tender offer for the acquisition of all outstanding shares in the listed Polish company IZOBLOK, a leading European provider of Expanded Polypropylene (EPP) components to the automotive industry.

BEWI currently (indirectly) owns 54.66 per cent of the shares, corresponding to 66.00 per cent of the voting rights in IZOBLOK.

The total number of shares subject to the tender offer is 574 481 shares, corresponding to the remaining 45.34 per cent of the total outstanding shares, and 34.00 per cent of the voting rights. The price offered per share is PLN 50.41, amounting to a total consideration of approximately EUR 6.4 million.

If BEWI succeeds in acquiring 100 per cent of the outstanding shares, the company intends to delist the shares in IZOBLOK from trading on the Warsaw Stock Exchange (WSE). A delisting of the shares requires a consent of the Polish Financial Supervision Authority.

### **Intention to issue subsequent bonds under existing sustainability-linked bond framework**

On 3 November, BEWI announced its intention to issue subsequent bonds under the existing EUR 250 million senior unsecured sustainability-linked bond framework. Currently, the bonds have an outstanding amount of EUR 160 million and maturity in September 2026. The bonds were listed on the Sustainability bond list at Nasdaq Stockholm on 28 October 2021.

BEWI has mandated Carnegie AS, DNB Markets, a part of DNB ASA and Nordea Bank Abp as Joint Bookrunners to arrange a series of fixed income investor meetings. An up to EUR 90 million tap issue of the bonds may follow, subject to inter alia market conditions.

The net proceeds from the contemplated tap issue will be used for general corporate purposes, including financing of the acquisition of 100 per cent of the shares in Jackon Holding AS subject to completion.

## Outlook

All BEWI's segments have recorded increased volumes in 2021 compared to 2020. The company is experiencing stable demand, despite challenging market conditions in some end-markets.

Most industries are currently impacted by increased uncertainty related to shortage and/ or delay in deliveries of components, as well as cost inflation on several operational costs, such as energy, transport, and raw materials. BEWI expects this to impact margins in the fourth quarter. EPS contract prices have remained high, resulting in expectations of a GAP (difference between prices of EPS raw materials and Styrene) remaining above the historically normal range of EUR 360 to 400 per ton also for the fourth quarter.

In September, BEWI hosted a Capital Markets Update and launched its ambition to roughly double revenues and more than double its EBITDA over the next five years, as well as improving its return on capital employed (ROCE) to approximately 20 per cent. The Jackson transaction, announced after the update, adds to the company's growth ambitions, and further strengthens the company's platform to pursue attractive growth opportunities. Completion of the transaction is expected during the first half of 2022, with synergies amounting to at least EUR 12 to 15 million.

The Board considers BEWI to have a solid platform for further profitable growth driven by stable demand, a solid operational performance, combined with a strong pipeline of M&A opportunities and a fully funded business plan.

Trondheim, 2 November 2021

The Board of Directors and CEO of  
BEWI ASA

## 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>EBITDA</b>	Earnings before interest, tax, depreciation, and amortization. EBITDA is a key performance indicator that the Group considers relevant for understanding the generation of profit before investments in fixed assets.
<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>EBITA</b>	Earnings before interest, tax, and amortizations. 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 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>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>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.
<b>Adjusted (adj.) EBITDA</b>	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.
<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>Adjusted (adj.) EBITA</b>	Normalized earnings before interest, tax and amortizations (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>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>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>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.



## Alternative performance measures not defined by IFRS

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
<b>Operating income (EBIT)</b>	<b>24.9</b>	<b>10.6</b>	<b>54.0</b>	<b>29.0</b>	<b>39.5</b>
Amortisations	2.1	1.5	5.8	4.5	6.2
<b>EBITA</b>	<b>27.0</b>	<b>12.1</b>	<b>59.7</b>	<b>33.5</b>	<b>45.8</b>
Items affecting comparability	-0.3	-0.1	1.5	-2.0	-5.0
<b>Adjusted EBITA</b>	<b>26.7</b>	<b>12.0</b>	<b>61.2</b>	<b>31.5</b>	<b>40.8</b>
<b>EBITA</b>	<b>27.0</b>	<b>12.1</b>	<b>59.7</b>	<b>33.5</b>	<b>45.8</b>
Depreciations	7.5	6.0	21.3	17.0	24.2
<b>EBITDA</b>	<b>34.5</b>	<b>18.1</b>	<b>81.1</b>	<b>50.5</b>	<b>70.0</b>
Items affecting comparability	-0.3	-0.1	1.5	-2.0	-5.0
<b>Adjusted EBITDA</b>	<b>34.2</b>	<b>17.9</b>	<b>82.5</b>	<b>48.5</b>	<b>65.0</b>
Adjusted EBITA Rolling 12 months	70.5	35.5	70.5	35.5	40.8
Average capital employed	388.6	308.3	388.6	308.3	322.0
<b>Return on average capital employed (ROCE)</b>	<b>18.1%</b>	<b>11.5%</b>	<b>18.1%</b>	<b>11.5%</b>	<b>12,6%</b>

## Items affecting comparability

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
IPO related costs	-	-1.0	0.0	-1.0	-2.1
Severance and integration costs	-	0.0	-	-0.5	-0.5
Restructuring costs	-	0.0	-0.1	-0.4	-0.4
Transaction costs	-0.7	-0.4	-2.1	-0.8	-1.2
Additional purchase price	-	0.0	-	0.0	0.0
Capital gains from sale of fixed assets	-	1.6	0.1	1.7	6.3
Capital loss from sale of fixed assets	0.0	-	-0.2	-	-
IT restructuring	-	0.0	-	-0.4	-0.4
Recognition of negative goodwill in associate	0.9	0.0	0.9	3.5	3.5
Other	-	0.0	-	-0.2	-0.2
<b>Total</b>	<b>0.3</b>	<b>0.1</b>	<b>-1.5</b>	<b>2.0</b>	<b>5.0</b>

## Revenue bridge: Change in net sales from corresponding periods in 2020

million EUR	RAW	%	Insulation	%	P&C	%	Circular	%	Unallocated	%	Intra-group revenue	Total net sales	%
<b>Q3 2020</b>	<b>44.6</b>		<b>36.9</b>		<b>50.2</b>		<b>1.6</b>		<b>0.0</b>		<b>-11.1</b>	<b>122.1</b>	
Acquisitions	-	-	1.8	5.0%	15.6	31.1%	-	-	-	-	-0.3	17.1	14.0%
Currency	-	-	0.3	0.8%	1.3	2.6%	0.1	3.5%	0.0	N/A	0.0	1.6	1.3%
Organic growth	44.9	100.5%	7.8	21.3%	12.7	25.4%	4.3	269.7%	0.0	N/A	-17.6	52.1	42.7%
Total increase/decrease	44.9	100.5%	10.0	27.0%	29.6	59.1%	4.3	273.2%	0.0	N/A	-17.9	70.9	58.0%
<b>Q3 2021</b>	<b>89.5</b>		<b>46.8</b>		<b>79.8</b>		<b>5.9</b>		<b>0.0</b>		<b>-29.1</b>	<b>193.0</b>	

million EUR	RAW	%	Insulation	%	P&C	%	Circular	%	Unallocated	%	Intra-group revenue	Total net sales	%
<b>YTD 2020</b>	<b>140.8</b>		<b>108.0</b>		<b>125.3</b>		<b>4.1</b>		<b>0.0</b>		<b>-45.9</b>	<b>332.3</b>	
Acquisitions	-	-	15.8	14.6%	53.7	42.9%	0.8	20.4%	-	-	-0.4	69.9	21.0%
Currency	-	-	1.2	1.1%	3.3	2.6%	0.2	5.1%	0.0	N/A	-0.1	4.6	1.4%
Organic growth	114.2	81.1%	20.8	19.2%	25.3	20.1%	10.2	249.3%	0.1	N/A	-37.4	133.2	40.1%
Total increase/decrease	114.2	81.1%	37.7	34.9%	82.3	65.6%	11.3	274.8%	0.1	N/A	-37.9	207.7	62.5%
<b>YTD 2021</b>	<b>255.0</b>		<b>145.7</b>		<b>207.6</b>		<b>15.4</b>		<b>0.1</b>		<b>-83.8</b>	<b>540.0</b>	

## EBITDA bridge: Change in adj. EBITDA from corresponding periods in 2020

million EUR	RAW	%	Insulation	%	P&C	%	Circular	%	Unallocated	%	Total adj. EBITDA	%
<b>Q3 2020</b>	<b>3.9</b>		<b>5.9</b>		<b>9.3</b>		<b>-0.3</b>		<b>-0.9</b>		<b>17.9</b>	
Acquisitions	-	-	0.1	1.4%	0.3	2.9%	0.0	-7.5%	0.0	-0.9%	0.3	1.8%
Currency	-	-	-0.1	-1.5%	0.1	1.0%	0.0	-4.3%	0.2	26.1%	0.2	1.3%
Organic growth	15.5	394.9%	-0.5	-9.0%	1.8	19.8%	0.1	58.4%	-1.2	-132.4%	15.7	87.7%
Total increase/decrease	15.5	394.9%	-0.5	-9.1%	2.2	23.6%	0.1	46.7%	-1.0	107.1%	16.3	90.8%
<b>Q3 2021</b>	<b>19.4</b>		<b>5.4</b>		<b>11.5</b>		<b>-0.1</b>		<b>-1.9</b>		<b>34.2</b>	

million EUR	RAW	%	Insulation	%	P&C	%	Circular	%	Unallocated	%	Total adj. EBITDA	%
<b>YTD 2020</b>	<b>7.3</b>		<b>19.0</b>		<b>25.4</b>		<b>-0.7</b>		<b>-2.6</b>		<b>48.5</b>	
Acquisitions	-	-	2.3	11.9%	5.1	20.0%	0.0	6.8%	0.0	-1.4%	7.4	15.2%
Currency	-	-	-0.2	-1.0%	0.4	1.6%	0.0	-3.1%	0.1	3.8%	0.3	0.6%
Organic growth	31.2	429.2%	-3.8	-20.2%	0.1	0.3%	1.3	196.8%	-2.4	-93.4%	26.4	54.4%
Total increase/decrease	31.2	429.2%	-1.8	-9.3%	5.6	21.9%	1.4	200.4%	-2.3	-91.1%	34.0	70.2%
<b>YTD 2021</b>	<b>38.5</b>		<b>17.2</b>		<b>31.0</b>		<b>0.7</b>		<b>-4.9</b>		<b>82.5</b>	

## Consolidated condensed interim financial statements for the period ended 30 September 2021

### Consolidated condensed interim statement of income

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net sales	193.0	122.1	540.0	332.3	462.6
<b>Total operating income</b>	<b>193.0</b>	<b>122.1</b>	<b>540.0</b>	<b>332.3</b>	<b>462.6</b>
Raw materials and consumables	-72.5	-44.7	-221.0	-134.9	-181.1
Goods for resale	-24.4	-14.0	-66.1	-18.7	-35.3
Other external costs	-33.7	-24.8	-94.0	-72.2	-99.4
Personnel cost	-30.4	-22.2	-82.6	-62.3	-88.1
Depreciation/ amortisation and impairment of tangible and intangible assets	-9.6	-7.5	-27.1	-21.5	-30.4
Share of income from associated companies	2.5	0.1	4.9	4.5	4.9
Capital gain/loss from sale of assets	0.0	1.6	-0.1	1.7	6.3
<b>Total</b>	<b>-168.1</b>	<b>-111.5</b>	<b>-486.0</b>	<b>-303.4</b>	<b>-423.1</b>
<b>Operating income (EBIT)</b>	<b>24.9</b>	<b>10.6</b>	<b>54.0</b>	<b>29.0</b>	<b>39.5</b>
Financial income	0.2	0.1	0.3	0.2	4.2
Financial expenses	-7.6	-2.8	-17.5	-8.0	-11.4
<b>Net financial items</b>	<b>-7.3</b>	<b>-2.7</b>	<b>-17.2</b>	<b>-7.8</b>	<b>-7.2</b>
<b>Income before tax</b>	<b>17.5</b>	<b>7.9</b>	<b>36.8</b>	<b>21.1</b>	<b>32.3</b>
Income tax expense	-5.6	-2.2	-11.4	-4.6	-2.3
<b>Profit for the period</b>	<b>11.9</b>	<b>5.7</b>	<b>25.4</b>	<b>16.5</b>	<b>30.0</b>

### Consolidated condensed interim statement of comprehensive income

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Profit/loss for the period	11.9	5.7	25.4	16.5	30.0
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that may later be reclassified to profit or loss</b>					
Exchange rate differences	7.1	-1.7	9.9	-7.6	-4.0
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of net pension obligations	2.0	0.0	3.4	-0.7	0.0
Income tax pertinent to remeasurements of net pension obligations	-0.4	0.0	-0.7	0.1	0.0
<b>Other comprehensive income after tax</b>	<b>8.7</b>	<b>-1.7</b>	<b>12.6</b>	<b>-8.2</b>	<b>-4.0</b>
<b>Total comprehensive income for the period</b>	<b>20.7</b>	<b>4.0</b>	<b>38.1</b>	<b>8.3</b>	<b>26.0</b>

## Profit attributable to:

<i>million EUR (except numbers for EPS)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
<b>Profit for the period attributable to:</b>					
Parent Company shareholders	12.8	5.7	26.1	16.6	30.1
Non-controlling interests	-0.9	0.0	-0.7	-0.1	-0.1
<b>Total comprehensive income attributable to:</b>					
Parent Company shareholders	18.0	4.0	35.3	8.4	26.1
Non-controlling interests	2.7	0.0	2.8	-0.1	-0.1
<b>Earnings per share:</b>					
Average number of shares:	156,536,114	141,332,006	152,220,494	139,741,814	141,130,072
Diluted average number of shares	157,015,584	141,332,006	152,331,918	139,741,814	141,130,072
Earnings per share (EPS), basic and diluted (EUR)	0.08	0.04	0.17	0.12	0.21
Earnings per share (EPS), basic and diluted (NOK)	0.80	0.43	1.75	1.27	2.27
<i>EPS in NOK is calculated using average rates for the period</i>					

## Consolidated condensed interim statements of financial position

<i>million EUR</i>	30.09.2021	30.09.2020	31.12.2020
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Goodwill	98.8	79.8	83.8
Other intangible assets	79.3	78.6	79.4
<b>Total intangible assets</b>	<b>178.1</b>	<b>158.4</b>	<b>163.2</b>
<b>Property plant and equipment</b>			
Land and buildings	80.0	75.2	70.0
Plant and machinery	89.8	73.9	80.8
Equipment, tools, fixtures and fittings	12.1	9.3	10.2
Construction in progress and advance payments	15.5	5.7	9.3
<b>Total property, plant and equipment</b>	<b>197.4</b>	<b>164.1</b>	<b>170.3</b>
<b>Financial assets</b>			
Shares in associates	14.0	7.6	8.0
Other financial non-current assets	18.0	7.2	17.2
<b>Total financial assets</b>	<b>32.0</b>	<b>14.8</b>	<b>25.2</b>
Deferred tax assets	2.7	5.2	5.3
<b>TOTAL NON-CURRENT ASSETS</b>	<b>410.2</b>	<b>342.5</b>	<b>364.0</b>
<b>CURRENT ASSETS</b>			
Inventory	71.1	52.5	57.4
<b>Other current assets</b>			
Accounts receivable	106.9	73.0	58.3
Current tax assets	3.8	0.6	2.9
Other current receivables	5.4	3.8	6.3
Prepaid expenses and accrued income	5.8	2.8	2.8
Other financial assets	-	0.4	-
Cash and cash equivalents	61.0	29.4	51.4
<b>Total other current assets</b>	<b>182.9</b>	<b>110.0</b>	<b>121.7</b>
<b>TOTAL CURRENT ASSETS</b>	<b>254.0</b>	<b>162.5</b>	<b>179.1</b>
<b>TOTAL ASSETS</b>	<b>664.2</b>	<b>505.0</b>	<b>543.1</b>

## Consolidated condensed interim statements of financial position cont.

<i>million EUR</i>	30.09.2021	30.09.2020	31.12.2020
<b>EQUITY</b>			
Share capital	14.8	13.6	14.0
Additional paid-in capital	166.6	142.5	151.9
Reserves	-7.6	-19.5	-16.8
Accumulated profit (including net profit for the period)	66.6	32.0	45.6
<b>Equity attributable to Parent Company shareholders</b>	<b>240.5</b>	<b>168.6</b>	<b>194.7</b>
Non-controlling interests	9.2	0.3	0.4
<b>TOTAL EQUITY</b>	<b>249.7</b>	<b>168.9</b>	<b>195.1</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Pensions and similar obligations to employees	1.7	2.8	2.5
Provisions	0.4	0.8	0.7
Deferred tax liability	22.7	23.7	20.9
Non-current bond loan	156.8	137.8	137.9
Other non-current interest-bearing liabilities	76.9	49.0	70.2
Other financial non-current liabilities	3.8	-	-
<b>Total non-current liabilities</b>	<b>262.2</b>	<b>214.1</b>	<b>232.2</b>
<b>Current liabilities</b>			
Other current interest-bearing liabilities	15.5	27.2	13.5
Other financial liabilities	0.9	-	0.9
Accounts payable	76.0	45.8	54.9
Current tax liabilities	10.2	10.5	6.6
Other current liabilities	14.5	12.7	13.4
Accrued expenses and deferred income	35.2	25.8	26.5
<b>Total current liabilities</b>	<b>152.4</b>	<b>122.0</b>	<b>115.8</b>
<b>TOTAL LIABILITIES</b>	<b>414.5</b>	<b>336.1</b>	<b>348.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>664.2</b>	<b>505.0</b>	<b>543.1</b>



## Consolidated condensed interim statements of changes in equity

<i>million EUR</i>	YTD 2021	YTD 2020	2020
<b>OPENING BALANCE</b>	<b>195.1</b>	<b>150.1</b>	<b>150.1</b>
Net profit/ loss for the period	25.4	16.5	30.0
Other comprehensive income	12.6	-8.2	-4.0
<b>Total comprehensive income</b>	<b>38.1</b>	<b>8.3</b>	<b>26.0</b>
New share issue, net of transaction costs	22.0	9.5	17.9
Dividend	-6.4	-	-
Share-based payments	0.5	-	0.1
Acquisition non-controlling interest	0.5	1.0	1.0
<b>Total transactions with shareholders</b>	<b>16.6</b>	<b>10.5</b>	<b>19.0</b>
<b>CLOSING BALANCE</b>	<b>249.7</b>	<b>168.9</b>	<b>195.1</b>

## Consolidated condensed interim statements of cash flows

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operating income (EBIT)	24.9	10.6	54.0	29.0	39.5
Adjustment for non-cash items etc.	6.7	5.8	22.1	15.5	19.1
Net financial items	-8.0	-2.6	-13.9	-6.5	-10.1
Income tax paid	-0.7	-3.0	-7.0	-5.5	-12.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>22.9</b>	<b>10.8</b>	<b>55.2</b>	<b>32.4</b>	<b>36.6</b>
Changes in working capital	8.3	-	-22.3	-19.1	-3.4
<b>Cash flow from operating activities</b>	<b>31.2</b>	<b>10.8</b>	<b>32.9</b>	<b>13.3</b>	<b>33.2</b>
Acquisitions non-current assets	-7.2	-4.9	-22.6	-11.5	-26.6
Divestment non-current assets	-	11.2	0.2	16.0	43.3
Business acquisitions/ financial investments	-14.5	-2.3	-22.4	-14.1	-14.0
<b>Cash flow from investing activities</b>	<b>-21.7</b>	<b>4.0</b>	<b>-44.8</b>	<b>-9.6</b>	<b>2.7</b>
Borrowings	158.1	0.2	157.7	16.6	0.3
Repayment of debt	-148.7	-23.5	-148.8	-46.6	-49.4
Dividend	-	-	-6.4	-	-
New share issue, net	-	-	18.9	-	8.4
<b>Cash flow from financing activities</b>	<b>9.3</b>	<b>-23.4</b>	<b>21.4</b>	<b>-30.0</b>	<b>-40.7</b>
Cash flow for the period	18.8	-8.5	9.4	-26.3	-4.8
Opening cash and cash equivalents	42.3	38.0	51.4	56.3	56.3
Exchange difference in cash	-0.1	-0.1	0.1	-0.6	-0.1
<b>Closing cash and cash equivalents</b>	<b>61.0</b>	<b>29.4</b>	<b>61.0</b>	<b>29.4</b>	<b>51.4</b>

## Notes to the financial statements

### Note 1 | General information

#### The Company and the Group

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

BEWI ASA was incorporated on 29 July 2020. On 21 August 2020 all of the shares in BEWiSynbra AB were contributed to BEWI ASA against an issuance of shares in BEWI ASA to the shareholders of BEWiSynbra AB (a share exchange), thereby establishing the same shareholder structure in BEWI ASA as in BEWiSynbra immediately before the reorganisation. Following the legal restructuring, BEWI ASA has become the new parent company of the Group.

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

#### Presentation currency and comparative information

Amounts are given in EUR million unless otherwise indicated. Information within brackets refer to the comparative periods. Historically SEK has been applied as the presentation currency for BEWiSynbra's consolidated financial statements. In the third quarter of 2020, the Group decided to change the presentation currency from SEK to EUR for the consolidated financial reporting with retroactive effect and in accordance with the provisions in IAS 21 *The Effects of Changes in Foreign Exchange Rates*. Comparative financial figures have been translated from SEK to EUR using either average rates for the income statement, or year-end exchange rate for the period end. The exchange rates applied are the average exchange rate SEK to EUR for the respective years and period ends.

### NOTE 2 | Accounting policies

The 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 2020. This interim report has been prepared in accordance with IAS 34 Interim financial reporting and the Norwegian Accounting Act.

In March 2021 IFRS IC update included an agenda decision on configuration and customisation costs in a cloud computing arrangement, impacting costs associated with a Software as a Service (SaaS) cloud arrangement. Key areas to consider are whether these costs can be capitalised as an intangible asset or as a prepayment or whether they have to be expensed when incurred. BEWI has started the implementation of a cloud-based ERP system and is consequently impacted by the IFRS IC decision earlier this year. BEWI is therefore undertaking an analysis of the contract with the software supplier and the nature of the different components of the implementation costs, to fully understand the accounting treatment of these costs and whether something should be expensed. This analysis is expected to be completed by the end of 2021. By the end of Q3 2021, costs incurred in this ERP implementation have been capitalised as an intangible asset.

**NOTE 3 | Related party transactions**

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

In the second quarter of 2021, the final purchase price for the BDH group, acquired in 2020 from a company owned by members of the Bekken family, was settled through a cash payment of EUR 2.7 million, which was EUR 0.4 million more than estimated on 31 December 2020.

<i>million EUR</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>2020</b>
<b>Transactions impacting the income statement</b>					
<b>Sale of goods to:</b>					
HIRSCH France SAS	4.3	1.4	14.0	3.0	5.1
HIRSCH Porozell GmbH	12.7	9.4	32.3	25.0	32.1
Jablite Group Ltd.	1.6	-	6.4	-	4.6
Inoplast s.r.o.	1.1		1.1		
<b>Total:</b>	<b>19.7</b>	<b>10.8</b>	<b>53.8</b>	<b>28.0</b>	<b>41.8</b>
<b>Purchase of goods from:</b>					
Bekken owned companies	1.0	-	2.1	-	0.7
<b>Total:</b>	<b>1.0</b>	<b>-</b>	<b>2.1</b>	<b>-</b>	<b>0.7</b>
<b>Purchase of goods from:</b>					
Inoplast s.r.o.	1.8	-	1.8	-	-
<b>Total:</b>	<b>1.8</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>-</b>
<b>Interest Income from:</b>					
Hirsch France SAS	0.0	0.0	0.1	0.1	0.1
Jablite Group Ltd.	0.1	0.0	0.1	0.0	-
<b>Total:</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>
<b>Rental expenses to:</b>					
Companies with Bekken as significant shareholder	3.0	1.1	6.7	2.5	3.4
<b>Total:</b>	<b>3.0</b>	<b>1.1</b>	<b>6.7</b>	<b>2.5</b>	<b>3.4</b>

<i>million EUR</i>	30.09.2021	30.09.2020	31.12.2020
<b>Transactions impacting the balance sheet</b>			
<b>Non-current receivables:</b>			
Bekken owned companies	0.1	0.3	0.1
HIRSCH France SAS	2.3	2.3	2.3
Jablite Group Ltd	1.7	1.6	1.7
<b>Total:</b>	<b>4.1</b>	<b>4.2</b>	<b>4.1</b>
<b>Current receivables:</b>			
Bekken owned companies	1.7	0.9	1.5
HIRSCH Porozell GmbH	0.6	0.6	0.6
Inoplast s.r.o.	0.5	-	-
Jablite Group Ltd	0.0	-	-
<b>Total:</b>	<b>2.7</b>	<b>1.5</b>	<b>2.1</b>
<b>Current liabilities:</b>			
Bekken owned companies	0.5	1.0	3.8
Inoplast s.r.o.	0.6	-	-
<b>Total:</b>	<b>1.1</b>	<b>1.0</b>	<b>3.8</b>

#### NOTE 4 | Segment information

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision-maker. The Executive Committee constitutes the chief operating decision maker for the BEWI Group and takes strategic decisions in addition to evaluating the Group's financial position and earnings. Group Management has determined the operating segments based on the information that is reviewed by the Executive Committee and used for the purposes of allocating resources and assessing performance. The Executive Committee assesses the operations based on four operating segments: RAW, Insulation, Packaging & Components and Circular. As from Q3 2021 Circular is reported as a separate segment. It was until then included in Unallocated. The comparative numbers have been updated accordingly. Sales between segments take place on market terms.

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
<b>RAW</b>					
Segment revenue	89.5	44.6	255.0	140.8	191.2
Intra-group revenue	-27.0	-9.4	-78.6	-42.5	-56.5
<b>Revenue from external customers</b>	<b>62.4</b>	<b>35.2</b>	<b>176.5</b>	<b>98.3</b>	<b>134.7</b>
<b>Insulation</b>					
Segment revenue	46.8	36.9	145.7	108.0	146.6
Intra-group revenue	-0.5	-1.1	-1.8	-1.7	-2.4
<b>Revenue from external customers</b>	<b>46.3</b>	<b>35.8</b>	<b>143.9</b>	<b>106.3</b>	<b>144.1</b>
<b>Packaging and Components</b>					
Segment revenue	79.8	50.2	207.6	125.3	179.9
Intra-group revenue	-1.3	-0.6	-3.1	-1.7	-2.3
<b>Revenue from external customers</b>	<b>78.5</b>	<b>49.6</b>	<b>204.5</b>	<b>123.6</b>	<b>177.6</b>
<b>Circular</b>					
Segment revenue	5.9	1.6	15.4	4.1	6.3
Intra-group revenue	-0.2	0.0	-0.3	0.0	-0.2
<b>Revenue from external customers</b>	<b>5.7</b>	<b>1.6</b>	<b>15.0</b>	<b>4.1</b>	<b>6.1</b>

<b>Unallocated</b>					
Segment revenue	0.0	0.0	0.1	0.0	0.0
Intra-group revenue	0.0	0.0	0.0	0.0	0.0
<b>Revenue from external customers</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>					
Total segment revenue	222.0	133.2	623.8	378.3	524.1
Total Intra-group revenue	-29.1	-11.1	-83.8	-45.9	-61.5
<b>Total revenue from external customers</b>	<b>193.0</b>	<b>122.1</b>	<b>540.0</b>	<b>332.3</b>	<b>462.6</b>

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

<i>million EUR</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>2020</b>
<b>Adj. EBITDA</b>					
RAW	19.4	3.9	38.5	7.3	9.4
Insulation	5.4	5.9	17.2	19.0	26.5
Packaging and Components	11.5	9.3	31.0	25.4	34.1
Circular	-0.1	-0.3	0.7	-0.7	-1.2
Unallocated	-1.9	-0.9	-4.9	-2.6	-3.9
<b>Total adj. EBITDA</b>	<b>34.2</b>	<b>17.9</b>	<b>82.5</b>	<b>48.5</b>	<b>65.0</b>
<b>EBITDA</b>					
RAW	19.4	4.5	38.5	7.8	9.9
Insulation	5.8	3.5	17.5	19.3	32.4
Packaging and Components	12.0	12.7	31.3	28.7	36.2
Circular	-0.2	-0.3	0.6	-0.7	-1.3
Unallocated	-2.5	-2.4	-6.8	-4.7	-7.3
<b>Total EBITDA</b>	<b>34.5</b>	<b>18.1</b>	<b>81.1</b>	<b>50.5</b>	<b>70.0</b>
<b>EBITA</b>					
RAW	18.5	3.6	35.7	5.0	6.2
Insulation	3.8	1.9	11.6	14.4	25.0
Packaging and Components	7.7	9.5	19.7	19.9	23.9
Circular	-0.5	-0.3	-0.1	-0.9	-1.7
Unallocated	-2.6	-2.5	-7.1	-5.0	-7.7
<b>Total EBITA</b>	<b>27.0</b>	<b>12.1</b>	<b>59.7</b>	<b>33.5</b>	<b>45.8</b>
<b>EBIT</b>					
RAW	18.4	3.5	35.4	4.7	5.8
Insulation	3.3	1.4	10.0	12.9	23.1
Packaging and Components	6.4	8.6	16.3	17.3	20.4
Circular	-0.5	-0.3	-0.1	-0.9	-1.7
Unallocated	-2.8	-2.6	-7.6	-5.1	-8.2
<b>Total EBIT</b>	<b>24.9</b>	<b>10.6</b>	<b>54.0</b>	<b>29.0</b>	<b>39.5</b>
Net financial items	-7.3	-2.7	-17.2	-7.8	-7.2
<b>Income before tax</b>	<b>17.5</b>	<b>7.9</b>	<b>36.8</b>	<b>21.1</b>	<b>32.3</b>

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

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Total Finland	11.7	7.7	30.9	20.7	27.4
Total Sweden	17.2	11.2	50.3	36.9	49.4
Total Denmark	10.7	11.6	42.9	35.1	47.3
Total Norway	40.7	25.5	108.7	52.1	81.0
Total Portugal & Spain	10.7	7.0	33.5	18.5	26.0
Total Iceland	7.5	3.4	16.2	4.0	7.4
Total Baltics	3.6	1.7	10.3	6.2	8.4
Total UK	5.7	5.0	15.6	8.4	10.8
Total Germany	17.4	8.9	42.6	27.2	35.9
Total Poland	12.4	3.6	25.6	12.5	16.8
Total Russia	8.5	4.6	20.4	8.2	13.2
Total Netherlands	27.8	21.5	85.7	71.5	94.2
Total Belgium	3.5	2.3	9.8	6.5	8.9
Total France	5.5	2.6	16.6	7.7	11.9
Total Other	10.1	5.5	30.8	16.9	24.0
<b>Total Group</b>	<b>193.0</b>	<b>122.1</b>	<b>540.0</b>	<b>332.3</b>	<b>462.6</b>

## NOTE 5 | Depreciation/amortisation and impairment of tangible and intangible fixed assets

<i>million EUR</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Attributable to operations	-4.6	-3.8	-12.8	-10.6	-15.0
Attributable to IFRS 16	-2.5	-1.8	-7.4	-5.1	-7.3
Attributable to fair value adjustments in business combinations	-2.5	-2.0	-6.9	-5.8	-8.1
<b>Total</b>	<b>-9.6</b>	<b>-7.5</b>	<b>-27.1</b>	<b>-21.5</b>	<b>-30.4</b>



## NOTE 6 | The Group's borrowings

<i>million EUR</i>	30.09.2021	30.09.2020	31.12.2020
<b>Non-current liabilities</b>			
Bond loan	156.8	137.8	137.9
Liabilities to credit institutions	9.2	1.7	1.0
Liabilities leases	67.6	47.3	69.2
<b>Total</b>	<b>233.7</b>	<b>186.7</b>	<b>208.1</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	2.2	0.3	0.8
Liabilities leases	12.5	10.3	12.3
Overdraft	0.8	16.6	0.4
<b>Total</b>	<b>15.5</b>	<b>27.2</b>	<b>13.5</b>
<b>Total liabilities</b>	<b>249.2</b>	<b>213.9</b>	<b>221.6</b>
Cash and cash equivalents	61.0	29.4	51.4
<b>Net debt including IFRS 16 impact</b>	<b>188.2</b>	<b>184.6</b>	<b>170.2</b>
<b>Subtracting liabilities capitalised in accordance with IFRS 16</b>			
Non-current liabilities leases	65.8	45.8	67.4
Current liabilities leases	11.2	8.8	11.1
<b>Total</b>	<b>77.0</b>	<b>54.6</b>	<b>78.5</b>
<b>Net debt excluding IFRS 16 impact</b>	<b>111.2</b>	<b>130.0</b>	<b>91.7</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

In the third quarter of 2021, the Group was refinanced. On 6 September 2021, the EUR 75 million bond loan and the EUR 65 million bond loan, with maturity dates on 19 April 2022 and 22 November 2023 respectively, were redeemed and a new bond loan of EUR 160 million was issued on 3 September. EUR 4.2 million was paid in early redemption and early consent fees and expensed in the income statement. EUR 1.4 million in capitalised financing costs attributable to the bonds redeemed was also expensed. The new bond, issued under a frame of up to EUR 250 million and linked to a sustainability framework, matures on 3 September 2026, with a possibility for BEWI to unilaterally decide on an early redemption after 3 March 2025 of 50 per cent of the bonds outstanding at that date. Net of financing costs, BEWI received EUR 156.8 million in cash from the new bond issued. The main terms for the bonds outstanding during the year are presented in the table below.

Issued amount	Frame	Amount outstanding	Date of issuance	Maturity/redemption date
EUR 160 million	EUR 250 million	EUR 160 million	3 September 2021	3 September 2026
EUR 75 million	EUR 100 million	EUR 75 million	19 April 2018	6 September 2021
EUR 65 million	EUR 115 million	EUR 65 million	22 November 2019	6 September 2021

The bonds are 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 recognized during the quarter are presented in the table below.

Bond loans	Interest terms	Nominal interest		Average interest	
		1.7-30.9.2021	1.1-30.9.2021	1.7-30.9.2021	1.1-30.9.2021
EUR 160 million	Euribor 3m + 3.15%	2.85%	2.85%	3.21%	3.21%
EUR 75 million	Euribor 3 m + 4.75%	4.20-4.21%	4.20-4.24%	5.12%	5.11%
EUR 65 million	Euribor 3 m +3.40%	2.85-2.86%	2.85-2.89%	3.56%	3.54%

In connection with the refinancing in 2021, the overdraft facility was increased to EUR 80 million (from SEK 375 million) and is now granted by two banks. As of 30 September, nothing of that overdraft facility was utilised. In addition, the Group has a number of liabilities in acquired companies, such as liabilities to credit institutions, minor overdraft facilities (EUR 0.8 million) and liabilities for lease contracts, that have not been refinanced post-acquisition.

#### Pledged assets

In connection with the refinancing in 2021, the Group was released from the collaterals given as security for the bond loans issued and overdraft facilities granted.

#### Contingent liabilities

Guarantees issued to suppliers amounted to EUR 24.4 million.

## NOTE 7 | Fair value and financial instruments

<i>million EUR</i>	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	6.9	-	0.8	7.7	7.7
<b>Total</b>	<b>6.9</b>	<b>-</b>	<b>0.8</b>	<b>7.7</b>	<b>7.7</b>
<b>Financial liabilities measured at fair value through profit and loss</b>					
Derivative liability	-	0.9	-	0.9	0.9
Other financial non-current liabilities	-	-	3.8	3.8	3.8
<b>Total</b>	<b>-</b>	<b>0.9</b>	<b>3.8</b>	<b>4.7</b>	<b>4.7</b>
<b>Financial liabilities measured at amortised cost</b>					
Bond loans	161.8	-	-	-	156.8
<b>Total</b>	<b>161.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.8</b>

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 amortized cost (the bond loans). The carrying amount of the Groups' other financial assets and liabilities is considered to constitute a good approximation of the fair value since they either carry floating interest rates or are of a non-current nature.

Level 3 – Changes during the period (EUR million)	Participation in other companies	Other financial non-current liabilities
As of Dec 31, 2020	0.3	-
Acquisitions	0.5	3.8
As of September 30, 2021	0.8	3.8

Other financial non-current liabilities of EUR 3.8 million corresponds to the estimated value of option to acquire non-controlling interest in Honeycomb Cellpack A/S, as further outlined in note 8.

\* 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 8 | Business combinations

### IZOBLOK S.A.

On 28 April 2021, BEWI entered into an agreement to acquire a majority stake of the listed Polish company IZOBLOK S.A. (IZOBLOK) and on 7 July 2021, the acquisition was completed. IZOBLOK is a leading European provider of Expanded Polypropylene (EPP) components to the automotive industry, with a market share of approximately 20 per cent. The acquisition confirms BEWI's strategy to strengthen its market position in the automotive industry, a market that has shown considerable growth pre-Covid. IZOBLOK has four facilities, located at strategic locations in southern Poland and Germany, with developed infrastructure ensuring effective access to customers across Europe. IZOBLOK is consolidated as from 1 July.

On 7 July BEWI 2021 acquired 54.21 per cent of the shares, corresponding to 65.66 per cent of the voting rights, of IZOBLOK. The acquisition was structured as an acquisition of a holding company into which the sellers contributed the IZOBLOK shares prior to completion of the transaction. The holding company contains a combination of non-listed shares (series A-shares) with voting preferences and shares listed on Warsaw Stock Exchange (listed on GPW Main Market). The consideration comprised a combination of cash and 1,132,792 new shares issued in BEWI ASA at a subscription price of NOK 27.50 per share.

A subsequent mandatory offer for up to two-thirds of the voting rights in IZOBLOK was completed on the 2:nd of September the and BEWI now owns 54,66 per cent of the shares, corresponding to 66 per cent of the voting rights of IZOBLOK. The consideration was paid in cash.

At the time of the release of this report, the acquisition analysis for IZOBLOK is preliminary and gave rise to a goodwill of EUR 6.6 million. A complete acquisition analysis is expected to be presented in Q4 2021, leading to fair value adjustments of intangible assets, real estate and inventories and a corresponding change in goodwill. Goodwill is not tax deductible.

Until 30 September, IZOBLOK had contributed EUR 7.3 million to the Group's net sales, EUR -1.1 million to adjusted EBITDA and EUR -2.0 million to EBIT. Transaction costs amounted to EUR 1.2 million.

Amounts in million EUR

New share issue	3.1
Cash consideration	13.5
<b>Total</b>	<b>16.6</b>
<b>Recognised amount of identifiable assets and acquired liabilities assumed</b>	
Customer relations	0.6
Technology	1.0
Other intangible assets	0.2
Property, plant and equipment	19.2
Other fixed assets	3.7
Inventory	5.6
Current receivables	8.3
Cash and cash equivalents	1.0
Non-current liabilities	-8.2
Deferred tax liability	-1.8
Current liabilities	-10.0
<b>Total identifiable net assets</b>	<b>19.6</b>
Liabilities to non-controlling interests	-9.7
Goodwill	6.6
Cash and cash equivalents in acquired business	1.0
Total cash outflow from acquisition of business	-12.5

\*The acquisition analysis is preliminary

**Oasis Global II AS, North Pack ApS and BEWi Cellpack A/S (former Honeycomb Cellpack A/S)**

On 1 July 2021, BEWI acquired all shares in Oasis Global II AS, Norway, and North Pack ApS, Denmark. The two companies are trading packaging products for use at sea and the acquisitions are a continuation of the BDH acquisition in 2020. In 2020, the combined revenue and EBITDA of the two companies amounted to EUR 12.5 million and EUR 0.7 million respectively. The consideration was paid in cash. The companies are consolidated as from 1 July.

On 13 April, BEWI announced that the company had acquired 51 per cent of the Danish paper packaging company Honeycomb Cellpack A/S (Honeycomb). Honeycomb provides protective packaging solutions, including design, development and manufacturing of sustainable packaging which is both recyclable and biodegradable. In 2020, Honeycomb had revenues of close to DKK 30 million (the equivalent of EUR 4.0 million) and an EBITDA of DKK 7.0 million (the equivalent of EUR 0.9 million). The consideration was paid in cash and gave rise to a goodwill of EUR 5.3 million. The company is consolidated as from 1 April. Under the agreement, the seller has a put option to divest the remaining shares to BEWI in accordance with a predetermined pricing mechanism and within a given time frame. According to the same agreement, BEWi also has a call option to acquire the remaining shares within a certain time frame, calculated according to the same pricing mechanism. The option has been valued based on a forecast performance for Honeycomb over a three-year period. As of 30 September 2021, the option was valued at EUR 3.8 million and is reported under Other financial non-current liabilities in the balance sheet.

The total of Oasis Global II AS, North Pack ApS and BEWi Cellpack A/S acquisition analysis gave rise to goodwill of EUR 7.2 due to synergies. Goodwill is not tax deductible.

Until 30 September, these three companies had contributed EUR 5.1 million to the Group's net sales, EUR 1.0 million to adjusted EBITDA and EUR 0.7 million to EBIT. Transaction costs amounted to EUR 0.2 million.

Amounts in million EUR

Value put/call option 49%	3.8
Cash consideration	5.4
<b>Total</b>	<b>9.1</b>

**Recognised amount of identifiable assets and acquired liabilities assumed**

Property, plant and equipment	2.7
Other fixed assets	0.0
Inventory	0.7
Current receivables	2.4
Cash and cash equivalents	1.2
Non-current liabilities	-3.3
Deferred tax liability	-0.3
Current liabilities	-1.5
<b>Total identifiable net assets</b>	<b>1.9</b>
Goodwill	7.2
Cash and cash equivalents in acquired business	1.2
Total cash outflow from acquisition of business	-4.2

*\*The acquisition analyses are preliminary*

**Final settlement BEWi Drift Holding AS (BDH) and acquisition of non-controlling interests**

In 2021, the final purchase price for the BDH group, acquired in 2020, was settled through a cash payment of EUR 2.7 million, which was EUR 0.4 million more than estimated on 31 December 2020. BEWI has during the year also acquired non-controlling interests in two subsidiaries.

**NOTE 9 | Business combinations after the close of the period****Volker Gruppe Ltd and Desom AS**

On 1 October 2021, BEWI acquired 51 per cent of the UK based Volker Gruppe Ltd, a trader in compacted and recycled material. The company is one of the largest suppliers of EPS waste to BEWI Cricular. On 1 October 2021, BEWI also acquired 100 per cent of the Norwegian trading company Desom AS.

**Jackson Holding**

On 1 October 2021, BEWI announced an offer to acquire 100% of the shares in Jackson Holding AS (Jackson). The shareholders were offered consideration in the form of cash or new BEWI shares. On 3 October 2021, 50% of the shareholders (the Akselsen family, through their investment company HAAS AS) accepted the offer in the form of shares in BEWI. On 15 October 2021, the remaining 50% of the shareholders accepted the offer in the form of cash. Completion of the transaction is subject to satisfactory due diligence, resolution of the BEWI general meeting to issue the consideration shares, and customary closing conditions, including regulatory approvals. The majority shareholder of BEWI, Frøya Invest AS, has confirmed that they will vote in favour of the issuance of the consideration shares. The transaction is expected to be completed during the first half of 2022.

The Jackson group is a family-owned industrial group based in Fredrikstad, Norway. In 2020, Jackson had revenues of approximately NOK 3,150 million and an EBITDA of approximately NOK 362 million. The company has approximately 900 employees and more than 20 facilities in Norway, Sweden, Finland, Denmark, Germany, and Belgium.

**Kemisol Group**

On 29 October, BEWI announced the acquisition of 100 per cent of the shares of the Belgian insulation company Kemisol Group, one of the largest producers of EPS in Belgium, offering a wide range of products.

Total consideration for 100 per cent of the shares is approximately EUR 30 million, which will be paid in cash through available sources. Closing of the acquisition is conditional upon customary conditions specified in agreement and is expected in November 2021.

**NOTE 10 | Shares in associates**

BEWI has four interests in Shares in associates; HIRSCH Porozell GmbH, HIRSCH France SAS, Jablite Group Ltd and Inoplast S.R.O. Inoplast S.R.O, in which BEWI holds 34 per cent, was acquired in March 2021 and the result of that company is reflected in BEWI consolidated accounts as from April 2021. BEWi Group holds an interest-bearing receivable from Hirsch France SAS of EUR 2.3 million and an interest-bearing receivable from Jablite Group Ltd of EUR 1.7 million. The table below presents key aggregated financial data as reflected in BEWI's consolidated accounts. The EBTIDA, EBIT and net profit in the table below does not include reversal of negative goodwill from the acquisition of Jablite Group Ltd. However, BEWI's share of that, EUR 0.9 million, is included in the statutory share of income from associates, which explains the difference between the share of income of EUR 4.9 million reported in the income statement and BEWI's share of net profit in the table below.

<i>million EUR (except percentages and sites)</i>	<b>TOTAL</b>
Number of production sites	16
Book value as of 30 September 2021	14.0
<b>Key financials for YTD 2021</b>	
Net Sales YTD 2021	189.0
EBITDA YTD 2021	21.5
<i>Of which owned share of EBITDA</i>	7.5
EBIT	16.7
Net Profit	11.6
Consolidated into BEWI's EBITDA, share of Net profit	4.0
<i>BEWI's share of EBITDA minus impact on consolidated EBITDA</i>	3.5
Net debt	29.0
<i>Of which owned share Net Debt</i>	11.1

**NOTE 11 | Earnings per share**

	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>2020</b>
Profit for the period attributable to parent company shareholders (million EUR)	12.8	5.7	26.1	16.6	30.1
Average number of shares	156,536,114	141,332,006	152,220,494	139,741,814	141,130,072
Effect of options to employees	479,470	-	111,424	-	-
Diluted average number of shares	157,015,584	141,332,006	152,331,918	139,741,814	141,130,072
Earnings per share (EPS), basic and diluted (EUR)	0.08	0.04	0.17	0.12	0.21
Earnings per share (EPS), basic and diluted (NOK)	0.80	0.43	1.75	1.27	2.27

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

The number shares outstanding have increased from 148,410,874 to 156,610,804 during 2021 in two new share issues, one in the second quarter and one in the third quarter. Earnings per share is calculated by dividing profit attributable to parent company shareholders by the weighted number of ordinary shares during the period. The weighted number of ordinary shares up until 21 August 2020 corresponds to the number of shares in BEWiSynbra Group AB, as further described in note 1.



## NOTE 12 | Five-year summary

<i>million EUR (except percentage)</i>	2020	2019	2018	2017	2016
Net sales	462.6	429.9	380.7	194.8	169.7
Operating income (EBIT)	39.5	20.3	13.7	3.6	6.4
EBITDA	70.0	48.0	28.6	8.9	11.4
EBITDA margin (%)	15.1%	11.1%	7.5%	4.6%	6.7%
Adjusted EBITDA	65.0	51.8	30.9	11.4	12.8
Adj. EBITDA margin (%)	14.0%	12.1%	8.1%	5.9%	7.5%
Items affecting comparability	5.0	-3.9	-2.3	-2.5	-1.4
EBITA	45.8	27.5	18.3	4.5	7.3
EBITA margin (%)	9.9%	6.4%	4.8%	2.2%	4.3%
Adjusted EBITA	40.8	31.4	20.7	7.0	8.7
Adj. EBITA margin (%)	8.8%	7.3%	5.4%	3.6%	5.1%
Net profit/loss for the period	30.0	5.6	1.6	4.2	4.5
Cash flow from operating activities	33.2	35.9	17.6	7.4	7.7
Capital Expenditure (CAPEX)	-26.6	-14.3	-13.8	-10.0	-5.1

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.

## NOTE 13 | Quarterly data

<i>million EUR (except percentage)</i>	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net sales	193.0	198.1	148.9	130.2	122.1	105.1	105.1	104.0	107.4
Operating income (EBIT)	24.9	22.3	6.8	10.6	10.6	11.9	6.5	1.2	5.7
EBITDA	34.5	31.1	15.5	19.5	18.1	18.7	13.7	8.6	12.4
EBITDA margin (%)	17.9%	15.7%	10.4%	15.0%	14.8%	17.8%	13.1%	8.3%	11.5%
Adjusted EBITDA	34.2	31.6	16.7	16.4	17.9	15.8	14.8	9.5	12.8
Adj. EBITDA margin (%)	17.7%	16.0%	11.2%	12.6%	14.7%	15.0%	14.1%	9.2%	12.0%
Items affecting comparability	0.3	-0.5	-1.2	3.1	0.1	2.9	-1.0	-0.9	-0.5
EBITA	27.0	24.2	8.6	12.4	12.1	13.3	8.0	3.3	7.4
EBITA margin (%)	14.0%	12.2%	5.8%	9.5%	9.9%	12.7%	7.6%	3.1%	6.9%
Adjusted EBITA	26.7	24.7	9.8	9.4	12.0	10.4	9.0	4.1	7.9
Adj. EBITA margin (%)	13.8%	12.5%	6.6%	7.2%	9.8%	9.9%	8.6%	4.0%	7.4%
Net profit/loss for the period	11.9	14.4	-1.0	13.5	5.7	8.5	2.3	-2.9	2.7
Cash flow from operating activities	31.2	1.4	0.1	19.9	10.8	7.3	-4.9	19.5	22.9
Capital Expenditure (CAPEX)	-7.2	-8.5	-6.9	-15.1	-4.9	-3.5	-3.1	-4.9	-2.6