

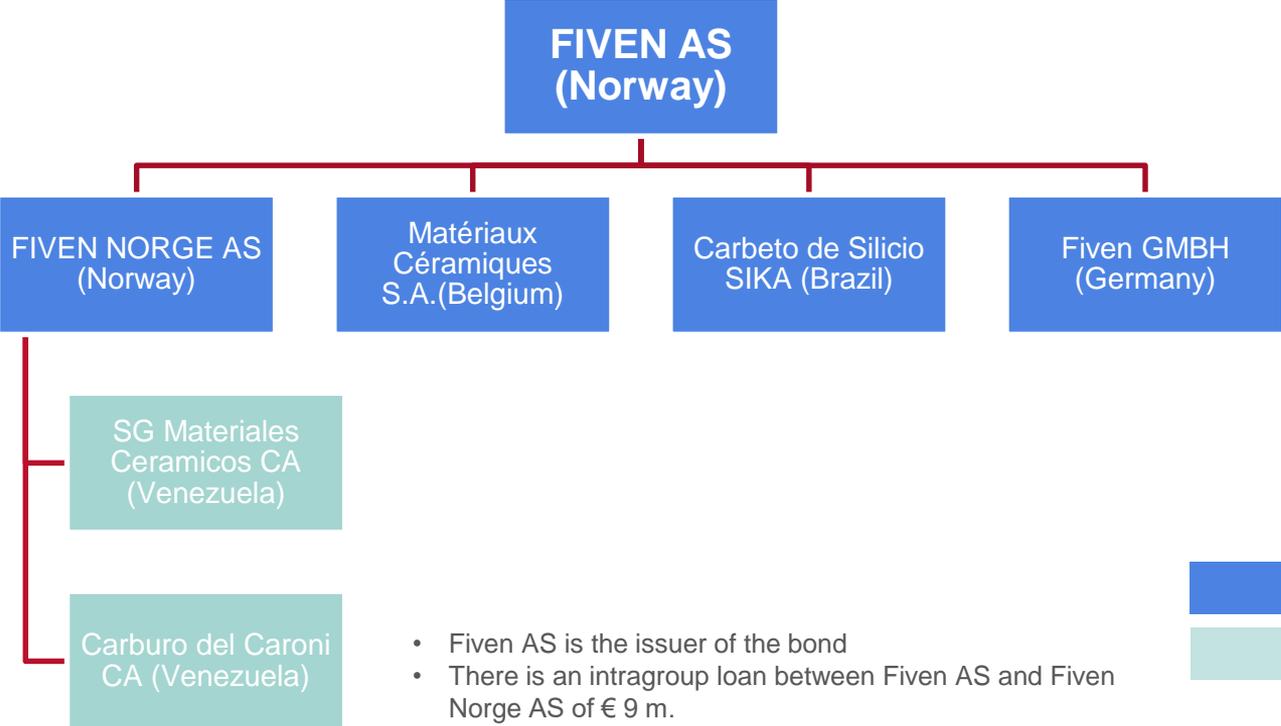


FIVEN AS GROUP
INTERIM REPORT FOR THE
PERIOD ENDED JUNE 30TH
2019

INTRODUCTION / DISCLAIMER

- The silicon carbide division of Saint Gobain has been acquired by OpenGate Capital (a global private equity company) as of May 2019 and subsequently renamed Fiven Group (“**Fiven**” or the “**Group**”).
 - The acquisition was partly financed by way of a EUR 56.5 million senior secured bond issue.
- Fiven is a global leader in silicon carbide (“**SiC**”), a material used in a variety of industrial applications. SiC is recognized for superior hardness and thermal conductivity, making it the preferred material for demanding applications: abrasive, metallurgy, filtration, technical ceramics and other uses.
- FIVEN has over 600 employees and a global manufacturing footprint with five sites across two main geographies:
 - Europe (2 plants in Norway and 1 in Belgium; over 250 employees).
 - LatAm (1 plant in Brazil and 2 in Venezuela; over 350 employees).
 - The Group’s client base is global and spread across Europe, North America, South America and Asia.
- The financial information contained in this document is presented in EUR and comprises of unaudited financial statements prepared by management.
 - The period from January to April 2019 corresponds to Saint Gobain legacy whereas the period from May to June 2019 corresponds to OpenGate Capital ownership.
- Due to the ongoing carve-out process and implementation of a new HQ in Oslo with a new central finance team, some adjustments / corrections may be made to the financial statements, including balance sheet and cash flow statement, at a later stage.
 - Nevertheless, to the best of management’s knowledge, those adjustments are not likely to impact materially the Group’s revenues, EBITDA or net debt position as at June 30th 2019.
- June 30th 2019 figures do reflect the new legal structure of FIVEN Group.

LEGAL STRUCTURE OF FIVEN GROUP AS OF JUNE 30, 2019

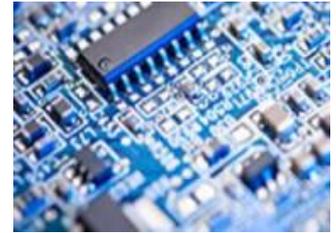


- Fiven AS is the issuer of the bond
- There is an intragroup loan between Fiven AS and Fiven Norge AS of € 9 m.

 consolidated operations
 Not consolidated operations

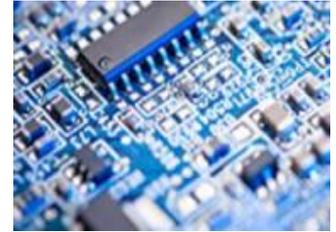
HEADLINES OF H1 2019

- The global economy is expected to grow at 3.2% in 2019, according to the latest outlook published by the International Monetary Fund (July 2019):
 - Eurozone GDP is expected to grow by 1.3%.
 - US GDP is expected to grow by 2.6%.
 - Developing and emerging economies' GDP is expected to grow by 4.1%, mainly driven by China and India; Brazil is set to continue to grow but a slower pace than in 2018, with growth however expected to pick up in 2020 (2.4%).
- Raw materials including oil are expected decrease in prices by 4% in 2019 according to the IMF.
- The global market for silicon carbide is diversified and trends differ between regions.
- In this context, Fiven's net sales in the six months to June 30th 2019 decreased by 5.4%, from EUR 68.1m to 64.4m, compared to the same period in 2018, with the principal drivers of this development being:
 - Sales in Europe declining by 14%, driven exclusively by the current downward trend in the production of diesel cars in Europe and thus for diesel particulate filters, which impacts YTD figures negatively by EUR 6.7m compared to H1 2018. Actions are being taken to mitigate those adverse effects and reduce the Group's exposure to the diesel market. Conversely, other markets in Europe were up by 4% which is above overall GDP growth.
 - Sales in North America growing by 16%, driven by metallurgical and refractory materials.
 - Sales in South America growing by 8%, driven by higher demand for metallurgical briquettes and pellets, price recovery, and higher market share.



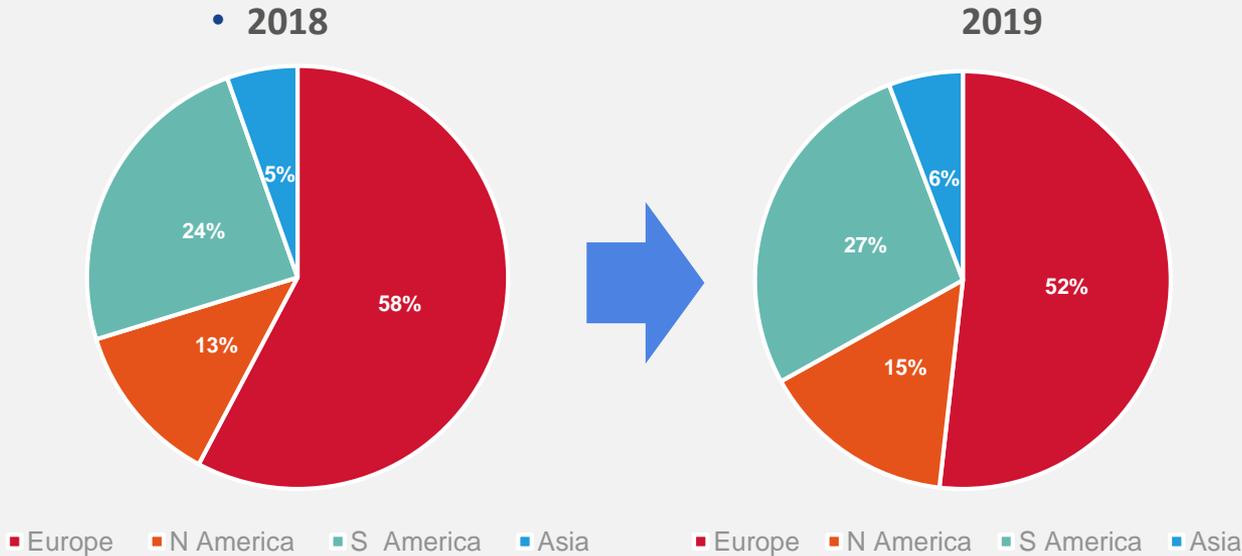
HEADLINES OF H1 2019

- The revenue trend experienced since the beginning of 2019 has been confirmed in May and June 2019.
- H1 2019 EBITDA decreased by 23,6% compared to H1 2018 and ended at EUR 8.3m compared to EUR 10.8m, which results in EBITDA for the last twelve months of EUR 17.6m. Adjusted EBITDA H1 2019 ended at EUR 9.1 m down 16.0% from 2018 and last twelve months adjusted EBITDA of EUR 18.4m.
- **Excluding a significant non-recurring item accounted for in Belgium in 2018, adjusted EBITDA declined by 10.2% on an underlying basis compared to H1 2018.**
 - The decline in EBITDA is driven primarily by a 5.4% revenue decline (with an unfavourable mix effect offsetting the positive impact of favourable momentum on price increases to end clients) coupled with an increase in variable costs as a result of, among others, temporary measures taken to import alternative but more expensive crude silicon carbide in Europe.
- Beside a change in the accounting treatment of CO2 compensation in Norway between 2018 and 2019 which affected SG&A by EUR 0.7m, SG&A remained under reasonable control in H1 2019 excluding non recurring expenses incurred in relation with preclosing and closing operations.
- Since May 2019, Fiven is operating standalone from Saint Gobain and management are in the process of implementing new structures and procedures, a process expected to be completed by the end of 2019.



INCREASING CONTRIBUTION OF BUSINESS FROM AMERICAS COMPARED TO EUROPE IN 2019 VS 2018

Split of Revenues by geography



PROFIT AND LOSS

(EUR 1000)	1H 2019	1H 2018	01.05- 30.06.2019	01.05- 30.06.2018
OPERATING REVENUE AND COST				
Operating revenue				
Gross Revenue	69.255	72.124	22.403	23.011
Freight, rebates	-4.829	-4.030	-1.286	-1.243
Net Revenue	64.426	68.094	21.117	21.768
Material	43.136	46.042	13.860	15.107
Labor	5.018	5.461	1.538	1.487
Other COGS	79	-707	26	-900
Total COGS	48.234	50.795	15.424	15.695
Gross Margin	16.193	17.298	5.693	6.073
<i>Gross Margin %</i>	25,1 %	25,4 %	27,0 %	27,9 %
R&D	1.505	1.759	305	559
Sales & marketing	2.241	1.999	621	659
Administrative	3.626	2.846	1.281	951
Other	530	-163	601	61
Total SG&A	7.903	6.441	2.808	2.230
EBITDA	8.290	10.857	2.885	3.843
<i>EBITDA Margin %</i>	12,9 %	15,9 %	13,7 %	17,7 %
Non-Recurring cost	-829		-314	
Adjusted EBITDA	9.119	10.857	3.199	3.843
<i>Adjusted EBITDA Margin %</i>	14,2%	15,9%	15,1%	17,7%
Less: D&A	1.455	1.764	486	576
EBIT, reported	6.835	9.093	2.399	3.267
Interest and financial amortization	-809	-979	-25	-276
Other financial income/expense	58	-109	-31	-303
Non-financial income/expense	4.255	-10	184	-6
EBT, reported	10.338	7.995	2.527	2.683
Taxes	1.832	886	1.248	-6
Net Income (Loss)	8.506	7.108	1.279	2.689
<i>Net Income (Loss) %</i>	13,2%	10,4%	6,1%	12,4%

- Figures are unaudited management reporting.
- H1 2019 figures include 4 months of operations under Saint Gobain ownership; OpenGate Capital ownership runs from May 2019 onwards.
- In order to maintain comparability with H1 2018 figures, H1 2019 EBITDA does not yet take into account the impact of IFRS 16 – Leases on depreciation.
 - Were one to include this impact, H1 2019 EBITDA would increase by EUR 0.9m.
- Non recurring expenses consist of costs in relation with preclosing and closing costs incurred (HR costs of which recruitment, advisory etc).
- Non-financial income refers to the sale of shares in some Saint Gobain companies as part of pre-closing reorganisations done by the vendor prior to OpenGate Capital taking over the business.

CONSOLIDATED BALANCE SHEET

(EUR 1000)	Fiven Group 30/06/2019	Fiven Group 01/05/2019
ASSETS		
Non-Current Assets		
Property, plant & equipment, net	32 243	0
Goodwill	17 570	0
Identifiable intangible assets, net	679	0
Deferred tax asset	3 947	0
Other non-current assets	37	1 964
Total Non-Current Assets	54 477	1 964
Current Assets		
Cash and cash equivalents	10 031	54 154
Accounts receivable, net	31 134	0
Inventory, net	36 978	0
Prepaid expenses and other current assets	116	0
Other current assets	1 099	0
Total Current Assets	79 358	54 154
Total Assets	133 835	56 118
EQUITY & LIABILITIES		
Share capital	21	3
Premium fund	5 727	1
Other equity/retained earnings	-276	-304
Total Equity	5 471	-300
Current Liabilities		
Current portion of long-term debt	-163	0
Accounts payable	29 609	0
Accrued liabilities	1 037	0
Income taxes payable	1 102	0
Other current liabilities	1 848	304
Total Current Liabilities	33 433	304
Long-term liabilities		
Capital lease	4 231	0
Deferred income taxes	1 171	0
Shareholder loan	32 576	0
Bondholder loan	56 265	56 114
Other non-current liabilities	689	0
Total Long-Term Liabilities	94 931	56 114
Total Liabilities	128 364	56 418
Total Equity & Liabilities	133 835	56 118

- Figures are unaudited management reporting.
- Final calculation and allocation of goodwill will be performed by the end of December 2019 for the purpose of audited IFRS financial statements (PwC will be the Group's auditor).
- The balance sheet as at June 30th 2019 includes an estimate of the impact of IFRS 16 – Leases.
 - Results in a EUR 5.7m increase in non-current assets and a corresponding lease liability.
 - A comprehensive analysis is in progress and will be completed in time for the preparation of 2019 full year audited IFRS financial statements.
- At June 30th 2019, the ratio of net interest bearing debt to EBITDA stands at 2,52x compared to the maintenance covenant under the bond terms at 4.50x.
- Since closing of the acquisition, Fiven has entered into a non-recourse receivables factoring arrangement to optimise working capital.
- The properties, plant and equipment owned by Fiven are located in Norway, Brazil and Belgium and comprise of production facilities for crude silicon carbide and subsequently SiC grain and powders.
- The movement in Cash and cash equivalents and Shareholder loan between May 1st and June 30th relates to the payment of the consideration to the vendor and repayment of a shareholder loan from Saint Gobain to the Norwegian operating company.
- The nominal amount of the bond is EUR 56.5m, with the difference to the booked amount explained by FX as the balance sheet of Fiven AS is originally presented in NOK
- Working capital remained relatively stable in May and June.

CASH FLOW STATEMENT

(EUR 1000)	01.05 - 30.06.2019
Cash flow from operating activities	
Net Income (Loss)	1.279
Depreciation, amortization and other	486
Deferred income tax	-292
<i>Change in operating assets and liabilities:</i>	0
Accounts receivable	188
Inventory	1.015
Prepaid expenses and other current assets	548
Accounts payable	-1.018
Accrued expenses	1.037
Accrued income taxes	1.102
Other changes in operating assets and liabilities	411
Total cash flow from operating activities	4.757
Cash flow from investing activities	
Additions to property, plant and equipment	-3.851
Investing in companies	-77.963
Other cash flow from investing	7.196
Total cash flow from investing activities	-74.618
Cash flow from financing activities	
Repayment of debt	-10.584
New debt	32.732
Capital lease	673
Other cash flow from financing	928
Total cash flow from financing activities	23.749
Effect of FX rates on cash and cash equivalents	1.989
Net change in cash	-44.123
Cash and cash equivalents at beginning of period	54.154
Change in cash	-44.123
Cash and cash equivalents at end of period	10.031

- Figures are unaudited management reporting.
- Cash flow from investing does not yet reflect an adjustment to the purchase price owing to closing accounts with the vendor.
- The maximum additional purchase price payable by Fiven is expected at less than EUR 3m.
- The effect of FX rates on the cash flow is due to conversion between NOK and Brazilian real (BRL) to EUR.