



Quarter 2/2020
Reporting

Fiven ASA - Second Quarter result 2020

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Highlights 2nd quarter 2020

- **Fiven Group second quarter revenues were impacted negatively by the Covid-19.**
- **Total revenues reported at EUR 22.3m, down by 31.7% versus second quarter 2019 pro forma numbers.**
- **The adjusted EBITDA was EUR 5.2m, down by 0.1% versus second quarter 2019 pro forma numbers.**
- **In spite of the revenue decline, earnings showed a flat evolution quarter on quarter due to favorable impact from sales mix, currency and low raw material prices.**
- **Fiven's cash balance at quarter two end 2020 was EUR 21.7m versus EUR 10.2m second quarter 2019. The leverage ratio at 2.55 was well inside of bond requirements.**
- **Lower customer demand has necessitated adaptation in production and organization in all Fiven production units, focus on spending and cash management, and a restructuring reserve of EUR 0.5m has been booked in second quarter of 2020.**
- **Short term outlook for the market is still characterized by high uncertainty. No rapid recovery is foreseen.**
- **New Fiven Group COO appointed May 1.**

Key figures

Amounts in EUR thousand	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019	Pro forma (2)		
						Q2 2019	YTD 2019	FY 2019
Total Revenue	22 282	22 321	54 487	22 321	77 234	32 628	65 069	118 453
Operating profit	3 712	2 695	5 441	2 695	2 874	3 662	6 541	7 054
EBITDA	4 748	3 537	7 821	3 537	6 820	5 158	8 909	12 531
EBITDA Adj	5 205	3 641	8 994	3 641	12 768	5 261	8 958	15 807
Net income (loss) for the period	-21	2 130	-2 064	2 130	-4 973	4 513	8 880	2 030
Net interest-bearing debt (NIBD) (1)	40 331	46 307	40 331	46 307	41 729			41 729
Cash flow from operations	3 840	-753	7 236	-753	6 566			

- (1) NIBD as defined in Bond loan agreement, all Net interest-bearing debt excluding shareholders loan, IFRS 16 and factoring debt,
 (2) Fiven Group was established 14.05.2019, Parent company was incorporated February 5, 2019

NOTE:

Columns for Q2 2019, YTD 20219 and FY 2019 cover the period from February 5 2019 for Fiven ASA (Parent Company) and from May 14th for all other Fiven group consolidated companies. The Pro Forma columns cover the complete period to which they refer including also the period under which the companies were under their former ownership structure.

A crisis like no other: challenging market conditions

COVID-19 has quickly emerged as the number one risk to global and regional economies. Fiven responded rapidly to the pandemic outbreak to safeguard the health and safety of its employees, their families and all its stakeholders while preserving business continuity and adjusting production to lower demand.

According to the latest IMF worldwide economic outlook in June 2020:

- Eurozone GDP is expected to drop from +1.2% in 2019 to -10.2% in 2020
- Expected US GDP goes from +2.3% in 2019 to -8% in 2020
- Latin America is expected to drop by -9.4% with Brazil's growth forecast at -9.1% and Mexico's at -10.5%
- Emerging and developing Asia is projected to drop by 0.8% in 2020.

The global market for silicon carbide is diversified and trends differ between regions and end-markets.

The silicon carbide market is dependent on the automotive and construction industries. EU-wide production losses due to factory shutdowns amount to at least 2.4 million motor vehicles. All producers have restarted but currently facing slow recovery in demand. Global car sales are expected to be at least 17% below an already low previous year.

The World Steel Association reports that in Q2 2020, steel production in the world excluding China declined by 24.8% year-on-year.

Financial review

Group results

Amounts in EUR thousand	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019	Pro forma		
						Q2 2019	YTD 2019	FY 2019
Total Revenue	22 282	22 285	54 487	22 285	77 234	32 628	64 767	118 453
Operating profit before depr. and amort.	4 748	3 537	7 821	3 537	6 820	5 157	8 908	12 531
Operating profit	3 712	2 695	5 441	2 695	2 874	3 662	6 541	7 054
EBITDA Adj	5 205	3 641	8 994	3 641	12 768	5 261	8 958	15 807
Net finance income (expense)	-3 210	-93	-6 262	-93	-6 206	1 513	3 503	-2 695
Income tax expense	-523	-472	-1 242	-472	-1 641	-662	-1 164	-2 329
Net income (loss)	-21	2 130	(2 064)	2 130	-4 973	4 513	8 880	2 030

Quarter and year to date:

Fiven's total quarter two revenues decreased by 31.7% from EUR 32.6m (pro forma Q2 2019) to EUR 22.3m in 2020.

Overall, the sales of standards products dropped by -48% as a result of severe disruptions related to the coronavirus pandemic, with different situations from one country to the next. It was partially compensated by the sales of customized products that grew by 16% globally and generated EUR +1.9m over the same period in 2019 due to ongoing co-development projects resulting in higher market share and enhancement of customer intimacy.

Geographically, trends observed were as follows:

- In Europe the sales of standards products declining by 42.7% driven exclusively by the immediate downward trend in the construction and the automotive markets in Europe affecting Metallurgy and Abrasives products, which impacts Q2 figures negatively by EUR 5.8m compared to Q2 2019. Co-development projects in the electronics and semiconductor industries markets are ongoing to mitigate those adverse effects and increase the group reliance on markets that are less prone to sudden macroeconomic changes. The sales of customized products increased by 7.6% compared to pro forma report Q2 2019.
- In North America: despite sales of standards products dropping by 27.7% due to COVID-19 impact on the automotive and construction markets, the sales of customized products grew

by 90%. They thus contributed to a total growth of 20.8% in the North American market. Development projects are underway to explore untamed market shares further.

- In South and Latin America, and after a robust start to the year in January and February with a growth of 6.3%, the automotive and construction markets were severely disrupted in April and May by the quarantine measures introduced in many Brazilian states, which generally prevented the industries from operating. The pandemic and its subsequent economic situation, the devaluation of the Brazilian Real, and fierce price competition from ferrosilicon producers resulted in a sales drop by 61.37%
- In Asia: sales increased by 13.7% from last year's second quarter, exclusively driven by co-development projects with customized accounts in the defense market.

The long-term economic impact of COVID-19 remains uncertain. However, the business is taking proper measures to ensure that it can manage efficiently through an extended period of subdued demand.

Q2 reported EBITDA¹ ended at EUR 4.7m (of which EUR + 0.3m impact of IFRS16) including EUR 0.8m of non-recurring costs.

- Normalized for non-recurring items Q2 adjusted EBITDA² came in at EUR 5.2m versus EUR 5.3m for quarter 2 2019 pro forma report, a reduction of 0.1%.
- Improvements from Q2 2019 are arising from the strengthening of major trading currency against the NOK and the BRL as well as lower raw material prices. Overall, the relatively higher sales of customized products also explain the higher Q2 2020 adjusted EBITDA performance.
- The number of full-time equivalents (FTEs) at quarter two end 2020 was 599, a reduction of 75 from June end 2019 of which 44 were factory labor.
- Net loss of the quarter was EUR -21k compared to a net profit of EUR 4.5m in quarter 2 2019 (pro forma). The Q2 2020 Operating Profit was on par with the pro forma result of Q2 2019. The net financial result was EUR -4.7m lower arising largely from higher interest payments on debt and borrowings, realized and unrealized currency losses, and a non-recurring sales of shares in subsidiaries in Q2 2019. Income taxes reported for the period were EUR 0.5m, lower than last year's quarter two by EUR 0.1m.

¹ Reported EBITDA includes IFRS16 positive impact, impact and all non-recurring costs incurred

² Adjusted EBITDA excludes IFRS16 positive impact, impact and the authorized portion of non-recurring costs incurred

Cash flow

<i>Amounts in EUR thousand</i>	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Cash flows from operating activities	3 840	-753	7 236	-753	6 566
Cash flows from investing activities	-1 152	-73 771	-2 025	-73 771	-76 120
Cash flows from financing activities	-4 842	84 690	3 012	84 690	83 471
Cash and cash equivalents from opening balance	23 869	4	3 012	4	4
Net foreign exchange differences	20	23	-1 259	23	-75
Cash and cash equivalents at closing balance	21 739	10 193	21 739	10 193	20 280

Quarter and year to date:

The cash flow from operating activities during the quarter was EUR 3.8m, mainly as a contribution from operating profit. The working capital in Q2 increased by EUR 1.8m.

The cash flow from investment activities was EUR -1.2m.

The quarterly cash flow from financing activities was EUR -4.8m including bond interest payment and placement fees of EUR 1.4m and a reduction of factoring debt by EUR 2.6m. Other net cash outflows from financing activities accounted for EUR 0.8m.

During quarter two the total cash balance decreased from EUR 23.9m to EUR 21.7m, but still closing higher than Year End 2019 (EUR 14.8m) and Q2 2019 (EUR 10.2m).

Financial positions

<i>Amounts in EUR thousand</i>	Q2 2020	Q2 2019	FY 2019
Total assets	118 214	129 756	118 214
Total Equity	-12 112	8 211	-581
Net Interest bearing debt (NIBD)	40 331	46 307	41 729
Total non-current liabilities	97 191	96 709	96 392
Total current liabilities	33 136	24 837	24 682

Quarter and year to date

The reported equity at second quarter end was EUR -12.1m which is a reduction of EUR -11.5m since year end 2019 reflecting the net loss of the period of EUR -2.1m (all from Q1) and an increase in the reserve for foreign currency translation of EUR -9.5m due to lower market equity contribution of businesses located in Norway and Brazil resulting from decreasing local currencies against Euro.

Since year end 2019, the net interest-bearing debt has been reduced from EUR 41.7m to EUR 40.3m.

The financing of Fiven Group is secured through a bond agreement of EUR 56.5m and a shareholder loan of 32.1m with maturity dates in April 2022.

The Leverage Ratio as defined by the bond agreement shows 2.55, well inside of the maintenance covenant requirement.

Segments

Norway

<i>Amounts in EUR thousand</i>	Q2 2020	Q2 2019	YTD 2020	YTD 2019	<i>Pro forma</i>	
					Q2 2019	YTD 2019
Total revenue and other income from external customers	11 862	9 259	26 065	9 259	11 839	25 391
Revenue from other group segments	449	835	538	835	1 323	1 405
Total revenue and other income	12 311	10 094	26 603	10 094	13 162	26 796
Operating expenses (excluding depr. and amort.)	-9 534	-8 489	-21 817	-8 489	-11 676	-24 024
EBITDA	2 777	1 605	4 786	1 605	1 486	2 772
EBITDA ADJ.	3 351	1 779	5 428	1 779	1 660	3 381

Quarter and year to date:

Quarter 2 2020 revenues from external customers to Norway grew by 0.2% over the same period in 2019 (pro forma). The growth of the customized products was offset by the loss in the abrasives market due to covid-19. Current co-developments projects are ongoing to reduce the group reliance on the markets strongly prone to sudden macroeconomic changes.

The adjusted EBITDA reported at EUR 3.4m is exceeding the Q2 2019 pro forma figures of EUR 1.7m driven by favorable sales mix (more customized products relative to standards), currency impact from export activities and savings on costs of goods.

Brazil

<i>Amounts in EUR thousand</i>	Q2 2020	Q2 2019	YTD 2020	YTD 2019	<i>Pro forma</i>	
					Q2 2019	YTD 2019
Total revenue and other income from external customers	6 928	9 702	18 744	9 702	15 307	27 146
Revenue from other group segments	3 214	2 084	4 262	2 084	2 806	4 220
Total revenue and other income	10 143	11 786	23 005	11 786	18 113	31 365
Operating expenses (excluding depr. and amort.)	-7 874	-9 887	-19 057	-9 887	-14 987	-27 149
EBITDA	2 269	1 899	3 949	1 899	3 126	4 217
EBITDA ADJ.	2 300	1 666	3 890	1 666	2 893	3 743

Quarter and year to date:

Revenues from Brazil are impacted by negative currency effect related to the depreciation of the Brazilian Real for local sales and fierce price competition with the ferrosilicon market and Chinese competition. Fiven is working on hindering the effects by focusing on exports opportunities to Europe and Asia.

The adjusted EBITDA of EUR 2.3m is EUR 0.6m lower than the second quarter of 2019. The impact from lower volumes on EBITDA has been offset by lower costs of goods sold and favorable currency impact from export activities.

Belgium

<i>Amounts in EUR thousand</i>	Q2 2020	Q2 2019	YTD 2020	YTD 2019	<i>Pro forma</i>	
					Q2 2019	YTD 2019
Total revenue and other income from external customers	3 793	3 360	10 007	3 360	5 616	12 532
Revenue from other group segments	22	51	1 024	51	984	1 199
Total revenue and other income	3 815	3 412	11 031	3 412	6 600	13 731
Operating expenses (excluding depr. and amort.)	-3 922	-3 259	-10 737	-3 259	-5 934	-11 691
EBITDA	-107	153	293	153	666	2 039
EBITDA ADJ.	-166	204	289	204	717	2 068

Quarter and year to date:

Sales from Belgium has been hit hard by the pandemic. Most of key customers are strong active players in the automotive market in Europe, and thus sales to external customers dropping by 32.5%.

The adjusted EBITDA reported was EUR -0.2 m, a reduction of EUR 0.9m from quarter 2-2019 (pro forma report). The company announced on 17 April a temporary shutdown of activities in plants in Belgium and Venezuela to adapt to current COVID crisis. Customer demand is met properly from available stock or from main plants in Norway and Brazil.

Outlook

The visibility into the future is very short and future sales are difficult to predict. Fiven standard product markets are more impacted by the pandemic than the demand for specialty products.

Fiven continues to expect that the markets will remain challenging in the short term, with activity levels likely to remain subdued into Q3 and limited visibility into Q4. However, the strategy remains on track to grow on specialty/customized products.

Under those uncertain conditions, Fiven continues to have a strong focus on costs and cash. This means the group will continue to align production capacity and the supply chain to the level of market demand without compromising on ability to meet customer requirements. The need to reduce administration goes hand in hand with reduction in production and will foster a more efficient and leaner organization fully fit and scalable when the market is coming back.

Statements to the half-yearly financial report and the interim management report

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January 2020 to 30 June 2020 has been prepared in accordance with IAS 34 – Interim Financial reporting, and gives a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

The Board of Directors of Fiven ASA - Oslo, 27 August 2020



Falk Ast
Chairman of the Board



Betty Lunø Åsheim
Director



Pål Einar Runde
Director



Stein Erik Ommundsen
General Manager

Unaudited condensed consolidated statement of income

Amounts in EUR thousand	Note	Second quarter		Year to date		FY (2)	Q2	YTD	YEAR
		2020	2019	2020	2019	2019	2 019	2019	2019
Revenue	2, 3	22 282	22 285	54 487	22 285	77 234	32 628	64 767	118 453
Other Income		303	35	333	35	355	134	302	621
Total revenue and other income		22 585	22 321	54 820	22 321	77 589	32 762	65 069	119 074
Cost of goods		-8 490	-11 703	-26 541	-11 703	-42 978	-17 434	-34 915	-64 756
Employee benefit expenses		-5 757	-4 682	-12 267	-4 682	-16 896	-6 194	-13 310	-26 024
Depreciation and amortization		-1 036	-842	-2 380	-842	-3 946	-1 495	-2 367	-5 477
Other operating expenses	4	-3 042	-2 399	-7 642	-2 399	-10 896	-3 976	-7 935	-15 763
Restructuring costs		-548	0	-548	0		0	0	0
Total operating expenses		-18 873	-19 626	-49 379	-19 626	-74 715	-29 100	-58 528	-112 020
Operating profit (loss)		3 712	2 695	5 441	2 695	2 874	3 662	6 541	7 054
Finance income	5	59	1	83	1	70	1 979	4 731	4 530
Finance expense	5	-3 269	-93	-6 346	-93	-6 275	-466	-1 228	-7 224
Net finance income (expense)		-3 210	-93	-6 262	-93	-6 206	1 513	3 503	-2 695
Net income (loss) before income taxes		502	2 602	-821	2 602	-3 332	5 175	10 044	4 359
Income tax expense		-523	-472	-1 242	-472	-1 641	-662	-1 164	-2 329
Net income (loss)		-21	2 130	-2 064	2 130	-4 973	4 513	8 880	2 030
Net income (loss) attributable to:									
Shareholders of the parent		-21	2 130	-2 064	2 130	-4 973	4 513	8 880	2 030
Total net income (loss) attributed to shareholders		-21	2 130	-2 064	2 130	-4 973	4 513	8 880	2 030
Items that may be reclassified to net income (loss) attributed to the shareholders of the parent:									
Exchange differences on translation of foreign operations		-171	403	-9 467	403	-1 285			
Total comprehensive income (loss) attributed to shareholders of the parent		-192	2 533	-11 531	2 533	-6 258	4 513	8 880	2 030

- (1) Fiven Group was established 14.05.2019, Parent company was incorporated February 5, 2019
(2) Financial statement for Fiven Group for 2019, including profit and loss from the acquired companies from May 1, 2019.

Unaudited condensed consolidated statement of financial position

<i>Amounts in EUR thousand</i>	<i>Note</i>	30 June 2020	30 June 2019	31 December 2019
ASSETS				
Buildings and land	5	9 037	12 659	12 398
Plant and equipment	5	14 223	19 541	19 333
Right-of-use-assets	5	3 283	5 833	4 044
Other Intangible assets	5	15 375	13 871	13 341
Goodwill	5	5 390	2 391	2 391
Other non-current financial assets		179	37	160
Deferred tax assets		255	618	607
Total non-current assets		47 742	54 950	52 273
Inventories	7	30 146	36 409	32 410
Trade receivables		13 525	22 888	16 101
Other receivables		4 639	4 173	3 979
Prepayments		424	905	796
Other current financial assets		0	237	161
Cash and cash equivalents		21 739	10 193	14 771
Total current assets		70 472	74 806	68 218
TOTAL ASSETS		118 214	129 756	120 493
EQUITY AND LIABILITIES				
Share capital		101	20	20
Other paid in capital		5 575	5 656	5 656
Retained earnings		-7 036	2 131	-4 973
Foreign currency translation reserve		-10 752	403	-1 285
Total equity		-12 112	8 211	-581
Bond loan	8	55 281	54 655	54 967
Non-current interest-bearing liabilities	8	34 733	32 440	33 786
Non-current lease liabilities	8	2 830	4 301	2 586
Deferred tax liabilities		2 795	3 283	3 407
Employee benefit obligations		373	425	413
Provisions		1 180	1 605	1 233
Total non-current liabilities		97 191	96 709	96 392
Trade payables		14 748	15 815	11 909
Other payables		5 555	3 594	5 739
Current interest-bearing liabilities	8	10 955	2 795	5 526
Current lease liabilities		603	1 543	1 495
Income tax payable		1 275	1 091	13
Provision and other liabilities		0	0	-
Total current liabilities		33 136	24 837	24 682
Total liabilities		130 327	121 546	121 074
TOTAL EQUITY AND LIABILITIES		118 214	129 756	120 493

Unaudited condensed consolidated statement of changes in equity

<i>Amounts in EUR thousand</i>	Share capital	Other paid in capital	Retained Earnings	Foreign currency translation reserve	Total Equity
Opening balance 1 January, 2020	20	5 656	-4 973	-1 285	-581
Net income (loss)			-2 064		-2 064
Other comprehensive income (loss)				-9 467	-9 467
Total comprehensive income (loss) of the year	0	0	-2 064	-9 467	-11 531
Contribution of equity, net of transaction costs	81	-81		-	-
Closing balance 30 June, 2020	101	5 576	-7 037	-10 752	-12 112

<i>Amounts in EUR thousand</i>	Share capital	Other paid in capital	Retained Earnings	Foreign currency translation reserve	Total Equity
Opening balance 5 February, 2019	3	1	-	-	4
Net income (loss)			2 130		2 130
Other comprehensive income (loss)				403	403
Total comprehensive income (loss) of the year	-	-	2 130	403	2 533
Contribution of equity, net of transaction costs	17	5 655	-	-	5 673
Closing balance 30 June, 2019	20	5 656	2 130	403	8 211

<i>Amounts in EUR thousand</i>	Share capital	Other paid in capital	Retained Earnings	Foreign currency translation reserve	Total Equity
Opening balance 5 February, 2019	3	1	-	-	4
Net income (loss)	-	-	-4 973	-	-4 973
Other comprehensive income (loss)	-	-	-	-1 285	-1 285
Total comprehensive income (loss) of the year	-	-	-4 973	-1 285	-6 258
Contribution of equity, net of transaction costs	17	5 655	-	-	5 673
Closing balance 31 December, 2019	20	5 656	-4 973	-1 285	-581

Unaudited condensed consolidated statement of cash flows

Net income (loss) before income taxes	502	2 602	-820	2 602	-3 332
Adjustments to reconcile net income (loss) before income tax to net cash flows:					
Corporate income tax paid	-412	0	-849	0	-1 358
Depreciation and amortization	1 036	842	2 380	842	3 946
Loss on disposal of buildings, plant and equipment	0	-4	0	-4	305
Net interest expense	2 361	37	4 625	37	5 677
Change in inventory, trade receivables and trade payables	1 335	-1 726	3 093	-1 726	4 111
Change in other receivables, prepayments, and other payables	-1 568	-2 196	-1 221	-2 196	-2 334
Other changes	587	-309	28	-309	-449
Cash flows from operating activities	3 840	-753	7 236	-753	6 566
Payments for buildings, plant and equipment, and intangible assets	-473	-655	-1 347	-655	-3 004
Payment for acquisition of subsidiary, net of cash acquired	-678	-73 116	-678	-73 116	-73 116
Acquisitions of subsidiary, net of cash acquired	0	0	0	0	0
Investments in financial instruments	0	0	0	0	0
Payments received on loans to related parties	0	0	0	0	0
Cash flows from investing activities	-1 152	-73 771	-2 025	-73 771	-76 120
Proceeds from issues of bonds	0	56 500	0	56 500	56 500
Proceeds from shareholders loan	0	32 130	0	32 130	32 130
Proceeds from other interest bearing liabilities	0	0	6 907	0	-774
Repayment of short term loan/other interest bearing liabilities	-623	-10 137	-623	-10 137	-10 137
Net proceeds from/payment of factoring debt	-2 485	2 775	146	2 775	5 509
Interest and placement fee paid	-1 420	-2 015	-2 734	-2 015	-4 431
Payment of principal portion of lease liabilities	-313	-233	-685	-233	-996
Proceeds from issues of shares	0	5 670	0	5 670	5 670
Cash flows from financing activities	-4 842	84 690	3 012	84 690	83 471
Net increase in cash and cash equivalents	-2 150	10 166	8 223	10 166	13 916
Net foreign exchange differences	20	23	-1 258	23	-75
Cash and cash equivalents from opening balance	23 869	4	14 774	4	4
Cash and cash equivalents at closing balance	21 739	10 193	21 739	10 193	13 845
Changes in restricted cash					926
Total cash and cash equivalents including restricted cash closing balance	21 739	10 193	21 739	10 193	14 771

Notes to the unaudited condensed consolidated financial statements

1. General information

Fiven ASA is a limited liability company located in Norway and whose bonds are publicly traded at Stockholm and Frankfurt stock exchanges.

Basis for preparation

The condensed consolidated interim financial statements comprise Fiven ASA and its subsidiaries (hereafter Fiven/the group). The Group's operations in Venezuela are integrated cost centers under the current business model of the Belgian production facility. The two Venezuelan subsidiaries are controlled by the Group as defined in IFRS 10. Based on a thorough assessment Fiven has concluded not to consolidate the two subsidiaries, as this has immaterial impact only on the consolidated financial statements.

The condensed interim financial statements are prepared in compliance with International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statement in Fiven ASA annual report for 2019.

The accounting policies applied by the group in these interim financial statements are consistent with those of the financial year 2019. The interim financial statements are unaudited. The presentation currency of Fiven is EUR (Euro). All financial information is presented in EUR thousand, unless otherwise stated. One or more columns included in the interim report may not add up to the total due to rounding.

Judgement, estimates and assumptions

The preparation of the consolidated interim financial statements according to IFRS requires management to make judgments, estimates and assumptions each reporting period. The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2019 (note 3).

After the Covid-19 outbreak during the first quarter 2020, all significant estimates and underlying assumptions have been reviewed.

While Fiven experienced mostly a normal production during the first quarter and delivered according to customer demand, the lower order intake towards the end of the quarter has translated into lower sales in the second quarter. Since April Fiven decided to temporarily suspend production in Belgium and Venezuela selling from stock and mobilizing Fiven plants in Brazil and Norway to avoid disruption of supply. It has also become necessary to start reduction of manpower in Brazil and Norway as a response to the low customer demand, and the plans are under execution.

Fiven continues to drive actions to prevent and control the pandemic. These actions include own personnel as well as external personnel who come visit Fiven plants. Home office for non-production personnel are widely used, and rotation arrangements have been implemented for factory personnel.

The going concern assumption has been tested, and even though the future is uncertain, the good liquidity situation during the quarter and the long-term financing of the operation leads management to conclude that there is sufficient headroom to manage the near-term financial obligations.

The impairment testing of assets including goodwill and intangible assets have been performed for each Cash Generating Unit (CGU) and against the cash flow generated by the Group's future business plan updated after the Covid-19 break out. The exercise having considered various scenarios for growth and margins and concludes that no impairment is needed at Q2 2020 end. The impairment test is undertaken every 12 months as a minimum.

In addition to the judgements, estimates and assumptions mentioned in the annual consolidated financial statement for 2019, Fiven has an increased focus on estimates related to credit losses and other provisions/obligations.

Fiven has not identified any other impact of Covid-19 in the condensed consolidated financial statement as of 30 June 2020 which requires any changes in the management's judgement, estimates or assumptions.

2. Operating segments

Fiven identifies its segments according to the organization and reporting structure as decided and followed up by group management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker, defined as the Chairman of the Board Fiven ASA, for the purpose of assessing performance and allocating resources.

Fiven has three reportable segments: Fiven Norway, Fiven Brazil and Fiven Belgium.

Second quarter 2020	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	11 862	6 631	3 790	0	22 282
Other income	0	298	3	2	303
Total revenue and other income from external customers	11 862	6 928	3 793	2	22 585
Revenue from other group segments	449	3 214	22	-3 685	0
Total revenue and other income	12 311	10 143	3 815	-3 683	22 586
Operating expenses (excluding depr. and amort.)	-9 534	-7 874	-3 922	3 492	-17 838
EBITDA	2 777	2 269	-107	-191	4 748
Non-recurring & other non-financial items	574	31	-59	-90	456
EBITDA ADJ.	3 351	2 300	-166	-280	5 205

Second quarter 2019 (FY-19)	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	9 250	9 682	3 353	0	22 285
Other income	9	20	7	0	35
Total revenue and other income from external customers	9 259	9 702	3 360	-	22 321
Revenue from other group segments	835	2 084	51	-2 971	0
Total revenue and other income	10 094	11 786	3 412	-2 971	22 321
Operating expenses (excluding depr. and amort.)	-8 489	-9 887	-3 259	2 852	-18 783
EBITDA	1 605	1 899	153	-119	3 537
Non-recurring & other non-financial items	174	-233	52	111	104
EBITDA ADJ.	1 779	1 666	204	-8	3 641

Year to date 30 June 2020	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	26 065	18 428	9 994	0	54 487
Other income	0	316	12	4	333
Total revenue and other income from external customers	26 065	18 744	10 007	4	54 820
Revenue from other group segments	538	4 262	1 024	-5 824	0
Total revenue and other income	26 603	23 005	11 031	-5 820	54 820
Operating expenses (excluding depr. and amort.)	-21 817	-19 057	-10 737	4 612	-46 999
EBITDA	4 786	3 949	293	-1 208	7 821
Non-recurring & other non-financial items	641	-58	-5	595	1 173
EBITDA ADJ.	5 428	3 890	289	-613	8 994

Year to date 30 June 2019 (FY-19 - Feb 05 to Jun 30)	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	9 250	9 682	3 353	0	22 285
Other income	9	20	7	0	35
Total revenue and other income from external customers	9 259	9 702	3 360	-	22 321
Revenue from other group segments	835	2 084	51	-2 971	0
Total revenue and other income	10 094	11 786	3 412	-2 971	22 321
Operating expenses (excluding depr. and amort.)	-8 489	-9 887	-3 259	2 852	-18 783
EBITDA	1 605	1 899	153	-119	3 537
Non-recurring & other non-financial items	174	-233	52	111	104
EBITDA ADJ.	1 779	1 666	204	-8	3 641

Year 2019 (period 05 February to 31 December 2019)	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	32 264	32 285	12 684	0	77 234
Other income	50	73	226	7	355
Total revenue and other income from external customers	32 314	32 358	12 910	7	77 589
Revenue from other group segments	1 191	3 631	7 007	-11 829	0
Total revenue and other income	33 505	35 989	19 917	-11 822	77 589
Operating expenses (excluding depr. and amort.)	-28 159	-32 053	-18 138	7 582	-70 769
EBITDA	5 346	3 936	1 779	-4 240	6 820
Non-recurring & other non-financial items	316	323	207	5 102	5 948
EBITDA ADJ.	5 662	4 259	1 986	862	12 768

Second quarter 2019 (pro forma)	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	11 811	15 211	5 607	-	32 628
Other income	27	96	10	-	134
Total revenue and other income from external customers	11 839	15 307	5 616	-	32 762
Revenue from other group segments	1 323	2 806	984	-5 113	0
Total revenue and other income	13 162	18 113	6 600	-5 113	32 762
Operating expenses (excluding depr. and amort.)	-11 676	-14 987	-5 934	4 993	-27 605
EBITDA	1 486	3 126	666	-120	5 158
Non-recurring & other non-financial items	174	-233	52	111	104
EBITDA ADJ.	1 660	2 893	717	-9	5 261

Year to date 30 June 2019 (pro forma - Jan 01 to Jun 30)	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Revenue from contracts with customers	25 319	26 946	12 502	-	64 767
Other income	72	200	30	-	302
Total revenue and other income from external customers	25 391	27 146	12 532	-	65 069
Revenue from other group segments	1 405	4 220	1 199	-6 823	0
Total revenue and other income	26 796	31 365	13 731	-6 823	65 069
Operating expenses (excluding depr. and amort.)	-24 024	-27 149	-11 691	6 704	-56 160
EBITDA	2 772	4 217	2 039	-120	8 908
Non-recurring & other non-financial items	609	-474	29	-114	49
EBITDA ADJ.	3 381	3 743	2 068	-234	8 958

The Alternative Performance Measures (APMs) are further explained in the APM attachment to the report.

Operating segment information

Segment performance is evaluated based on EBITDA adjusted (as defined in the APM attachment). Fiven's financing and taxes are managed on a group basis and are not allocated to operating segments. EBITDA adjusted excludes the positive IFRS 16 impact and the negative impact from allowable non-recurring transaction costs, carve-out costs and other transition costs according to bond agreement.

Eliminations comprise mainly of intersegment sales. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties. The accounting policies used for segment reporting reflect those used for the group.

3. Revenue by category and Geographic market

By product category

Second quarter 2020	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	2 304	6 557	3 790	12 651
Specialized products	9 558	73		9 631
Total revenue	11 862	6 631	3 790	22 282

<i>Second quarter 2019 (FY-19)</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	2 775	9 601	3 353	15 729
Specialized products	6 475	81		6 556
Total revenue	9 250	9 682	3 353	22 285

<i>Year to date 30 June 2020</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	5 764	18 300	9 995	34 059
Specialized products	20 300	128		20 428
Total revenue	26 064	18 428	9 995	54 487

<i>Year to date 30 June 2019 (FY-19 - Feb 05 to Jun 30)</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	2 775	9 601	3 353	15 729
Specialized products	6 475	81		6 556
Total revenue	9 250	9 682	3 353	22 285

<i>FY 2019</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	7 477	32 109	12 684	52 271
Specialized products	24 786	176		24 962
Total revenue	32 264	32 285	12 684	77 233

<i>Second quarter 2019 (pro forma)</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	3 629	15 111	5 607	24 347
Specialized products	8 182	99		8 281
Total revenue	11 811	15 211	5 607	32 628

<i>Year to date 2019 (pro forma)</i>	Fiven Norge	Fiven Brazil	Fiven Belgium	Total
Standard products	7 609	26 824	12 502	46 935
Specialized products	17 710	122	0	17 832
Total revenue	25 319	26 946	12 502	64 767

Amounts in EUR thousand						Pro forma	Pro forma
	Q2 2020	Q2 2019	YTD 2020	YTD 2019	YEAR 2019	Q2 2019	YTD 2019
Europe	11 141	11 365	27 788	11 365	37 586	16 640	33 679
Asia	2 228	1 337	4 904	1 337	4 813	1 958	3 886
North America	5 125	2 897	9 808	2 897	11 665	4 242	9 715
South America	3 788	6 686	11 987	6 686	23 129	9 788	17 487
Other					40		
Total revenue	22 282	22 285	54 487	22 285	77 234	32 628	64 767

4. Other operating expenses

Amounts in EUR thousand	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Marketing and sales commission	184	278	496	278	803
Transport and maintenance cost	559	188	1 307	188	0
Research and development cost	35	71	35	71	526
Short term and low value leases	46	58	100	58	221
Other office expenses	24	213	104	213	654
Transaction costs	300	-	1 015	0	1 972
IT related expenses	685	633	1 484	633	1 528
Travel expenses	28	165	136	165	679
Consultancy fees and external personnel	393	52	1 174	52	3 134
Audit expenses 1)	120	26	328	26	115
Bad debts	-9	-	-1	0	38
Other operating cost	676	716	1 466	716	1 225
Total other operating expenses	3 042	2 399	7 643	2 399	10 895

5. Finance income and expenses

Amounts in EUR thousand	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Finance income					
Other interest income	46	0	69	0	13
Net foreign exchange gains	0	0	0	0	56
Other financial income	13	0	14	0	2
Total finance income	59	1	83	1	71
Finance expenses					
Interest on debts and borrowings	1 933	1	3 876	1	5 459
IFRS 16 interest expenses	84	0	452	0	70
Interest expense factoring	76	37	136	37	148
Net foreign exchange losses	1 530	50	2 192	50	369
Other financial expenses	-355	4	-311	4	230
Total finance expenses	3 269	93	6 345	93	6 276
Net Finance income (expenses)	-3 211	-92	-6 262	-92	-6 205

6. Inventories

<i>Amounts in EUR thousand</i>	30.6.2020
	Book value
Raw materials	8 754
Semi-finished goods	7 734
Finished goods	13 657
Total inventories	30 146

<i>Amounts in EUR thousand</i>	30.6.2019
	Book value
Raw materials	11 971
Semi-finished goods	9 648
Finished goods	13 798
Total inventories	35 418

<i>Amounts in EUR thousand</i>	31.12.19
	Book value
Raw materials	11 046
Semi-finished goods	9 945
Finished goods	11 419
Total inventories	32 410

7. Tangible and intangible assets

30 June 2020

<i>Amounts in EUR thousand</i>	Buildings and land	Plant and equipment	Right-of- use assets	Goodwill	Other intangible assets	Total
Accum. cost 01.01.2020	12 773	21 217	5 061	2 391	14 009	55 451
Business combinations	-	-4 485	0	2 999	2 922	1 435
Additions	-	964	513	-	207	1 684
Transferred from asset under constructions/reclass	-3 255	2 950	304	-	0	(0)
Disposals	0	-102	-415	-	0	-518
Exchange differences	-1 620	-2 527	-1 056	-	-152	-5 355
Closing balance	7 898	18 016	4 408	5 390	16 986	52 698
Accum.depr. and amort. 01.1.2020	375	1 883	1 018	-	667	3 943
Depreciation and amortization	387	379	648	-	970	2 383
Disposals	-3	-19	-375	-	1	-396
Transfer within PPA	-1 000	1 000	0	-	0	0
Exchange differences	-903	550	-166	-	-22	-540
Closing balance	(1 143)	3 793	1 125	-	1 616	5 391
Net book value 30.06.2020	9 041	14 223	3 283	5 390	15 370	47 308

30 June 2019

<i>Amounts in EUR thousand</i>	Buildings and land	Plant and equipment	Right-of- use assets	Goodwill	Other intangible assets	Total
Accumulated cost 05.02.2019						
Business combinations (note 4)	12 669	19 327	4 540	2 391	13 986	52 913
Additions	21	510	1 492	-	23	2 045
Disposals	-	-	-	-	-	0
Exchange differences	67	58	47	-	5	176
Closing balance	12 756	19 895	6 079	2 391	14 014	55 134
Accumulated depreciation 05.02.2019	-	-	-	-	-	-
Depreciation and amortization	96	336	242	-	168	842
Disposals	-	-4	-	-	-	-4
Transfer within PPA	-	-	-	-	-	0
Exchange differences	1	20	4	-	-24	1
Closing balance	98	352	246	0	144	839
Net book value 30.06.2019	12 658	19 543	5 833	2 391	13 870	54 295

31 December 2019

<i>Amounts in EUR thousand</i>	Buildings and land	Plant and equipment	Right-of- use assets	Goodwill	Other intangible assets	Total
Accumulated cost 05.02.2019						
Business combinations (note 4)	12 669	19 327	4 540	2 391	13 986	52 913
Additions	271	2 684	626	-	49	3 630
Transferred from asset under constructions	119	-119	-	-	-	0
Disposals	-8	-291	-	-	-11	-309
Exchange differences	-278	-385	-105	-	-16	-784
Closing balance	12 773	21 217	5 061	2 391	14 008	55 450
Accumulated depreciation 05.02.2019	-	-	-	-	-	-
Depreciation and amortization	375	1 886	1 018	-	667	3 946
Disposals	-	-4	-	-	-	-4
Transfer within PPA	-	-	-	-	-	0
Exchange differences	0	1	(0)	-	0	1
Closing balance	375,28	1 883	1 018	0	667,25	3 943
Net book value 31.12.2019	12 398	19 333	4 044	2 391	13 341	51 507

8. Net interest-bearing debt

<i>Amounts in EUR thousand</i>	30.06.2020	30.06.2019	31.12.2019
Interest bearing debt			
Senior secured floating rate bond	55 281	54 655	54 967
Factoring financing	5 386	2 795	5 526
Obligation under leases (IFRS 16)	3 433	5 844	4 081
Shareholders loan	34 733	32 440	33 786
Advance on foreign exchange agreement	5 570		0
Total Interest bearing debt	104 401	95 734	98 360

9. Events after the reporting period

There are no material events having taken place after the balance sheet date.

10. Appendix to Fiven Second Quarter 2020 report - Alternative Performance Measures (APMs)

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). Fiven uses EBITDA and Adjusted EBITDA (EBITDA Adj.) to measure operating performance at the group and segment level.

In particularly management regards EBITDA and Adjusted EBITDA as relevant performance measures at segment level because intangible assets, income tax and finance expenses/ finance income, are managed on a group basis.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. Because companies calculate the APMs presented herein differently, Fiven's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

Fiven's financial APMs defined:

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization. EBITDA is a measure of the Group's operating profit before depreciation and amortization.

EBITDA (Adj).

EBITDA (adj.) shows the Group's EBITDA before items that require special explanation and is defined as reported EBITDA before "Other income and expenses" (OIE).

OIE include one-off and non-recurring operating expenses according to bond agreement.

The adjusted EBITDA is the Group's key financial figure, internally and externally. The figure is used to identify and analyze the Group's operating profitability from normal operations and operating activities, excluding the effects from depreciation and amortization.

APM Table Second quarter 2020

<i>Amounts in EUR thousand</i>	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	2 252	1 991	-173	-358	3 712
Depreciation and amortization	525	278	65	167	1 036
EBITDA	2 777	2 269	-107	-191	4 748
Transactions costs	-	-	-	300	300
Other non-recurring costs	693	210	-40	-390	474
IFRS 16	-119	-179	-19	-	-317
EBITDA ADJ.	3 351	2 300	-166	-280	5 205

APM Table Second quarter 2019 (pro forma)

<i>Amounts in EUR thousand</i>	Fiven Norway	Fiven Brazil	Fiven Belgium	Other	Total segment reporting
Operating profit/(loss)	848	2 441	603	-231	3 662
Depreciation and amortization	637	684	62	111	1 495
EBITDA	1 486	3 126	666	-120	5 158
Transactions costs	-	-	-	-	-
Other non-recurring costs	295	-	73	111	478
IFRS 16	-121	-233	-21	-	-375
EBITDA ADJ.	1 660	2 893	717	-9	5 261

Definitions of financial covenants terms (summarized by Fiven):

EBITDA as defined in the Bond Loan Agreement

EBITDA is to be adjusted for the following costs / items:

1. Transaction costs, meaning all fees incurred by Fiven in connection with the acquisition of the Target Group and Bond issuance costs listing.
2. Any non- recurring items which are not in line with the ordinary course of business, provided that the aggregated amount does not exceed 10% of the EBITDA.
3. The effect of the implementation of IFRS16 Leasing and one-off IFRS3 Business Combinations

Net Interest-Bearing Debt as defined in the bond loan

All interest-bearing liabilities, excluding shareholder loans, IFRS 16 leasing impact and factoring liabilities.

Net interest bearing debt	30.06.2020	30.06.2019	31.12.2019
Senior secured floating rate bond	56 500	56 500	56 500
Advance on foreign exchange agreement	5 570		0
Cash and cash equivalents	-21 739	-10 193	-14 771
NIBD according to Bond agreement	40 331	46 307	41 729