

An aerial photograph of a dense forest of evergreen trees. A winding road or path is visible, curving through the trees. The lighting is dramatic, with some trees appearing in bright green and others in deep shadow.

BYGGMA
group

**ANNUAL REPORT
2022**

FROM A LOCAL FOREST TO A HOME
FOR EVERYONE TO ENJOY -
THROUGH INNOVATION

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Byggma ASA's head office is located in Vennesla, Agder, Norway. The Byggma Group consists of the production and trading companies Forestia AS, Huntonit AS, Uldal AS, Masonite Beams AB, Smartpanel AS, Masonite Beams AS, Aneta Lighting AS and Aneta Lighting AB. It also consists of the property companies Byggma Eiendom AS, Forestia Eiendom AS, Huntonit Eiendom AS and Byggma Eiendom Lyngdal AS, which are owners of industrial property. Byggma is listed on the Oslo Stock Exchange with the ticker BMA.

Byggma's vision is to be one of the leading suppliers of building materials solutions in the Nordic region.

Our vision will be achieved through the following goals:

1. The Group will achieve turnover of at least MNOK 3,000.
2. The profit margin will be at least 5%.
3. The Group's activities must be based on sustainable products and efficient use of resources.
4. The Group will be innovative and build strong brands.
5. We will achieve a high level of customer satisfaction.
6. We will create profitable and safe workplaces by focusing on HSE, employee development and well-being.
7. Byggma must be an attractive investment objective.

Innovation and technological development are an important part of the Group's growth strategy, and there is a strong willingness to invest in the necessary equipment and expertise in order to be a leading player in the Nordic building materials market in the future.

In principle, Byggma will be allocating its investments to digitalisation and automation of the production processes, as well as to the environment and sustainability.

The expected Group turnover in 2023 is MNOK 2,600 and the Group has around 720 employees. The Group aims to achieve its vision through its core values, which can be described as Inclusive, Innovative and Responsible:

I - Inclusive

Show interest, respect and understanding towards colleagues, customers and suppliers. Open and direct communication that allows for influence and joint decisions that generate engagement. Contribute to developing the people around you (we are only as strong as the weakest link).

I - Innovative

Curious and in search of future challenges. Always solution-oriented and on the lookout for opportunities and good ideas. Encourage the development and commercialisation of good ideas throughout the Group.

Responsible

Continuous focus on HSE, including continuous focus on training and skills development.

Act with integrity and stand by all that we say and do. Show respect and care for the environment, health and sustainable development as we carry out our activities.

SEE OUR GROUP PRESENTATION:



HIGHLIGHTS

Sales revenue and profit

Sales revenue increased from MNOK 2,344.3 in 2021 to MNOK 2,508.2 in 2022, corresponding to an increase of 7.0%.

Sales revenue decreased from MNOK 631.9 in Q4 2021 to MNOK 559.5 in Q4 2022, corresponding to a decrease of 11.5%. Profit before tax increased from MNOK 224.1 in 2021 to MNOK 299.1 in 2022. Profit before tax decreased from MNOK 65.1 in Q4 2021 to MNOK 13.4 in Q4 2022.

Norske Skog ASA

As of 26 April 2023, Byggma ASA and its sister company Drangslund Kapital AS invested a significant amount in Norske Skog ASA. In total, the owner group owns 23.6% of the share capital, of which Byggma controls 18.0%. Our wish is to be a long-term owner of Norske Skog. There are synergies between Norske Skog and Byggma when it comes to process equipment, raw materials, logistics, product development and the environment.

Sale of industrial property

Byggma has sold the property companies Birkeland Eiendom AS and Masonite Fastighet AB. The total sales price is MNOK 234.0. The takeover and settlement of the properties was completed in October 2022.

Strong sales and progress in the Window segment

The Windows segment increased sales revenue from MNOK 228.9 in 2021 to MNOK 291.0 in 2022. This corresponds to an increase of 21.3%. Operating profit increased from MNOK 10.7 in 2021 to MNOK 19.5 in 2022.

Progress in the Beams segment

The Beams segment increased sales revenue from MNOK 417.5 in 2021 to MNOK 456.9 in 2022. This corresponds to an increase of 9.4%. Operating profit increased from MNOK 54.6 in 2021 to MNOK 70.4 in 2022.

Major new Australian customer for Masonite Beams

Masonite Beams has won a major new Australian customer for its I-beams. This is an interesting new market for the Byggma Group.

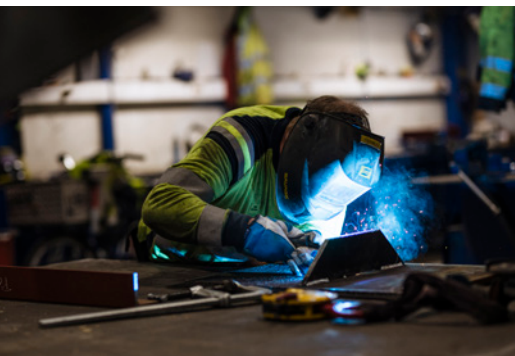
New logistics centre at Forestia

Forestia has invested MNOK 40.0 in a 4,000 sqm new logistics centre at Braskereidfoss. At the same time, as of 1 January 2023, a merger was completed between AS Byggform and Forestia AS, with Byggform's inventory being moved into Forestia's new logistics centre.

We believe that value is added for both our customers and Forestia when our customers can order goods from both Byggform and Forestia and combine chipboard, OSB and plywood panels on the same order and load.

Product innovation

Sales of our innovative Huntonit Proff Vegg, Smartpanel Wetwall and Forestia Premium Ceiling are increasing steadily in the market. These decorative interior products add more value for the user and contribute to a higher margin. The increasing sales of these products therefore improve the Group's profitability.



Sustainability

The Group is constantly identifying valuable new sustainability projects that reduce emissions to both air and water, and which are also economically profitable for Byggma. Read more in our Sustainability Report on page 70.

Smartpanel Wetwall

During 2022, Smartpanel entered into several chain agreements for Smartpanel Wetwall. More store displays will be established and sales are expected to increase in 2023. The Byggma Group has received approval for Huntonit panels as the core of Smartpanel Wetwall. This highly environmentally friendly, moisture-resistant and strong Huntonit core gives Smartpanel Wetwall competitive advantages in terms of product features, production costs, price and environment over other bathroom panel suppliers. Byggma's aim is to gain a 30% market share in the bathroom panel market over the next few years.

Transfer of business

With effect from 31 December 2022, the I-beams department at Huntonit in Vennessla was transferred from Huntonit AS to Masonite Beams AS. As a result, I-beams from Masonite Beams AS, Grubhei department and Vennessla department will be under one legal entity in Norway, with a clearer profile towards customers in Norway.

Forestia Carbon Sink

For some time, Forestia has been in dialogue with Innovation Norway regarding funding for the construction of a treatment plant for recycled wood from the recycling stations, to reuse in new chipboard. On 8 April 2022, Forestia was informed by the Minister of Finance, Trygve Slagsvold Vedum, and Minister of Economic Affairs, Jan Christian Vestre, that the board of Innovation Norway had decided to allocate MNOK 80.0 to Forestia for this project. From a business perspective, this investment makes good sense. The project will also make chipboard from Forestia even more circular by recycling wood waste and storing CO₂, instead of recovering energy and releasing CO₂ into the atmosphere through combustion.

This will help make better use of raw materials, in line with the cascade principle for biomass. The investment also reduces the risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

Photos:

- 1 Daria Józwiak, Production Employee, Smartpanel
- 2 Even Skjerpen, Operator, Forestia
- 3 Benjamin Tellefsen, Production Employee, Uldal
- 4 Marius Heidenberg, CEO, Smartpanel



BYGGMA ASA GROUP MANAGEMENT



GEIR DRANGSLAND

Chief Executive Officer

Geir Drangslund is CEO of Byggma ASA. He served as Chairman of the Board of Byggma ASA from 2000 to 2009. He is CEO of Investor AS. Geir Drangslund has a Master of Business Economics and was CFO of Idun AS in 1987-91, CFO of EI-Purchase Norway in 1991-92, CFO of the same company in 1992-95 and CFO of Avantor ASA in 1995-1998.



CONRAD LEHNE DRANGSLAND

Chief Financial Officer

Conrad Lehne Drangslund has worked at Byggma since 2021 and has been CFO since 2022. Among other things, he has experience as Group Accounting Manager at IDEX Biometrics ASA and Manager at PwC. He is an Authorised Public Accountant and holds a Master's degree in Economics specialising in Finance (with Honours) from the Norwegian Business School (BI) and a Master's degree in Accounting and Auditing from the Norwegian School of Economics (NHH).



ROY KENNETH GRUNDETJERN

IT Director

Roy Kenneth Grundetjern has been Group IT Director since 2008. He is also a board member of Forestia AS, Smartpanel AS and Masonite Beams AB. He was also CEO of Huntonit AS between 2014 and 2018. Roy Kenneth has held management positions in both the private and public sectors. He holds degrees from the University of Oslo (Informatics) and the University of Agder (Engineer), and is studying for an MBA - Executive Master of Business Administration, at the University of Agder.



RICHARD THOMPSEN

Logistics Director

Richard Thompsen has been with Byggma for 20 years. Economics degree and Bachelor of Marketing Economics. Richard's first position was at the customer centre, and he eventually became a customer centre manager. The position was expanded with responsibility for material administration. In 2007, he became Logistics Manager for the subsidiaries Huntonit and Fibo-Trespo. In 2011, Richard took over logistics responsibility for the entire Group as Logistics Director.



KJETIL ASKEDAL

Director Business Development

Kjetil Askedal has been with Byggma since 2001 and permanently employed since 2019. He has 20 years' experience as general manager of several IT companies, focusing mainly on the development and operation of ERP systems. Kjetil has been an IT adviser since 2019 and was appointed Director of Business Development in 2021. He is also a Board member of Uldal AS, Aneta Lighting AS and Aneta Lighting AB. He trained under the Microsoft Certification Program and has both Microsoft Certified Professional (MCP) and Microsoft Certified Solutions Developer (MCSD) on his CV.

BYGGMA ASA MANAGEMENT BUILDING/LIGHTING



ERLEND JORDET
Sales Director Forestia



HALVOR C. OLSEN
Sales Director Huntonit



JOHN SÆTEN
Sales Director Masonite



KRISTIAN HANSSEN
Managing Director Forestia



TORE HANSEN
Managing Director Lighting



KNUT NILSEN
Managing Director
Huntonit



MORTEN LEANDER
JONASSEN
Marketing Director Lighting



TORUNN MANGSETH
Marketing Manager



ATLE ARCTANDER
Managing Director
Masonite Beams



MARIUS HEIDENBERG
Managing Director
Smartpanel



EGIL SANDVE
Managing Director Uldal

Results

The Byggma Group continued its progress in 2022 overall, although activity declined towards the end of the year. Revenue for the full year increased from MNOK 2,344.3 in 2021 to MNOK 2,508.2 in 2022. The Byggma Group saw a revenue setback in Q4 2022. Revenue in Q4 2022 ended at 559.5, corresponding to a decrease of MNOK 72.4 from Q4 2021.

Profit before tax increased from MNOK 224.1 in 2021 to MNOK 299.1 in 2022. The result for 2022 includes a one-off gain of MNOK 76.5 on a forward contract concerning an investment in shares in Norske Skog ASA and a write-down on an investment property of MNOK 20.0.

Both in Norway and in our export markets, the framework economic conditions for the construction industry have weakened. Both inflation and interest rate increases reduced the level of activity in Q4 2022. Among other things, the sale and commissioning of new housing in Q4 fell sharply compared to the same period last year. We are taking two important measures to counteract the economic impact of this development. One measure concerns more intensive marketing of our innovative new products, Huntonit Proff Vegg, Forestia Premium Ceiling, Forestia Ergospon, Smartpanel Wetwall and Smart Veneer. These initiatives will generate new revenue to replace the loss of revenue due to lower demand for our basic products. The second measure concerns cost-saving initiatives to compensate for the lower contribution margin as a consequence of reduced sales.

In Q4, I am particularly pleased with the development in our Beams and Windows business areas. Windows saw excellent growth in both sales and profitability, while Bjelke is experiencing good profitability. This confirms that both Beams and Windows have strengthened their position in their respective markets. For Masonite Beams, this shows that increasing numbers of customers are seeing the benefits of I-beams in terms of weight, strength, stability and environmental friendliness. Two important value drivers for Uldal windows are that we can operate with very short delivery times to our customers and that we can now offer sliding doors produced in-house together with the windows.

I am extremely satisfied with the results achieved. Many skilled, competent and motivated people are performing at levels that exceed my expectations. My heartfelt thanks to you all! Each one of you is of great value to me.



Brand building and positioning

Byggma is an original brand manufacturer. Several of our brands have been extensively adopted by the building materials industry over many years. This enhances predictability, recognition and security, all of which are important drivers to ensure that customers prefer to purchase Byggma products.

Our overall position as one of the leading suppliers of building materials solutions was strengthened throughout the year. I am delighted with this position, as it secures jobs. This strengthening also confirms that we are doing things right in all areas of the company.

Innovation

Every product has a life cycle. Byggma currently has many products that are well-established in the market. To ensure a stable product portfolio, we work continuously with product development and innovation. Through product improvements and new product launches, we have achieved increased revenue and profitability in recent years. An achievement we have also repeated this year. Innovation and product development take high priority in our strategy, and will continue to do so in the future.

Sustainability/ESG

Forests bind significant amounts of carbon and at Byggma the good management of this resource is all about creating quality products that store carbon for many decades. In several of our activities, our contribution to carbon storage significantly exceeds the emissions from our operations.

At Byggma, we have a tradition of working on productivity and continuous improvement. In many ways, sustainability is the further development of this work. Based on sustainability, and with our committed

team of employees and business partners, we will make efficient use of resources, while also securing jobs and a company that creates value for society. I would like to take this opportunity to mention a couple of key ESG projects on which we worked in 2022.

Packaging

The factories are continuing their projects to reduce packaging, so as to minimise transport weight and waste at construction sites. In Q4, Forestia optimised its packing facility, so that more products can be packed with cardboard as side packaging instead of chips. This will secure significant transport weight savings and thereby also reduce construction site waste. The project will be completed in Q1 2023.



Logistics

The new warehouse and logistics centre at Forestia was completed in Q4. This meant that we were able to move Byggform's products to Braskereidfoss in December. Byggform is merged with Forestia as of 1 January 2023, and the expansion will turn Forestia into a logistics centre for wood-based panels, which will bring major advantages in terms of optimising transport. The project has been well received by our customers and provides both environmental and economic benefits for our customers and Byggma.

Forestia Carbon Sink

As previously described, at Forestia we have developed a project to clean up timber from demolition projects and turn it into industrial-quality wood chips, to make new products from the waste wood. On 8 April 2022, Forestia was informed by the Minister of Finance, Trygve Slagsvold Vedum, and Minister of Economic Affairs, Jan Christian Vestre, that the board of Innovation Norway had decided to award Forestia MNOK 80.0 as funding to build a treatment plant for timber from demolition projects. From a business perspective, this investment makes sense and the project will make chipboard from Forestia even more circular by recycling wood waste and storing CO₂, instead of recovering energy and releasing CO₂ into the atmosphere through combustion. This will help make better use of raw materials, in line with the cascade principle for biomass. The investment also reduces the risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

Thanks to each and every one of you at Byggma for your efforts in 2022. My wish is for everyone to thrive here and for each of you to realise your personal potential through your role in the Byggma Group.

Best regards,

A handwritten signature in blue ink, which appears to read 'Geir Drangslund'. The signature is fluid and cursive.

Geir Drangslund
Chief Executive Officer



TERJE GUNNULFSEN

Chairman of the Board

Terje Gunnulfesen has been Chairman of the Board since 2009, but has been a member of the Board since 1 June 2001. Gunnulfesen has a degree in Business Economics and has varied management experience as Marketing Manager at the financing company Nevi Finans and as Sales Director and later Distribution Director at Christianssands Bryggeri. In the period 1998 - 2009, Gunnulfesen was CFO and later CEO of the Nordic IT service company InforCare. In recent years, he has served as an adviser and partner, from 2011 at the consultancy Boyden Global Executive Search, and from 2018 at transaction consultancy Able.



TERJE SAGBAKKEN

Board member

Terje has an engineering degree in wood technology and a master's degree in sustainable production from NTNU. He managed Forestia from 2017 to spring 2022. Prior to this, Terje worked at Kongsberg Automotive AS, where for 19 years he held various management positions within logistics and production, the last four as Factory Manager of the factory at Raufoss. Terje is currently CEO of Hydal Aluminium Profiler AS.



HEGE AARLI KLEM

Board member

Hege Aarli Klem was elected to the Board of Directors in May 2019. She worked as a lawyer in several public administrations before joining law firm Sørlandsadvokatene DA in 2010. She has run her own legal practice since 2012. She is currently a partner in law firm Sørlandsadvokatene DA.



LIV ANNE DRANGLAND HOLST

Board member

Liv Anne Drangslund Holst was elected to the Board of Directors in 2020. She has more than 20 years of management experience in sales, customer service and marketing. She has held various key roles in companies such as DHL and Bisnode. She is now Head of Marketing and Communications at Dun & Bradstreet in Norway.



MORTEN ANSETH

Board member/employee representative

Morten Anseth was elected to the Board of Directors in 2022. He also served on the board in 2017-2018. Morten joined Forestia in 1989 and worked as an operator until 2009. Since 2009, he has been Operations Assistant with responsibility for the furniture department. Morten also serves on Forestia's Board of Directors and is Deputy Chairman of Byggma's Group committee.



TORBJØRN ØSTEBØ

Board member/employee representative

Torbjørn Østebø was elected to the boards of both Byggma and Huntonit in May 2022. Torbjørn has an electrical engineering degree from Stavanger Offshore Technical School and the University of Stavanger. He also has firefighter and crew commander training from the Norwegian Fire Academy. He joined Huntonit's technical department in 2005 and has also held the roles of Chief Safety Officer and Fire Safety Manager since 2013. In addition to working for Huntonit, he has served as a firefighter since 2009 and is now the emergency response manager for Fire and Rescue in the Kristiansand Region.



KJELL MAGNE GUNDERSEN

Board member/employee representative

Kjell Magne Gundersen was elected to the Board of Directors in 2022. He joined Uldal in 2011 as an accountant and has held Board positions in Uldal for two years. Kjell Magne has an educational background in accounting and has previous experience in this field.

ALL FIGURES IN NOK 1,000

	IFRS 2022	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018
Profit/loss:					
Sales revenues	2,508,195	2,344,280	2,052,371	1,783,388	1,655,279
EBITDA	406,601	320,140	269,648	142,660	118,753
Operating profit/loss	324,564	233,136	192,584	72,528	64,526
Profit before tax	299,147	224,116	159,733	61,976	55,873
Tax expenses	48,937	47,775	34,825	13,026	9,088
Profit for the year	250,210	176,341	124,908	48,949	46,785
Depreciation and write-downs	82,037	87,004	77,064	70,132	54,227
Balance sheet:					
Fixed assets	2,142,544	1,044,068	963,922	967,485	832,253
Current assets	803,128	873,723	1,168,012	847,963	855,532
Total assets	2,945,671	1,917,791	2,131,933	1,815,448	1,687,785
Equity	832,682	668,123	990,217	861,427	824,428
Long-term liabilities	1,007,211	578,238	552,393	456,466	433,155
Current liabilities	1,105,779	671,430	589,323	497,555	430,202
Total equity and liabilities	2,945,671	1,917,791	2,131,933	1,815,448	1,687,785
Short-term interest-bearing liabilities	565,450	145,169	144,230	131,553	35,782
Long-term interest-bearing liabilities	897,005	466,200	452,774	370,999	353,364
Total interest-bearing liabilities	1,462,455	611,369	597,004	502,552	389,146
Bank deposits (excl. tax deduction)	19,467	53,272	509,167	307,921	362,073
Unused overdraft facilities	289,170	262,848	287,481	283,089	250,000
Liquidity reserve	308,637	316,120	796,648	591,011	612,073
Staff:					
Number of FTEs as of 31.12. Group	708	710	680	684	671
Equity ratio:					
Number of shareholders	2,088	2,209	703	668	716
Stock exchange price as of 31.12.*	NOK	27.90	26.20	18.90	9.20

*) The stock exchange price from 2020 and retrospectively has been adjusted by the 1:10 stock split.

ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority ("ESMA") published guidelines on alternative performance measures (APM) that came into effect on 3 July 2016. Byggma proposes alternative performance measures that are often used by investors, analysts and other stakeholders. Management believes that the proposed alternative performance measures provide increased insight into Byggma's operations. Byggma has defined the following alternative performance measures:

EBITDA is the abbreviation for earnings before interest, taxes, depreciation and amortisation. EBITDA is calculated as profit/loss for the period before tax expenses, financial items, depreciation and write-downs.

THE BUSINESS

Byggma ASA in Vennesla is a listed company that manufactures and sells building products to the Scandinavian and Northern European markets. Byggma's vision is to be among the leading suppliers of building materials solutions in the Nordic region.

In Norway and Sweden, the products are sold through our own country-wide sales organisations. In other countries, sales are partly handled by own employees and partly by distributors.

The product range is mainly produced by the Group's wholly-owned production companies. Byggma ASA also sells trade products. As of 31 December 2022, the company had seven production units: Huntonit AS in Vennesla in Agder, Uldal AS in Birkeland in Agder, Masonite Beams AB in Rundvik in Sweden, Smartpanel AS in Fredrikstad in Viken, Forestia AS in Braskereidfoss in Innlandet and Masonite Beams AS in Grubhei in Mo i Rana in Nordland and in Vennesla in Agder.

In addition to the production companies, Byggma ASA owns Aneta Lighting AS in Kristiansand in Agder and Aneta Lighting AB in Växjö in Sweden, which sells lighting products, Scan Lamps VTA AS in Kristiansand in Agder, which is a supplier of renovation services, as well as property companies Byggma Eiendom AS, Byggma Eiendom Lyngdal AS, Huntonit Eiendom AS, Forestia Eiendom AS and Grammholmen Fastighets AB.

BUSINESS AREAS

PANELS

The Panels segment consists of the companies Huntonit AS, Forestia AS, AS Byggform and Smartpanel AS with subsidiaries.

In 2023, AS Byggform was merged into Forestia AS. As of 31 December 2022, the Masonite division at Huntonit in Vennesla was transferred from Huntonit AS to Masonite Beams AS through a business transfer.

In 2022, the Panels business area achieved revenue of MNOK 1,662.2, compared with MNOK 1,588.3 in 2021. The operating result for 2022 was MNOK 162.0, which is MNOK 21.9 higher than in 2021.

The segment faces higher raw materials and energy costs and we brought in price increases for our products in 2022. The demand for products within the Panels segment varies between different product groups, but is generally good.

Management has continuous focus on improvement projects, including sustainability, as well as sales and cost trends.

The Board of Directors is satisfied with the sales and profit development within Panels.

BEAMS

The business area consists of Masonite Beams AB, which manufactures wood-based I-beams, and Masonite Beams AS, which is a sales company for I-beams in Norway.

In 2022, the Beams business area achieved revenue of MNOK 456.9, compared with MNOK 417.6 in 2021. The operating profit for 2022 was MNOK 70.4, which is MNOK 15.8 higher than in 2021.

Beams has grown in most markets and we are experiencing greater acceptance of the I-beam as a construction material. Norway, Sweden and the UK are the largest markets in the Beams segment.

The Board of Directors is very satisfied with the development in sales and results within Beams. The Management and Board of Directors are firmly focused on boosting sales and enhancing profitability.

WINDOWS

The business area consists of Uldal AS in Birkeland, Agder.

It produces windows, mainly for the Norwegian market.

In 2022, the Windows business area achieved revenue of MNOK 291.0, compared with MNOK 228.9 in 2021.

Operating profit in 2022 was MNOK 19.5, which is MNOK 8.8 better than in 2021. Uldal's position in the window market has been significantly strengthened in recent years, but it continues to experience strong competition and price pressure for its products.

Previous investments at the factory are now having a major positive effect on ensuring delivery times, and we are experiencing high demand for windows.

Investments made in production equipment for sliding doors means that the company can cost-effectively produce sliding doors itself, instead of buying them at high prices as goods for resale.

Throughout the year, Uldal AS has significantly increased its share of the Norwegian windows market.

The Board of Directors is very satisfied with the sales and profit development in the Windows segment. Management has a strong focus on measures to improve profitability.

LIGHTING

The business area consists of Aneta Lighting AS, Scan Lamps VTA AS and Aneta Lighting AB and offers a wide range of lighting products, mainly for the home lighting market and as lighting solutions for the professional installation market. The Board expects this initiative in the installation market to generate increased revenue for the company. Most of the products are manufactured in China.

In 2022, the Lighting business area achieved revenue of MNOK 98.0, compared with MNOK 109.5 in 2021. The operating profit for 2022 was MNOK -6.3, which is MNOK 10.9 poorer than in 2021.

The Board of Directors is not satisfied with Lighting's sales and operating results. Management has a strong focus on measures to improve profitability.

REAL ESTATE

The Real Estate segment consists of Byggma Eiendom AS, Huntonit Eiendom AS, Forestia Eiendom AS, Byggma Eiendom Lyngdal AS and Grammaholmen Fastighets AB. As a result of Huntonit Eiendom AS and Forestia Eiendom AS being demerged from Huntonit AS and Forestia AS, respectively, the comparative figures for 2021 have been revised.

In 2022, Birkeland Eiendom AS and Masonite Fastighet AB were sold. See note 31 in the consolidated financial statements.

The segment's lease revenue is based on a lease agreement with the Group's operating companies, except for the lease revenue for Byggma Eiendom Lyngdal AS, which has a lease agreement with an external lessee.

As from Q4 2022, the property in Byggma Eiendom Lyngdal AS is recognised as an investment property in accordance with IAS 40. See note 32 in the consolidated financial statements for further information.

See our portfolio of properties on page 88.

The Real Estate business area's operating profit for 2022 was MNOK 22.1, which is MNOK 19.2 lower than in 2021. The value of investment property was adjusted downwards by MNOK 20.0 in 2022 and was not adjusted in 2021.

The Board of Directors is satisfied with the development in Real Estate.

ANALYSIS OF THE ANNUAL ACCOUNTS AND KEY RISKS AND UNCERTAINTIES

As from 2005 the consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS).

Group revenue in 2022 was MNOK 2,508.2, which is 7.0% higher than in 2021. All segments achieved higher revenue in 2022 compared to 2021, part from Lighting, whose revenue was lower.

The Byggma Group's profit for 2022 was MNOK 250.2, and Byggma ASA's profit for the year was MNOK 255.8.

Total investments in tangible fixed assets and intangible assets in 2022 came to MNOK 130.5.

At the end of the year, total assets were MNOK 2,945.7 compared with MNOK 1,917.8 as of 31 December 2021.

The Group's book equity as of 31 December 2022 was MNOK 832.7 (28.3%), compared with MNOK 668.1 as of 31 December 2020 (34.8%).

The parent company Byggma ASA had no revenue in 2022 and 2021. Profit before tax was MNOK 255.8, which is a decrease of MNOK 468.6 compared with 2021. In 2022, Byggma ASA sold shares in the subsidiary Masonite Fastighet AB. The profit from the sale is recognised in Byggma ASA as income of MNOK 117.0. Byggma ASA's subsidiary, Masonite Beams AB, leases the industrial premises owned by Masonite Fastighet AB for its production of I-beams.

The Group had positive cash flow from operations of MNOK 315.0 in 2022. The difference between operating profit and cash flow from operations is mainly explained by changes in working capital, gains from redemption of a forward contract by the acquisition of shares, value adjustment of investment property and depreciation. The liquidity position is satisfactory. As of 31 December 2022, the liquidity reserve was MNOK 308.6.

The Group operates in two sectors: Building products and home lighting. Revenue within lighting is relatively stable and by and large independent of the general economic conditions.

The building materials sector has historically been unstable and is to a greater extent dependent on new construction activities, but the tendency for the renovation, refurbishing and extension market to increase when new construction is reduced has become stronger and stronger in recent years. This has made the building materials sector more stable and less cyclical. The Group has a target for as much as possible of the cost increase during a growth period to be reversed in a reduction period.

Due to the Group's significant exports and imports, the company adheres to a fixed currency policy. The Group regularly follows up the Group's currency exposure and undertakes forward hedging of cash flows as necessary. Most of the export turnover goes to Sweden, Denmark, the UK and the Netherlands, and any fluctuation in the Swedish krona, Danish krone and Euro will therefore affect the result. In the same way, a weakening of the Norwegian krone against EUR and USD would be unfortunate, because a significant proportion of imports are paid for in EUR and USD.

The Board of Directors believes that the annual financial statements provide a complete picture of the Byggma Group's assets and liabilities, financial position and results.

OUTLOOK

Byggma ASA monitors the market on an ongoing basis, as this is important for the company. We are still experiencing somewhat lower activity in parts of the market, but at the same time, sales of the new product launches introduced in the market are increasing. In total, 19,371 residential units were sold in the new housing market in 2022, which was 26% below 2021. The commissioning trend in Q4 2022 may result in lower activity in the first half of 2023. The biggest shortfall in Q4 was for apartments, which are not the most important arena for the company. The total number of new homes commissioned in 2022 was 23,199, which is 9% less than in 2021. Detached houses/small houses are down by approximately 17%. The official housing need in Norway is approximately 29,000 units per year. Sales and commissioning below this level can have serious long-term consequences for the housing supply in Norway, if the trend continues and a demand for more housing is accumulated. However, we are still experiencing good activity for commercial and public buildings. The renovation and extension market is expected to be stable and remain at the 2022 level. The sharp rise in raw material costs is the key explanation for lower sales and commissioning of new homes. In addition, interest rate trends may affect activity in the new construction and the renovation and extension market. The war in Ukraine may also indirectly affect the market with factors such as access to raw materials, energy and higher import prices. This may indirectly affect Byggma, although

there are no significant direct consequences for Byggma from the war. Byggma is not active in Ukraine or Russia. However, prices for several raw materials are now showing signs of falling going forward, including timber. With lower material costs, the sale and commissioning of new homes may pick up again. This is supported by the upward adjustment of the housing requirement to around 29,000 units per year. This could increase the demand for Byggma ASA's products in the medium and long term.

For Byggma's products outside Norway, we can see the same market development as in Norway.

The market development has made input factors for several of the segments considerably more expensive. During the last two years, Byggma has introduced price increases in order to maintain a market-based margin.

The Group management is continuously monitoring the situation in order to be able to implement cost reductions and streamline operations as a consequence of lower activity levels.

The Board of Directors is continuously assessing the opportunities for various types of structural adjustments, including different forms of alliances or transactions. The aim is to strengthen Byggma's position in the Nordic building materials market.

To ensure further growth, focus on sale of the Group's products outside Norway is an important part of Byggma's strategy. Innovation and technological development are an important element of the Group's growth strategy, and there is a strong willingness to invest in the necessary equipment and expertise in order to be a leading player in the Nordic building materials market going forward. The Byggma Group continuously seeks efficiency, dominance and profitability. And dominance creates profitability.

Byggma has come far in implementing its improvement processes, to maintain its position as an efficient building materials manufacturer. Several major investments have been made to streamline our work processes. New investments in equipment that will make us even more efficient have also been adopted. In principle, Byggma will allocate its investments to digitalisation and automation of the production processes, as well as to the environment and sustainability.

As of 26 April 2023, Byggma ASA owns approximately 18.0% of the share capital in Norske Skog ASA. Together with its sister company Drangslund Kapital AS, Byggma ASA controls over 23.6% of the shares in Norske Skog ASA.

It is an important part of Byggma's strategy to strengthen its position as a leading original brand manufacturer of environmentally-friendly and sustainable products in the Nordic building materials market. Furthermore, the Byggma Group will increase its focus on the environment and sustainability.

The Byggma Group wants to be an attractive employer. We will continue to focus on ensuring that all employees in the Group have the opportunity to realise their human potential through their work at Byggma.

The Group has a stable and highly competent workforce. The availability of manpower is good.

In the opinion of the Board of Directors, implemented restructuring measures and cost reductions will ensure that the Group is well-positioned and well-prepared for future challenges.

EVENTS SO FAR IN 2023

In 2023, Byggma ASA acquired 900,000 shares in Norske Skog ASA, thereby increasing the ownership share from 17.0% as of 31 December 2022 to 18.0% as of 26 April 2023. In 2023, the CEO of Byggma ASA, Geir Drangslund, was elected Chairman of the Board of Norske Skog ASA.

FINANCIAL RISK

MARKET RISK

Currency risk

Around 36% of the Group's sales take place outside Norway, but the Group also buys goods in foreign currency. The Group has net sales in SEK and DKK, and net purchases in EUR and USD. Due to the weighting of purchases and sales, the risk is considered to be limited. As of 31 December 2022, the Group had not entered into any foreign exchange contracts for delivery in 2023 or later.

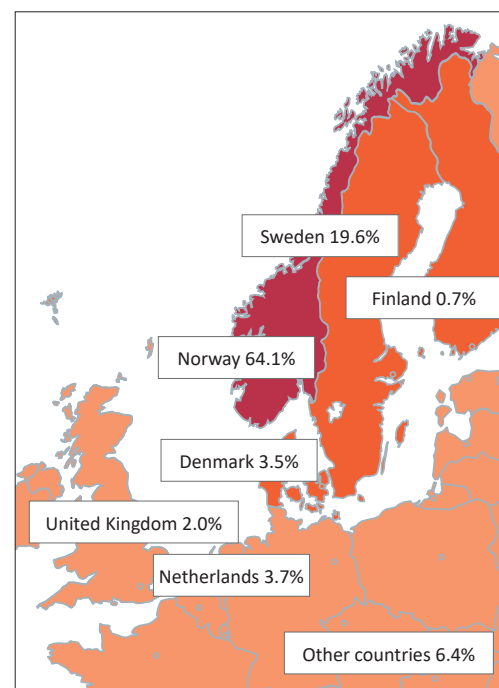
Price risk

In certain areas, the Group is exposed to risk associated with wood, glue and energy prices.

CREDIT RISK

Sales are organised so that the credit risk is considered to be low compared to the financial strength of the Byggma Group. In most cases, the Group's largest customers (building materials chains) internally guarantee of the individual chain members. Agreements with the large customers are handled at Group level.

There is a risk of major losses on receivables should one of the major building materials chains face payment problems. Credit rating is carried out when entering into contracts with new customers. Losses on receivables in 2022 were MNOK 0.622, corresponding to 0.0% of revenue.



Byggma ASA - geographical distribution of the Group's turnover. Total revenue: MNOK 2,508.2

LIQUIDITY RISK

Liquidity for the Group is considered to be good. The Group has loans of MNOK 54.9 that will be renewed in 2023. As at 31 December 2022, the Group had an overdraft facility of MNOK 379.5 (2021: MNOK 279.7). The Group had used MNOK 90.3 of its overdraft facilities as at 31 December 2022 (as at 31 December 2021, MNOK 16.9). As at 31 December 2022, the Group had securities financing up to a limit of MNOK 330.0, of which the entire limit has been used. As at 31 December 2022, the Group had bank deposits totalling MNOK 37.1. The Group has the necessary capacity to finance future activities.

INTEREST RATE RISK

Total interest-bearing debt in the Group was MNOK 1,462.5 as at 31 December 2022. Lease liabilities amount to MNOK 65.1 of interest-bearing debt and the long-term liability from sale/leaseback to MNOK 215.4. The Group has partly hedged long-term liabilities through interest rate swaps. As at 31 December 2022, interest rate swaps for MNOK 251.3 with expiry between 2023-2030 had been agreed.

Also see note 3 on financial risk.

GOING CONCERN

The Board of Directors and CEO confirm that the going concern assumption is present, and that the annual accounts have been prepared under this assumption. The parent company and subsidiaries have implemented measures to adapt to market developments. The Group's solvency ratio is satisfactory and the conditions for positive development are in place.

RESEARCH & DEVELOPMENT

Product development and innovation are important activities in our quest to offer contemporary and environmentally friendly products and building materials to our customers. We strive to create products that provide a better experience for our customers, with high quality and functionality that keeps their construction projects moving forward.

We have to be the absolute best in this area so customers see Byggma as their preferred partner. Being the best in product development and innovation creates a good reputation. This results in satisfied customers who in turn provide the opportunity for future-oriented, sustainable investments.

For more details, see the Sustainability Report on page 70.

CORPORATE SOCIAL RESPONSIBILITY

Sustainability has gained considerably greater focus in society in recent years. Byggma has taken this into account and added sustainability as an important part of the Group's vision.

The UN's Sustainable Development Goals

The UN's Agenda 2030 initiative has set 17 sustainability goals for sustainable development.

In our work to develop a sustainability strategy, we have chosen to prioritise and work with the following 8 UN Sustainable Development Goals:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
CLIMATE AND THE ENVIRONMENT			
Efficient use of raw materials	Wood-based construction products sequester significant amounts of carbon	Resource-efficient construction methods contribute to good raw material utilisation	
Factories located near raw materials	Efficient distribution system for transport of goods to customers	Ensure that we do not pollute our surroundings, affecting life on land, in freshwater or the ocean	
Packaging solutions that minimise waste while still protecting products during transport	Improved energy efficiency		
	The wood we use comes from certified sources or sustainable forestry		

For more details, see the Sustainability Report on page 70.

4 QUALITY EDUCATION	11 SUSTAINABLE CITIES AND COMMUNITIES
PEOPLE AND SOCIETY	
Employees are given opportunities for continued development	Factories located near raw materials
Collaboration with schools	Our presence contributes to sustainable cities and local communities
Professional education	Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain
Further education	

8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
BUSINESS MODEL	
Good profitability provides the basis for safe workplaces and company development	We seek out innovative new solutions for a better customer experience and a more profitable and efficient building process
	Focus on the triple bottom line in R&D activity
	Improving efficiency through continuous improvement and indirect investment

VISION

Byggma ASA will be one of the leading suppliers of building materials solutions in the Nordic region. The Group will realise its vision through its fundamental values.

The Byggma Group requires honesty, integrity and honour in all matters relating to our business activities. Byggma's aim is to ensure a proper and well-organised relationship with our employees, partners, the environment and society in general by always complying with our values, which are inclusive, innovative and responsible. More specifically, this means that Byggma does not make contributions to

political candidates or political parties. We show respect for cultures in the countries in which we operate, and we seek to recruit and develop the local workforce and to promote local deliveries.

The Byggma Group has drawn up ethical guidelines. These ethical guidelines generally describe the ethical principles under which the Group will manage its activities, how the Group will treat its business partners and the conduct the Group expects of its employees, as well as other parties acting on behalf of the Group. These guidelines are primarily a tool to describe and encourage

the required conduct and culture in the Group. The Board of Directors is focused on maintaining high ethical standards internally and in their dialogue with business partners.

The Byggma Group expects all employees to actively support the company's ethical guidelines in relation to colleagues, business partners and society in general. Any violation of the ethical guidelines is expected to be reported in the same way as for any violation of the criminal code, other statutory orders or prohibitions, or other stipulated instructions or guidelines. As a general rule, any violations must be discussed with the relevant manager. If this is not appropriate, employees must contact other managers, or managers of the company. Alternatively, the Group CEO, the Chairman of the Board or the Chair of the Audit Committee may be notified.

The Byggma Group's activities have an impact on the local community of which we are part. We maintain good and open communication with the groups that are affected by the company. This applies to trade unions, cooperation committees, customers, suppliers, business associates, local authorities and representatives of our neighbours.

The Byggma Group wishes to contribute positively to the development of the local community in which we operate. The Byggma Group sponsors activities on a local level where the Group's businesses are located.

HUMAN RIGHTS

The company has not drawn up its own human rights guidelines, but has incorporated the company's positions into the ethical guidelines. The company's ethical guidelines are available on the company's website. The company carries out due diligence assessments and works to ensure that fundamental human rights and decent working conditions are observed in the Group's companies, the companies' business relations and along the supply chain. In line with the Norwegian Transparency Act, the company publishes a report on the due diligence assessments it carries out. This report will be published on the company's website before 30 June 2023.

THE WORK ENVIRONMENT

At year-end, the Group's workforce comprised 708 full-time equivalents, a decrease of 2 full-time equivalents from 2021.

Absence due to illness in the Group was 6.0% in 2022, compared with 5.7% in 2021.

Injuries: A total of 22 injuries resulted in absence of 146 days in 2022. The corresponding figure for 2021 was 18 injuries resulting in absence of 380 days. All personal injuries are investigated for underlying causes so that preventive measures can be taken.

Accidents: There were no serious accidents in the Group in 2022.

The company works continuously to improve the working environment and has a strong focus on HSE.

Byggma is concerned with and supports basic employee rights, such as freedom of association, regulation of working hours and minimum wage requirements. The company has a longstanding

tradition for good relationships and open communication with employee organisations. A Group committee with employee representatives have been established in Byggma's units in Norway. The Group committee discusses and coordinates Byggma issues that affect employees in several of the Norwegian units.

Concerning remuneration to senior executives, see the separate remuneration report published on our website www.byggma.no.

EQUAL OPPORTUNITIES

The Byggma Group aims to be a workplace with full equality between women and men. The Group's policy incorporates aspects of equal opportunities to ensure that there is no gender discrimination in matters such as pay, advancement and recruitment.

The Group works in an industry that is traditionally very male dominated. Women will therefore be preferred for new positions if they have equivalent qualifications.

Of the company's 723 employees, 104 are women. The Group aims to increase the proportion of women in managerial positions. At year-end there were 13 women in management positions in the Group.

The Group's Board of Directors consists of seven members, three of whom represent the employees, as five men and two women. The Group has implemented and fulfilled its activity and reporting obligation regarding equal opportunities by preparing an equal opportunities report for the three of our Norwegian companies with more than 50 employees. The reports for Forestia AS, Huntonit AS and Uldal AS are published on our website www.byggma.no.

DISCRIMINATION

The Board of Directors believes that no discrimination is practised concerning employees, or upon employment, due to ethnicity, national origin, descent, skin colour, gender, language, religion or beliefs.

No special measures have been planned or taken regarding discrimination.

CLIMATE AND THE ENVIRONMENT

Carbon capture:

Growing forests absorb carbon dioxide from the atmosphere via photosynthesis. In sustainable forestry, we harvest forests as raw materials and then plant new trees to provide the basis for additional carbon binding.

The wood in our products binds significant amounts of carbon. For this reason, we believe that to use these raw materials responsibly, we have to create products that last a long time. Using wood fibre to create durable products is an important contribution to increasing carbon capture in forests and wood-based products.

Certified wood:

We use large quantities of wood to produce our panels. We procure this as round timber (pulpwood) and as by-products from sawmills. We purchase from sustainable sources and most of this is certified in accordance with PEFC. PEFC Traceability Certification provides independent third-party verification that the wood is from sustainable forests.

Efficient resource utilisation:

At Byggma, we are committed to creating products by utilising all resources efficiently.

In this context, we consider raw materials such as those used in production, energy, packaging, transport, and other production input factors. In a broader context, it is also a matter of meeting the customer's needs by developing products that utilise resources efficiently. The products also make for increased progress on the construction site, which is of great benefit to society.

Raw materials for production:

We are committed to making efficient use of raw materials. This means that we have optimised our production procedures to maintain the products' technical properties within the requirements while using a minimum of raw materials. This also involves focusing on reducing process waste and scrapped items in production. We aim to reuse waste streams. Efficient production also results in a reduction of other inputs.

Energy:

Our factories focus on minimising energy consumption by choosing energy-saving solutions when purchasing motors, lighting, and other equipment if this is sustainable overall.

Packaging:

Our products need to be packaged in such a way that they are delivered to our customers undamaged under normal handling conditions. But packaging is also a problem in terms of construction site waste and the additional weight to be transported. In recent years, our shared focus on the environment has been directed at microplastics and the problems related to plastics ending up in nature.

With this in mind, our responsibility is always to minimise the use of packaging and find good solutions.

Transport:

The Group is continuously working to reduce emissions related to transport. One of the ways we do this is by picking up raw materials locally whenever possible. We have an efficient transport network out of our factories. Consolidating deliveries to different customers in a specific district ensures that capacity is well utilised and results in fewer emissions from distribution. Delivery vehicles should be filled as much as possible when they leave the factory. We are constantly striving to find optimal, environmentally-friendly transport solutions and we require our transport partners to use modern equipment with respect to emissions.

Reducing emissions:

The factories have emission permits from the State Administrator in the respective counties where these issues are regulated. We are also continuously working to reduce emissions from all of our business activities. Our factories are particularly focused on dust, noise, and emissions to the atmosphere and waterways. We work with related action plans to reduce the scope and prevent any undesirable incidents.

Waste separation and recycling:

Waste from production is a waste of resources and we aim to reduce the extent of our production waste through purchasing and our own

activities. We have set up environmental stations in our factories and offices for sorting recyclable materials.

Future opportunities - returned wood - reusing waste wood:

At Forestia, we have developed a project whereby we can clean timber from demolition and turn it into industrial-quality wood chips, to make new products from the waste wood.

In April 2022, Innovation Norway awarded Forestia AS MNOK 80 as funding to build a treatment plant for timber from demolition. This extremely environmentally friendly investment makes the chipboard from Forestia circular, so that more recycled wood in Norway will be used for local recycling of materials, rather than energy recovery. The investment also reduces the risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

Climate risk and significant impact:

Climate risk is a topic receiving increasing attention from business, public authorities and society in general. The Group has placed climate risk and sustainability high on its agenda and as from 2020 has prepared a separate Sustainability Report. See this year's report on page 70.

The Group's climate risk concerns both physical risk and transition risk. Physical risk includes weather and climate conditions, such as extreme precipitation volumes or rising sea levels. Our operations are not located close to water bodies and are not at any immediate risk of flooding or rising sea levels. Extreme precipitation or drought can affect the availability and quality of wood, and reservoir levels can affect energy prices. The Group is well equipped to face such risks and physical risk is not assessed to have any significant impact on the Group. The Group may be indirectly affected if our suppliers or customers are affected. Examples are storms or bark beetle infestations, which can affect access to wood.

Transition risk includes increased requirements for a reduced environmental impact in society and political requirements and regulations. Large parts of the Group operate mechanical wood pulping, which is energy-intensive. There may be increased requirements for this activity, which may affect energy costs. On the other hand, we can see a great political wish for greater use of wood as a building material, since wood is renewable. Byggma is thus well-positioned to contribute to achieving the climate goals under the Paris Agreement. The Group's subsidiaries, Huntonit and Forestia, make wood-based building panels from wood and sawdust, i.e. the part of the log that is not used for planks and timber. If the Group did not use this part of the log, this raw material could remain on the forest floor or be sent for incineration and be released as CO₂ into the atmosphere through decay or energy recovery. Instead, the Group ensures that the material is recovered and the carbon from the wood and sawdust is bound in the ceilings, walls and floors of buildings for many decades. Masonite Beams use 47% less wood in their I-beams compared to traditional solid wooden beams. Carbon sequestration in Byggma's wood-based products is equivalent to 5.2% of Norway's road traffic emissions. Replacing older windows improves insulation and the energy efficiency of homes. The Group is well-equipped to face such risks and transition risk is not assessed to have any significant effect on the Group.

Overall, the Group's climate risk is considered to be low.

Byggma ASA's sustainability report is prepared in accordance with the principles of the Global Reporting Initiative ("GRI"). As part of this work, we have conducted stakeholder and materiality analyses according to the principle of double materiality, in accordance with GRI. The analyses concerned how the company affects its surroundings and how the surroundings affect the company. Based on these analyses, we have found five topics that we consider to be the most significant for both the Group and our subsidiaries. We have set these out in a priority matrix to guide us in our work with sustainability and ESG. Read more about this in our Sustainability Report on page 70.

INSURANCE FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO

The company holds board liability insurance, including subsidiaries of which the ownership exceeds 50%, for the members of the Board of Directors and the CEO to cover their possible liability to the company and third parties.

CORPORATE GOVERNANCE

For an account of the company's corporate governance, please refer to a separate document in the annual report. The report is also published on the company's website: www.byggma.no

ALLOCATION OF PROFIT/LOSS

The Board of Directors proposes the following allocation of the annual profit of MNOK 255.8 in Byggma ASA as follows:

To other equity:	MNOK 255.8
Total allocated:	MNOK 255.8

VENNESLA, 26 APRIL 2023 THE BOARD OF DIRECTORS OF BYGGMA ASA



TERJE
GUNNULFSEN
Chairman of
the Board



TERJE
SAGBAKKEN
Board member



HEGE AARLI
KLEM
Board member



LIV ANNE
DRANGSLAND
HOLST
Board member



MORTEN ANSETH
Board member



TORBJØRN
ØSTEBØ
Board member



KJELL MAGNE
GUNDERSEN
Board member



GEIR
DRANGSLAND
Chief Executive
Officer

TERJE GUNNULFSEN,
CHAIRMAN

MORTEN ANSETH

HEGE AARLI KLEM

LIV ANNE DRANGSLAND HOLST

TERJE SAGBAKKEN

TORBJØRN ØSTEBØ

KJELL MAGNE GUNDERSEN

GEIR DRANGSLAND,
GROUP CEO

CONSOLIDATED INCOME STATEMENT

(all amounts in NOK 1,000)	Note	2022	2021*
Sales revenue	5	2,508,195	2,344,280
Other income	32	24,423	43,544
Total income		2,532,618	2,387,823
Goods and manufacturing costs		-1,196,470	-1,133,211
Payroll expenses	19	-501,184	-487,557
Depreciation and write-downs	5, 6, 7	-82,037	-87,004
Freight and complaints costs		-176,130	-171,227
Marketing costs		-103,689	-95,988
Other losses/gains - net	17	52,668	-449
Other operating costs	18	-201,211	-179,251
Total operating expenses	34	-2,208,054	-2,154,687
Operating profit/loss	5	324,564	233,136
Financial income	20	732	2,818
Financial costs	20	-26,149	-11,838
Net financial expenses	20	-25,417	-9,020
Profit/loss before tax		299,147	224,116
Tax expenses	21	-48,937	-47,775
Profit for the year		250,210	176,341
Allocated to:			
Shareholders		250,210	176,341
Minority interests		0	0
		250,210	176,341

Earnings per share for the part of the annual profit allocated to the company's shareholders (NOK per share):

Earnings per share	22	3.58	2.53
Diluted earnings per share	22	3.58	2.53

TOTAL COMPREHENSIVE INCOME

Profit for the year		250,210	176,341
<i>Other income elements that may later be reclassified to profit and loss</i>			
Conversion differences		-1,021	-7,466
Gain (+) / loss (-) on financial investments	33	-14,810	
Total		-15,832	-7,466
<i>Other income elements that will not be reclassified through profit and loss</i>			
Total profit for the year		234,378	168,875
Allocated to:			
Shareholders		234,378	168,875
Minority interests		0	0
		234,378	168,875

Total earnings per share for the part of the consolidated profit allocated to the company's shareholders (NOK per share):

Earnings per share		3.36	2.42
Diluted earnings per share		3.36	2.42

*)2021 has been adjusted (see note 32)

Notes 1-34 are part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31.12.

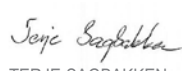
(all amounts in NOK 1,000)	Note	2022	2021*)
ASSETS			
Tangible fixed assets	6, 31	853,454	821,047
Investment property	32	175,000	195,000
Intangible assets	7	20,609	21,901
Deferred tax asset	16	1,162	4,655
Long-term financial derivatives	8, 9	14,121	1,260
Financial investments	33	1,078,046	0
Other long-term receivables	10	151	204
Total fixed assets		2,142,544	1,044,068
Inventories	11	385,743	357,117
Customer and other short-term receivables	8, 10	378,825	445,605
Short-term financial derivatives	8, 9	1,483	40
Cash and cash equivalents	8, 12	37,076	70,961
Total current assets		803,128	873,723
Total assets	5	2,945,671	1,917,791
EQUITY			
Share capital and share premium	13	52,652	52,652
Other equity not recognised in the income statement		-6,388	9,444
Retained earnings		786,418	606,027
Total equity		832,682	668,123
LIABILITIES			
Long-term loans	8, 15, 31	831,926	386,969
Long-term lease liabilities	6, 15	65,079	79,231
Long-term financial derivatives	8, 9	0	337
Deferred tax	16	110,206	111,702
Total long-term liabilities		1,007,211	578,238
Trade payables and other current liabilities	8, 14	493,452	483,048
Tax payable	21	46,877	42,742
Short-term loans	8, 15	546,311	126,021
Short-term lease liabilities	6, 15	19,139	19,148
Short-term financial derivatives	8, 9	0	472
Total current liabilities		1,105,779	671,431
Total liabilities	5	2,112,989	1,249,669
Total equity and liabilities		2,945,671	1,917,791

*) 2021 has been adjusted (see note 32)

Notes 1-34 are part of the consolidated financial statements.

VENNESLA, 26 APRIL 2023
THE BOARD OF DIRECTORS OF BYGGMA ASA


TERJE GUNNULFSEN,
CHAIRMAN


TERJE SAGBAKKEN


HEGE AARLI KLEM


LIV ANNE DRANGSLAND HOLST


TORBJØRN ØSTEBØ


MORTEN ANSETH


KJELL MAGNE GUNDERSEN


GEIR DRANGSLAND,
GROUP CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in NOK 1,000)	Note	2022	2021
Cash flow from operations			
Cash flow from operations	24	388,409	192,916
Interest paid		-38,299	-22,610
Interest received		5,938	2,545
Taxes paid		-41,068	-33,767
Net cash flow from operations		314,979	139,084
Cash flow from investment activities			
Purchase of tangible fixed assets	6	-128,030	-88,604
Sale of tangible fixed assets	24	15,373	50
Purchase of intangible assets	7	-2,484	-1,755
Acquisition of financial investments	33	-1,016,333	0
Loans granted to related parties, including Group companies	24, 27	-381	38,780
Net cash flow used for investment activities		-1,131,855	-51,528
Cash flow from financing activities			
Dividends paid to Byggma ASA's shareholders		-69,819	-558,554
Net paid to shareholders		-69,819	-558,554
Adjustment of overdraft facility	15	73,385	15,943
Uptake of loans	24	813,793	71,708
Repayment of loans	24	-87,529	-67,201
Loans from related parties	24	53,859	0
Net cash flow to(-)/from (+) foreign capital financing	24	853,508	20,450
Net cash flow to(-)/from (+) financing activities		783,688	-538,104
Adjustment to cash and cash equivalents		-33,187	-450,548
Cash and cash equivalents as of 1 January,		70,961	525,222
Foreign exchange gains/(loss) on cash and cash equivalents	24	-698	-3,713
Cash and cash equivalents as of 31 December	12	37,076	70,961
Unused credit facilities		289,170	262,848

Notes 1-34 are part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(all amounts in NOK 1,000)	Note	Equity allocated to the company's shareholders			
		Share capital and share premium	Other equity not recognised in the income statement	Retained earnings	Total
Equity 31 December 2020		52,652	16,910	920,657	990,218
Change in principle for investment property	32	0	0	67,585	67,585
Equity 1 January 2021		52,652	16,910	988,241	1,057,802
Profit for the year	32	0	0	176,341	176,341
Conversion differences		0	-7,466	0	-7,466
Dividend	23	0	0	-558,554	-558,554
Equity 31 December 2021		52,652	9,444	606,027	668,123
Profit for the year		0	0	250,210	250,210
Conversion differences		0	-1,021	0	-1,021
Gain (+) / loss (-) on financial investments	33	0	-14,810	0	-14,810
Dividend	23	0	0	-69,819	-69,819
Equity 31 December 2022		52,652	-6,388	786,418	832,682

Notes 1-34 are part of the consolidated financial statements.

NOTE 1 GENERAL INFORMATION

Byggma ASA is domiciled in Norway. The head office's address is Venneslaveien 233, PO Box 21, 4701 Vennesla, Norway. Byggma ASA is listed on the Oslo Stock Exchange.

The Group's main business is the production and sale of building products to the Scandinavian and Northern European markets. In Norway, the products are sold through our own nationwide sales apparatus; abroad, sales work is handled partly by subsidiaries and partly by distributors. The product range is mainly produced by the Group's seven production units. These production units are located in Norway and Sweden. In addition to products produced within the Group, Byggma ASA also sells products for resale.

The consolidated financial statements were adopted by the Board of Directors on 26 April 2023 and submitted for approval at the annual general meeting on 31 May 2023. All figures in NOK thousands unless otherwise stated.

NOTE 2 ACCOUNTING PRINCIPLES

The most important accounting policies used in the preparation of the consolidated financial statements are described below. Unless otherwise stated in the description, these principles are applied in the same way during all periods presented. Standard accounting policies in accordance with International Financial Reporting Standards (IFRS) are used for accounting elements not mentioned in this note.

NOTE 2.1 BASIC PRINCIPLES

The consolidated financial statements of Byggma ASA have been prepared in accordance with International IFRS as adopted by the EU and effective as of 31 December 2022. The consolidated financial statements also include information specified under Norwegian accounting legislation.

The consolidated financial statements have been prepared based on the historical cost principle with the following modifications: Value adjustment of financial derivatives - assessed at fair value through profit or loss. Fair value of investment property - assessed at fair value via the income statement. Fair value of financial investments - assessed at fair value via comprehensive income.

Change in accounting policy: In 2022, the accounting policy for the property in Byggma Eiendom Lyngdal AS was changed. The change of policy has retroactive effect and the figures for 2021 have been revised for comparison purposes. The change in policy is described in note 32.

The preparation of financial statements in accordance with IFRS requires the use of estimates. Furthermore, the application of the company's accounting principles requires the management to exercise discretion. Areas that to a great extent include such discretionary assessments or a high degree of complexity, or areas where assumptions and estimates are important to the consolidated financial statements, are described in note 4.

The consolidated financial statements have been prepared on the basis of the going concern assumption.

(a) New standards and interpretations that have not yet been adopted. There have been no changes in accounting standards for 2022. There are minor changes in standards and interpretations that could potentially affect the accounts for future periods. For 2023, the new standard regarding insurance contracts is expected to come into effect without affecting Byggma's accounts.

NOTE 2.2 CONSOLIDATION PRINCIPLES

(a) Subsidiaries

Subsidiaries are all units (including structured units) of which the Group has control. Control of a unit occurs when the Group is subject to variability in the returns from the unit and has the ability to influence this return through its control of the unit. Subsidiaries are consolidated from the day the control occurs, and deconsolidated when the control ceases.

The acquisition method is used for the purchase of companies. The compensation provided is measured at the fair value of transferred assets, incurred liabilities and issued equity instruments. The compensation also includes the fair value of all assets or liabilities as a result of a contingent compensation agreement. Identifiable assets, liabilities and contingent liabilities are recognised at fair value at the time of acquisition. Minority interests in the acquired company are measured on a case-by-case basis either at fair value or at their share of the acquired company's net assets.

Expenses related to the business consolidation are expensed when incurred.

When the acquisition takes place in several stages, the ownership interest from previous acquisitions is revalued to fair value at the time of control, with recognition of the change in value in the income statement.

Conditional compensation is measured at fair value at the time of acquisition. Subsequent changes in the fair value of the contingent compensation must, in accordance with IFRS 9, be recognised in the income statement at fair value in accordance with IFRS 3 if the contingent compensation is classified as an asset or liability. A new value measurement is not carried out for contingent compensation classified as equity, and subsequent settlement is entered against equity.

If the compensation (including any non-controlling interests and the fair value of previous ownership interests) exceeds the fair value of identifiable assets and liabilities in the acquisition, this is recognised as goodwill. If the compensation (including any non-controlling interests and the fair value of previous ownership interests) is less than the fair value of the net assets in the subsidiary as a result of a purchase on favourable terms, the difference is recognised as a gain in the income statement.

Intra-group transactions, balances and unrealised gains between Group companies are eliminated. Unrealised losses are also eliminated. Reported figures from subsidiaries are adjusted if necessary to achieve compliance with the Group's accounting policies.

(b) Associated companies

Associated companies are companies where the Group has significant influence, but not control. Significant influence is normally when the Group controls between 20 and 50% of the voting rights. Investments in associated companies are recognised according to the equity method. Byggma does not have any associated companies.

2.3 SEGMENT INFORMATION

Operating segments are reported in the same way as internal reporting to the company's most senior decision-maker. The company's most senior decision-maker, who is responsible for the allocation of resources to and assessment of earnings in the operating segments, is defined as the Group management.

2.4 CONVERSION OF FOREIGN CURRENCY**(a) Functional currency and presentation currency**

The accounts of the individual units in the Group are measured in the currency that is mainly used in the currency in which the unit operates (functional currency). The consolidated financial statements are presented in NOK, which is both the functional and presentation currency of the parent company.

(b) Transactions and balance sheet items

Foreign currency transactions are converted to the functional currency at the transaction rate. Realised foreign exchange gains or losses on settlement and translation of monetary items in foreign currency at the exchange rate on the balance sheet date are recognised in the income statement. If the foreign currency position is regarded as cash flow hedging or hedging of net investments in foreign operations, gains and losses are recognised as part of the extended result.

Foreign exchange gains and losses linked to loans are presented (net) as financial income or financial expenses. All other currency gains and losses are presented in the entry for other (losses) gains.

Income statements and balance sheets for Group entities (none with hyperinflation) with a functional currency that differs from the presentation currency are recalculated as follows:

- i. The balance sheet is converted at the closing exchange rate.
- ii. The income statement is converted at the average exchange rate (if the average does not give a reasonable estimate of the accumulated effects of using the transaction exchange rate, the latter is used).
- iii. Conversion differences are recognised in the statement of income and specified separately in equity as a separate item.

Goodwill and the fair value of assets and liabilities on acquisition of a foreign unit are allocated to the acquired entity and converted at the exchange rate applicable on the balance sheet date. Currency differences that arise are recognised in the extended income statement.

2.5 TANGIBLE FIXED ASSETS

Land and buildings mainly consist of factories and offices. Long-term fixed assets are accounted for at historical acquisition cost less depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Acquisition costs may also include gains or losses transferred from equity that are due to the hedging of cash flow in foreign currency on the purchase of fixed assets.

Subsequent expenses are added to the assets' carrying value or recognised in the balance sheet separately, when it is probable that future economic benefits associated with the expense will accrue to the Group, and the expense can be reliably measured. Other repair and maintenance costs are recognised in the income statement in the period in which the expenses are incurred.

Land is not depreciated. Other fixed assets are depreciated according to the linear method, so that the acquisition cost of the fixed assets, or written-up value, is depreciated to residual value over their expected useful life, which is:

Buildings and facilities	25-50 years
Of which housing - no depreciation	
Machinery, fixtures and fittings and operational assets:	
Of which machinery	5-20 years
Of which vehicles	3-5 years
Of which fixtures	3-8 years

The useful life of the fixed assets, as well as residual value, is reassessed on each balance sheet date and changed if necessary. When the balance sheet value of an asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount (note 2.7).

Gains and losses on disposal are recognised in the income statement and constitute the difference between the sale price and the book value.

In 2022, the accounting policy for the property in Byggma Eiendom Lyngdal AS was changed. The change means that the property is presented at fair value as Investment property in a separate line of the balance sheet, and is not subject to depreciation and value adjustment. The change in accounting policy is described in note 32.

2.6 INTANGIBLE ASSETS**(a) Goodwill**

Goodwill is the difference between the acquisition cost of the acquisition of the business and the fair value of the Group's share of net identifiable assets in the business at the time of acquisition. Goodwill on acquisition of subsidiaries is classified as an intangible asset. Goodwill on acquisition of shares in associated companies is included in investments in associated companies. Goodwill is tested annually for impairment and recognised in the balance sheet at acquisition cost less write-downs. Impairment of goodwill is not reversed. Profit or loss on the sale of a company includes the capitalised value of goodwill relating to the sold company.

When assessing the need to write down goodwill, this is allocated to relevant cash-generating units. Allocation takes place to the cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition. The Group allocates goodwill to each business area in each country in which it operates (note 2.7).

(b) Research and development

Research activity costs, in order to gain new scientific or technical knowledge, are recognised in the results when they are incurred.

Development activities include designing or planning the production of new or significantly improved products and processes. Development costs are only recognised in the balance sheet to the extent that they can be reliably measured, the product or process is technically or commercially viable, future economic benefits are likely, and the Group intends and has sufficient resources to complete the development, and to sell or use the asset. Recognised expenses include materials, direct salary and directly attributable shared expenses. Other development costs are recognised in the income statement when they are incurred.

Capitalised development costs are valued at acquisition cost with deduction of accumulated depreciation and accumulated losses on impairment of value.

Received contributions are recognised net against the cost of the contribution.

(c) Software and other intangible assets

Purchased IT software is recognised in the balance sheet at acquisition cost (including costs of getting the programs operational) and depreciated over the expected useful life (3 to 8 years).

Expenses for maintenance of IT software are expensed as they are incurred. Expenses directly related to the development of identifiable and unique software owned by the Group and where it is probable that financial benefits exceed expenditure are recognised in the balance sheet as intangible assets. Direct expenses include personnel costs for programme development personnel and a share of related fixed costs.

Capitalised proprietary IT software is depreciated on a straight-line basis over the expected useful life.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Tangible fixed assets with an unlimited lifetime and intangible assets with an undefined useful life are not depreciated and are assessed for impairment each year. Tangible fixed assets and intangible assets that are depreciated are assessed for impairment when there are indicators that future earnings cannot justify the value recognised in the balance sheet.

A write-down is recognised in the income statement as the difference between the book value and the recoverable amount. The recoverable amount is the highest of fair value less sales costs and utility value.

When assessing impairment of value, the fixed assets are grouped at the lowest level where it is possible to separate ongoing independent cash flows (cash-generating units). At each reporting date, the possibility of reversing previous write-downs on non-financial assets is assessed (except goodwill).

2.8 FINANCIAL INSTRUMENTS

Recognition, deduction and presentation

Ordinary purchases and sales of investments are recognised at the time of agreement, which is the date on which the Group undertakes to buy or sell the asset. All financial assets that are not recognised at fair value through profit or loss are initially recognised at fair value with the addition of transaction costs. Financial assets

that are recognised at fair value in the income statement are recognised at fair value at the time of acquisition, and transaction costs are recognised in the income statement. Investments are removed from the balance sheet when the rights to receive cash flows from the investment cease or when they have been transferred and the Group has principally transferred all risk and profit potential through ownership.

Gains or losses from changes in the fair value of assets classified as "financial assets at fair value in the income statement" are included in the income statement under "Other (losses) gains" for the period in which they arise. Changes in the fair value of interest rate swaps are, however, recognised as "financial expenses". Dividends from equity instruments are included in other revenue when the Group has a legal dividend claim. This also applies to shares that are measured at fair value above OCI. Distribution to holders of financial instruments classified as equity will be recognised directly in equity.

Measurement

Accounts receivable and other short-term receivables are recognised at nominal value corrected for any loss provisions. Receivables with a due date of less than 12 months or receivables deemed insignificant are not normally discounted.

Interest-bearing loans are initially recognised in the balance sheet at fair value, reduced by transaction costs. Subsequent accounting is at amortised cost.

Loans are classified as short-term debt unless there is an unconditional right to postpone payment of the debt for more than 12 months from the balance sheet date. In the balance sheet, overdraft facilities are included in loans under current liabilities. Short-term liabilities are presented as short-term liabilities.

Payables to suppliers and other short-term liabilities are measured at nominal value unless there is a financing element.

2.9 DERIVATIVES AND HEDGING

Derivatives are recognised in the balance sheet at fair value at the time the derivative contract is entered into, and then continuously at fair value.

The Group does not have derivatives that qualify for hedge accounting.

Changes in fair value of derivatives are recognised in the income statement as "other (loss)/gains - net", see note 9 and note 17. Changes in the fair value of interest rate swaps are recognised in the income statement as "financial expenses", see note 20.

2.10 GOODS

Goods are valued at the lowest of the acquisition cost and net realisation value. Acquisition cost is calculated using the first-in, first-out method (FIFO). For finished goods and goods under manufacture, the acquisition cost consists of expenses relating to product design, material consumption, direct salary costs, other direct costs and indirect production costs (based on normal capacity). Borrowing costs are not included. The net realisation value is the estimated sales price less costs of completion and sale.

2.11 ACCOUNTS RECEIVABLE

Accounts receivable arise from sales of goods or services that are within the ordinary operating cycle. If settlement is expected within one year or less, receivables are classified as current assets. If this is not the case, receivables are classified as fixed assets. Accounts receivables are measured at fair value on initial recognition in the balance sheet. On subsequent measurement, accounts receivable are assessed at amortised cost using effective interest, less provisions for expected losses in accordance with IFRS 9. Customer bonuses owing and market support are posted to accounts receivable net.

2.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank deposits and other short-term and easily negotiable investments with a maximum of three months' original maturity.

2.13 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity.

Expenses relating directly to the issue of new shares less tax are entered as a reduction of the received remuneration in equity.

For the purchase of own shares, the remuneration is entered, including any transaction costs less tax, to reduce equity (allocated to the company's shareholders) until the shares are cancelled, issued again or sold. If own shares are later sold or reissued, the remuneration is entered, less direct transaction costs and related tax effects such as an increase in equity allocated to the company's shareholders.

2.14 TAX PAYABLE AND DEFERRED TAX

Tax expenses consist of tax payable and deferred tax. Tax is recognised in the income statement, except when it relates to items that are recognised in the income statement or directly against equity. If this is the case, tax is also recognised in the income statement or directly in equity.

Tax payable for the period is calculated in accordance with the tax laws and regulations adopted, or mainly adopted by the tax authorities on the balance sheet date. Legislation in the countries where the Group's subsidiaries or associated companies operate and generate taxable income applies to the calculation of taxable income. The management considers the position claimed in the tax returns where applicable tax laws are subject to interpretation. Based on the management's assessment, provisions are made for expected tax payments where this is deemed necessary.

Deferred tax has been calculated on temporary differences between tax and consolidated accounting values of assets and liabilities. If deferred tax occurs on the first recognition of a liability or asset in a transaction, which is not a business combination, and at the time of the transaction does not affect the accounting or tax result, it is not recognised in the balance sheet. Deferred tax is determined using tax rates and tax legislation in force or to all intents and purposes in force on the balance sheet date, and which is assumed to be used when the deferred tax asset is realised or when the deferred tax is settled.

Deferred tax assets are recognised in the balance sheet to the extent that it is likely that future taxable income will exist where the tax-reducing temporary differences can be utilised.

Deferred tax is calculated on temporary differences from investments in subsidiaries and associated companies, except when the Group has control over the timing of the reversal of the temporary differences, and it is likely that they will not be reversed in the foreseeable future.

Deferred tax assets and deferred tax are offset if there is a legally enforceable right to offset assets for tax payable against liabilities for tax payable, and deferred tax assets and deferred tax apply to income tax levied by the same tax authority for either the same tax liable enterprise or different tax liable companies that intend to settle liabilities and assets for tax payable net.

2.15 PENSION LIABILITIES, BONUS SCHEMES AND OTHER COMPENSATION SCHEMES FOR EMPLOYEES

(a) Pension liabilities

For defined contribution schemes, the company pays in fixed contributions. The Company has no legal or self-imposed obligation to deposit additional funds if it there prove to be insufficient funds to pay all employees the benefits associated with their earnings in this or previous periods. A defined benefit scheme will typically define an amount an employee will receive from and including the retirement date, usually depending on age, number of years of service and salary.

In a defined contribution scheme, the company pays into public or private schemes what it has committed to pay by agreement, is obliged by law or voluntarily. The company has no further liabilities beyond this payment.

The contribution is entered as payroll costs when it is incurred. Prepayments are recognised in the balance sheet as an asset to the extent that they can be used to cover future premiums or be repaid.

The AFP scheme is a multi-company defined benefit pension scheme, but is entered as a defined contribution scheme in line with the Ministry of Finance's conclusion. Companies participating in the AFP scheme are jointly and severally liable for two thirds of the pension to be paid out. The majority of Byggma's companies in Norway are associated with the AFP scheme.

(b) Severance pay

Final severance will be paid out when the employment relationship is terminated by the company before normal retirement age, or when employees voluntarily accept redundancy for compensation. The company recognises severance pay at the earliest at the following times: a) when the offer of severance pay can no longer be withdrawn; or b) when the company recognises the costs associated with restructuring as defined in IAS 37 and the restructuring includes severance pay. In cases where the offer of severance pay is made to encourage voluntary redundancy, the liability is measured based on the number of employees expected to accept the offer. Final severance pay due more than 12 months after the balance sheet date is discounted to current value.

2.16 PROVISIONS

The Group accounts for provisions for environmental improvements, restructuring and legal requirements when: A legal or self-imposed obligation exists as a result of previous events. There is a likelihood that the obligation will be settled in the form of a transfer of financial resources and the size of the obligation can be estimated with sufficient reliability. Provisions for restructuring costs include termination fees for leases and severance pay for employees. No provision is made for future operating losses.

In cases where there are several liabilities of the same nature, the probability that the liability will be settled is determined by assessing the group as a whole. Provisions for the group are recognised even if the likelihood of settlement linked to the group's individual elements may be low.

Provisions are measured as the present value of the expected payments in order to fulfil the liability. A pre-tax discount rate is used that reflects the current market situation and risk specific to the liability. The increase in the liability as a result of a change in the time value is recognised as financial expenses.

2.17 PRINCIPLES FOR REVENUE RECOGNITION

Sales revenues are recognised when the Group has transferred control of goods and services to the customer and fulfilled its delivery liabilities. Sales revenues are presented less VAT and discounts.

Interest income is recognised using the effective interest method.

Byggma's deliveries are to a great extent to building materials chains, wholesalers and industrial customers in the Northern and Western European markets. Sales are primarily assessed as individual delivery liabilities that have been fulfilled and taken to income on the transfer of goods to the counterpart from the Group's factory premises. Sales are recognised at the expected value of the compensation less estimated customer bonuses and discounts. The customer contracts mainly have a term of between 1 and 3 years, with varying payment terms and discount structure. There is ongoing settlement of bonuses and discounts, with final settlement at the end of the year.

2.18 DIVIDENDS

Dividend payments to the company's shareholders are classified as liabilities as from the date on which the dividend is determined by the general meeting.

2.19 TRADE PAYABLES

Trade payables are liabilities to pay for goods or services delivered by suppliers. Trade payables are classified as short-term liabilities if they mature within one year or less (or in the ordinary operating cycle, if longer). If this is not the case, they are classified as long-term.

Trade payables are measured at fair value on initial balance sheet entry. In the event of subsequent measurement, they are assessed at amortised cost using the effective interest rate.

2.20 PUBLIC SUBSIDIES

Received contributions are recognised net against the cost of the contribution.

2.21 LEASE AGREEMENTS

IFRS 16 does not distinguish between operational and financial leases, and almost all leases must be recognised in the lessee's balance sheet. An exception has only been made for leases with a duration of less than 12 months and leases with a low value. These exceptions are optional for the lessee to make use of. Byggma has chosen not to recognise short-term leases and leases of low value. These lease agreements will continue to be booked in the same way as before. In the balance sheet, the present value of future lease liabilities is recognised as interest-bearing loans and the value of the lease agreement (right of use) is recognised as fixed assets. The total balance sheet total has been increased upon transition to the new standard, with the associated change in key figures such as equity ratio and net interest-bearing liabilities. The liability is calculated by applying a discount rate corresponding to the marginal loan rate for the relevant company that has a contract, for each class of underlying asset, and adjusted for the remaining lease period of the agreement. The capitalised right of use is depreciated over the agreed lease period and interest on the lease liability is recognised as an interest expense.

Repayments of capitalised lease liabilities are classified in the cash flow statement as financing activity.

2.22 INVESTMENT PROPERTY

The company has changed the accounting policy for an investment property. See note 32 for further information.

NOTE 3 FINANCIAL RISK

3.1 FINANCIAL RISK FACTORS

The Group's activities entail different types of financial risk: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and floating interest rate risk. The Group's overall risk management plan focuses on the unpredictability of the capital markets and seeks to reduce the potential negative effects on the Group's financial results. The Group uses financial derivatives to hedge against certain risks.

Risk management for the Group is undertaken by a central finance department. The Group's finance department identifies, evaluates and hedges financial risk in close cooperation with the CEO.

(a) Market risk

(i) Currency risk

In 2022, the Group sold around 36% outside Norway (2021: 35%), but also bought goods in foreign currency. The Group has net sales in SEK and DKK, and net purchases in EUR and USD. The Group has considerable sales in foreign currency, particularly due to sales in SEK. Due to the weighting of purchases and sales, the risk is considered to be limited. The Group has outstanding forward exchange contracts as at 31 December 2022 of TNOK 748, which concern the purchase of TEUR 72 (2021: no outstanding forward exchange contracts). If NOK in relation to SEK had been 5% weaker/

stronger throughout the year, and all other variables were constant, this would represent a reduction/increase in the profit after tax of MNOK 10.7 (2021: MNOK 6.9).

The company has certain investments in foreign subsidiaries where net assets are exposed to currency risk on conversion. If NOK in relation to SEK had been 5% weaker/stronger as at 31 December 2022, and all other variables had been constant, this would represent an increase/decrease in equity of MNOK 6.8 (2021: MNOK 5.8).

(ii) Price risk

In certain areas, the Group is exposed to risk associated with wood and energy prices. The analysis below shows the impact that the increase/decrease in raw material prices has on the Group's earnings and is based on an increase/decrease of 5%, where all other variables are constant. Any such change in wood prices would affect the Group's profit after tax for the year at MNOK 12.1 (2021: MNOK 12.3). Similarly, a change in energy prices would result in MNOK 4.4 (2021: MNOK 3.4) in profit after tax on an annual basis.

(b) Credit risk

Sales are organised so that the credit risk is considered to be low compared to the financial strength of the Byggma Group. In most cases, the Group's largest customers (building materials chains) internally guarantee of the individual chain members. Agreements with the large customers are handled at Group level. There is a risk of major losses on receivables should one of the major building materials chains experience payment problems. Credit rating is carried out when entering into a contract with new customers.

(c) Liquidity risk

Liquidity for the Group is considered to be good. The Group has loans of MNOK 54.9 that will be renewed in 2023. As at 31 December 2022, the Group had an overdraft facility of MNOK 379.5 (2021: MNOK 279.7). The Group had used MNOK 90.3 of its overdraft facilities as at 31 December 2022 (as at 31 December 2021 MNOK 16.9). As at 31 December 2022, the Group had securities financing with a limit of MNOK 330.0, of which the entire limit has been used. As at 31 December 2022, the Group had total bank deposits of MNOK 37.1. The Group has the necessary capacity to finance future activities. Trade payables, tax payable, short-term loans and other current liabilities totalling MNOK 1,105.8 (2021: MNOK 671.0) fall due within 1 year.

The Group prepares a balance sheet and liquidity budget. Liquidity is followed up periodically in the form of cash flow analyses. Liquidity is also followed up weekly by the central finance department. Liquidity is monitored to ensure that the Group has sufficient flexibility in the form of unused overdraft facilities to meet operational liabilities.

The table below specifies the Group's financial liabilities that are not derivatives, classified in accordance with the maturity structure. Classification is carried out in accordance with the due date in the contract. Derivatives are included in the analysis when the due date in the contract is significant to understand the accrual of cash flows. The amounts in the table are undiscounted contractual cash flows.

31 December 2022	< 1 year	1-5 years	Over 5 years
Loans	510,585	442,139	823,427
Overdraft facility	90,283	0	0
Liabilities concerning lease agreements	21,980	60,460	10,032
Trade payables and other current liabilities	431,450	0	0
Total	1,054,298	502,599	833,459

31 December 2021	< 1 year	2-5 years	Over 5 years
Loans	122,320	175,057	283,673
Overdraft facility	16,897	0	0
Liabilities concerning lease agreements	22,489	66,839	20,038
Trade payables and other current liabilities	431,708	0	0
Total	593,415	241,896	303,711

(d) Variable interest rate and fixed interest rate risk

The Group's interest rate risk is related to loans. Loans at variable interest rates entail an interest rate risk for the Group's cash flow. Fixed interest rate loans expose the Group to fair value interest rate risk.

The Group's total interest-bearing debt amounted to MNOK 1,462.5 as at 31 December 2022 (31 December 2021: MNOK 611.4).

The Group has partly hedged long-term liabilities through interest rate swaps. As at 31 December 2022, interest-rate swap agreements expiring in 2023-2030 had been entered into for MNOK 251.3.

If the interest rate level had been 1% higher/lower for loans in NOK as at 31 December 2022, and all other variables had been constant, on an annual basis this would have constituted a reduction/increase in profit after tax of MNOK 8.6 (2021: MNOK 3.3). This is due to lower/higher interest costs on loans at variable interest rates.

If the interest rate level had been 1% higher/lower for loans in SEK as at 31 December 2022, and all other variables had been constant, on an annual basis this would have constituted a reduction/increase in profit after tax of MNOK 1.5 (2021: MNOK 0.6). This is due to lower/higher interest costs on loans at variable interest rates.

The Group manages the variable interest rate risk through variable-to-fixed interest rate swaps: Such interest rate swaps entail conversion of variable interest rate loans to fixed interest rate loans. The Group normally takes out long-term loans at variable interest rates and swaps them to a fixed interest rate below the rate the Group would have achieved by borrowing directly at fixed interest rates. Through the interest rate swaps, the Group enters into an agreement with other parties to swap the difference between the contract's fixed interest rate and variable interest amounts calculated in accordance with the agreed principal. This takes place at agreed intervals (mainly quarterly). Changes in the fair value of interest rate swaps are recognised in the income statement as "financial expenses", see note 20.

3.2 RISK RELATED TO CAPITAL MANAGEMENT

The Group's goal regarding capital management is the continued operation of the Group to ensure returns for the owners and other stakeholders and to maintain an optimal capital structure to reduce capital costs. The Group is heavily focused on capital rationalisation and capital adequacy. The Board will maintain its focus on capital and cost-efficiency. One of the company's objectives is to pay out between 30-50% of the year's profit after tax in dividends. On determining dividends, consideration is given to liquidity

requirements, planned investments and debt ratio. Surplus liquidity must be paid to the shareholders.

The Group monitors capital management, including the relationship between interest-bearing debt and bank deposits.

The Group's objective in relation to net interest-bearing liabilities and EBITDA must be a maximum of 5.0.

	2022	2021
Net interest-bearing liabilities/receivables(-)	1,419,955	535,365
EBITDA	406,601	320,140
Net interest-bearing liabilities/EBITDA	3.5	1.7

In loan agreements with credit institutions, the Group has set conditions that the ratio between net interest-bearing debt excluding debt linked to sale leaseback (see note 31) (NIBD) and EBITDA must be as follows:

Year	2022	2023	2024	2025	2026
NIBD/EBITDA	4.25	3.75	3.5	3.0	2.5

As at 31 December 2022, this ratio was 3.0. Furthermore, there are covenants linked to rolling EBITDA, equity and drawdowns in relation to inventories and accounts receivable. As at 31 December 2022, the Group is well within the requirements of the covenants.

As at 31 December 2022, the Group had interest-bearing debt of MNOK 1,462.5 (see note 24). In addition, the Group has deposits in bank accounts of MNOK 37.1 (see note 12) and interest-bearing receivables of MNOK 5.4. The Byggma Group thus had net interest-bearing debt of MNOK 1,420.0 as at 31 December 2022. Of the bank deposits, restricted withholding tax deposits amounted to MNOK 17.6.

3.3 ASSESSMENT OF FAIR VALUE

The Group does not use hedge accounting.

Financial instruments at fair value according to the valuation method are presented below. The different levels are defined as follows:

- Listed price in an active market for an identical asset or liability (level 1)
- Valuation based on other observable factors, either directly (price) or indirectly (derived from prices), than the listed price (used in level 1) for the asset or liability, (level 2)
- Valuation based on factors not obtained from observable markets (non-observable assumptions) (level 3)

The Group's derivatives are valued at level 2, at MNOK +15.6. (2021: MNOK +0.5)

The fair value of financial instruments traded in active markets is based on the market price on the balance sheet date. A market is considered active if the market prices are easily and regularly available from a stock exchange, trades, broker, business grouping,

pricing service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. See also notes 8 and 9.

NOTE 4 CRITICAL ESTIMATES AND ASSESSMENTS

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered likely under current circumstances.

IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS/CONDITIONS

The Group prepares estimates and assumptions/conditions related to the future. The accounting estimates resulting from this will, by definition, rarely be fully in accordance with the final outcome. Estimates and assumptions that represent a significant risk of significant changes in the balance sheet value of assets and liabilities during the next financial year are discussed below. At the end of 2022, there are no estimates and assumptions/conditions that represent a significant risk of significant changes in the balance sheet value of assets and liabilities during the next financial year.

NOTE 5 SEGMENT INFORMATION

All figures in MNOK.

REPORTED SEGMENTS

The operating segments are identified on the basis of the reporting that the Group management (most senior decision-maker) uses when making assessments of performance and profitability at a strategic level. Group management assesses the business operations on the basis of product and secondary geography. Even though individual segments do not fulfil the quantitative threshold values listed by IFRS 8, the management has decided to report the segment. The reason for this is that the segment is closely monitored by Group management as a potential growth area.

SALES REVENUES

Total sales revenues and balances with customers are distributed and presented in the tables below. Sales to customers are recognised when control of the goods and services has been transferred to the customers, see note 2.17.

The Beams segment consists of Masonite Beams AB, Masonite Beams AS and the beams departments at Huntonit AS. The beams departments at Huntonit AS were transferred to Masonite Beams AS as at 31 December 2022.

SEGMENT INFORMATION 2022

	Panels	Lighting	Windows	Beams	Real estate	Byggma other	TOTAL GROUP
Sales revenues	1,689.5	98.1	291.0	456.9	0.0	0.0	2,535.6
Revenue between segments	-27.3	-0.1	0.0	0.0	0.0	0.0	-27.4
Segment revenues from external customers	1,662.2	98.0	291.0	456.9	0.0	0.0	2,508.2
Operating profit/loss	162.0	-6.3	19.5	70.4	22.1	56.9	324.6
Depreciation and write-downs *)	51.2	4.9	5.5	7.4	10.8	2.2	82.0
Total assets 31.12.	996.7	100.8	135.2	186.9	317.8	1,208.2	2,945.7
Total liabilities 31.12.	380.0	66.5	83.2	148.2	377.6	1,057.5	2,113.0
Investments *)	70.7	1.5	3.0	6.2	46.5	2.5	130.5

SEGMENT INFORMATION 2021

	Panels	Lighting	Windows	Beams	Real estate	Byggma other	TOTAL GROUP
Sales revenues	1,604.1	109.6	228.9	417.6	0.0	0.0	2,360.2
Revenue between segments	-15.8	-0.1	0.0	0.0	0.0	0.0	-15.9
Segment revenues from external customers	1,588.3	109.5	228.9	417.6	0.0	0.0	2,344.3
Operating profit/loss	140.1	4.6	10.7	54.6	41.3	-18.2	233.1
Depreciation and write-downs *)	58.6	5.1	5.8	8.0	7.1	2.5	87.0
Total assets 31.12.	841.6	114.6	117.5	240.2	575.8	28.0	1,917.8
Total liabilities 31.12.	655.0	82.9	84.7	135.2	237.4	54.6	1,249.7
Investments *)	79.2	0.2	4.0	2.5	0.1	4.4	90.4

BY GEOGRAPHY

	Sales revenue		Tangible fixed assets, investment property and intangible assets 31.12		Investments *)	
	2022	2021	2022	2021	2022	2021
	Norway	1,607.2	1,535.1	852.1	875.7	124.8
United Kingdom	50.3	44.7	0.0	0.0	0.0	0.0
Sweden	492.5	456.5	196.9	162.2	5.7	2.6
Finland	17.5	16.4	0.0	0.0	0.0	0.0
Denmark	87.9	91.9	0.0	0.0	0.0	0.0
Others	252.9	199.7	0.0	0.0	0.0	0.0
Total group	2,508.2	2,344.3	1,049.1	1,037.9	130.5	90.4

*) Depreciation, write-downs and investments apply to both tangible fixed assets and intangible assets

NOTE 6 FIXED ASSETS

	Land	Buildings and plant	Machinery, fixtures and fittings, operational assets, etc.	Buildings under construction	Total fixed assets
As of 1 January 2021					
Acquisition cost	73,718	464,663	1,112,329	24,959	1,675,669
Accumulated depreciation	-1,067	-140,497	-710,476	0	-852,040
Book value 01.01.2021	72,651	324,166	401,853	24,959	823,629
Financial year 2021					
Book value 01.01.2021	72,651	324,166	401,853	24,959	823,629
Conversion differences	-521	-2,541	-5,301	-50	-8,414
Acquisitions	1	6,189	64,536	17,753	88,479
Disposals (note 24)	0	0	0	0	0
Write-downs	0	-8,645	0	0	-8,645
Depreciation for the year	-363	-22,453	-51,185	0	-74,001
Book value 31.12.2021	71,768	296,716	409,902	42,661	821,047
As of 31 December 2021					
Acquisition cost	73,119	467,511	1,166,254	42,661	1,749,546
Accumulated depreciation	-1,351	-170,796	-756,352	0	-928,499
Book value 31.12.2021	71,768	296,716	409,902	42,661	821,047
Financial year 2022					
Book value 01.01.2022	71,768	296,716	409,902	42,661	821,047
Conversion differences	-213	-1,004	-2,124	-35	-3,377
Acquisitions	6,607	40,034	93,044	-11,655	128,030
Disposals (note 24)	-5,543	-7,657	-570	0	-13,770
Write-downs	0	-1,100	0	0	-1,100
Depreciation for the year	-322	-23,126	-53,928	0	-77,377
Book value 31.12.2022	72,296	303,862	446,324	30,971	853,454
As of 31 December 2022					
Acquisition cost	73,929	482,715	1,254,098	30,972	1,841,714
Accumulated depreciation	-1,633	-178,853	-807,774	0	-988,260
Book value 31.12.2022	72,296	303,862	446,324	30,972	853,454

The Group has capitalised lease rights for premises and vehicles.

Lease rights are included in the above overview at the following amounts:

	2022	2021
Capitalised lease rights	155,007	149,744
Accumulated depreciation (see note 18)	-76,597	-56,464
Net book value *)	78,411	93,280
*) of which building and construction	58,041	71,909

Debt concerning capitalised lease rights

	2022	2021
Recognised debt concerning lease rights, long-term	65,079	79,231
Recognised debt concerning lease rights, short-term	19,139	19,148
Total recognised debt concerning lease rights	84,217	98,378

See also notes 15, 18, 20, 31 and 32.

Buildings under construction show a net change during the year.

When fixed assets are invested with public contributions, public contributions are net recognised against the investment.

Tangible fixed assets in the companies, with the exception of MNOK 127.9, is pledged as security for bank loans and overdraft facilities (note 15).

Tangible fixed assets are assessed for impairment when there are indications that future earnings cannot justify capitalised value. Analysis of future cash flows has been carried out for relevant business areas. The starting point is based on the 2023 budget. In addition, forecasts have been made for the following 4 years based on growth of between 2% and 20% per year. Beyond year 5, growth is 2% (terminal value). The cash flow is discounted with a discount factor of between 5.6 and 11.2% after tax. The test shows that the estimated future cash flow with a good margin can justify the assets' carrying value.

NOTE 7 INTANGIBLE ASSETS

	Goodwill	R&D	Other ¹	Total
As of 1 January 2021				
Acquisition cost	14,008	10,277	44,998	69,283
Depreciation and write-downs	-7,256	-9,446	-27,579	-44,281
Book value 01.01.2021	6,752	831	17,419	25,002
Financial year 2021				
Book value 01.01.2021	6,752	831	17,419	25,002
Conversion differences	-289	0	-209	-498
Acquisitions	0	0	1,755	1,755
Depreciation for the year	0	-479	-3,878	-4,358
Book value 31.12.2021	6,463	352	15,086	21,901
As of 31 December 2021				
Acquisition cost	13,719	10,277	46,394	70,390
Depreciation and write-downs	-7,256	-9,925	-31,308	-48,490
Book value 31.12.2021	6,463	352	15,086	21,901
Financial year 2022				
Book value 01.01.2022	6,463	352	15,086	21,901
Conversion differences	-122	0	-96	-218
Acquisitions	0	0	2,484	2,484
Depreciation for the year	0	-33	-3,525	-3,558
Book value 31.12.2022	6,341	319	13,949	20,609
As of 31 December 2022				
Acquisition cost	13,597	10,277	48,713	72,587
Depreciation and write-downs	-7,256	-9,958	-34,765	-51,979
Book value 31.12.2022	6,341	319	13,949	20,609

¹⁾ Other intangible assets include, in addition to purchased software, internally generated and recognised development costs for software and other costs.

The lifetime of R&D and other intangible assets is between 3 and 10 years.

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units identified for the country in which it is active and per business area.

A summary of the allocation of goodwill at segment level is as follows:

	2022			2021		
	Norway	EU	Total	Norway	EU	Total
Panel products (AS Byggform)	2,381	0	2,381	2,381	0	2,381
Beam products (Masonite Beams AB)	0	3,960	3,960	0	4,082	4,082
Recognised goodwill as of 31.12.	2,381	3,960	6,341	2,381	4,082	6,463

ASSESSMENT OF GOODWILL AS OF 31 DECEMBER 2022

AS Byggform

AS Byggform was acquired on 12 September 2019. The expected future cash flow in the company means that the discounted value exceeds the book goodwill. The Board of Directors thus concludes that the goodwill of MNOK 2.4 is intact as at 31 December 2022.

Masonite Beams AB

Masonite Beams AB was purchased on 1 August 2006. The expected future cash flow in the company means that the discounted value exceeds the book goodwill. The Board of Directors thus concludes that the goodwill of MNOK 4.0 is intact as at 31 December 2022.

NOTE 8 FINANCIAL INSTRUMENTS BY CATEGORY

The following principles for the subsequent measurement of financial instruments have been applied to financial instruments in the balance sheet:

As of 31 December 2022	Amortised cost	Through profit and loss	Total	
Assets:				
Derivatives	0	15,604	15,604	
Customer and other receivables	330,131	0	330,131	
Cash and cash equivalents	37,076	0	37,076	
Total	370,208	15,604	385,812	
	Through profit and loss	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Commitments:				
Accounts payable and other short-term liabilities (note14)	0	353,594	62,002	415,596
Loans	0	1,462,455	0	1,462,455
Derivatives	0	0	0	0
Total	0	1,816,049	62,002	1,878,051

As of 31 December 2021	Amortised cost	Through profit and loss	Total	
Assets:				
Derivatives	0	1,300	1,300	
Customer and other receivables	418,234	0	418,234	
Cash and cash equivalents	70,961	0	70,961	
Total	489,195	0	490,495	
	Through profit and loss	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Commitments:				
Trade payables and other current liabilities (note 14)	0	352,030	51,340	403,370
Loans	0	611,369	0	611,369
Derivatives	808	0	0	808
Total	808	963,398	51,340	1,015,546

The fair value of financial instruments in the above table is determined at level 2 (ref. note 3.3)

NOTE 9 FINANCIAL DERIVATIVES

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - (long-term)	14,121	0	1,260	337
Interest rate swaps - (short-term)	1,478	0	40	472
Total interest rate swaps	15,599	0	1,300	808
Forward exchange contracts - (short-term)	5	0	0	0
Total financial derivatives	15,604	0	1,300	808

All derivatives are recognised at fair value (ref notes 3.3 and 8). Changes in the fair value of interest rate swaps recognised in the income statement are included in note 20. The change in the fair value of the forward exchange contracts through profit and loss is included in note 17.

Forward exchange contracts

The Group has outstanding forward exchange contracts as at 31 December 2022 of TNOK 748, which concern the purchase of TEUR 72 (2021: no outstanding forward exchange contracts).

NOTE 9 FINANCIAL DERIVATIVES CONTD.

Interest-rate swaps

The nominal principal of outstanding interest rate swaps as at 31 December 2022 was TNOK 251,287 (2021: TNOK 271,421).

As of 31 December 2022, the fixed interest rate varied from 1.6% to 4.3% (as at 31 December 2021 from 1.6% to 4.2%) and the variable interest rates were linked to NIBOR and STIBOR. Distribution of principal amount of TNOK 251,287 (2021: TNOK 271,421) is TNOK 207,425 (2021: TNOK 197,700) associated with NIBOR and TNOK 43,862 (2021: TNOK 73,721) associated with STIBOR.

Maturity structure of interest rate swaps	2022	2021
Under 1 year *)	32,391	-5,388
Between 1 and 2 years*)	32,391	33,987
Between 2 and 5 years	94,504	106,678
Over 5 years	92,000	136,145
Total interest rate swap 31.12	251,287	271,421

*) Byggma Eiendom Lyngdal AS increased the interest rate swap by MNOK 38.3 in 2022, which resulted in a negative term structure amount in 2021.

Maturity of fair value, interest rate swaps	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Under 1 year	1,478	0	40	-472
Between 1 and 2 years	1,478	0	85	-98
Between 2 and 5 years	6,495	0	473	-192
Over 5 years	6,148	0	702	-47
Total fair value of interest rate swaps, 31.12	15,599	0	1,300	-808

NOTE 10 ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	2022	2021
Accounts receivable	329,630	414,738
Write-downs for losses on accounts receivable (see note 2.11)	-2,678	-2,124
Accounts receivable net	326,952	412,615
Prepayments	45,694	27,371
Receivables from related parties and Group companies (note 27)	907	781
Loans to related parties and group companies (note 27)	5,423	5,043
Customer and other receivables	378,976	445,809
Of which fixed assets (long-term)	-151	-204
Total accounts receivable and other receivables	378,825	445,605

The Group recorded losses on claims of TNOK 622 (2021: TNOK 13). Losses and income recognition are included in other operating expenses (note 18). Write-downs are made in line with IFRS 9.

Group accounts receivable by currency	2022	2021
NOK	220,336	284,891
SEK	56,085	71,345
EUR	37,152	41,511
DKK	13,831	10,169
GBP	2,227	6,822
Total accounts receivable	329,630	414,738

Maturity structure	2022	2021
Not overdue	313,766	382,816
Overdue 0-90 days	13,118	30,795
More than 90 days	2,746	1,128
Current assets	329,630	414,738

NOTE 11 INVENTORIES

	2022	2021
Raw materials and operating equipment	160,341	142,668
Goods in progress	37,377	28,225
Finished goods	80,640	75,265
Purchased goods for resale	107,385	110,959
Total inventories	385,743	357,117

As at 31 December 2022, the inventories were written down for obsolescence by MNOK -17.6. (As at 31 December 2021 MNOK -14.8)

NOTE 12 BANK DEPOSITS AND SIMILAR

In the cash flow statement, cash and cash equivalents comprise the following:

	2022	2021
Cash and cash equivalents	37,076	70,961
Cash and bank deposits	37,076	70,961
of which restricted tax deductions	17,609	17,689
Other cash and bank deposits	19,467	53,272
Unused overdraft facilities	289,170	262,848
Liquidity reserve	308,638	316,120

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	Number of shares (in thousands)	Share capital	Premium	Own shares	Total
As of 1 January 2021	6,982	18,157	34,499	-4	52,652
Share split 1 to 10	62,837	0	0	0	0
As of 31 December 2021	69,819	18,157	34,499	-4	52,652
As of 31 December 2022	69,819	18,157	34,499	-4	52,652

The annual general meeting has authorised the Board of Directors to issue up to 20,000,000 shares, each with a nominal value of NOK 0.26. The share price and other subscription terms will be determined by the Board. The board must alternatively be able to decide that the subscriber may make deposits in assets other than money, that the share contribution liability may be settled by set-offs, or that shares may be subscribed for on special terms. The authorisation concerns a merger decision in accordance with Section 13-5 of the Norwegian Public Limited Liability Companies Act.

The authorisation applies until 26 May 2023.

The Board of Directors must be able to waive the preferential rights of shareholders to subscribe for new shares in the event of a capital increase as authorised by the Board, as this is deemed necessary in order for the Board to be able to invite specific new investors, implement mergers, etc.

The annual general meeting on 31 May 2022 gave the Board of Directors the following authorisation to buy own shares: The Board of Directors is authorised to acquire up to 10% of the company's own shares at a total current nominal value of up to NOK 1,815,663, i.e. 6,983,319 shares. The Board is free to choose the method of acquisition and sale. A minimum of 20% below the last known stock exchange price and a maximum premium of 20% on the last known stock exchange price must be paid. The authorisation applies until 1 November 2023.

The Board has exercised its previous authorisation and in July 2020 Byggma ASA acquired a total of 1,392 of its own shares. Following a stock split, the Group owns 13,920 own shares as at 31 December 2022. The Board of Directors believes that, based on current price levels, the buyback of the company's shares was a good investment and management of the company's capital.

Stock options

There are no stock options in the company.

The share capital consists of:	Number	Nominal	Booked
Class A Shares	69,833,210	0.26	18,157
Total	69,833,210	0.26	18,157

The company had 2,088 shareholders as at 31 December 2022. All shares carry the same rights in the company.

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION CONTD.

20 largest shareholders as at 31 December 2022	Number of shares	Share of share capital
Investor AS *)	51,633,790	73.94%
Sørlands-Vekst AS *)	10,000,000	14.32%
TEG Invest AS	686,320	0.98%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	350,550	0.50%
Leif Magne Thu	338,458	0.48%
Øystein Akselsen	260,000	0.37%
Jomaho AS	232,400	0.33%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Avanza Bank AB	125,332	0.18%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Sverre Bragdo-Eellenes	102,208	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
Torbjørn Seielstad	96,180	0.14%
Nordnet Bank AB	88,030	0.13%
Investor 1 AS *)	80,160	0.11%
Richard Henry Armstrong	74,000	0.11%
Total 20 largest shareholders	65,778,148	94.19%
Share capital	69,833,210	100.00%

20 largest shareholders as at 31 December 2021	Number of shares	Share of share capital
Investor AS *)	51,633,790	73.94%
Sørlands-Vekst AS *)	10,000,000	14.32%
TEG Invest AS	686,320	0.98%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	350,550	0.50%
Øystein Akselsen	259,000	0.37%
Jomaho AS	227,830	0.33%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Avanza Bank AB	144,823	0.21%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
Lasse Solberg Invest AS	97,624	0.14%
Torbjørn Seielstad	96,180	0.14%
Nordnet Bank AB	96,164	0.14%
Sverre Bragdo-Eellenes	92,222	0.13%
Investor 1 AS *)	80,160	0.11%
Richard Henry Armstrong	74,000	0.11%
Total 20 largest shareholders	65,549,383	93.87%
Share capital	69,833,210	100.00%

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION CONTD.

	31.12.2022	31.12.2021
	Number of shares	Number of shares
Board of Directors and Management		
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	686,320	686,320
Head of Marketing and Communications Liv Anne Drangslund Holst **)	1,600	1,600
Attorney Hege Aarli Klem	0	0
CEO Terje Sagbakken	5,920	5,920
Electrician Torbjørn Østebø	0	0
Operations Assistant EB Morten Anseth	0	0
Accountant Kjell Magne Gundersen	0	0
Deputy members:		
Operator Kenneth Berntsen	0	0
Operator Terje Iversen	0	0
Process operator Dagfinn Eriksen	0	0
Foreman Wood Processing Jonas Heilberg	0	0
Specialist Wood Processing Hans Egil Esketveit Fjellidal	0	0
Operator Erik Fjeldberg	0	0
Operator Roger Bjørklund		
Management:		
Group CEO Geir Drangslund *)	61,942,520	61,942,520
CFO Conrad Lehne Drangslund **)	80,160	80,160
IT Director Roy Kenneth Grundetjern	0	0
Logistics Director Richard Thompsen	0	0
Director Business Development Kjetil Askedal	0	0
Auditing:		
Auditor company PricewaterhouseCoopers AS	0	0

*) As of 26 April 2023, Group CEO Geir Drangslund and related parties control 61,942,520 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

***) CFO Conrad Lehne Drangslund and Board member Liv Anne Drangslund Holst are related parties to CEO Geir Drangslund. Their shares are also included in Geir Drangslund's share list.

NOTE 14 SUPPLIER AND OTHER LIABILITIES

	2022	2021
Trade payables	353,594	352,030
Public duties	59,852	49,590
Provision for complaints	2,150	1,750
Accrued costs	77,856	79,679
Total accounts payable and other liabilities	493,452	483,048

NOTE 15 LOANS

	2022	2021
Long-term loans		
Subordinated loan, long-term	43,087	0
Long-term liability from sale/leaseback *)	215,404	0
Other loans, long-term	573,435	386,969
Lease liabilities, long-term	65,079	79,231
Total long-term interest-bearing loans	897,005	466,200
Short-term loans		
Subordinated loan, short-term	10,772	0
Overdraft facility	90,283	16,897
Other loans, short-term	445,257	109,124
Lease liabilities, short-term	19,139	19,148
Total short-term interest-bearing loans	565,450	145,169
Total interest-bearing loans	1,462,455	611,369

*) Also see note 31 concerning sale/leaseback.

Bank loans and overdraft facilities are collateralised against parts of the Group's inventories (note 11), accounts receivable (note 10), tangible fixed assets (note 6), investment property (note 32) and financial investments (note 33).

The entire loan portfolio is exposed to current repricing of interest rates, except for lease liabilities such as the lease of premises, which are not exposed to an interest rate change.

Loan terms (without interest) are as follows:	2022	2021
Under 1 year	622,848	161,707
Year 2	135,630	63,658
Year 3	130,060	61,950
Year 4	122,935	60,032
Year 5	113,974	56,255
Over 5 years	833,459	303,711
Total over 1 year	1,336,058	545,607
Total all due dates	1,958,906	707,314

Parts of the loan portfolio are swapped at fixed interest rates, for a more detailed specification see note 9.

The balance sheet value of long-term and short-term loans is approximately equal to fair value.

The balance sheet value of the Group's loans in different currencies is as follows:	2022	2021
Norwegian Kroner (NOK)	1,293,415	606,582
Swedish Kronor (SEK)	166,870	16,772
Danish Kroner (DKK)	-3,238	-6,740
US Dollar	1,799	-1,728
Other currencies	56	-1
Euro (EUR)	3,554	-3,516
Total loans	1,462,455	611,369

The Group has a net drawdown on Group overdraft facilities as at 31 December 2022.

This drawdown is distributed on the following currencies:	2022	2021
Norwegian Kroner (NOK)	-121,042	-93,985
Swedish Kronor (SEK)	32,929	65,103
Euro (EUR)	-3,554	3,516
US Dollar	-1,799	1,728
Other currencies	3,182	6,741
Total drawdowns, Group overdraft facility	-90,283	-16,897

Book value of mortgaged assets	2022	2021
Tangible fixed assets	725,577	721,779
Investment property	175,000	195,000
Financial investments	827,914	0
Inventories	356,469	327,174
Accounts receivable	320,586	403,866
Total	2,405,546	1,647,819

Due date liabilities for lease agreements (undisclosed) as follows:

	2022	2021
Less than 1 year	21,980	22,489
Between 1 and 5 years	60,460	66,839
Over 5 years	10,032	20,038
Total liabilities leases (undiscounted)	92,472	109,366

NOTE 16 DEFERRED TAX

Deferred tax is recognised net when the Group has a legal right to offset deferred tax assets against deferred tax in the balance sheet and if the deferred tax is paid to the same tax authority. The following amounts have been recorded net:

	2022	2021
Deferred tax asset		
- Deferred tax assets reversed in more than 12 months	0	3,622
- Deferred tax assets reversed within 12 months	1,162	1,033
Total deferred tax asset	1,162	4,655
Deferred tax:		
- Deferred tax reversed in more than 12 months	-108,258	-111,628
- Deferred tax reversed within 12 months	-1,948	-73
Total deferred tax	-110,206	-111,702
Net deferred tax	-109,044	-107,047

Changes in deferred tax recognised in the balance sheet:	2022	2021
Book value 01.01	107,047	100,527
Currency conversion	-62	842
Change in principle for investment property	0	645
Recognised in the income statement for the period (note 21)	2,060	5,033
Book value 31.12	109,044	107,047

Deferred tax	Fixed assets	Investment property	Inventory	Accounts receivable	Other	Total
Book value 31.12.2020	91,048	0	675	-377	-1,398	89,949
Change in principle for investment property	0	19,062	0	0	0	19,062
Book value 01.01.2021	91,048	19,062	675	-377	-1,398	109,011
Recognised in the income statement for the period	715	645	52	-17	623	2,019
Exchange rate differences	0	0	0	0	673	672
Book value 31.12.2021	91,763	19,707	728	-394	-102	111,702
Recognised in the income statement for the period	-4,286	-3,755	1,266	-92	5,483	-1,384
Exchange rate differences	0	0	0	0	-112	-112
Book value 31.12.2022	87,477	15,952	1,994	-486	5,269	110,206

Deferred tax asset	Inventory	Fair value gains	Deferred loss	Other	Total
Book value 01.01.2021	1,070	2,479	3,036	279	6,863
Recognised in the income statement for the period	0	-2,387	-903	1,250	-2,040
Exchange rate differences	0	0	-176	8	-168
Book value 31.12.2021	1,070	92	1,957	1,537	4,655
Recognised in the income statement for the period	-1,070	-92	-1,907	-374	-3,444
Exchange rate differences	0	0	-50	0	-50
*) Book value 31.12.2022	0	0	0	1,162	1,162

*) Deferred tax assets are entirely related to lease liabilities.

NOTE 17 OTHER LOSSES/GAINS - NET

	2022	2021
Agio	31,418	24,985
Disagio	-35,280	-26,210
Changes to forward exchange contracts	5	776
Gain on forward contract *)	76,524	0
Change in value of investment property **)	-20,000	0
Total other net losses/gains	52,668	-449

*) For gains on forward contracts, see note 33

***) For investment property, see note 32

NOTE 18 OTHER OPERATING EXPENSES

	2022	2021
Maintenance costs	41,559	39,548
Costs of premises 1)	23,921	21,445
Travel costs	11,698	7,543
Miscellaneous fees	29,757	26,182
Miscellaneous office expenses	13,217	12,407
Plant and machinery - rent and minor purchases 2)	26,838	20,360
Phone & postage	3,566	3,348
Membership fees & insurance premiums	18,898	19,271
Miscellaneous other operating expenses	31,757	29,147
Total operating expenses	201,211	179,251

NOTE 18 OTHER OPERATING EXPENSES CONTD.

Short-term leases and leases with low value:		
	2022	2021
1) Of which short-term leases and leases with low value	3,198	3,458
2) Of which short-term leases and leases with low value	2,411	2,419
Total short-term leases and leases with low value	5,609	5,877
Total rental costs		
Depreciation of capitalised lease agreements (note 6)	20,434	20,236
Interest on lease obligation (note 20)	6,602	3,967
Short-term leases and agreements with low value	5,609	5,877
Total rental costs	32,644	30,079

NOTE 19 PAYROLL COSTS

	2022	2021
Payroll	409,531	402,548
Employer's contributions	62,985	60,321
Pension costs - contribution-based pension schemes	21,734	17,903
Other personnel costs	6,935	6,786
Total payroll expenses	501,184	487,557

Audit fees		
	2022	2021
Expensed remuneration to the Group's auditor is distributed as follows:		
- statutory audit	3,095	2,773
- other certification services	95	58
- tax advice	239	263
- other assistance	205	634
Total remuneration to auditor	3,634	3,728

Remuneration to auditor's collaborating law firm NOK

249. Remuneration to other auditing firms amounts to TNOK 453 (2021: TNOK 546) in audit fees and TNOK 6 (2021: TNOK 16) in other fees. All amounts are stated excluding VAT.

Number of FTEs as of 31.12. - Group	708	710
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Salaries and remuneration to the Board of Directors and senior executives

2022	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Senior executives					
Group CEO Geir Drangslund *)	4,791,493	8,466	180,172	2,000,000	0
CFO Conrad Lehne Drangslund (from 01.10.2022)	275,000	1,837	0	0	3,137
CFO Jens Unhammer (until 01.10.2022)	1,058,877	55,500	66,754	100,000	96,178
IT Director Roy Kenneth Grundetjern	1,470,168	146,541	39,754	0	82,147
Logistics Director Richard Thompsen	1,168,150	84,325	0	100,000	67,005
Director Business Development Kjetil Askedal	1,364,834	15,562	15,334	0	24,213
			Board fees, subsidiaries	Other remuneration	Board fees, subsidiaries
The Board of Directors					
Terje Gunnulfson, Chairman of the Board		232,000	0	0	
Liv Anne Drangslund Holst		130,300	0	0	
Hege Aarli Klem		138,100	0	0	
Terje Sagbakken (from 31.05.2022)		0	0	20,000	
Knut Henning Larsen (until 31.05.2022)		130,300	35,000	10,000	
Torbjørn Østebø (from 31.05.2022)		0	0	0	
Kjell Magne Gundersen (from 31.05.2022)		0	0	0	
Morten Anseth (from 31.05.2022)		0	0	0	
Edvart Treldal Høyåsen, employee representative (until 31.05.2022)		83,500	0	0	
Erik Fjeldberg, employee representative (until 31.05.2022)		83,500	0	6,000	
Dagfinn Eriksen, employee representative (until 31.05.2022)		83,500	0	9,500	

*) Geir Drangslund is hired from Scanel AS, cf. note 27

NOTE 19 PAYROLL EXPENSES CONTD.

2021	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Senior executives					
Group CEO Geir Drangslund *)	4,670,005	51,697	178,038	2,000,000	0
CFO Jens Unhammer	1,343,175	94,980	67,019	100,000	120,735
IT Director Roy Kenneth Grundetjern	1,444,636	165,904	40,019	0	122,297
Logistics Director Richard Thompsen	1,111,966	92,867	0	0	74,300
Director Business Development Kjetil Askedal	1,338,977	6,494	0	0	17,540
	Board fees	Other remuneration	Board fees, subsidiaries		
The Board of Directors					
Terje Gunnulfsen, Chairman of the Board	224,900	0	0		
Liv Anne Drangslund Holst	126,600	0	0		
Hege Aarli Klem	126,600	0	0		
Knut Henning Larsen * *)	119,000	0	0		
Edvart Trelldal Høyåsén, employee representative	81,000	0	0		
Erik Fjeldberg, employee representative	81,000	0	4,500		
Dagfinn Eriksen, employee representative	81,000	0	9,500		

*) Geir Drangslund is hired from Scanel AS, cf. note 27

**) Knut Henning Larsen carried out billable services for the Byggma Group for a total of NOK 77,400 in 2021.

PENSIONS

The Group's pension schemes satisfy the law's requirement for OTP.

The company and most Norwegian subsidiaries are within the LO-NHO agreement area. Employees of the companies have, based on this, the option to apply for an AFP pension from 62 years of age. The AFP scheme is a defined benefit multi-company scheme. Companies that are within the LO-NHO agreement have a real financial obligation as a result of the agreement on the AFP scheme. In 2022, however, there is insufficient information to enable the recognition of liabilities in the annual financial statements. This means that no liability for the AFP scheme is recognised in the balance sheet in 2022.

NOTE 20 FINANCIAL ITEMS

Specification of financial items	2022	2021
Financial income		
Interest on loans and bank deposits	732	2,818
Total financial income	732	2,818
Financial expenses		
Interest expenses, bank loans	32,790	14,322
Interest-rate swaps	-15,998	-7,797
Interest expenses, leasing liabilities	6,602	3,967
Other interest expenses	377	275
Other financial expenses	2,379	1,071
Total financial expenses	26,149	11,838
Total financial items	-25,417	-9,020

NOTE 21 TAX EXPENSES

	2022	2021
Tax payable	46,877	42,742
Change in deferred tax (note 16)	2,060	5,033
Total tax expenses	48,937	47,775

The tax on the Group's profit before tax differs from the amount that would have arisen if the Group's weighted average tax rate had been used. The difference is explained as follows:

	2022	2021
Profit/loss before tax	299,147	224,116
Tax calculated using the country tax rate on the respective results	65,046	48,154
Non-taxable income (-)/non-tax-deductible expenses (+)	-16,345	972
Application of tax deficit carried forward, not previously recognised in the balance sheet	0	-1,373
Taxable losses where deferred tax assets were not recognised in the balance sheet	235	22
Tax expenses	48,937	47,775

The weighted average tax rate was 21.7% (2021: 21.6%).

NOTE 22 EARNINGS PER SHARE

Earnings per share are calculated by dividing the portion of the annual profit allocated to the company's shareholders by a weighted average of the number of ordinary shares issued during the year, less own shares (note 13).

	2022	2021*)
Annual profit allocated to the company's shareholders	250,210	176,341
Weighted average of the number of shares issued (in thousands)	69,819	69,819
Earnings per share (NOK per share):	3.58	2.53

*) 2021 has been adjusted (see note 32)

DILUTED EARNINGS PER SHARE

When calculating diluted result per share, the weighted average of the number of ordinary shares issued in circulation is used, adjusted for the effect of conversion of all potential shares that may lead to dilution.

	2022	2021
Equity allocated to the company's shareholders	250,210	176,341
Profit used to calculate diluted earnings per share	250,210	176,341
Average number of issued ordinary shares (thousand)	69,819	69,819
Average number of ordinary shares for calculating diluted earnings per share (thousand)	69,819	69,819
Earnings per share (NOK per share):	3.58	2.53

NOTE 23 DIVIDENDS

Dividends paid for the 2020 and 2021 financial years were TNOK 558,554 (NOK 80.00 per share) and TNOK 69,819 (NOK 1.00 per share), respectively. The Board of Directors proposes that the annual general meeting does not pay any dividend for the 2022 financial year. A decision will be made at the annual general meeting on 31 May 2023.

NOTE 24 CASH FLOW FROM OPERATIONS

	2022	2021*)
Profit for the year	250,210	176,341
Adjustments for:		
- Tax expenses (note 21)	48,937	47,775
- Depreciation and write-downs (note 6)	78,477	82,646
- Depreciation of intangible assets (note 7)	3,558	4,358
- (Profit)/Loss on sale of tangible fixed assets (see below)	-1,602	-50
- Unrealised (gain) loss on derivatives	-15,112	-13,103
- Realised gain, equity derivative	-76,524	0
- Unrealised loss (gain), investment property	20,000	0
- Interest expenses (note 20)	38,299	22,610
- Interest income (note 20)	-5,938	-2,545
Changes in working capital:		
- Goods	-30,522	-96,931
- Accounts receivable and other receivables	66,087	-107,780
- Trade payables and other current liabilities	12,540	79,595
Cash flow from operations	388,409	192,916

In the cash flow statement, income from the sale of tangible fixed assets comprises:

	2022	2021
Book value (note 6)	13,770	0
Gain / (loss) on sale of fixed assets	1,602	50
Remuneration for the sale of tangible fixed assets	15,373	50

*) 2021 has been adjusted (see note 32)

NOTE 24 CASH FLOW FROM OPERATIONS CONTD.**RECONCILIATION OF CHANGES IN INTEREST-BEARING DEBT 2022**

	2022	2021
Interest-bearing debt 1.1	611,369	597,004
Adjustment of overdraft facility	73,385	15,943
Uptake of loans	813,793	71,708
Repayment of loans	-87,529	-67,201
Loans from related parties	53,859	0
<i>Change without cash flow effect:</i>		
Currency change, loans	-2,421	-6,085
Interest-bearing debt 31.12	1,462,455	611,369
Of which interest-bearing debt 31.12 long-term	897,005	466,200
Of which interest-bearing debt 31.12 short-term	565,450	145,169
Total interest-bearing debt 31.12 (see note 15)	1,462,455	611,369

NOTE 25 CONTINGENT LIABILITIES

No significant costs are expected to arise as a consequence of contingent liabilities.

NOTE 26 CONTRACTUAL LIABILITIES**INVESTMENT LIABILITIES**

The contracts entered into as of the balance sheet date for investments not included in the annual accounts are as follows:

	2022	2021
Tangible fixed assets	10,930	8,900
Total investment liabilities	10,930	8,900

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

The Group is controlled by Investor AS, Investor 1 AS, Investor 3 AS and Sørlands-Vekst AS. Investor AS is controlled by Group CEO Geir Drangslund. Investor AS owns 99.8% of Sørlands-Vekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangslund. As of 26 April 2023, Geir Drangslund and related parties controlled 88.70% of the shares in Byggma ASA. The Group buys some administrative services from Scanel AS. Scanel AS is wholly owned by Investor AS. These administrative services consist of fees for the CEO Geir Drangslund. The Group has net debt with Geir Drangslund and the companies he controls.

The Group has been involved in transactions with the following related parties:

i) Sale of goods and services	2022	2021
Sale of goods:		
Geir Drangslund	62	45
Total sales of goods and services	62	45

Goods and services are sold to related parties on ordinary commercial terms.

ii) Purchase of goods and services	2022	2021
Purchase of services:		
- Scanel AS (administrative services)	4,791	4,667
Total purchase of goods and services	4,791	4,667

The above fee for administrative services is also included in note 19. Services to related parties are negotiated between the parties and decided by the Board.

iii) Interest on receivables	2022	2021
Interest on receivables		
Geir Drangslund / Sørland-Vekst AS / Scanel AS / Investor AS *)	130	366
Total	130	366

iv) Balance sheet items at year-end.	2022	2021
Receivables from related parties (note 10):		
Geir Drangslund / Sørlands-Vekst AS / Scanel AS / Investor AS *)	6,330	5,823
Total	6,330	5,823
Debt to related parties:		
Drangslund Kapital AS *)	53,859	0
Total	53,859	0

*) Investor AS is the parent company and Sørlandsvekt AS, Scanel AS and Drangslund Kapital AS are the sister companies of Byggma ASA.

NOTE 28 EVENTS AFTER THE BALANCE SHEET DATE

On 9 March 2023, Byggma's Group CEO, Geir Drangslund, was elected as the new Chairman of the Board of Directors of Norske Skog ASA.

Byggma acquired 900,000 shares in Norske Skog ASA between 31 December 2022 and 27 April 2023. As at 26 April 2023, Byggma ASA owns 18.0% of the share capital in Norske Skog ASA.

See note 33.

NOTE 29 CLIMATE RISK AND DOUBLE MATERIALITY

Climate risk is a topic receiving increasing attention from business, public authorities and society in general. The Group has placed climate risk and sustainability high on its agenda and as from 2020 has prepared a separate Sustainability Report. See this year's report on page 70.

The Group's climate risk concerns both physical risk and transition risk. Physical risk includes weather and climate conditions, such as extreme precipitation volumes or rising sea levels. Our operations are not located close to water bodies and are not at any immediate risk of flooding or rising sea levels. Extreme precipitation or drought can affect the availability and quality of wood, and reservoir levels can affect energy prices. The Group is well equipped to face such risks and physical risk is not assessed to have any significant impact on the Group. The Group may be indirectly affected if our suppliers or customers are affected. Examples are storms or bark beetle infestations, which can affect access to wood.

Transition risk includes increased requirements for reduced environmental impacts in society, and political requirements and regulations. Large parts of the Group operate mechanical wood pulping, which is energy-intensive. There may be increased requirements for this activity, which may affect energy costs. On the other hand, we can see a great political wish for greater use of wood as a building material, since wood is renewable. Byggma is thus well-positioned to contribute to achieving the climate goals under the Paris Agreement. The Group's subsidiaries, Huntonit and Forestia, make wood-based building panels from wood and sawdust, i.e. the part of the log that is not used for planks and timber. If the Group did not use this part of the log, this raw material could remain on the forest floor or be sent for incineration and be released as CO₂ into the atmosphere through decay or energy recovery. Instead, the Group ensures that the material is recovered and the carbon from the wood and sawdust is bound in the ceilings, walls and floors of buildings for many decades. Masonite Beams use 47% less wood in their I-beams compared to traditional solid wooden beams. Carbon sequestration in Byggma's wood-based products is equivalent to 5.2% of Norway's road traffic emissions. Replacing older windows improves insulation and the energy efficiency of homes. The Group is well-equipped to face such risks and transition risk is not assessed to have a significant impact on the Group.

Overall, the Group's climate risk is deemed to be low.

Byggma ASA's sustainability report is prepared in accordance with the principles of the Global Reporting Initiative ("GRI"). As part of this work, we have conducted stakeholder and materiality analyses according to the principle of double materiality, in accordance with GRI. The analyses concerned how the company affects its surroundings and how the surroundings affect the company. Based on these analyses, we have found five topics that we consider to be the most significant for both the Group and our subsidiaries. We have set these out in a priority matrix to guide us in our work with sustainability and ESG. Read more about this in our Sustainability Report on page 70.

NOTE 30 SUBSIDIARIES

Company	Acquisition date	Registered office	Share of votes
Huntonit AS	25.04.1997	Vennesla	100%
Huntonit Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Vennesla	100%
Smartpanel AS	28.06.2018	Fredrikstad	100%
Aneta Lighting AS	06.06.2002	Kristiansand	100%
ScanLamps VTA AS (owned by Aneta Lighting AS)	20.09.2017	Kristiansand	100%
Byggma Eiendom Lyngdal AS (owned by Byggma Eiendom AS)	31.03.2003	Lyngdal	100%
Byggma Eiendom AS	14.05.2021	Vennesla	100%
Uldal AS	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Aneta Lighting AS)	16.11.2004	Vennesla	100%
Aneta Lighting AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	Braskereidfoss	100%
Forestia Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Braskereidfoss	100%
Forestia Carbon Sink AS	28.06.2021	Braskereidfoss	100%
Masonite Beams AS	29.05.2020	Mo I Rana	100%
Grammaholmen Fastighet AB (owned by Byggma Eiendom AS)	29.05.2019	Rundvik, Sweden	100%
AS Byggform	12.09.2019	Asker	100%
Masonite Beams AB	01.08.2006	Rundvik, Sweden	100%

Company		Share capital	Number of shares	Our number of shares	Book equity in subsidiaries	Book value in Byggma
Huntonit AS	NOK	919	13,100	13,100	117,769	18,761
Huntonit Eiendom AS *)	NOK	391	100	100	570	0
Smartpanel AS	NOK	20,000	500	500	44,774	20,000
Aneta Lighting AS	NOK	8,250	82,500	82,500	11,391	15,355
ScanLamps VTA AS *)	NOK	101	1,000	1,000	1,635	0
Byggma Eiendom Lyngdal AS *)	NOK	1,000	10,000	10,000	30,536	0
Byggma Eiendom AS	NOK	5,000	1,000	1,000	95,508	70,030
Uldal AS	NOK	10,480	1,048,000	1,048,000	34,878	25,684
Rolf Dolven AS *)	NOK	2,000	200,000	200,000	4,340	0
Aneta Lighting AB	SEK	600	600	600	38,512	27,453
Forestia AS	NOK	4,030	1,000,000	1,000,000	215,687	47,108
Forestia Eiendom AS *)	NOK	970	1,000	1,000	13,746	0
Forestia Carbon Sink AS	NOK	100	100	100	100	100
Masonite Beams AS	NOK	1,390	10	10	12,098	1,765
Grammaholmen Fastighet AB *)	SEK	50	500	500	147	0
AS Byggform	NOK	2,000	2,000	2,000	19,053	22,744
Masonite Beams AB	SEK	2,200	22,000	22,000	97,168	11,970
Total					737,911	260,969

*) Owned by Byggma ASA via other subsidiaries.

NOTE 31 SALE/LEASEBACK

The main reason for the increase in the long-term loan in 2022 is the sale of Birkeland Eiendom AS and Masonite Fastighet AB. They were sold at a gross property value of MNOK 234.0 on 11 October 2022 (takeover). The transaction is treated as a long-term loan in accordance with the rules in IFRS 9.

Byggma has the option of buying back the companies after 20 years from takeover and the buyer of the companies has the option of selling the companies back to Byggma after 20 years from takeover. This is recognised as a long-term liability of MNOK 215.4 in the consolidated balance sheet and the properties of the sold companies are carried forward in the consolidated financial statements.

Byggma ASA's subsidiaries Uldal AS and Masonite Beams AB lease the factory properties in Birkeland Eiendom AS and Masonite Fastighet AB for their production of windows and I-beams, respectively. The lease contracts are for 20 years and Uldal AS and Masonite Beams AB have the option to renew the lease by 10 years at a time thereafter. The rent is adjusted by the KPI once a year and Byggma ASA guarantees the rent to Masonite Beams AB and Uldal AS (parent company guarantee). The rent paid by the companies is classified as interest expenses in the Group.

See note 15.

NOTE 32 INVESTMENT PROPERTY

NOK thousands	Bygma Eiendom Lyngdal AS	Total investment properties
As of 1 January 2021		
Fair value	195,000	195,000
Change in value 2021	-	-
Book value 31.12.2021	195,000	195,000
As of 1 January 2022		
Fair value	195,000	195,000
Change in value 2022	-20,000	-20,000
Book value 31.12.2022	175,000	175,000

Amount recognised in the income statement related to investment property

Description	Consolidated item	2022	2021
Lease revenue	Other operating revenue	12,352	12,022
Board fees	Payroll expenses	17	17
Other operating costs	Other operating costs	916	1,135
Change in fair value	Other gains/losses - net	-20,000	-

As from Q4 2022, the company has changed the accounting policy for investment property from the cost model to fair value, in accordance with IAS 40. This only applies to one property in the subsidiary Bygma Eiendom Lyngdal AS. The property is leased to an external lessee. Lease revenue for 2022 was MNOK 12.4 and is included in "Other income". The lease runs until 2027 and the lessee has the option to extend it by 5 years thereafter. Up until 2027, the rent will be adjusted by 50% of the KPI, and by 100% of the KPI during the option period.

The change in fair value is included in "Other losses/gains - net" in the consolidated income statement. Fair value is set according to a rate determined by an independent third party. Investment property is now stated on a separate line of the balance sheet, while previously it was presented together with other properties under tangible fixed assets.

The reason for the change in policy is that the producer of the accounts has assessed that the accounts will appear more in line with the decision-making purpose of the conceptual framework under IFRS, as the property is booked in accordance with the fair value model in IAS 40, instead of the cost model in IAS 16. Until the change of policy, this asset represented a hidden value in the accounts. After the change of policy, the property is booked at fair value, making the value of this asset easier for users of the accounts to assess.

Effect of the change of policy on the 2021 income statement

Description	Consolidated item	2021 in accordance with the 2021 annual accounts	Effect of the change of policy	2021 in accordance with the 2022 annual accounts
Depreciation of investment property	Depreciation and write-downs	2,931	(2,931)	-
Profit before tax effects	Profit/loss before tax	221,185	2,931	224,116
Tax expenses	Tax expenses	47,130	645	47,775
Profit/loss	Profit for the year	174,055	2,286	176,341
Expanded profit/loss	Total profit for the year	166,589	2,286	168,875

Effect of the change of policy on the 2021 balance sheet

	Tangible fixed assets	Retained earnings	Deferred tax	Investment property
31.12.2020 based on 2020 annual accounts	931,857	920,656	89,949	0
Deduction of land and property in accordance with IAS 16, 31.12.2020	-108,353	-108,353		
Recognition of investment property in accordance with IAS 40, 31.12.2020		195,000		195,000
Recognition of deferred tax as a consequence of the change of policy		-19,062	19,062	
Net effect of change from IAS 16 to IAS 40	-108,353	67,585	19,062	195,000
01.01.2021 after the change of policy in 2022	823,504	988,241	109,011	195,000

	Tangible fixed assets	Retained earnings	Deferred tax	Investment property
31.12.2021 based on the 2021 annual accounts	926,469	536,156	91,995	-
Deduction of land and property in accordance with IAS 16, 31.12.2021	-105,422	-105,422		
Recognition of investment property in accordance with IAS 40, 31.12.2021		195,000		195,000
Recognition of deferred tax as a consequence of the change of policy		-19,707	19,707	
Net effect of change from IAS 16 to IAS 40	-105,422	69,871	19,707	195,000
31.12.2021 in accordance with the 2022 annual accounts	821,047	606,027	111,702	195,000

Other operating income

	2022	2021
Income from investment property	12,351	12,022
Sale of CO ₂ quotas	0	19,484
Other operating income	12,072	12,038
Total other operating income	24,423	43,544

NOTE 33 FINANCIAL INVESTMENTS

Financial investments at fair value	31.12.2022
1 January	0
Acquisition/purchase	1,016,333
Disposal/sale	0
Gain from redemption of forward contract on 20 July 2022 on the acquisition of shares in Norske Skog ASA (included in Other losses/gains - net)	76,524
Change in value of financial investments recognised in other comprehensive income	(14,810)
Total financial investments at fair value	1,078,046
<hr/>	
Comprehensive income	2022
Gain from redemption of forward contract on 20 July 2022 on the acquisition of shares in Norske Skog ASA (included in Other losses/gains - net)	76,524
Change in value of financial investments recognised in other comprehensive income	(14,810)
Total effect of financial investments on other comprehensive income	61,714

The Group has chosen to recognise financial investments in equity instruments listed on a regulated market at fair value, with changes in value carried to comprehensive income. The Group chose this policy to ensure that ordinary income to a greater extent reflects the value created from operating the building materials business and is not affected by changes in the value of the financial investment.

It is assessed that Byggma ASA does not have any significant influence in Norske Skog ASA as at 31.12.2022. As at 31 December 2022, Byggma ASA owned 17.0% of the share capital in Norske Skog ASA. As at 31 December 2022, Byggma has no representation on the Board of Directors or other formal positions in Norske Skog ASA. Since Byggma ASA does not have any significant influence in Norske Skog ASA, the investment is recognised at fair value in accordance with IFRS 9 and IFRS 13 and not according to the equity method. After 31 December 2022, Byggma ASA increased its ownership of Norske Skog ASA to 18.0%.

The share of the financial investments was purchased via a forward contract. The gain on the forward contract is booked under "Other losses/gains - net" in the income statement. The change in the value of financial investments is recognised in other comprehensive income. The investment is recognised at fair value in the balance sheet. As at 31 December 2022, the change in the market value of financial investments had an effect of MNOK -14.8 on the Group's equity, recognised in other comprehensive income. This effect must be viewed in the context of the one-off gain on the forward contract on the purchase of shares in Norske Skog ASA for MNOK 76.5, so that the net effect as at 31 December 2022 is MNOK 61.7.

NOTE 34 PUBLIC CONTRIBUTIONS

Public contributions received are recognised net against the cost of the contribution.

	2022	2021
Public contributions received	24,199	29,987

BYGGMA ASA
INCOME STATEMENT

(all amounts in NOK 1,000)	Note	NGAAP 2022	NGAAP 2021*)
Operating revenue			
Other operating revenue		823	1,312
Total operating revenue	1	823	1,312
Operating costs			
Payroll expenses	2	1,045	960
Depreciation	3	830	1,366
Other operating costs	2	17,994	16,839
Total operating expenses		19,869	19,165
Operating profit/loss		-19,046	-17,853
Financial items			
Financial income	4	317,684	779,206
Financial costs	4	21,937	7,660
Total financial items		295,747	771,546
Profit/loss before tax		276,701	753,692
Tax on ordinary profit/loss	5	20,861	29,261
Profit for the year		255,840	724,431
Allocation of profit:			
Proposed dividend	6	0	69,819
Transferred to other equity	6	255,840	654,612
Total allocated		255,840	724,431

*) : 2021 has been adjusted. See principle note on sales revenues.

BYGGMA ASA

BALANCE SHEET AS AT 31.12.

(all amounts in NOK 1,000)

	Note	NGAAP 2022	NGAAP 2021
ASSETS			
FIXED ASSETS			
Intangible assets			
Intangible assets	3	3,962	2,541
Deferred tax asset	5	498	423
Total intangible assets		4,461	2,965
Financial fixed assets			
Investments in subsidiaries	7	260,969	265,315
Loans to Group companies	8, 9	552,811	629,411
Financial investments	8, 10	1,078,046	0
Total financial fixed assets		1,891,826	894,726
Total fixed assets		1,896,287	897,691
CURRENT ASSETS			
Receivables			
Accounts receivable	8	79,616	104,920
Receivables from Group companies	8, 9	152,327	188,649
Other receivables		252	101
Total receivables		232,195	293,669
Cash and cash equivalents	11	92	4
Total current assets		232,287	293,673
TOTAL ASSETS		2,128,574	1,191,364

BYGGMA ASA

BALANCE SHEET AS AT 31.12.

(all amounts in NOK 1,000)

	Note	NGAAP 2022	NGAAP 2021
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	6.12	18,157	18,157
Premium	6	34,499	34,499
Own shares	6	-4	-4
Other paid-in equity	6	312	312
Total paid-in equity		52,963	52,963
Retained earnings			
Other equity	6	911,789	655,948
Total retained earnings		911,789	655,948
Total equity		964,752	708,912
LIABILITIES			
Other long-term liabilities			
Liabilities to Group companies	8, 9	198,859	47,500
Total long-term liabilities		198,859	47,500
Current liabilities			
Debt to credit institutions	8	745,000	162,536
Trade payables	9	95,010	118,217
Tax payable	5	20,935	29,425
Public duties owed		11,814	13,461
Dividend	6	0	69,819
Liabilities to Group companies	9	89,365	39,215
Other current liabilities		2,839	2,279
Total current liabilities		964,963	434,952
Total liabilities		1,163,822	482,452
TOTAL EQUITY AND LIABILITIES		2,128,574	1,191,364

VENNESLA, 26 APRIL 2023
THE BOARD OF DIRECTORS OF BYGGMA ASA



TERJE GUNNULFSEN,
CHAIRMAN



TERJE SAGBAKKEN



HEGE AARLI KLEM



LIV ANNE DRANGSLAND HOLST



TORBJØRN ØSTEBØ



MORTEN ANSETH



KJELL MAGNE GUNDERSEN



GEIR DRANGSLAND,
GROUP CEO

BYGGMA ASA
STATEMENT OF CASH FLOWS

All figures in NOK 1,000	Note	2022	2021
Cash flow from operational activities			
Profit/loss before tax		276,701	753,692
Tax paid for the period	7	-29,425	-19,599
Gain/loss on sale of subsidiaries	9	-117,050	-615,883
Change in value of financial investments		-61,714	0
Ordinary depreciation	2	830	1,366
Change in trade receivables		25,304	-17,913
Changes in accounts payable/advance payments, suppliers		-23,207	18,602
Changes in other receivables and accruals		-1,239	40,501
Changes in Group contributions to subsidiaries		44,196	-27,211
Net cash flow from operational activities		114,396	133,556
Cash flow from investment activities			
Payments for capital expansion in subsidiaries		0	-130
Payment for acquisition of financial investment		-1,016,333	0
Disbursements (-)/Deposits (+) on short-term and long-term receivables Group	5	68,726	31,130
Disbursements for the purchase of tangible fixed assets/intangible assets	2	-2,251	-1,045
Net cash flow from investment activities		-828,462	29,955
Cash flow from financing activities			
Change in overdraft facility		252,464	162,536
Payments upon taking out short-term debt to credit institutions		330,000	0
Disbursements (-)/Deposits (+) liabilities Group	5	50,150	16,272
Disbursements on instalments of long-term debt to the Group		-2,500	-3,967
Payments upon taking out long-term debt to the Group		153,859	0
Dividend paid		-69,819	-558,554
Net cash flow from financing activities		714,154	-383,713
Net change in payment funds	10	88	-220,201
Cash and cash equivalents at the beginning of the period	10	4	220,206
Changes in payment funds for the period		88	-220,201
Cash and cash equivalents at the end of the period	10	92	4
This consists of:			
Bank deposits/liquid assets	10	90	2
Restricted tax deductions	10	2	2
		92	4

The annual accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting policies.

GENERAL

Byggma ASA is domiciled in Norway. The company's address is Venneslaveien 233, PO Box 21, 4701 Vennesla, Norway. Byggma ASA is listed on the Oslo Stock Exchange/Euronext. Byggma ASA is a holding and marketing company for several production and sales companies.

USE OF ESTIMATES

Preparation of accounts in accordance with the Norwegian Accounting Act requires the use of estimates. Furthermore, the application of the company's accounting principles requires the management to exercise discretion. Areas that largely contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are important for the annual accounts, are described in the notes.

CLASSIFICATION AND ASSESSMENT OF BALANCE SHEET ITEMS

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that are to be repaid within one year are nevertheless classified as current assets. Analogue criteria are used as the basis for the classification of liabilities. Current assets are valued at the lowest of acquisition cost and fair value. Short-term liabilities are recognised in the balance sheet at their nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost. Tangible fixed assets are depreciated according to a reasonable depreciation plan. Fixed assets are written down to fair value in the event of a fall in value that is not expected to be temporary. Long-term liabilities with the exception of provisions are recognised in the balance sheet at the nominal amount at the time of establishment.

RECEIVABLES

Accounts receivable are entered in the balance sheet after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the receivables and an additional provision to cover other foreseeable losses. Significant financial problems with the customer, the probability of the customer going bankrupt or going through financial restructuring, and deferrals and shortcomings in payments are regarded as indicators that accounts receivables must be written down. Other receivables, both current receivables and fixed assets, are recognised at the lowest of nominal value and fair value. Fair value is the present value of expected future payments. Discounting is however not carried out when the effect of discounting is insignificant for the accounts. Provisions for losses are assessed in the same way as for accounts receivable.

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Ongoing transactions in foreign currency are recorded at the exchange rate at the time of the transaction. Monetary items in foreign currency are valued at the exchange rate at the end of the financial year. Currency liabilities used for the financing of foreign subsidiaries are entered in the parent company's accounts at the exchange rate at the end of the financial year. Foreign exchange losses/gains are entered under financial items.

FINANCIAL RISK

The company uses various financial instruments in the management of interest rate and currency exposure. Income and expenses arising from agreements entered into that are defined as hedging transactions are accrued and classified in the same way as the underlying balance sheet items. Hedging arrangements made to ensure future cash flows are assessed in connection with these.

Sales are organised in such a way that the credit risk is considered to be low in relation to the financial strength of the Byggma Group. The subsidiary Huntonit AS' products are sold via Byggma ASA (combined invoicing). In most cases, the largest customers (building materials chains) have internal hedging of the individual chain members. Agreements with the large customers are handled at Group level. There is a risk of major losses on receivables should one of the major building materials chains face payment problems. Credit rating is carried out when entering into contracts with new customers.

Liquidity is considered to be good. Byggma ASA has no major loans that need to be renewed in 2023.

Byggma ASA's interest rate risk is related to long-term loans. Loans with variable interest rates entail an interest risk for the company's cash flow. The company manages the floating interest rate risk through float-to-fixed interest rate swaps: Such interest rate swaps entail the conversion of variable interest rate loans to fixed interest rate loans.

ACQUISITION COST

The acquisition cost of assets includes the purchase price, less bonuses, discounts and similar, and with the addition of purchase expenses (freight, customs, public charges that are not refunded and other direct purchase expenses). For purchases in foreign currency, the asset is recognised in the balance sheet at the exchange rate at the time of the transaction. For tangible fixed assets and intangible assets, the acquisition cost also includes direct expenses for preparing the asset for use, such as expenses for testing the asset. Interest relating to the production of fixed assets is recognised in the income statement.

INTANGIBLE ASSETS

Development costs are recognised in the balance sheet to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the costs

can be measured reliably. Otherwise, such expenses are expensed as they arise on an ongoing basis. Capitalised development is depreciated on a linear basis over the financial lifetime.

ENVIRONMENTAL INVESTMENTS

Environmental investments that increase the lifetime, capacity or safety of the plant are capitalised and depreciated over their expected lifetime. Other costs in connection with the external and internal environment are expensed.

LEASING

A distinction is made between financial and operational leasing. Fixed assets financed by financial leasing are classified for accounting purposes under tangible fixed assets. The cross entry is included under long-term liabilities. Operational leasing is recognised as operating costs based on invoiced leasing leases.

INVESTMENTS IN OTHER COMPANIES

With the exception of short-term investments in listed shares, the cost method is used as the principle for investments in other companies. The cost price increases when funds are added in the event of a capital increase, or when Group contributions are made to subsidiaries. Received distributions are initially recognised as income. Distributions that exceed the share of retained earnings after the acquisition are entered as a reduction of the acquisition cost. Dividends/group contributions from subsidiaries are recognised in the same year as the subsidiary allocates the amount. Dividends from other companies are recognised as financial income when adopted.

WRITE-DOWNS OF FIXED ASSETS

If there is an indication that the value of a fixed asset recognised in the balance sheet is higher than its fair value, a test is carried out for impairment. The test is carried out for the lowest level of fixed assets that have independent cash flows. If the balance sheet value is higher than both the sales value and the recoverable amount (present value for continued use/ownership), write-downs are carried out to the highest of the sales value and the recoverable amount.

Previous write-downs, with the exception of write-downs of goodwill, are reversed if the conditions for write-downs no longer exist.

LIABILITIES

Debt, with the exception of some provisions for liabilities, is recognised in the balance sheet at the nominal debt amount.

WARRANTY LIABILITY

Expected expenses for future guarantee work related to sales revenues are recognised as expenses and provisions in the balance sheet. The provision is based on historical figures for guarantees.

TAXES

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the current tax rate on the basis of the temporary differences that exist between accounting and tax values, and any tax loss carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period are offset. Entry of deferred tax assets on net tax-reducing differences that are not offset and deficit carried forward are justified by expected future earnings. Deferred tax and tax assets that can be recognised in the balance sheet net.

Tax reduction on the provision of Group contributions, and tax on received Group contributions that are recognised as a reduction in cost price or directly against equity, are recognised directly against tax in the balance sheet (against tax payable if the Group contribution has an effect on tax payable and against deferred tax if the Group contribution has an effect on deferred tax).

Deferred tax is recognised at nominal amount.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that can be converted immediately and with insignificant exchange rate risk to known cash amounts and with a remaining maturity less than three months from the date of acquisition.

SALES REVENUES

The subsidiary Huntonit AS' products are sold via Byggma ASA (combined invoicing). Sales of goods to Huntonit AS' customers and purchases of goods from Huntonit AS are the same amount and no profit remains in Byggma ASA. The reason for this set-up is that Byggma ASA is and has historically been the contracting party with the building materials chains. In 2022, the company reassessed the presentation of the transactions in the income statement. In the agreement between Huntonit AS and Byggma ASA, the most significant risk associated with the customer transactions is transferred to Huntonit AS. As a consequence, in the updated assessment the company has concluded that it acts as an agent for Huntonit AS, and the accounting policy has therefore been changed from recognition of the transactions as a principal to recognition as an agent, with the consequence that the transactions are presented on a net basis in the income statement. Gross sales and purchases of goods are shown in note 1. Comparative figures for 2021 have been adjusted accordingly. The balance sheet shows accounts receivable and accounts payable on a gross basis, both before and after the change.

NOTES TO THE FINANCIAL STATEMENTS

All figures in NOK 1000 unless otherwise stated.

NOTE 1 OPERATING REVENUE

Sales revenue	2022	2021
Sales of Huntonit products	512,409	553,730
Purchases of Huntonit products	-512,409	-553,730
Net purchases/sales of Huntonit products	0	0

Huntonit AS sells all of its products via Byggma ASA. Huntonit AS is responsible for the inventory of finished goods, so that Byggma ASA does not hold stock. Byggma ASA invoices the customer and Huntonit AS then invoices Byggma ASA accordingly. This full set-off is not shown in the income statement. Reference is made to accounting policies, in which the change of policy is described.

NOTE 2 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES

Payroll expenses	2022	2021
Board fees and other remuneration expensed in the parent company	916	840
Employer's contributions	129	118
Pension costs	0	0
Other benefits	0	1
Total	1,045	960

There are no employees of Byggma ASA.

The company has not made any loans to employees.

As at 31 December 2022, Byggma ASA has a net debt of MNOK 51.2 with CEO Geir Drangslund and companies that he and related parties control.

Audit fees	2022	2021
Expensed remuneration to the company's auditor is distributed as follows:		
- statutory audit	1,337	1,346
- other certification services	36	0
- tax advice	130	113
- other assistance	79	574
Total remuneration to auditor	1,582	2,033

All amounts are stated excluding VAT.

Remuneration to auditor's collaborating law firm NOK 249.

SALARIES AND REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES:

2022	Payroll	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Senior executives					
Group CEO Geir Drangslund *)	4,791,493	8,466	180,172	2,000,000	0
CFO Conrad Lehne Drangslund (from 01.10.2022)	275,000	1,837	0	0	3,137
CFO Jens Unhammer (until 01.10.2022)	1,058,877	55,500	66,754	100,000	96,178
IT Director Roy Kenneth Grundetjern	1,470,168	146,541	39,754	0	82,147
Logistics Director Richard Thompsen	1,168,150	84,325	0	100,000	67,005
Director Business Development Kjetil Askedal	1,364,834	15,562	15,334	0	24,213
The Board of Directors					
		Board fees	Other remuneration	Board fees, subsidiaries	
Terje Gunnulfsen, Chairman of the Board		232,000	0	0	
Liv Anne Drangslund Holst		130,300	0	0	
Hege Aarli Klem		138,100	0	0	
Terje Sagbakken (from 31.05.2022)		0	0	20,000	
Knut Henning Larsen (until 31.05.2022)		130,300	35,000	10,000	
Torbjørn Østebø (from 31.05.2022)		0	0	0	
Kjell Magne Gundersen (from 31.05.2022)		0	0	0	
Morten Anseth (from 31.05.2022)		0	0	0	
Edvart Treldal Høyåsen, employee representative (until 31.05.2022)		83,500	0	0	
Erik Fjeldberg, employee representative (until 31.05.2022)		83,500	0	6,000	
Dagfinn Eriksen, employee representative (until 31.05.2022)		83,500	0	9,500	

*) Geir Drangslund is hired from Scanel AS, cf. note 13

SALARIES AND REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES CONTD:

2021	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Senior executives					
Group CEO Geir Drangslund *)	4,670,005	51,697	178,038	2,000,000	0
CFO Jens Unhammer	1,343,175	94,980	67,019	100,000	120,735
IT Director Roy Kenneth Grundetjern	1,444,636	165,904	40,019	0	122,297
Logistics Director Richard Thompsen	1,111,966	92,867	0	0	74,300
Director Business Development Kjetil Askedal	1,338,977	6,494	0	0	17,540
			Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors					
Terje Gunnulfsen, Chairman of the Board		224,900	0	0	
Liv Anne Drangslund Holst		126,600	0	0	
Hege Aarli Klem		126,600	0	0	
Knut Henning Larsen * *)		119,000	0	0	
Edvart Trelidal Høyåsen, employee representative		81,000	0	0	
Erik Fjeldberg, employee representative		81,000	0	4,500	
Dagfinn Eriksen, employee representative		81,000	0	9,500	

*) Geir Drangslund is hired from Scanel AS, cf. note 13.

**) Knut Henning Larsen carried out billable services for the Byggma Group for a total of NOK 77,400 in 2021.

SENIOR EXECUTIVES:

Geir Drangslund invoices his services from Scanel AS. Other senior executives are formally employed by Huntonit AS and Forestia AS. Declared salaries/fees and remuneration constitute the total remuneration in the Byggma Group. Huntonit AS and Forestia AS invoice Byggma ASA for services and this cost is included under Other operating costs.

NOTE 3 INTANGIBLE ASSETS

	Software and similar	Total intangible assets
Acquisition cost as at 01.01.2022	24,718	24,718
Addition of acquired fixed assets	2,251	2,251
Disposal of sold fixed assets	0	0
Acquisition cost as at 31.12.2022	26,969	26,969
Accumulated depreciation as at 31.12.2022	-23,006	-23,006
Book value as at 31.12.2022	3,962	3,962
Depreciation for the year	830	830

Software and similar are depreciated linearly over the expected lifetime of between 3 and 8 years.

NOTE 4 FINANCIAL ITEMS

Financial income	2022	2021
Income from subsidiaries	111,065	155,905
Gain on the intra-Group sale of subsidiaries	0	615,883
Gain on the sale of subsidiaries *)	117,050	0
Change in value of financial investments	61,714	0
Interest income, Group	20,411	1,590
Other interest income	216	1,513
Agio	7,228	4,315
Total financial income	317,684	779,206
Financial expenses		
Interest expenses - Group	5,574	2,666
Other interest expenses	8,024	115
Charges	1,956	679
Disagio	6,383	4,200
Total financial expenses	21,937	7,660
Total financial items	295,747	771,546

*) Reference is made to note 14.

NOTE 5 TAXES

Overview of temporary differences:	2022	2021
Outstanding receivables	0	0
Fixed assets	-2,264	-1,924
Provision in accordance with generally accepted accounting policies	0	0
Net temporary differences	-2,264	-1,924
3% taxable share income	0	0
Basis for deferred tax	-2,264	-1,924

22% deferred tax/deferred tax asset	-498	-423
Deferred tax/deferred tax assets recognised in the balance sheet	-498	-423

Calculation of tax base for the year:		
Profit/loss before tax	276,701	753,692
Permanent differences *)	-181,880	-620,688
Change in temporary differences	340	745
Tax base for the year	95,161	133,750

Tax costs for the year are distributed as:		
Tax payable (22% of the tax basis)	20,935	29,425
Excess allocated for previous years	0	0
Change in deferred tax	-75	-164
Total tax expenses	20,861	29,261

Tax payable in the balance sheet		
Tax payable in tax expenses	20,935	29,425
Tax effect of Group contributions	0	0
Tax payable in the balance sheet	20,935	29,425

*) Of which gains from the sale of property companies within the exemption method -117,050 -615,883

NOTE 6 EQUITY

Changes in equity for the year	Share capital	Premium	Own shares	Other paid-in equity	Other equity	Total
Equity as at 01.01.2022	18,157	34,499	-4	312	655,948	708,912
Profit for the year	0	0		0	255,840	255,840
Equity as at 31.12.2022	18,157	34,499	-4	312	911,789	964,752

NOTE 7 SUBSIDIARIES

Company	Acquisition date	Registered office	Share of votes
Huntonit AS	25.04.1997	Vennesla	100%
Huntonit Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Vennesla	100%
Smartpanel AS	28.06.2018	Fredrikstad	100%
Aneta Lighting AS	06.06.2002	Kristiansand	100%
ScanLamps VTA AS (owned by Aneta Lighting AS)	20.09.2017	Kristiansand	100%
Byggma Eiendom Lyngdal AS (owned by Byggma Eiendom AS)	31.03.2003	Lyngdal	100%
Byggma Eiendom AS	14.05.2021	Vennesla	100%
Uldal AS	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Aneta Lighting AS)	16.11.2004	Vennesla	100%
Aneta Lighting AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	Braskereidfoss	100%
Forestia Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Braskereidfoss	100%
Forestia Carbon Sink AS	28.06.2021	Braskereidfoss	100%
Masonite Beams AS	29.05.2020	Mo I Rana	100%
Grammaholmen Fastighet AB (owned by Byggma Eiendom AS)	29.05.2019	Rundvik, Sweden	100%
AS Byggform	12.09.2019	Asker	100%
Masonite Beams AB	01.08.2006	Rundvik, Sweden	100%

Company	Share capital	Number of shares	Our number of shares	Book equity in subsidiaries	Book value in Byggma
Huntonit AS	NOK 919	13,100	13,100	117,769	18,761
Huntonit Eiendom AS *)	NOK 391	100	100	570	0
Smartpanel AS	NOK 20,000	500	500	44,774	20,000
Aneta Lighting AS	NOK 8,250	82,500	82,500	11,391	15,355
ScanLamps VTA AS *)	NOK 101	1,000	1,000	1,635	0
Byggma Eiendom Lyngdal AS *)	NOK 1,000	10,000	10,000	30,536	0
Byggma Eiendom AS	NOK 5,000	1,000	1,000	95,508	70,030
Uldal AS	NOK 10,480	1,048,000	1,048,000	34,878	25,684
Rolf Dolven AS *)	NOK 2,000	200,000	200,000	4,340	0
Aneta Lighting AB	SEK 600	600	600	38,512	27,453
Forestia AS	NOK 4,030	1,000,000	1,000,000	215,687	47,108
Forestia Eiendom AS *)	NOK 970	1,000	1,000	13,746	0
Forestia Carbon Sink AS	NOK 100	100	100	100	100
Masonite Beams AS	NOK 1,390	10	10	12,098	1,765
Grammaholmen Fastighet AB *)	SEK 50	500	500	147	0
AS Byggform	NOK 2,000	2,000	2,000	19,053	22,744
Masonite Beams AB	SEK 2,200	22,000	22,000	97,168	11,970
Total				737,911	260,969

*) Owned by Byggma ASA via other subsidiaries.
Reference is also made to note 4.

NOTE 8 RECEIVABLES AND DEBT

Long-term receivables due later than 1 year	2022	2021
Other long-term receivables	549,811	626,411
Total	549,811	626,411

Of the long-term receivables from Group companies of MNOK 552.8, the first year's repayments amount to MNOK 3.0.

Long-term debt maturing later than 5 years	2022	2021
Debt to credit institutions	0	0
Liabilities to Group companies	99,000	35,000
Total	99,000	35,000
Debt secured against pledges	745,000	162,536
Mortgaged assets:		
Accounts receivable *)	123,212	140,608
Financial investments	780,519	0
Total	903,732	140,608

*) Byggma ASA has a credit risk on the sale of goods from Huntonit AS that are invoiced through Byggma ASA, but no provision has been made for latent losses on accounts receivable, as Huntonit AS is liable for any losses.

Subordinated loan: Of the long-term debt to Group companies of MNOK 198.9, a subordinate loan to the Group company Drangslund Kapital AS amounts to MNOK 53.9, of which NOK 10.8 constitutes the first year's repayments.

NOTE 8 RECEIVABLES AND DEBT CONTD.

OVERDRAFT FACILITIES:

Byggma ASA is included in the Group overdraft facility system, together with other companies in the Group.

The Group had a net drawdown of MNOK 90.3 on the Group's overdraft facility as at 31.12.2022. Byggma ASA's share of the drawdown is MNOK 415.0. The drawing right for the Group's overdraft facility is MNOK 370.0.

Byggma ASA is the guarantor for the entire drawdown of the Group overdraft facility.

As at 31 December 2022, Byggma ASA had securities financing with a limit of MNOK 330.0, of which the entire limit has been used.

Byggma ASA is jointly and severally liable for the payment of VAT together with the Group companies Huntonit AS, Smartpanel AS and Byggma Eiendom Lyngdal AS.

Byggma ASA acts as guarantor for debt in other Group companies totalling MNOK 217.4.

Byggma ASA also acts as guarantor for payment of rent/property tax on behalf of another group company until 30.09.2024. The annual rent/property tax is TSEK 2,805. Byggma ASA also acts as guarantor for 6 months' rent, as well as the proportion of operating costs and other requirements the lessor may have regarding the lease to another subsidiary. Rent per month amounts to TNOK 802. The lease contract lasts until 31.12.2028 with the option of a further 5 + 5 years.

Byggma ASA acts as guarantor for all liabilities on behalf of another Group company for leases entered into in connection with the sale of Birkeland Eiendom AS and Masonite Fastighet AB. The leases have a term of 20 years from takeover on 11 October 2022, with the option of extension for 10 years. The annual rent amounts to MNOK 5.25 and MSEK 9.5, respectively. The rent is subject to index-linking. Byggma has the option of buying back the companies after 20 years from takeover, and the buyer of the companies has the option of selling the companies back to Byggma after 20 years from takeover. Reference is also made to note 14.

NOTE 9 DEBT WITH OTHER COMPANIES IN THE SAME GROUP

Receivables from Group companies	2022	2021
Long-term receivables/loans	552,811	629,411
Accounts receivable	43,596	35,689
Other receivables	108,731	152,960
Total receivables from Group companies	705,138	818,059
Liabilities to Group companies		
Trade payables	89,606	105,745
Long-term debt to Group companies	198,859	47,500
Other current liabilities	89,365	39,215
Total debt to Group companies	377,831	192,460

Reference is also made to note 8

NOTE 10 FINANCIAL INVESTMENTS

NOK thousands	Number of shares	Book value	Total financial investments
Norske Skog ASA	16,030,431	1,078,046	1,078,046
Total financial investments		1,078,046	1,078,046

It is assessed that Byggma ASA does not have any significant influence in Norske Skog ASA as at 31 December 2022. Byggma ASA owns 17.0% of the share capital in Norske Skog ASA as at 31 December 2022. As at 31 December 2022, Byggma has no representation on the Board of Directors or other formal positions in Norske Skog ASA. In view of the fact that Byggma ASA does not have any significant influence in Norske Skog ASA and that financial investments are assessed as long-term investments, financial investments are classified as fixed assets. The book value as at 31 December 2022 is the cost price written down to market value as at 31 December 2022.

As at 31 December 2022, 12,310,993 of the shares held by Byggma ASA in Norske Skog ASA were pledged as security for debt to a credit institution.

The cost price of Byggma ASA's shares in Norske Skog ASA as at 31 December 2022 was TNOK 1,092,857.

As at 26 April 2023, Byggma ASA has representation via its chairmanship of Norske Skog ASA and Byggma ASA's ownership of Norske Skog ASA has increased to 18.0%.

NOTE 11 BANK DEPOSITS

	2022	2021
Restricted tax deductions	2	2
Free liquid assets	90	2
Total bank deposits and cash	92	4

The company is included in the Group's consolidated account system, which has unused overdraft facilities of MNOK 279.7 as at 31 December 2022.

As at 31 December 2022, Byggma ASA has not entered into interest rate swaps.

As at 31 December 2022, Byggma ASA has not entered into any foreign exchange contracts for delivery in 2023 or later.

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital consists of:	Number	Nominal	Booked
Class A Shares	69,833,210	0.26	18,157
Total	69,833,210	0.26	18,157

The company had 2,088 shareholders as at 31 December 2022. All shares carry the same rights in the company.

The Board is authorised on behalf of the company to acquire own shares with a total nominal value of up to NOK 1,815,663. A minimum of 20% below the last known stock exchange price and a maximum premium of 20% on the last known stock exchange price must be paid. The authorisation applies until 1 November 2023. The company owns 13,920 of its own shares as at 31 December 2022.

20 largest shareholders as at 31 December 2022	Number shares	Proportion of share capital
Investor AS *)	51,633,790	73.94%
Sørlands-Vekst AS *)	10,000,000	14.32%
TEG Invest AS	686,320	0.98%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	350,550	0.50%
Leif Magne Thu	338,458	0.48%
Øystein Akselsen	260,000	0.37%
Jomaho AS	232,400	0.33%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Avanza Bank AB	125,332	0.18%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Sverre Bragdø-Eellenes	102,208	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
Torbjørn Seielstad	96,180	0.14%
Nordnet Bank AB	88,030	0.13%
Investor 1 AS *)	80,160	0.11%
Richard Henry Armstrong	74,000	0.11%
Total 20 largest shareholders	65,778,148	94.19%
Share capital	69,833,210	100.00%

20 largest shareholders as at 31 December 2021	Number shares	Proportion of share capital
Investor AS *)	51,633,790	73.94%
Sørlands-Vekst AS *)	10,000,000	14.32%
TEG Invest AS	686,320	0.98%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	350,550	0.50%
Øystein Akselsen	259,000	0.37%
Jomaho AS	227,830	0.33%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Avanza Bank AB	144,823	0.21%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
Lasse Solberg Invest AS	97,624	0.14%
Torbjørn Seielstad	96,180	0.14%
Nordnet Bank AB	96,164	0.14%
Sverre Bragdø-Eellenes	92,222	0.13%
Investor 1 AS *)	80,160	0.11%
Richard Henry Armstrong	74,000	0.11%
Total 20 largest shareholders	65,549,383	93.87%
Share capital	69,833,210	100.00%

NOTE 12 SHARE CAPITAL AND SHARE INFORMATION CONTD.

	31.12.2022	31.12.2021
	Number shares	Number shares
Board of Directors and Management		
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	686,320	686,320
Head of Marketing and Communications Liv Anne Drangslund Holst **)	1,600	1,600
Attorney Hege Aarli Klem	0	0
CEO Terje Sagbakken	5,920	5,920
Electrician Torbjørn Østebo	0	0
Operations Assistant EB Morten Anseth	0	0
Accountant Kjell Magne Gundersen	0	0
Deputy members:		
Operator Kenneth Berntsen	0	0
Operator Terje Iversen	0	0
Process operator Dagfinn Eriksen	0	0
Foreman Wood Processing Jonas Heilberg	0	0
Specialist Wood Processing Hans Egil Esketveit Fjeldal	0	0
Operator Erik Fjeldberg	0	0
Operator Roger Bjørklund	0	0
Management:		
Group CEO Geir Drangslund *)	61,942,520	61,942,520
CFO Conrad Lehne Drangslund **)	80,160	80,160
IT Director Roy Kenneth Grundetjern	0	0
Logistics Director Richard Thompsen	0	0
Director Business Development Kjetil Askedal	0	0
Auditing:		
Auditor company PricewaterhouseCoopers AS	0	0

*) As of 26 April 2023, Group CEO Geir Drangslund and related parties control 61,942,520 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

***) CFO Conrad Lehne Drangslund and Board member Liv Anne Drangslund Holst are related parties to CEO Geir Drangslund. Their shares are also included in Geir Drangslund's list of shares.

NOTE 13 THE COMPANY'S TRANSACTIONS WITH RELATED PARTIES

	2022	2021
a) Sale of goods and services		
Sale of goods:		
- Subsidiaries	31,101	5,878
Transfer of services, recognised net with other operating costs		
- Subsidiaries	19,476	20,346
Total sale of goods and transfer of services	50,577	26,224
b) Purchase of goods and services		
Purchase of goods:		
- Subsidiaries *)	512,409	553,730
Purchase of services:		
- Subsidiaries	25,499	31,362
- Companies controlled by senior executives	3,964	3,830
Total purchase of goods and services	541,871	588,921

*) Purchases of goods from the subsidiary Huntonit AS are recognised net against resale at the corresponding amount in the income statement. See note 1.

NOTE 14 SALE OF SUBSIDIARIES AND LEASEBACKS

On 11 October 2022 (takeover date), Byggma ASA sold its subsidiary Masonite Fastighet AB, and Byggma ASA's subsidiary Byggma Eiendom AS sold its subsidiary Birkeland Eiendom AS. They were sold at a gross property value of MNOK 234.0. In Byggma ASA's accounts, this resulted in a gain of MNOK 117.0 in 2022, booked under Financial income.

Byggma has the option of buying back the companies after 20 years from takeover and the buyer of the companies has the option of selling the companies back to Byggma after 20 years from the takeover date.

Byggma ASA's subsidiaries Uldal AS and Masonite Beams AB lease the factory properties in Birkeland Eiendom AS and Masonite Fastighet AB for their production of windows and I-beams, respectively. The lease contracts are for 20 years and Uldal AS and Masonite Beams AB have the option to renew the lease by 10 years at a time thereafter. The rent is adjusted by the KPI once a year and Byggma ASA guarantees the rent to Masonite Beams AB and Uldal AS (parent company guarantee).



To the General Meeting of Byggma ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Byggma ASA, which comprise:

- the financial statements of the parent company Byggma ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Byggma ASA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Byggma ASA for 26 years from the election by the general meeting of the shareholders on 24 April 1997 for the accounting year 1997.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. *Customer bonuses and marketing support* contain approximately the same characteristics and risks as last year and consequently has been a focus area of our audit also in 2022.

Key Audit Matters

How our audit addressed the Key Audit Matter

Customer bonuses and marketing support

The Group operates in the building materials industry where investors and suppliers focus on sales and volume. To achieve this, it is common to use various loyalty schemes.

Agreements on customer bonuses and marketing support are prepared individually for each individual customer relationship and may contain different assumptions. The assumptions affect the size of the customer bonus and marketing support in addition to the time and method of settlement.

We have focused on this because an accurate calculation of the provision at the balance sheet date is extensive, dependent on a number of assumptions and can be technically demanding to carry out. In addition, the total amount regarding customer bonuses and market support constitutes a significant amount in the accounts.

Reference is made to notes 2.11 and 2.17 where the management explains the accounting of due customer bonus and market support as well as the ongoing settlement of customer bonus due.

We discussed the principles for calculating and allocating customer bonus and market support with management and found that these were in line with the accounting rules. We gained an understanding of the routine for calculating customer bonuses and market support, including whether relevant internal controls had been implemented.

To test whether customer bonuses and marketing support were accurately calculated, we reviewed the systematics and formulas in the technical calculation. By reading the agreements, we tested whether the assumptions in the agreements were completely and correctly reflected in the bonus calculations. We checked the basis for bonuses and marketing support in accordance with the agreements and tested this against invoiced sales per customer. No material discrepancies were identified during the course of our procedures.

Our tests were carried out at the same time as or after the actual settlement of the customers.

We tested booked entries after year-end which were related to customer bonuses and market support at the balance sheet date. No entries indicating errors in the calculation of customer bonus or market support for the year 2022 were identified.

We assessed whether the disclosures on customer bonus and market support appropriately describe the principles of accounting and whether information provided in the notes is in accordance with the requirements.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Byggma ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name BYGGMA-2022-12-31-no.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and XBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Kristiansand, 26 April 2023
PricewaterhouseCoopers AS

Reidar Henriksen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.


DECLARATION FROM THE BOARD OF DIRECTORS AND CEO:

To the best of our knowledge, we declare that the annual financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with applicable accounting standards and that the information presented in the annual financial statements provides a true and fair view of the assets, liabilities, financial position and overall results of the Company and Group. We also declare that the annual report provides a true and fair view of the development, results and position of the company and the Group, together with a description of the key risk and uncertainty factors faced by the company and the Group.

VENNESLA, 26 APRIL 2023
BOARD OF DIRECTORS OF BYGGMA ASA



TERJE GUNNULFSEN,
CHAIRMAN



TERJE SAGBAKKEN



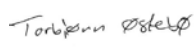
HEGE AARLI KLEM



LIV ANNE DRANGSLAND HOLST



MORTEN ANSETH



TORBJØRN ØSTEBØ



KJELL MAGNE GUNDERSEN



GEIR DRANGSLAND,
GROUP CEO

1. STATEMENT CONCERNING CORPORATE GOVERNANCE

Byggma ASA's principles for corporate governance are based on the "Norwegian Code of Practice for Corporate Governance" published on 14 October 2021. The purpose of the recommendation is for listed companies to clarify the division of roles between shareholders, the board of directors and general management beyond the statutory provisions. The aim is to strengthen confidence in the companies and contribute to the greatest possible value creation over time for shareholders, employees and other stakeholders.

The Board has adopted guidelines for ethics and corporate social responsibility.

The Board of Directors presents its report on the company's corporate governance below.

The recommendation from NUES is available at www.NUES.no.

2. THE COMPANY

Byggma ASA is a company that conducts industrial activities. The Company may also invest in shares and property, and undertake other activities related to this, including participation in companies with equivalent or similar purposes. This is stated in Article 3 of the Articles of Association presented on page 88. The company's vision and strategies are stated on page 3 and are available on the company's website: www.byggma.no.

3. EQUITY AND DIVIDENDS

Equity:

The Group has equity of MNOK 832.7 as at 31 December 2022, representing 28.6% of the total assets. The equity ratio exceeds the Group's target of at least 25% and, in the opinion of the Board, is justifiable based on the risk and scope of the activities in the Group.

Dividend policy:

Byggma's objective is to distribute between 30 and 50% of the year's profit after tax in dividends. Byggma's dividend policy must be shareholder-friendly and form part of the Group's strategy for optimal capital allocation. On determining dividends, consideration is given to liquidity requirements, planned investments and debt ratio. Surplus liquidity must be paid to shareholders.

The Board of Directors proposes that no dividend be paid for 2022.

Capital

The annual general meeting in 2021 granted the Board of Directors authorisation to carry out capital increase(s).

It must be possible to increase the share capital by up to NOK 5,200,000 by issuing up to 20,000,000 shares, each with a nominal value of NOK 0.26. The share price and other subscription terms will be determined by the Board. Alternatively, the Board of Directors must be able to decide that the subscriber can make deposits in assets other than money, that the share contribution obligation can be settled by offsetting, or that shares may be subscribed for on special terms. The authorisation concerns a merger decision in accordance with Section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorisation applies until 26 May 2023.

The Board of Directors must be able to waive the preferential rights of shareholders to subscribe for new shares in the event of capital increases in accordance with the Board's authorisation, as this is deemed necessary in order for the Board to invite specific new investors, implement mergers, etc.

Purchase of own shares

The annual general meeting on 31 May 2022 authorised the Board of Directors to purchase the company's own shares.

"The Board is authorised to acquire up to 10% of the company's own shares at a total current nominal value of up to NOK 1,815,663, i.e. 6,983,319 shares. The Board is free to choose the method of acquisition and sale. A minimum of 20% below the last known stock exchange price and a maximum premium of 20% on the last known stock exchange price must be paid. The authorisation applies until 1 November 2023."

Byggma ASA owns 13,920 of its own shares as at 31 December 2022.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Class of shares

The Group's shares consist solely of one class of shares. The Articles of Association contain no restrictions on voting rights. All shares have the same rights.

Transactions in own shares

The Board is authorised to purchase own shares. All purchases of shares are made on the stock exchange at the market price. It must be possible to use own shares for the write-down of share capital. Any sale of own shares must be possible in the market.

Transactions with related parties

The Group has some transactions with companies owned by the CEO and his related parties. An agreement on remuneration as CEO (see point 12) is approved by the Board of Directors. The remuneration given to the Group CEO is invoiced from Scanel AS, which he controls. Otherwise, the Group does not have significant transactions with other Board members, senior executives or related parties. Transactions and loans with related parties are stated in note 27 to the consolidated financial statements. Loans are granted on market terms.

5. FREE NEGOTIABILITY

There are no provisions on the Articles of Association of the Company that limit the right to sell the Company's shares. Nor is the Board aware of any agreements between shareholders that limit the opportunity to trade or exercise voting rights for the shares.

The company is not a party to any agreements in which special terms are attached to any offer that will be presented at the time of takeover of the company's shares.

6. GENERAL MEETING

Through the general meeting, shareholders are ensured participation in the body that is the highest authority in the company. The company's Articles of Association are adopted at the annual general meeting.

Notice of the annual general meeting

In accordance with Article 6 of the Articles of Association, the annual general meeting is convened within the deadline of the Norwegian Public Limited Liability Companies Act. Documents relating to matters to be dealt with at the annual general meeting, including documents which by law are to be included in or attached to a notice convening the annual general meeting, may be made available on the company's website on the internet. A requirement for posting does not apply in this case. A shareholder may nevertheless request to receive documents relating to matters to be dealt with at the annual general meeting.

Attendance

Registration to attend the annual general meeting takes place by written reply or e-mail no later than the day before the annual general meeting. The Board wishes to make it as easy as possible for as many shareholders as possible to attend. Shareholders who are unable to attend the meeting themselves may provide a proxy. The Chairman of the Board of Directors and the auditor attend the annual general meeting. As a minimum, the CEO and CFO attend from the administration. In 2022, the annual general meeting was held on 31 May, and 91.13% of the voting shares were represented.

Agenda and implementation

The agenda is set by the Board of Directors, whereby the main points are stated in Article 6 of the Articles of Association. The chair of the meeting and one person elected by the general meeting sign the minutes together with the meeting chairman. The Group CEO reviews the Group's accounts.

7. NOMINATION COMMITTEE

The Group's principal shareholder, including their related party, owns 88.70% of the shares in the company. Therefore Byggma has no nomination committee. The Board of Directors of Byggma ASA proposes new board members to the annual general meeting. This has so far worked well and taken care of the shareholders' interests.

8. BOARD OF DIRECTORS - COMPOSITION AND INDEPENDENCE

The Board of Directors consists of seven members.

Election of board members

Proposed new Board members are presented at the annual general meeting. The election of the Board takes place by simple majority vote. Four of the Board's members are shareholder-elected, while three of the Board's members are elected by and from among the Group's employees. Members are elected for 2 years at a time, with the opportunity for re-election. The entire board is not up for election at the same time, which ensures continuity.

Composition of the Board

Emphasis is placed on the overall Board meeting the company's need for expertise and capacity. Industry knowledge, economics and financing experience, legal and technical expertise and marketing experience are elements that must be covered by the Board.

Pursuant to Article 5 of the Company's Articles of Association, the Company's Board of Directors must consist of 5 to 10 members. The company's Board of Directors now consists of 4 members elected by the shareholders, and 3 members elected by and from among the employees. The CEO is not a member of the Board of Directors. The Chairman of the Board is elected by the general meeting and Terje Gunnulfson is elected Chairman of the Board.

Independence of the Board

3 of the shareholder-elected members are independent of the company's principal shareholder. At least half of the shareholder-elected members are independent of the company's day-to-day management and significant business connections. Terje Gunnulfson, Terje Sagbakken and Hege Aarli Klem are currently independent of the main shareholder, general management and significant business relations.

Board members' shareholdings

Chairman of the Board Terje Gunnulfson is a shareholder in the company with an ownership stake of 686.320 shares (0.983% of the shares), Board member Liv Anne Drangland Holst has an ownership stake of 1,600 shares (0.002% of the shares) and Board member Terje Sagbakken has an ownership stake of 5,920 shares (0.008% of the shares). Other Board members are not shareholders.

9. THE WORK OF THE BOARD OF DIRECTORS

Purpose and tasks of the Board of Directors

The Board of Directors are responsible for managing the company's activities (in accordance with the rules of the Limited Liability Companies Act). The company's activities must comply with what is referred to as the purpose of the activities in Article 3 of the Articles of Association, and the guidelines and framework conditions provided by the owners through statements at general meetings. The purpose of the Board of Directors and work is based on the following key tasks: strategy, organisation, control and own-tasks. The Board of Directors must appoint the CEO.

Instructions for the Board of Directors

Instructions for the Board of Directors have been drawn up, and these were last revised on 30.8.2017. The instructions for the Board of Directors include items related to the purpose of the Board's work, invitations to and holding of Board meetings, the Board's composition - resources, rights and obligations, work plan and relation to the CEO, scope and tasks, tasks covered by the Board's remuneration, reporting obligation - notice of general meeting and secretarial function.

General management

The Board has overall responsibility for the company's activities, and responsibility for the management of the company. Daily management is delegated to the CEO, who is responsible for operational management. Instructions are drawn up for the CEO, who at Board meetings must report on the company's day-to-day management.

Internal control

The Group has no department for internal audits. Accounting audits are carried out through various forms of delegation of work, guidelines and approval procedures. Responsibility for the commercial content of contracts and agreements lies with

the individual companies. The responsibility for entering into group agreements lies with the group management.

Financial reporting.

The Board receives financial reports 10 times a year, with comments on the company's economic and financial status. Quarterly and annual accounts are also prepared.

Invitation letter and meeting agenda.

The Board of Directors holds set Board meetings every year. Normally, 6-8 Board meetings are held each year. Additional meetings are convened as required. Seven Board meetings were held in 2022. All members of the Board receive information about the company's operational and financial development prior to the meetings. The members of the Board of Directors have free access to consult the Group's senior managers if they feel the need to do so. The CEO usually prepares proposals for the agenda, while the Chairman of the Board determines the final agenda for the board meetings. In addition to Board members, the Group CEO and CFO (secretary to the Board) also attend the Board meetings. Other attendees are convened as required.

Audit committee

In accordance with the company's Articles of Association, the entire Board acts as the company's audit committee. The audit committee usually holds 3-4 meetings in the course of the year, of which at least two meetings are held together with the company's auditor, including one annual meeting without the administration being present. All consulting assignments must be approved by the audit committee. The audit committee reviews the annual accounts prior to consideration and approval by the company's Board of Directors.

The Board of Directors' self-evaluation

Prior to the election of a new board, the board assesses the composition of the board and any need for expertise.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are carried out through various processes in the Group, both at board level and in the day-to-day management of the company. The Board of Directors conducts risk management and internal control through board meetings. The Board receives financial reporting 10 times a year, commenting on the company's economic and financial status. An annual planning and budgeting process ends with a board-approved budget that sets the framework for the coming year.

The Group has a centralised finance and controller function. The centralised finance function must ensure optimisation and control of the Group's cash and currency flows. The controller function must analyse and report significant deviations in the subsidiaries' accounts in relation to plans approved by the Board of Directors.

Risk management and internal control at management level are carried out through monthly reviews of the company's accounts against budget. Some financial figures are also reported on a weekly basis. Every quarter, a review of the results and development of the business is conducted with the manager of each subsidiary. Financial risk management and internal control procedures are carried out both at group level and in each subsidiary.

Operational risk in the Byggma Group consists of unintentional shutdowns, environmental emissions, human errors and IT system shutdowns. Manufacturing companies have developed target figures for important factors in production. Achievement of objectives and non-compliance with causes are subject to regular reporting and follow-up by the individual factory's management group and Board of Directors. Factory management has close follow-up and focus on regular maintenance, as well as measures to reduce the risk of both downtime and environmental emissions. Factory management also has close contact with environmental authorities.

The composition of the Group's employees means that the Group comprises employees with broad competence. Work is underway to further develop the competence.

The Group CEO regularly attends local management meetings in the subsidiaries. One of the objectives of attending local management meetings is to ensure that the companies' internal procedures and control routines are complied on an appropriate basis.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting determines the remuneration of the board of directors on an annual basis. Remuneration to the Board of Directors consists of a fixed part and an amount per meeting. The Chairman of the Board receives special remuneration. The members of the Board of Directors' fees are not related to an option scheme or similar.

12. REMUNERATION OF SENIOR EXECUTIVES

Guidelines

The Board of Directors determines the conditions for the CEO. An annual assessment of salaries and other remuneration to the CEO is carried out. The salary level should be competitive, but not be a salary leader. There are no option schemes or arrangements for the allocation of shares to senior executives.

Bonus scheme

The Group CEO, Logistics Director and CFO have a performance-oriented bonus scheme with annual payments. Furthermore, the Group CEO has a performance bonus related to his work on business development of a more structural nature.

Terms and conditions

For terms and conditions, see the "Guidelines on remuneration of senior executives" adopted at the Annual General Meeting on 31 May 2023.

13. INFORMATION AND COMMUNICATION

Annual and interim reports

The company usually presents its preliminary financial statements at the end of February. The final annual accounts are made available to shareholders at least three weeks before the ordinary general meeting usually held annually in May. The company also submits quarterly and half-yearly reports. The date for submitting quarterly and interim reports is shown in the financial calendar, which is reported to the Oslo Stock Exchange and is also available

on the company's website. The financial calendar is presented on page 88 of the annual report. All shareholders are treated equally.

Other information

All information in the form of press releases or similar is published on the company's website.

The Chairman and CEO of the Board are responsible for external communication.

14. TAKEOVER

There are no statutes or other conditions that limit the possibility to buy the shares in the company. The Group is controlled by Investor AS, Investor 1 AS, Investor 3 AS and Sørlands-Vekst AS. Investor AS is controlled by Group CEO Geir Drangslund. Investor AS owns 99.8% of Sørlands-Vekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangslund. As of On 26 April 2023, Geir Drangslund and related parties controlled 88.70% of the shares in Byggma ASA. Investor AS owns 51,633,790 shares (73.94%) and is the parent company of Byggma ASA.

15. AUDITOR

The company's auditor is PricewaterhouseCoopers AS (PwC).

The auditor prepares an annual commitment letter to the Board of Directors of Byggma ASA in which the purpose and content of the audit are described.

The letter of commitment is reviewed and signed by the Chairman of the Board.

The auditor holds annual meetings with the Board of Directors and administration where the main features of the annual audit are reviewed. An annual meeting is held between the auditor and the Board where no one from the administration is present. The auditor attends at least one board meeting and two meetings of the audit committee on an annual basis.

The auditor also conducts other advisory services. Prior to such engagements, a separate commitment letter is prepared and signed by both the auditor and the Chair of the Audit Committee. All consultancy assignments must be considered by the audit committee. This is to ensure that the auditor's independence is maintained. The auditor submits an annual confirmation of his/her independence to the audit committee. Note 19 of the annual report states how much is paid in fees in addition to the audit fee.



BYGGMA
group

**SUSTAINABILITY
REPORT 2022**





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Stein Sandermoen,
Department Manager,
Forestia.



Lasse Jacobsen, Production
Employee, Smartpanel.

Introduction by the Group CEO, Geir Drangslund

The past three years have presented major challenges. First, the coronavirus pandemic created great uncertainty in the world, and then, in 2022, war broke out in Europe. As a Group, we got through the pandemic through good planning, forward-looking employees and good cooperation along the entire value chain.

The war in Ukraine has created other challenges. Energy prices have risen significantly, commodity prices have increased and our markets are affected by greater uncertainty.

Against this background, I recognise the importance of the sustainability work we started three years ago. In our sustainability work, we now have a strong focus on reducing energy consumption and making good use of all our resources. This has made the necessary adjustments in 2022 easier to implement.

We work with wood as a material and make durable products that bind carbon in the products for many years, and our business is climate-positive. We thereby ensure that there is more carbon stored in the products we deliver than in the emissions resulting from our activities. Storing carbon in wood is nature's own way of capturing carbon, and we should have this at the forefront of our minds when we talk about

forestry and wood and how we use this resource. We have seen a rise in the burning of wood for energy recovery, making access to raw materials harder for our companies.

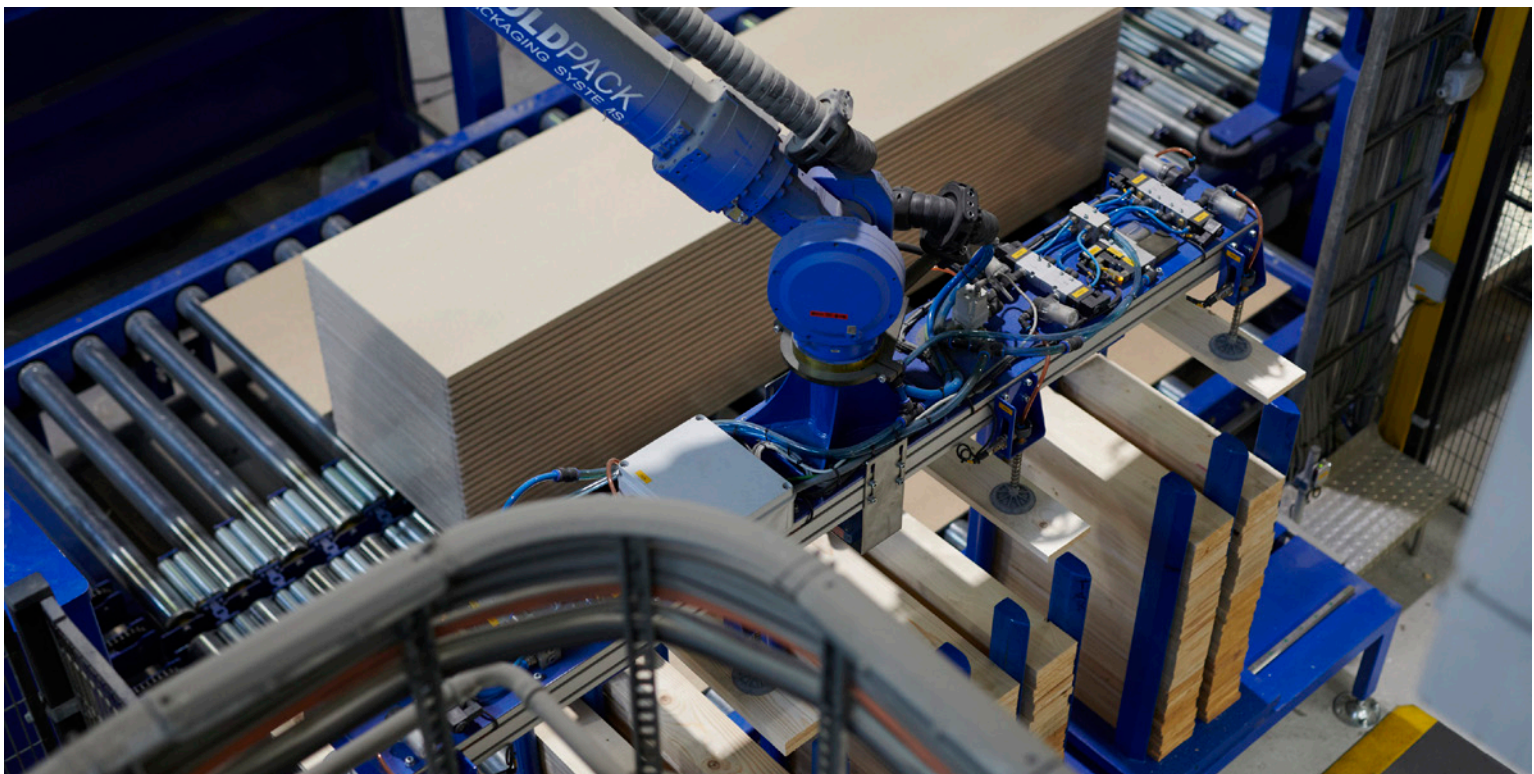
That said, I am very proud to lead an organisation that works actively on a daily basis to reduce our climate footprint by producing sustainable products on a resource-efficient basis. This year's Sustainability Report shows that we have come a long way in our systematic work to improve our activities in relation to the environment and our climate impact. At Byggma, we are committed to our social responsibility and to developing our activities in a more sustainable direction.



Best regards,

A handwritten signature in blue ink that reads "Geir Drangslund".

Geir Drangslund
Chief Executive Officer





HIGHLIGHTS

5.2%

Carbon sequestration in Byggma's panel products is equivalent to 5.2% of Norway's road traffic emissions

47%

The Masonite building system uses 47% fewer raw materials compared to solid wood structures

2 GWh

Insulating the steam pipes on the floor presses at Huntonit results in savings of just over 2 GWh.

SUSTAINABILITY AND RESPONSIBLE BUSINESS

Byggma is an industrial group that develops and delivers building material solutions and lighting products in the Scandinavian and Northern European markets. Operations are organised through multiple industrial companies with a shared market organisation for all brands.

Our business is based largely on using renewable forest materials to create durable products while growing new forests in the harvested areas as a way of contributing to increasing carbon sequestration in products.

Awareness of our own business activities is more important than ever now that we can see climate challenges beginning to take hold.

It is important for us to work sustainably. In addition to our financial goals, we need to be aware of our impact on society and the environment.

The various Byggma companies report their sustainability activities and results. The Group CEO and Byggma's Board of Directors review and approve the Sustainability Report before it is published.

THE UN'S SUSTAINABLE DEVELOPMENT GOALS

The UN's Agenda 2030 initiative has set 17 sustainability goals for sustainable development.

In our work to develop a sustainability strategy, we have chosen to prioritise and work with the following 8 UN Sustainable Development Goals:

CLIMATE AND THE ENVIRONMENT				PEOPLE AND SOCIETY		BUSINESS MODEL	
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Efficient use of raw materials</p> <p>Factories located near raw materials</p> <p>Packaging solutions that minimise waste while still protecting products during transport</p>	<p>13 CLIMATE ACTION</p> <p>Wood-based construction products sequester significant amounts of carbon</p> <p>Efficient distribution system for transport of goods to customers</p> <p>Improved energy efficiency</p> <p>The wood we use comes from certified sources or sustainable forestry</p>	<p>14 LIFE BELOW WATER</p> <p>Resource-efficient construction methods contribute to good raw material utilisation</p> <p>Ensure that we do not pollute our surroundings, affecting life on land, in freshwater or the ocean</p>	<p>15 LIFE ON LAND</p>	<p>4 QUALITY EDUCATION</p> <p>Employees are given opportunities for continued development</p> <p>Collaboration with schools</p> <p>Professional education</p> <p>Further education</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Factories located near raw materials</p> <p>Our presence contributes to sustainable cities and local communities</p> <p>Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Good profitability provides the basis for safe workplaces and development of the companies</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>We seek out innovative new solutions for a better customer experience and a more profitable and efficient building process</p> <p>Focus on the triple bottom line in R&D activity</p> <p>Improving efficiency through continuous improvement and indirect investment</p>

We will also describe our business activities in three main chapters within Climate and the Environment, People and Society, and our Business Model.



Yngve Egebakken, Warehouse Employee, Huntonit

STAKEHOLDER AND MATERIALITY ANALYSIS

Byggma would like to highlight the work related to sustainability and ESG in each individual company. As part of this, we have carried out stakeholder and materiality analyses.

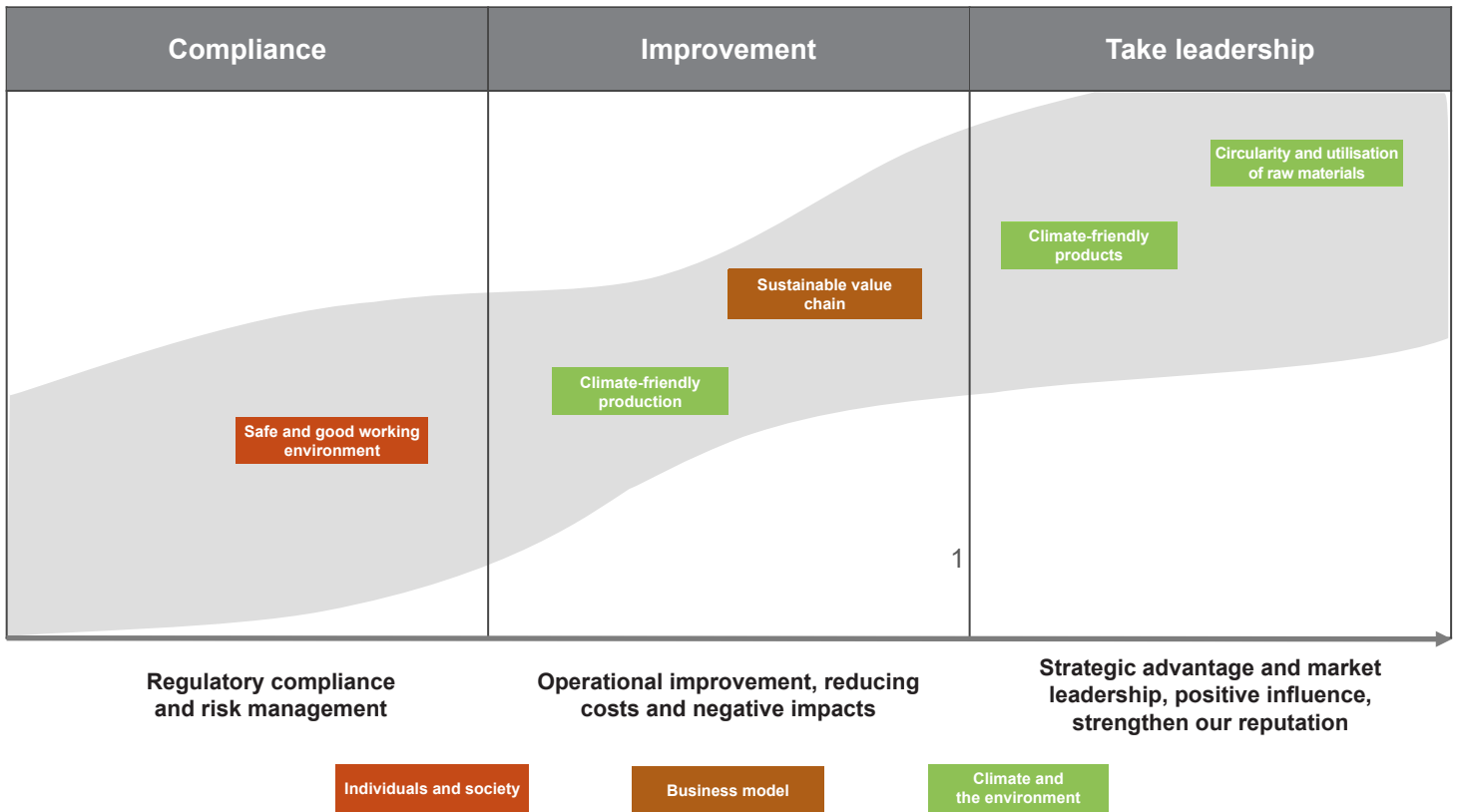
Based on these analyses, we have found five topics that we consider to be the most significant for both the Group and our subsidiaries. We have set these out in a prioritised matrix to guide us in our work with sustainability and ESG.

Action plans, building on the five themes, have been drawn up in each subsidiary and are followed up closely by the management teams within the companies.

In addition to this, Byggma has ethical guidelines that address all matters related to other aspects of social responsibility. Environment, social conditions, working environment, equality and non-discrimination, respect for human rights and prevention of corruption and bribery. We also take a strong stance against child labour and forced labour.

The ethical guidelines can be found at www.byggma.no

PRIORITISED MATRIX





HIGHLIGHTS

- Byggma's products sequester significant amounts of carbon, which benefits the climate
- Sustainable and renewable raw materials
- We focus on utilising resources efficiently and reducing emissions
- Treatment system for returned wood - a major opportunity

For us, good climate change awareness means that we use all resources efficiently and minimise the impact of our activities on the environment.

CARBON SEQUESTRATION

Growing forests absorb carbon dioxide from the atmosphere via photosynthesis. In sustainable forestry, we harvest forests as raw materials and then plant new trees to provide the basis for additional carbon binding.

The wood in our products binds significant amounts of carbon. Using wood fibre to create durable products is an important contribution to increasing carbon capture in forests and wood-based products.



If we add up all the carbon sequestered during an annual production cycle for Byggma's wood-based products, this would be equivalent to sequestering 454 thousand tonnes of CO₂ equivalents.

This corresponds to 5.2% of the CO₂ emissions from road traffic in Norway.

(SSB: Road traffic emissions of 8.7 million tonnes of CO₂ equivalents in 2021).

CERTIFIED WOOD

We use large quantities of wood to produce our products. We procure this as round timber (pulpwood) and as by-products from sawmills. We purchase from sustainable sources and most of this is certified in accordance with PEFC. PEFC Traceability Certification provides independent third-party verification that the wood is from sustainable forests. Each stage of manufacturing and distribution must carry traceability certification. If any stage is not certified, the traceability chain is broken and the product cannot be sold as PEFC certified.

Masonite Beams AS was PEFC Chain of Custody certified in January 2022. Uldal AS will achieve certification during 2023.

EFFICIENT RESOURCE UTILISATION

At Byggma, we are committed to creating products by utilising all resources efficiently.

In this context, we consider raw materials such as those used in production, energy, packaging, transport, and other production input factors. In a broader context, it is also a matter of meeting the customer's needs by developing products that utilise resources efficiently. The products also make for increased progress on the construction site, which is of great benefit to society.

RAW MATERIALS FOR PRODUCTION

We are committed to making efficient use of raw materials. This means that we have optimised our production procedures to maintain the products' technical properties within the requirements while using a minimum of raw materials. This also involves focusing on reducing process waste and scrapped items in production.

Our goal is to reuse waste streams and we have achieved this on several fronts in recent years. Efficient production also results in lower consumption of other inputs.

ENERGY

Energy costs increased sharply in 2022. Electricity prices have risen considerably, which means that energy efficiency improvements have been stepped up in all Byggma companies. Our factories focus on reducing energy consumption by choosing energy-saving solutions when purchasing motors, lighting and other equipment, if this is sustainable in overall terms. Employees have been requested to switch off all machines and equipment when not in use, that lights be switched off in offices and that office heating be turned down on weekends and holidays.

In addition, the following measures have been taken in the companies:

Aneta Norway:

We have replaced all old fluorescent light fittings with new LED fittings (189 fittings) throughout the warehouse/production areas.

Aneta Sweden:

All old fluorescent lighting has been replaced with new LED lighting.

Aneta Product Development:

Our focus has been on developing more energy-efficient light fittings (higher lm/w). This will reduce our customers' energy requirements.

Huntonit:

We recycle more milling dust than before. We have reduced our timber consumption and less energy is required by our floor presses to produce core material.

Smartpanel:

All employees make sure that machines are switched off when not in use, from milling machines to ventilation. We have also replaced a number of heaters in offices and in the canteen, with better control features. Much of the industrial lighting fixtures have also been replaced with LED and we expect all of them to have been replaced during Q2 2023.

Forestia:

All plant has been inspected to seal any air leaks, so the compressors only operate as much as necessary. Use of auxiliary heaters is only permitted at -10 degrees or colder and cabin heaters are not permitted at all. The charging of electric vehicles is not permitted.

Lights replaced in the production facilities, heating reduced, air leaks sealed, compressors programmed and less use of auxiliary heaters.

For Forestia, this results in savings of around 700 MWh per year.

Energy consumption reduction efforts will continue in all companies in 2023.

TRANSPORT

The Group is continuously working to reduce emissions related to transport. One of the ways we do this is by picking up raw materials locally whenever possible.

We have an efficient transport network out of our factories.

Consolidating deliveries to different customers in a specific district ensures that capacity is well utilised and results in fewer emissions from distribution. As part of this, AS Byggform was merged with Forestia as from 1 January 2023. This will help us optimise transport even further. Delivery vehicles should be filled as much as possible when they leave the factory. We are constantly seeking to find optimal, environmentally-friendly transport solutions and we require that our transport partners use modern equipment, to reduce emissions.

REDUCING EMISSIONS

The factories have emission permits from the State Administrator in the respective counties where these issues are regulated. We are also continuously working to reduce emissions from all of our business activities.

Our factories are particularly focused on dust, noise, and emissions to the atmosphere and waterways. We work with related action plans to reduce the scope and prevent any adverse incidents.

SORTING AND RECYCLING WASTE.

Waste from production is a waste of resources and we aim to reduce the extent of our production waste through purchasing and our own activities.

We have set up environmental stations in our factories and offices for sorting recyclable materials. Our businesses shall achieve a high degree of sorting.



HUNTONIT

ENVIRONMENTALLY-FRIENDLY HUNTONIT SUTAK

Huntonit has developed a new production method that makes it possible to cut out bitumen from our ceiling panels. The method involves introducing an environmentally-friendly wax into the core material directly on the production line, in a manner which ensures that the product maintains its good technical characteristics. This makes the product more sustainable, and we also benefit from a more streamlined production method, as we avoid unnecessary logistics and processing.

Storing larger quantities of bitumen is also beneficial in terms of the company's risk profile, besides improving the working environment. The product is included in Sintef's technical approval, TG 2006.



INCREASED PRODUCTIVITY

Productivity has risen by 11% on Line 1 as a result of four additional presses. Specifically, less energy is consumed as the wood pulp factory's volume is more energy-friendly, and more tonnes can be produced per hour.

We have designed equipment for the production of 11 mm std on Line 2 that enables us to make full use of the press width on Line 2. Productivity is expected to increase by 25% for 11 mm std. We can utilise the waste heat from the press, while more tonnes can be produced per hour.

SMARTPANEL

GREENBIZZ

Smartpanel is part of a Greenbizz project which, supported by a PhD grant, will carry out a survey of the current environmental situation and then develop a green business model for the next three years with a view to increasing value creation, focusing on sustainability.

CONVERSION TO DISTRICT HEATING

It has been decided that incinerating grinding dust will be phased out and replaced by district heating. This is expected to be completed in 2023.

USE OF MDF DUST

Smartpanel is a partner in the EU "EcoReFibre" project. The goal of EcoReFibre is to develop and demonstrate innovative demos for the environmentally sound and commercially viable recycling of end-of-life fibreboards. Currently, there are no commercially viable recycling methods. The amount of fibreboard waste is growing exponentially, in line with the growth in production capacity, and it is highly likely that more than 60 million tonnes of fibreboard waste have arrived in Europe in the last 5 years.

The hope for Smartpanel is that we can help to come up with products that enable manufacturing companies in Europe to recycle their own wood chips.

BATHROOM PANELS

The launch of bathroom panels and kitchen boards at Smartpanel took place in 2022. The core is produced by Huntonit and is an environmentally friendly panel produced using raw materials from Norwegian forests. With these new products, we will gain increased use of consolidated shipments to our customers, potentially resulting in lower road-based CO₂ emissions.





MASONITE BEAMS

DEVELOPMENT OF ADHESIVE CONCEPT USING BIO-BASED ADHESIVES

Masonite Beams AB, together with other stakeholders, has initiated an EU project called "BioGlue-Centre: Competence Centre for Bio-based Adhesives", of which the goal is to develop and test bio-based adhesives that are more sustainable and recyclable. This is a collaborative project between the furniture industry, manufacturers of building materials and the packaging industry.

DEVELOPMENT OF NEW FUTURE-PROOF BUILDING SYSTEMS

Masonite Beams AB is working on an EU project called "Design for the Future" to investigate construction of sustainable buildings with flexibility, reuse and recycling in mind. Together with architects and customers, we are currently designing various buildings, focusing on CO₂ calculations and the benefits of the Masonite building system. We are working on visualisations of flexible and reusable house models.

COLLABORATION WITH NORDMALING SCHOOL

Together with Nordmaling Municipality, Masonite Beams took part in and supported young people from Nordmaling school during "Keep Sweden Clean", which saw the students heading out into the local community for the day to pick up rubbish.

ENVIRONMENTAL PRODUCT DECLARATION (EPD)

We have improved and added to the information for performance of environmental calculations by producing new EPDs for all beam heights. We have also produced EPDs for export markets such as France and the UK. It is now easier for customers to conduct exact environmental analyses of the various buildings that are being erected. We are working on linking the EPDs to the business system, so we can show the CO₂ emission calculations on invoices to customers.

COMPANY CARS

Masonite Beams has begun the transition from fossil-fuel to electric company cars. Electric cars will help further reduce our carbon footprint. Due to delivery problems, the company cars have not yet been delivered; they are expected in the first half of 2023.

FORESTIA

TREATMENT SYSTEM FOR RETURNED WOOD

In April 2022, Innovation Norway awarded Forestia AS MNOK 80 as funding to build a treatment plant for timber from demolition. This investment is extremely environmentally friendly and makes Forestia chipboard circular. The investment also reduces the risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

The costs of such a facility have increased significantly as a result of the war in Ukraine, so new cost estimates and risk assessments must be made for the investment. As a result, the project has been put on hold.

SUSTAINABLE PACKAGING

Although we have started the work of reducing the weight and extent of packaging on Forestia products, we still use a lot of wood chips as packaging. We have launched a project whereby we will review all products and see how we can reduce this. This will reduce transport weight and waste at construction sites. It will also free up our production capacity, so that we can use this capacity to produce goods for sale.

We spent 2022 on carrying out transport tests, where we packed the products with cardboard on the sides and tops of the panel packs. We are introducing this for Walls2Paint in Q1 2023. The project reduces transport weight by approximately 700 tonnes a year, with the same waste reduction amount at the construction sites. This packaging reduction also means that transport-based emissions are cut by approximately 15.8 tonnes of CO₂ equivalents per year.



REDUCED USE OF ADDITIVES IN CHIPBOARD PRODUCTION

Forestia has had its own project for reducing the use of additives in the chipboard core. Tests so far show no significant impairment to the properties of the products, and the objective is to eliminate the use of certain additives entirely.

But we need to test more so that we can check that seasonal fluctuations etc. do not affect the process negatively. In 2022, Forestia halved its use of ammonia compared to 2021.

PHASING OUT PVC FOIL

We have taken the initiative to remove the last products from our PVC foil portfolio. Affected customers were contacted and products with more sustainable film were developed. Customers were very pleased with this initiative and were positive about the change that was introduced on 1 April 2022.

LOGISTICS

The new warehouse and logistics centre at Forestia was completed in Q4. This meant that we were able to move AS Byggform's products to Braskereidfoss in December.

AS Byggform was merged with Forestia on 1 January 2023 and the new logistics centre will be important in terms of consolidating deliveries and optimising transport, to ensure that we achieve a high fill rate for vehicles from Forestia. This will reduce transport emissions, while also being a good project in market and economic terms.

CLIMATE RISK

The Group's climate risk concerns both physical risk and transition risk.

Physical risk includes weather and climate conditions, such as extreme precipitation volumes or rising sea levels. Our operations are not located close to water bodies and are not at any immediate risk of flooding or rising sea levels. However, the Group may be indirectly affected if our suppliers or customers are affected.

Transition risk includes increased requirements for a reduced environmental impact in society and political requirements and regulations. Large parts of the Group operate mechanical wood pulping, which is energy-intensive. There may be increased requirements for this activity, which may affect energy costs.

On the other hand, we can see a great political wish for greater use of wood as a building material, since wood is renewable.

The Group's subsidiaries, Huntonit and Forestia, make wood-based building panels from wood and sawdust, i.e. the part of the log that is not used for planks and timber. If the Group did not use this part of the log, this raw material could remain on the forest floor or be sent for incineration and be released as CO₂ into the atmosphere through decay or energy recovery. Instead, the Group ensures that the material is recovered and the carbon from the wood and sawdust is bound in the ceilings, walls and floors of buildings for decades.

Overall, the Group's climate risk is considered to be low.

BYGGMA

	2019	2020	2021	2022
Certified wood (%)	83.6	90.1	91.0	91.5
Wood consumption (1,000 m ³)	557	589	597	554
Carbon sequestration (1,000 tonnes of CO ₂ equivalents)	456	483	490	454
Energy consumption Gwh *	135	150**	169**	134

* Diesel, LNG and electricity

** Corrected values for 2020 and 2021 compared to the 2021 report. LNG Huntonit

WASTE (TONNES)

	2020	2021	2022
Hazardous waste	60	45	43
Plastic	41	47	97
Cardboard/Paper	36	41	47
EE waste	4	11	12
Iron/steel/metals	126	266*	168*
Bio-waste	3	2	4
PVC waste	17	57	23**
Residual waste/other	310	370	449
Mixed machined wood	1,570	1,376	1,385
TOTAL	2,167	2,215	2,228

* Major maintenance project at Forestia

** PVC phased out at Forestia in 2022

PACKAGING (TONNES)

	2021	2022
Wood	2,332	2,209
Plastic film/Stretch film	413	301
Plastic strapping tape	73	57
Steel strapping tape	42	31
Cardboard	718	556
Polystyrene	9	5
Panels produced in-house	2,100	1,936
TOTAL	5,687	5,096



HIGHLIGHTS

- Profitability ensures safe workplaces
- We want to promote equal opportunities
- Employee development
- Reduction in injuries

Employees must have a safe workplace without the risk of injuries, as well as a healthy psychosocial environment based on equal opportunities. Health/safety and environmental work is priority number 1.

SKILLS

Employee development opportunities are important, in order for Byggma to be able to retain its employees.

Good opportunities for personal development to employees who want them must be facilitated. This will provide motivation, a greater sense of responsibility and Byggma's companies will be attractive workplaces that appeal to talented people.

It is important to maintain good communication with educational institutions, from secondary schools to higher education.

- Apprentices in relevant disciplines.
- Trainee scheme may be relevant if/when the right candidate appears.
- We share our expertise with relevant educational institutions. This can be done via direct communication or through participation in various networks.



Forestia

L-R: Jonas Hanssen Tyskeberget (Electrician), Oliver Berg Sollien (Apprentice Electrician), Jan Erik Bakåsmoen (Mechanic) and Håkon Guldhau (Mechanic).

Byggma's companies are cornerstone companies in their local communities. We have to take into account and facilitate good neighbourhoods, good cooperation with neighbours and local authorities, and contribute to an active local community.

Developing sustainable solutions is a shared responsibility. At Byggma, we strive to have open communication in areas that we can influence in the community. Everyone involved should be able to rely on Byggma's companies to continue to develop in a healthy and profitable manner over time. That is why Byggma will always be receptive to feedback. Feedback helps us to improve and to find out what expectations these groups have of us.

COMMUNICATION AND INFORMATION

Clear communication can create awareness and engagement amongst everyone involved - both externally and internally. We use various communication channels that are adapted to our information. We must avoid greenwashing and communicating any non-essential topics. Linking Byggma's strategic goals and focus areas to important sustainability topics and the sustainability goals we have chosen will be an important part of our communications. One area of this work is to further develop the companies' websites.



Smartpanel

L-R: Truls E. Dahl (Operations Coordinator), Kristin S. Filtvedt (Production Manager) and Patrick Fallang (Automation Engineer).

EQUAL OPPORTUNITIES

The Byggma Group aims to be a workplace where there is no discrimination and there is full equality between women and men. In its policy, the Group has incorporated conditions regarding discriminatory treatment that aim to ensure that there is no discrimination related to gender, ethnicity, sexual orientation or other basis for discrimination. A strong stance is also taken against child labour and forced labour. A statement concerning equal opportunities in Forestia, Huntonit and Uldal has been drawn up in accordance with the UN's Sustainable Development Goal number 8 and the Norwegian Act on Equality and Anti-Discrimination.

SAFE WORKPLACE

One of our most important goals for our workplaces is to make sure they are safe and to prevent employees or others from suffering occupational injuries within our organisation. We have to work preventively to ensure this. We identify all adverse events in our activities, in order to prevent injuries. We encourage our employees to report anything they see that is not as it should be.

Many HSE-related courses were completed in 2022. More than 200 employees attended courses relating to e.g. first aid, defibrillators, fire prevention, smoke diving, training of electro personnel, etc. Some key people attended several of the courses, so that people with expertise in the various areas are always available at the workplace.

SUPPORT FOR LOCAL TEAMS AND ASSOCIATIONS

Byggma is engaged in the active local communities where we are represented. We provide active support for teams and associations in our local communities.

BYGGMA EMPLOYEES

	2019	2020	2021	2022
Number of employees	701	697	742	723
Proportion of women	14.3%	13.6%	13.2%	14.4%

AGE DISTRIBUTION

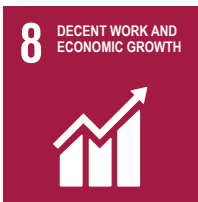
	2020	2021	2022
> 30	18%	18%	18%
30 - 50	42%	42%	39%
< 50	40%	40%	43%

BYGGMA

	2019	2020	2021	2022
F-value	561	441	265	124
H-value	19.6	17.2	15.2	17.8

BYGGMA ABSENCE

	2019	2020	2021	2022
Sick leave	5.9%	5.3%	5.7%	6.0%
Number of lost time injuries	22	19	18	22
Number of days absent due to injury	812	492	380	146



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

HIGHLIGHTS

We develop our companies through efficient use of resources and we create innovative products and solutions that provide added value to our customers.

The continuous improvement mindset is incorporated into our companies by applying the LEAN philosophy. Our sustainability work is a continuation of this and forms part of our daily work on continuous improvement.

FUTURE PROSPECTS

These are turbulent times with regulatory changes from authorities in Norway and abroad, and an ongoing war in Europe. This naturally affects our day-to-day work and the high inflation figures are also affecting construction activity.

Byggma uses sustainable raw materials from the forest to create quality solutions for our customers. Our mindset is that the efforts and knowledge of the employees involved help us to create safe workplaces that contribute to a sustainable environment. We must continuously develop the company to provide our customers with the right climate-friendly products, while also using new technologies.

PRODUCT DEVELOPMENT AND INNOVATION

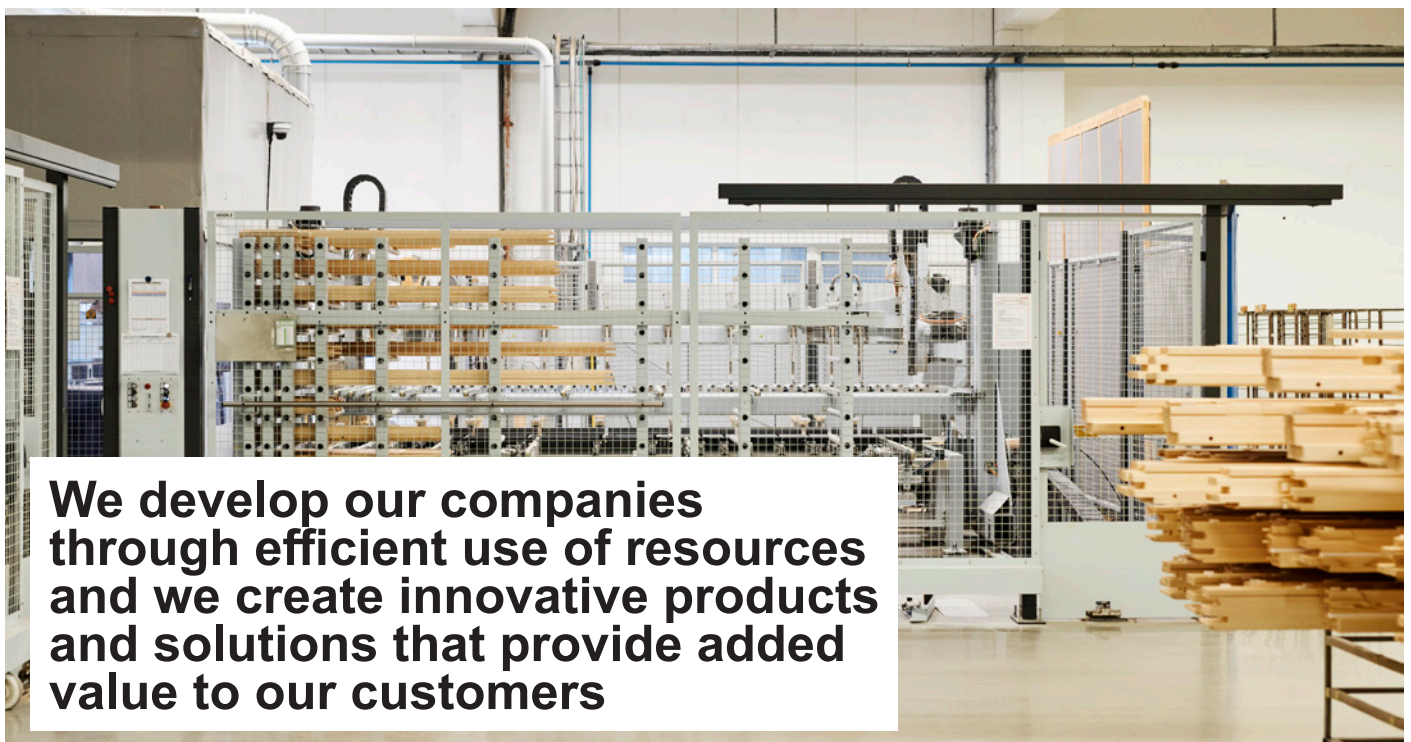
Product development and innovation are important activities in our quest to offer contemporary and environmentally friendly products and building materials to our customers.

We strive to create products that provide a better experience for our customers, with high quality and functionality that keeps their construction projects moving forward.

We have to be the absolute best in this area so customers see Byggma as their preferred partner. Being the best in product development and innovation creates a good reputation. This results in satisfied customers who, in turn, provide the opportunity for future-oriented, sustainable investments.

PRODUCT COMPONENTS

We must strive for the most environmentally friendly production processes possible. We have to stay on track with new, future environmental requirements and also stay ahead of the game. Some customers set high standards, and the EU is also working continuously on regulatory changes. We keep a close eye on this via our European industry organisation (EPF - European Panel Federation), so that we can be prepared and stay ahead of future regulatory changes that will have an impact on our businesses.



We develop our companies through efficient use of resources and we create innovative products and solutions that provide added value to our customers

CERTIFICATES	COMPANIES
ISO 9001	Forestia, Huntonit, Masonite Beams
ISO 14001	Forestia, Huntonit, Masonite Beams
UKCA (CE certificate for the UK)	Forestia
ISO 50001	Huntonit
EPD	Forestia, Huntonit, Masonite Beams
PEFC CoC	Forestia, Huntonit, Smartpanel, Masonite Beams, (Uldal 2023)
ECOproduct	Forestia, Huntonit
Swan ecolabel	Forestia
M1	Forestia, Huntonit
CARB Phase II / US EPA	Forestia
Approved by the Norwegian Asthma and Allergy Association	Huntonit
Danish Indoor Climate Labelling	Huntonit
BASTA	Forestia, Huntonit, Smartpanel, Masonite Beams
Construction materials assessment	Forestia, Huntonit, Masonite Beams
Nordic Ecolabel House Product Portal	Forestia, Huntonit, Masonite Beams
Sundahus Environmental Database	Forestia, Huntonit, Masonite Beams
SINTEF Technical Approval	Forestia, Huntonit, Smartpanel, Uldal
Norsk dør- og vinduskontroll (Norwegian door and window inspection)	Uldal



BYGGMA ASA has reported the information mentioned in this GRI content index for the period 01.01.2022 - 31.12.2022 with reference to the GRI Standards.

GRI Standard used	GRI 1: FOUNDATION 2021	
GRI STANDARD	DESCRIPTION	SOURCE Reference to page in report or website
GRI 2: General Disclosures 2021	2-1 Company details	Annual Report pages 3, 12, 22, 56 and 66
	2-2 Units included in the organisation's reporting	Annual Report pages 3 and 12
	2-3 Reporting period, frequency and contact person	Reporting period: 01.01.2022 - 31.12.2022 Frequency of sustainability reports: Yearly Contact person: Vegard Grønnerud Vegard.gronnerud@byggma.no
	2-5 External audit	Annual Report page 60
	2-6 Products and markets	Annual Report page 12
	2-7 Employees	Annual Report pages 3, 16 and 82
	2-9 Management structure	Annual Report pages 6-7 and 18
	2-10 Nomination and selection of Board members	Annual Report page 67
	2-11 Chair of the highest governing body	Annual Report pages 10 and 67
	2-12 Role of the highest governing body in monitoring the management of risk and consequences	Annual Report page 68
	2-13 Delegation of responsibility for managing consequences	Annual Report page 68
	2-14 Role of the highest governing body within sustainability reporting	Annual Report pages 68-69
	2-15 Conflicts of Interest	Annual Report pages 66-67
	2-16 Communication regarding negative relations with stakeholders	Annual Report page 69
	2-18 Evaluation of the performance of the work of the Board of Directors	Annual Report page 68
	2-19 Guidelines for remuneration	Annual Report page 68
	2-20 Process for determining remuneration	Annual Report page 68
	2-22 Statement on sustainable development strategy	Annual Report pages 72-75
	2-23 Strategies, principles and values related to ethics	Annual Report pages 15-16
	2-24 Implementation of strategies, principles and values related to ethics	Annual Report pages 15-16
	2-25 Processes for preventing negative consequences	Annual Report page 68
	2-26 Mechanism for seeking advice and raising concerns	Annual Report page 16
	2-27 Compliance with laws and regulations	No violations in 2022
	2-29 Stakeholder dialogue approach	Annual Report pages 15-16 and 75
	2-30 Freedom of association and collective agreements	Annual Report page 16

GRI STANDARD	DESCRIPTION	SOURCE Reference to page in report or website
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annual Report pages 13-18 and 75
	3-2 Material topics	Annual Report pages 13-18 and 75
	3-3 Management of material topics	Annual Report pages 13-18, 75-84
GRI 201: Economic Performance 2016	103-1/2/3 Management approach 201	Annual Report pages 22-28
	201-1 Direct economic value generated and distributed	Annual Report pages 19-21
	201-2 Climate risk	Annual Report pages 17-18 and 43
GRI 207: Tax 2019	207-1 Tax policy	Annual Report page 25
	207-2 Control and audit - auditor's report	Annual Report page 60
GRI 301: Materials 2016	103-1/2/3 Management approach 301	Annual Report pages 16-17
	301-1 Materials	Annual Report page 81
GRI 302: Energy 2016	103-1/2/3 Management approach 302	Annual Report pages 17 and 76
	302-1 Energy consumption in the organisation	Annual Report page 81
	302-4 Reduction of energy consumption	Annual Report page 77
GRI 306: Waste 2020	103-1/2/3 Management approach 306	Annual Report page 77
	306-2 Reduction in waste	Annual Report pages 17 and 76-79
GRI 403: Occupational Health and Safety 2018	103-1/2/3 Management approach 403	Annual Report page 16
	403-1 Occupational health and safety management system	Annual Report pages 16 and 83
	403-2 Hazard identification, risk assessment and incident investigation	Annual Report pages 16 and 83
	403-4 Worker participation, consultation and communication on occupational health and safety	Annual Report page 16
	403-5 Worker training in occupational health and safety	Annual report page 83
	403-9 Work-related injuries	Annual Report page 83
GRI 404: Training and Education 2016	103-1/2/3 Management approach 404	Annual Report page 82
GRI 406: Non-discrimination 2016	103-1/2/3 Management approach 406	Annual Report pages 16 and 83
GRI 413: Local Communities 2016	103-1/2/3 Management approach 413	Annual Report pages 16 and 82-83



HUNTONIT EIENDOM AS

ANNUAL LEASE REVENUE (NOK THOUSANDS):	16,000
PRODUCTION FACILITIES:	19,664 m ²
STORAGE CAPACITY:	8,100 m ²
OFFICES:	1,430 m ²
SITE AREA OWNED:	78,112 m ²
FLOOR AREA:	30,171 m ²
YEAR OF CONSTRUCTION:	1948-1988
MUNICIPALITY:	Vennesla, Norway

Byggma ASA currently owns approximately 115,000 m² of building stock. A significant proportion of Byggma's assets consists of buildings and factories. Ownership entails accountability. We place strict demands on ourselves when it comes to managing buildings - both in maintaining the values the buildings represent and to preserving in the best possible condition.

The Byggma Group will take good care of all of its properties and their premises - at present and in the future.



FORESTIA EIENDOM AS

ANNUAL LEASE REVENUE (NOK THOUSANDS):	19,500
PRODUCTION FACILITIES:	21,079 m ²
STORAGE CAPACITY:	18,655 m ²
OFFICES:	3,961 m ²
SITE AREA - OWNED:	321,460 m ²
FLOOR AREA:	43,695 m ²
YEAR OF CONSTRUCTION:	1969-1987 and 1997
MUNICIPALITY:	Våler, Norway



BYGGMA EIENDOM LYNGDAL AS

ANNUAL LEASE REVENUE (NOK THOUSANDS):	12,352
PRODUCTION AND WAREHOUSE SITE	16,397 m ²
OFFICES:	1,666 m ²
SITE AREA - OWNED:	37,377 m ²
FLOOR AREA:	18,063 m ²
YEAR OF CONSTRUCTION:	2007 and 2017
MUNICIPALITY:	Lyngdal, Norway

ARTICLES OF ASSOCIATION FOR BYGGMA ASA

Organisation no.: 979 165 285

- Art. 1. The company's name is BYGGMA ASA.
The company is a public limited liability company.
- Art. 2. The Company's registered office is in Vennesla Municipality.
- Art. 3. The object of the Company is industrial activity and investments in shares and property, as well as other activities related to this, including participation in companies with similar or similar purposes.
- Art. 4. The share capital is NOK 18,156,634.60 denominated as 69,833,210 shares, each with a nominal value of NOK 0.26. The company's shares must be registered in Verdipapirsentralen.
- §5. The company's Board of Directors consists of five to ten members, as decided by the general meeting.
- The Chairman of the Board of Directors has the company's signature. The same applies to two Board members jointly.
- The entire board acts as the company's audit committee.
- Art. 6. Notice of the general meeting takes place within the deadline of the Norwegian Public Limited Liability Companies Act. Documents relating to matters to be dealt with at the general meeting, including documents which by law are to be included in or attached to a notice of the general meeting, may be made available on the company's websites on the internet. A requirement for posting does not apply in this case. A shareholder may nevertheless request to receive documents relating to matters to be dealt with at the general meeting.

The following questions must be addressed and decided at the annual general meeting:

1. Determination of the income statement and balance sheet, including the allocation of annual profit or coverage of loss.
2. Determination of consolidated income statement and consolidated balance sheet.
3. Other matters that by law or statute belong to the general meeting.

Last revised: 27 May 2021

SHAREHOLDER INFORMATION

SHARE CAPITAL AND SHARES

Aspect ratio as at 31.12.2022

Number of shares	Number of shareholders	Proportion of share capital
1 - 1,000	1,589	0.53%
1,001 - 5,000	298	1.01%
5,001 - 10,000	88	0.96%
10,001 - 50,000	85	2.63%
50,001 - 100,000	13	1.31%
100,001 - 500,000	11	3.56%
500,001 -	4	90.00%
	2,088	100.00%

See note 12 in Byggma ASA's notes for an overview of the 20 largest shareholders.

DIVIDEND POLICY

Byggma's objective is to distribute between 30-50% of the year's profit after tax in dividends.

Byggma's dividend policy must be shareholder-friendly and form part of the Group's strategy for optimal capital allocation. On determining dividends, consideration is given to liquidity requirements, planned investments and debt ratio. Surplus liquidity must be paid to shareholders.

The Board of Directors proposes that no dividend be paid for 2022.

INTERIM REPORTS ARE PUBLISHED AS FOLLOWS:

Q1 2023	16 May 2023
Q2/Interim Report 2023	24 August 2023
Q3 2023	2 November 2023



1
Kristin S. Filtvedt, Production Manager
Marius Heidenberg, CEO CEO, Smartpanel
Stine Johansen, Purchaser

2
Roy André G. Karlsen, Production Employee
Marius R. Hansen, Production Employee



BYGGMA
group



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Email: ordre.belysning@byggma.no
Company registration no. 953 832 488
www.aneta.no

An aerial photograph of a dense forest of evergreen trees. A winding river flows through the center of the forest, its path highlighted by a thin white line. The trees are a vibrant green, and the overall scene is lush and natural.

BYGGMA
group

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