



BYGGMA
group

ANNUAL REPORT 2023

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

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Introduction:

Byggma ASA's head office is located in Vennessla, 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 among the leading suppliers of building materials solutions in the Nordic region. See the following link for a digital presentation of the Group:

[Presentation of the Byggma ASA Group.](#)

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 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 in the future.

In principle, Byggma will be allocating its investments to digitalization and automation of the production processes, as well as to the environment and sustainability. The expected Group revenue in 2024 is MNOK 2,200 and the Group has around 690 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 commercialization 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.

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 is strong. This market position makes Byggma a preferred business partner and secures jobs within the Group. The continued strengthening of our position 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. Innovation and product development are high priorities in our strategy and will continue to be 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 worthy 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 an integral aspect 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. Read more in our [Sustainability Report](#) on page 102.

Highlights:

Sales revenue and profit

Sales revenue declined from MNOK 2,508.2 in 2022 to MNOK 2,222.9 in 2023, corresponding to a decrease of MNOK 285.2 (11.4%). Profit before tax decreased from MNOK 529.4 in 2022 to MNOK 31.3 in 2023. The decrease in sales and earnings is the result of a significantly weaker building materials market and the declining value of power contracts.

The Byggma Group is profitable in demanding market conditions

The building products industry has experienced a sharp decline so far this year. An important indicator of a change in the size of the market is the home builders' publication of the number of homes sold and started so far this year, compared to the same period last year. In 2023, 13,180 homes were sold, corresponding to a decrease of 32%. During the same period, 13,963 homes were started, corresponding to a decrease of 40%. This is the biggest reduction in the building products industry seen in recent times. In our industry, as in many others, there are many factors, such as international unrest, interest rate hikes and high inflation, that cause home building to be delayed. The positive aspect is that the underlying need for residential units is increasing. This means that when home sales are low and so far below demand, the theoretical order backlog increases sharply. This will provide a significant boost to the industry later. We believe that it is a sign of the strength of the Byggma Group that, despite very demanding market conditions, the Group has a healthy profitability both for the quarter and so far, this year.

Launch of website for design solutions to meet fire and noise requirements

Byggma has launched a new website (in Norwegian) for structural designs to meet technical fire and noise requirements, www.brannoglyd.no. The website shows design solutions that feature products from Forestia AS with chipboard, Huntonit AS with wood fiberboard and MDF boards, Smartpanel AS with MDF boards, and Masonite Beams AS with I-beams and I-studs.

Uldal increases capacity for aluminium clad windows

Demand for aluminum clad windows is rising and Uldal is adjusting to this by increasing its production capacity for this product group. For example, the company has invested in a crimping machine. The project also frees up FTEs and helps make production more efficient.

Norske Skog ASA

As of 31 December 2023, Byggma ASA and its sister company Drangslund Kapital AS control 26.8% of the share capital. 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.

New logistics centre at Forestia

In 2022, Forestia invested around MNOK 40.0 in a new logistics center, around 4,000 sqm in size, at Braskereidfoss. At the same time, a merger was completed between AS Byggform and Forestia AS, with as of 1 January 2023, which meant that Byggform's inventory was moved to Forestia's new logistics center. This enables our customers to order both previous Byggform products and Forestia products at the same time, and to combine chipboard, OSB and plywood boards on the same order and load. This adds value for both our customers and Forestia and benefits the environment with more efficient transport.



Product innovation

Sales of our innovative Huntonit Proff Vegg, Smartfinèr, Forestia Premium Ceiling and Forestia Ergospon are increasing steadily in the market. These products create added value for the customer, while the increase in sales of these products is profitable for the Group. See some of the products being used in practice in Season 9 of the Norwegian TV show Eventyrlig Oppussing (Adventurous Renovation).

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. See the separate chapter on [sustainability](#) in this annual report.

Transfer of business

With effect from 31 December 2022, the I-beams department at Huntonit in Vennesla was transferred from Huntonit AS to Masonite Beams AS. Consequently, I-beams from Masonite

Beams AS, the Grubhei department and the Vennesla department constitutes one legal entity in Norway and is better positioned to exploit synergies, with a clearer profile towards customers in Norway.

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 whereby CO₂ was released 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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills. Satisfactory processes have now been implemented with the suppliers of raw materials, with good, stable and long-term supply agreements for the project in place.

Automation of the Pro Wall production line at Huntonit

During the first half of 2023, a new automated feed station, a new profile milling machine and an automated packing station were implemented for the production of Huntonit Pro Wall. The new production line has significantly increased throughput speed and improved the quality of the click lock and profile.

Automation means we can achieve a much higher production volume with less employees.

Group management



Conrad Lehne Drangslund,
Chief Executive 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 Authorized 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).



Henry Gundersen
Chief Financial Officer

Henry Gundersen has worked in the Byggma Group since 2007 as Group Accounting Manager and CFO at Huntonit as.

He has previous experience as Accounting Manager at both Hunsfos and Ventelo, as well as Finance Manager at Sørlandets Elektro Engros as.

He has a degree in Economics from Copenhagen Business School (CBS).



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 center, and he eventually became a customer center manager.

The position was expanded with responsibility for material adm. In 2007, he was appointed 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 CEO 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 has successfully completed the Microsoft Certification Program and has both Microsoft Certified Professional (MCP) and Microsoft Certified Solutions Developer (MCSD) on his CV.

Management Building/Lighting



ERLEND JORDET
Sales Director Forestia



HALVOR C. OLSEN
Sales Director Huntonit



JOHN SÆTEN
Sales Director Masonite



KRISTIAN HANSEN
Managing Director Forestia



TORE HANSEN
Managing Director Lighting



JON HELGE LANDE
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

A word from the CEO

For Byggma, 2023 was a year dominated by a steadily weakening market and demand for our products during the year. This is reflected in our sales revenue, which fell by 11.4% from 2022 to 2023.

Lower sales also clearly affected the result. Nevertheless, Byggma is showing a profit for a year with the lowest construction activity since the housing and banking crisis in the 1980s and 1990s. This is a clear sign of strength and shows that all Byggma employees are aware of their responsibility, are rolling up their sleeves and are all pulling extra hard in the same direction when needed. We should be proud of that!

As I write this, I have only been in the role as CEO for a few days, since 1 April 2024. Having been CFO for a couple of years, I know the Group well. We now face new challenges ahead that I am looking forward to tackling and I believe the future is bright for Byggma.

Initiatives and measures

At Byggma, we live by a set of principles. One of these principles is that good ideas are rewarded. This means that at Byggma there is a tradition for showing initiative and coming forward with ideas about anything from new products and improved processes, to new markets and customers. Besides ideas, the ability to see them through is also needed, so that initiatives can be turned into concrete action. Some of the ideas implemented in 2023 are described below.

We are taking two important measures to counter the economic impact of the weak market over the short term. One measure concerns more intensive marketing of our innovative new products, Huntonit Pro Wall, Forestia Premium Ceiling, Forestia Ergospon and Smartfinèr. 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 because of reduced sales. Improvement measures are also ongoing in all areas, including ensuring stable operations at the factories, high sales and market activity, and good discipline in procurement processes.

A number of sustainability measures are also being put in place. These include investment in a short wood jointer to reduce waste at Masonite Beams and improving transport efficiency from the new logistics center at Forestia. In 2023, Byggma prepared greenhouse gas accounts for the first time. The accounts clearly show that far more carbon is bound into Byggma's products than is released as emissions from our operations. We can therefore say that Byggma's operations help remove CO₂ from the atmosphere and are an important contributor to mitigating future climate change. Read more about our sustainability initiatives in our [Sustainability Report](#) on page 102.

CO₂ compensation

The CO₂ compensation scheme compensates electro-intensive and highly exposed companies for increases in electricity prices because of the EU's Emissions Trading System. The purpose of the compensation scheme is to reduce the risk of carbon leakage. "Carbon leakage" describes

the situation when companies move their investments or production from Europe to a third country with a less stringent climate policy, thereby increasing emissions as a result.

On 23 February 2024, the Norwegian Ministry of Climate and Environment overturned the Norwegian Environment Agency's decision to refuse Huntonit AS' application for CO₂ compensation. It was thus clarified that Huntonit is covered by the scheme for the 2021–2030 period in the same way that we were covered from 2013–2020.

Byggma allocated a lot of resources to this for over two years. Until the decision was made, the consequences for Huntonit were serious. with great uncertainty concerning the future of the business and its employees, while investments were put on hold and direct costs were incurred for the assistance and hours spent on working with the authorities. Work is now underway to claim late payment interest and legal costs from the state.

It is regrettable that the public sector, both at the central and local level, creates so much expense and uncertainty for the industry concerning the general terms and conditions. It is also unfortunate that the trade union at Huntonit found it necessary to make political threats to persuade the Ministry to deal with the matter. I would also like to take the opportunity to commend all those on the Byggma side who were involved, including the employees at Byggma and Huntonit, the Federation of Norwegian Industries and other business partners.

The way forward

We cannot control the market, but we can control our priorities and actions to outperform the market and increase our market share. While there are now significantly fewer homes being built in the Nordic region than there is a need for, a theoretical order backlog is building up, so that even more homes will have to be built in the near future to clear the backlog. Failing to do this will have serious consequences for the housing supply as well as the entire construction industry. While the market is taking its time to recover, we are doing what we can to improve and prepare our businesses to meet the increase in demand that is likely to follow.

We have lots of excellent machinery and equipment at Byggma, but people are our most important resource. Without you, Byggma would not be in the position it is today. Thank you for all your efforts in 2023. I look forward to continuing to work with you in the future.



Best regards,



Conrad Lehne Drangslund,
CEO

Members of the Board of Directors



Terje Gunnulfsen,
Chairman of the Board

Terje Gunnulfsen has been Chairman of the Board since 2009, but has been a member of the Board since 1 June 2001. Gunnulfsen 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, Gunnulfsen 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 Raufoss Aluminium 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 Drangsland
Holst, Board member

Liv Anne Drangsland 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 accounting assistant and holds Board positions in Uldal AS.

Kjell Magne has an educational background in accounting and has previous experience in this field.

Financial key figures

All figures in NOK 1,000	IFRS 2023	IFRS 2022 *)	IFRS 2021	IFRS 2020	IFRS 2019
Profit/loss:					
Sales revenues	2,222,950	2,508,195	2,344,280	2,052,371	1,783,388
EBITDA	293,308	350,102	320,140	269,648	142,660
Operating profit/loss	-35,856	554,775	233,136	192,584	72,528
Profit before tax	31,343	529,357	224,116	159,733	61,976
Tax expenses	29,655	-99,583	47,775	34,825	13,026
Profit for the year	60,998	429,774	176,341	124,908	48,949
Depreciation and write-downs	119,264	82,037	87,004	77,064	70,132
Balance sheet:					
Fixed assets	2,393,730	2,323,094	1,044,068	963,922	967,485
Current assets	846,830	936,718	873,723	1,168,012	847,963
Total assets	3,240,559	3,259,812	1,917,791	2,131,933	1,815,448
Equity	1,129,079	1,077,712	668,123	990,217	861,427
Long-term liabilities	976,376	1,076,322	578,238	552,393	456,466
Current liabilities	1,135,105	1,105,778	671,430	589,323	497,555
Total equity and liabilities	3,240,559	3,259,812	1,917,791	2,131,933	1,815,448
Short-term interest-bearing liabilities	590,370	565,450	145,169	144,230	131,553
Long-term interest-bearing liabilities	848,505	897,005	466,200	452,774	370,999
Total interest-bearing liabilities	1,438,875	1,462,455	611,369	597,004	502,552
Bank deposits (excl. tax deduction)	47,338	19,467	53,272	509,167	307,921
Unused drawdown funds	220,223	289,170	262,848	287,481	283,089
Liquidity reserve	267,561	308,637	316,120	796,648	591,011
Staff:					
Number of FTEs as of 31.12. Group	675	708	710	680	684
Equity ratio:					
Number of shareholders	1,825	2,088	2,209	703	668
Stock exchange price as of 31.12. NOK	19.40	27.90	26.20	18.90	9.20

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:

Key figures	Definition
EBITDA	Operating profit before depreciation, amortisation, restructuring costs and change in fair value of power contracts and investment property
Adjusted operating profit	Operating profit adjusted for special items to give a more accurate and more normalised reflection of underlying profit and value creation
Liquidity reserve	Bank deposits (excl. tax deductions) + unused credit facility
Net profit margin	Profit after tax divided by sales revenue
Interest-bearing debt	Interest-bearing loans + leasing obligations + drawdown on overdraft facilities
Net interest-bearing debt	Interest-bearing loans + lease obligations + drawdown on overdraft facilities - cash and cash equivalents

NOK million	2023	2022
Reported operating profit/loss	(35.9)	554.8
Gains on forward contracts related to share purchases (income "-" - cost "+")	-	(76.5)
Change in fair value of power contracts (income "-" - cost "+")	191.9	(230.2)
Amortisation of assets (income "-" - cost "+")	29.0	-
Change in value of investment property (income "-" - cost "+")	18.0	20.0
Adjusted operating profit	203.1	268.0

NOK million	2023	2022
Adjusted operating profit	203.1	268.0
Depreciation (income "-" - cost "+")	90.2	82.0
EBITDA	293.3	350.1

Report from the Board of Directors

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 organizations. 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 2023, 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 sell 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 Grammarholmen Fastighets AB.

Business areas

Panels

The Panels segment consists of the companies Huntonit AS, Forestia AS and Smartpanel AS. AS Byggform's figures are included in the 2022 figures for the Panels segment.

In 2023, AS Byggform was merged into Forestia AS. As of 31 December 2022, the Masonite department at Huntonit in Vennesla was transferred from Huntonit AS to Masonite Beams AS through a transfer of company ownership. Figures for the Masonite department in Vennesla are included in the segment figures for I-beams.

The accounting figures for 2022 have been revised in connection with the change in the accounting practice for power agreements. See the stock exchange announcement dated 5 February 2024 and note 35 for more information.

In 2023, the Panels segment had lower sales revenue and adjusted operating profit compared to 2022. Work on streamlining operations and maintaining good discipline in the procurement process is a continued process. Demand for products in the Panels segment varies between product groups.

The Board of Directors is satisfied with the sales and earnings in 2023. The Board of Directors understands that the sharp market decline means that the Panels segment will not achieve the same result as the previous year. Management has a continuous focus on improvement projects, including trends in sales and costs. Under the current market conditions, it is particularly important that the sales organization focuses on the professional market and that products are presented optimally in all building materials outlets.

Beams

The Beams segment consists of the companies Masonite Beams AB and Masonite Beams AS.

Beams' market share has grown in most markets and we are experiencing greater acceptance of the I-beam as a construction material.

With effect from 31 December 2022, the I-beams department at Huntonit in Vennesla was transferred from Huntonit AS to Masonite Beams AS. As a consequence, I-beams from Masonite Beams AS, the Grubhei department and the Vennesla department constitutes one legal entity in Norway and is better positioned to exploit synergies, with a clearer profile towards customers in Norway. Figures for the Masonite department in Vennesla are included in the segment figures for I-beams.

Sales revenues and operating profit for 2023 are lower than for 2022. To adapt to this period of lower activity in the new homes market, we are focusing on streamlining our operations.

The Board of Directors is satisfied with the sales and earnings in 2023. The Board of Directors understands that sales of I-beams have been directly affected by the decline in home construction activity. The Management and Board of Directors are firmly focused on boosting sales and enhancing profitability.

Windows

The Windows segment consists of the company Uldal AS.

In 2023, the Windows segment recorded lower sales revenues and operating profit compared to 2022. The Windows segment is still seeing strong competition and price pressure.

Previous investments at the factory are now having a major positive effect on ensuring delivery times. This has helped Uldal increase its market share in the Norwegian windows market significantly in recent years.

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.

Demand for aluminum clad windows is rising and Uldal is adjusting to this by increasing its

production capacity for this product group. For example, the company has invested in a clip machine. The project also frees up FTEs and helps make production more efficient.

The Board of Directors is satisfied with the sales and earnings in 2023. The Board of Directors understands that the sales have been directly affected by the decline in the windows market, resulting in lower revenues for Uldal. Management will continue to focus on sales and cost trends.

Lighting

The Lighting segment consists of the companies Aneta Lighting AS and Scan Lamps VTA AS in Norway, and Aneta Lighting AB in Sweden.

Lighting recorded higher sales revenues and operating profit in 2023 compared to 2022.

The Lighting segment is beginning to see the effects of the new investment in the electro/installer market. This is expected to have an even greater impact in the future.

The Board of Directors is satisfied with the development in sales and earnings in the Lighting segment in 2023. Management will continue to focus on sales and cost trends.

Real estate

The Real Estate segment consists of Byggma Eiendom AS, Huntonit Eiendom AS, Forestia Eiendom AS, Byggma Eiendom Lyngdal AS and Grammarholmen Fastighets AB.

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.

See our portfolio of properties in a separate chapter of the quarterly report.

Analysis of the annual accounts and key risks and uncertainties

As from 2005, the consolidated financial statements have been presented in accordance with IFRS® Accounting Standards as approved by the EU.

The accounting figures for 2022 have been revised in connection with the change in the accounting practice for power agreements. See the stock exchange announcement dated 5 February 2024 and note 35 for more information.

Group revenue in 2023 was MNOK 2,222.9, which is MNOK 285.2 (11.4%) lower than in 2022. All segments reported lower revenue in 2023 compared to 2022, apart from Lighting, whose revenue was higher.

The Byggma Group's profit for 2023 was MNOK 61.0, and Byggma ASA's profit for the year was MNOK 266.2.

Total investments in tangible fixed assets and intangible assets in 2023 came to MNOK 77.2.

At the end of the year, total assets were MNOK 3,240.6, compared to MNOK 3,259.8 as at 31 December 2022.

The Group's booked equity as of 31 December 2023 amounted to MNOK 1,129.1 (34.8%) compared to MNOK 1,077.7 as of 31 December 2022 (33.1%).

The parent company Byggma ASA had no revenue in 2023 and 2022. Profit before tax was MNOK 282.3, which is an increase of MNOK 5.6 compared to 2022.

The Group had a positive cash flow from operations of MNOK 213.7 in 2023. The difference between operating profit and cash flow from operations is explained mainly by changes in working capital, value adjustment of power contracts and investment properties, and depreciation. The liquidity position is satisfactory. The liquidity reserve as of 31 December 2023 was MNOK 267.6.

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 revenue stems from 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 the euro and USD would be unfortunate, because a significant proportion of imports are paid for in euro 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 very low activity in parts of the market, while sales of the new products launched in the market are increasing. In total, 13,286 units were sold and 13,795 were started in the new homes market during the last 12 months. The official housing need in Norway is approximately 29,000 units per year. Sales and starts below this level can have long-term consequences for the housing supply in Norway, if the trend continues and there is accumulated demand for more housing to be produced at a later time. The market is still experiencing strong activity within commercial and public construction. The renovation and extension market is expected to grow, since in this market homeowners choose not to sell up and move.

The sharp rise in raw material costs is the key explanation for the lower number of new homes sold and started. In addition, interest rate trends may affect activity in the new construction and the renovation and extension market. The war in Ukraine may also affect the market via factors such as access to raw materials, energy and higher import prices. However, several raw materials, including timber, are now showing signs of stabilizing going forward. With lower material costs, new homes sold and started may pick up again. This is supported by the upward adjustment of the housing need 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.

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 digitalization and automation of the production processes, as well as to the environment and sustainability.

As of 24 April 2024, Byggma ASA holds approximately 18.5% of the share capital in Norske Skog ASA. As of 24 April 2024, Norske Skog owns 10% of its own shares. Together with its sister company Drangslund Kapital AS, Byggma controls over 26.8% of the share capital and votes in Norske Skog.

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. 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.

The Group has a stable and highly competent workforce. The availability of manpower is good. 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 realize their personal potential through their employment at Byggma.

Events so far in 2024

On Friday, 23 February 2024, the Norwegian Ministry of Climate and the Environment announced that it had overturned the Norwegian Environment Agency's decision to refuse Huntonit's applications for CO₂ compensation. It was thus clarified that Huntonit is covered by the scheme for the 2021–2030 period.

The compensation for 2021 and 2022 will be paid in arrears in 2024 and recognized as income in Huntonit's and the Byggma Group's accounts in 2024. The amounts for 2021 and 2022 are MNOK 7.9 and MNOK 4.3, respectively. The compensation for 2023 will be recognized as income in 2024 and paid in 2024.

The new Group CEO, Conrad Lehne Drangslund, and the new CFO, Henry Gundersen, took office on 1 April 2024.

Financial risk

Market risk

Currency risk

Group sales outside Norway amount to approximately 34.3%, 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 at 31 December 2023, the Group had not entered into any forward foreign exchange contracts for delivery in 2024 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 in such a way that the credit risk is considered to be low in relation to the financial strength of the Byggma Group. In most cases, the Group's 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 a contract with new customers. Losses on receivables in 2023 were MNOK 0.308 (2022: MNOK 0.622), corresponding to 0.0% of revenue.

Liquidity risk

Liquidity for the Group is considered to be good. The Group has loans of MNOK 50.6 that will be renewed in 2024. As of 31 December 2023, the Group had drawdown funds of MNOK 380.1 (2022: MNOK 379.5). The Group had used MNOK 159.9 of the drawdown funds as of 31 December 2023 (as of 31 December 2022, the drawdown was MNOK 90.3). As of 31 December 2023, the Group had securities financing with a limit of MNOK 330.0, of which MNOK 280.0 of the limit had been used. As of 31 December 2023, the Group had total bank deposits of MNOK 63.2. The Group has the necessary capacity to finance future activities.

Interest rate risk

Total interest-bearing debt in the Group was MNOK 1,438.9 as of 31 December 2023. Lease liabilities amount to MNOK 84.5 of interest-bearing debt and the long-term sale/leaseback liability is MNOK 225.8. The Group has partly hedged long-term liabilities through interest rate swaps. As of 31 December 2023, interest rate swaps for MNOK 221.8 with expiry between 2024–2030 had been agreed.

Refer also to 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 financial statements 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 102.

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:

CLIMATE AND THE ENVIRONMENT				INDIVIDUALS AND SOCIETY		BUSINESS MODEL	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 STOPPING CLIMATE CHANGE 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	4 GOOD EDUCATION 	11 SUSTAINABLE CITIES AND LOCAL COMMUNITIES 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Efficient use of raw materials Factories located near raw materials Packaging solutions that minimise waste while still protecting products during transport	Wood-based construction products sequester significant amounts of carbon Efficient distribution system for transportation of goods to customers The wood we use comes from certified sources or sustainable forestry	Resource-efficient construction methods contribute to good raw material utilisation Ensure that we do not pollute our surroundings, affecting life on land, in freshwater or the ocean	Employees are given opportunities for continued development Collaboration with schools Professional education Further education	Factories located near raw materials Our presence contributes to sustainable cities and local communities Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain	Good profitability provides the basis for safe workplaces and company development	We seek out new innovative 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	

For more details, see the Sustainability Report on page 102.

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 a Code of Conduct. The Code generally describes the ethical principles according to which the Group must manage its business, how the Group must 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 concerned with maintaining high ethical standards internally and in their communication with other businesses.

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 any criminal offence, other legal orders or prohibitions, or other set 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 is available on the company's website, www.byggma.no. 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 has been published on the company's website, www.byggma.no.

The work environment

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.

At year-end, the Group's workforce comprised 675 full-time equivalents, a decrease of 33 full-time equivalents from 2022. Absence due to illness in the Group was 6.9% in 2023, compared with 6.0% in 2022.

Accidents: There were no serious accidents in the Group in 2023.

Injuries: A total of 19 injuries resulted in absence of 370 days in 2023. The corresponding figure for 2022 was 22 injuries resulting in absence of 146 days. All personal injuries are investigated for underlying causes so that preventive measures can be taken.

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

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 692 employees, 98 are women. The Group aims to increase the proportion of women in managerial positions. At year-end there were 14 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 between employees, or upon employment, due to ethnicity, national origin, descent, skin colour, 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 fiber to create durable products is an important contribution to increasing carbon sequestration in forests and wood-based products.

Every year, more CO₂ is bound into the products Byggma manufactures than is emitted from Byggma's operations, measured according to the GHG Protocol. Read about Byggma's greenhouse gas accounts in the Sustainability Report on page 102.

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 minimize 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 utilized 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. The final details are currently being clarified before the project can start.

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 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 102.

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 5.8% 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 assessments according to the principle of double materiality, in accordance with GRI. The assessments concerned how the company affects its surroundings and how the surroundings affect the company. These assessments have revealed 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 102.

The EU Taxonomy for sustainable activities:

See this year's Sustainability Report on page 102 for Taxonomy reporting.

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

Vennesla, 24 April 2024

Board of Directors of
BYGGMA ASA



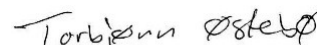
Terje Gunnulfsen,
Chairman



Liv Anne Drangland
Holst



Hege Aarli Klem



Torbjørn Østebø



Terje Sagbakken



Kjell Magne
Gundersen



Morten Anseth



Conrad Lehne Drangland
Chief Executive Officer

Consolidated income statement

(all amounts in NOK 1,000)	Note	2023	2022*)
Sales revenue	5	2,222,950	2,508,195
Other income	32	25,068	24,423
Total income		2,248,018	2,532,618
Goods and manufacturing costs		-1,094,604	-1,327,260
Payroll expenses	19	-483,918	-501,184
Depreciation and write-downs	5,6,7	-119,264	-82,037
Freight and complaints costs		-166,973	-176,130
Marketing costs		-102,005	-103,689
Other losses/gains - net	17	-127,933	413,668
Other operating costs	18	-189,179	-201,211
Total operating expenses	34	-2,283,874	-1,977,843
Operating profit/loss	5	-35,856	554,775
Share of profit from associated companies	33	160,399	0
Financial income	20	2,751	732
Financial costs	20	-95,951	-26,149
Net financial expenses	20	-93,200	-25,417
Profit/loss before tax		31,343	529,357
Tax expenses	21	29,655	-99,583
Profit for the year		60,998	429,774
Allocated to:			
Shareholders		60,998	429,774
Minority interests		0	0
		60,998	429,774
Earnings per share for the part of the annual profit allocated to the company's shareholders (NOK per share):			
Earnings per share	22	0.87	6.16
Diluted earnings per share	22	0.87	6.16
Total comprehensive income			
Profit for the year		60,998	429,774
Other income elements that may later be reclassified to profit and loss			
Conversion differences		-3,729	-1,021
Gain (+) / loss (-) on financial investments	33	-11,032	-14,810
Share of comprehensive income from associated companies	33	5,131	0
Total		-9,631	-15,832
Other income elements that will not be reclassified through profit and loss			
Total profit for the year		51,367	413,943
Allocated to:			
Shareholders		51,367	413,943
Minority interests		0	0
		51,367	413,943
Total earnings per share for the part of the consolidated profit allocated to the company's shareholders (NOK per share):			
Earnings per share		0.74	5.93
Diluted earnings per share		0.74	5.93

*) 2022 has been adjusted (see note 35)

Notes 1-35 are part of the consolidated financial statements.

Consolidated balance sheet as at 31.12.

(all amounts in NOK thousands)	Note	2023	2022*)	01.01.2022*)
ASSETS				
Tangible fixed assets	6, 31	819,416	853,454	821,047
Investment property	32	157,000	175,000	195,000
Intangible assets	7	20,443	20,609	21,901
Deferred tax asset	16	1,441	1,162	4,655
Long-term derivatives and power contracts	8, 9	77,987	194,672	42,559
Investment in associated companies (financial investment before 09.03.2023)	33	1,317,202	1,078,046	0
Other long-term receivables	10	241	151	204
Total fixed assets		2,393,730	2,323,094	1,085,367
Inventories	11	349,625	385,743	357,117
Customer and other short-term receivables	8, 10	376,375	378,825	445,611
Short-term derivatives and power contracts	8, 9	57,624	135,074	42,666
Cash and cash equivalents	8, 12	63,205	37,076	70,961
Total current assets		846,830	936,718	916,355
Total assets	5	3,240,559	3,259,812	2,001,722
EQUITY				
Share capital and share premium	13	52,652	52,652	52,652
Other equity not recognised in the income statement		-16,019	-6,388	9,444
Retained earnings		1,092,446	1,031,448	671,492
Total equity		1,129,079	1,077,712	733,588
LIABILITIES				
Long-term loans	8, 15, 31	785,673	831,926	386,969
Long-term lease liabilities	6, 15	62,832	65,079	79,231
Long-term derivatives and power contracts	8, 9	0	0	337
Deferred tax	16	127,871	179,317	130,166
Total long-term liabilities		976,376	1,076,322	596,703
Trade payables and other current liabilities	8, 14	514,835	493,452	483,048
Tax payable	21	29,900	46,877	42,742
Short-term loans	8, 15	568,661	546,311	126,021
Short-term lease liabilities	6, 15	21,709	19,139	19,148
Short-term derivatives and power contracts	8, 9	0	0	472
Total current liabilities		1,135,105	1,105,779	671,431
Total liabilities	5	2,111,480	2,182,100	1,268,133
Total equity and liabilities		3,240,559	3,259,812	2,001,722

*) 2022 has been adjusted (see note 35). Notes 1-35 are part of the consolidated financial statements.

Vennesla, 24 April 2024, Board of Directors of BYGGMA ASA

			
Terje Gunnulfson, Chairman	Liv Anne Drangslund Holst	Hege Aarli Klem	Torbjørn Østebø
			
Terje Sagbakken	Kjell Magne Gundersen	Morten Anseth	Conrad Lehne Drangslund Chief Executive Officer

Consolidated statement of cash flows

(all amounts in NOK 1,000)	Note	2023	2022
Cash flow from operations			
Cash flow from operations	24	336,134	388,409
Interest paid		-104,763	-38,299
Interest received		22,862	5,938
Taxes paid		-40,513	-41,068
Net cash flow from operations		213,719	314,979
Cash flow from investment activities			
Purchase of tangible fixed assets	6	-52,915	-128,030
Sale of tangible fixed assets	24	972	15,373
Purchase of intangible assets	7	-3,755	-2,484
Acquisition of financial investments (associated companies)	33	-87,155	-1,016,333
Dividends received from associated companies	33	11,678	0
Loans granted to related parties, including Group companies	24, 27	525	-381
Net cash flow used for investment activities		-130,649	-1,131,855
Cash flow from financing activities			
Dividends paid to Byggma ASA's shareholders		0	-69,819
Adjustment, overdraft facilities	15	69,624	73,385
Uptake of loans	24	731	813,793
Repayment of loans	24	-132,931	-87,529
Loans from related parties	24	4,600	53,859
Net cash flow to(-)/from (+) foreign capital financing	24	-57,976	853,508
Net cash flow to(-)/from (+) financing activities		-57,976	783,688
Adjustment to cash, cash equivalents		25,094	-33,187
Cash and cash equivalents as of 1 January		37,076	70,961
Foreign exchange gains/(loss) on cash and cash equivalents	24	1,035	-698
Cash and cash equivalents as of 31 December	12	63,205	37,076
Unused credit facilities		220,223	289,170

Notes 1-35 are part of the consolidated financial statements.

Consolidated statement of changes in equity

Equity allocated to the company's shareholders

(all amounts in NOK 1,000)	Note	Share capital and share premium	Other equity not recognised in the income statement	Retained earnings	Total
Equity 31 December 2021		52,652	9,444	606,027	668,123
Change in the accounting of power contracts	35	0	0	65,466	65,466
Equity 1 January 2022		52,652	9,444	671,493	733,588
Profit for the year	35	0	0	429,774	429,774
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	1,031,448	1,077,712
Profit for the year		0	0	60,998	60,998
Conversion differences		0	-3,729	0	-3,729
Gain (+) / loss (-) on financial investments	33	0	-11,032	0	-11,032
Share of comprehensive income from associated companies		0	5,131	0	5,131
Equity 31 December 2023		52,652	-16,019	1,092,446	1,129,079

Notes 1-35 are part of the consolidated financial statements.

Notes to 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 24 April 2024 and submitted for approval at the annual general meeting on 31 May 2024.

All figures in NOK thousands unless otherwise stated.

We reserve the right for errors in the English version as an external agency has translated from official Norwegian annual report into the English version.

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 IFRS[®] Accounting Standards as approved by the EU are used for accounting elements not mentioned in this note.

2.1 Basic principles

The consolidated financial statements of Byggma ASA have been prepared in accordance with IFRS[®] Accounting Standards as approved by the EU and effective as of 31 December 2023. The consolidated financial statements also include information specified under Norwegian accounting legislation.

Change in accounting practice: In 2023, a change was made in the accounting of power contracts. The change has retroactive effect and the figures for 2022 have been revised for comparison purposes. The change in accounting policy is described in note 35.

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

2.2 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.

2.3 Conversion of foreign currency

2.3.1 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.

2.3.2 Transactions and balance sheet items

Foreign currency transactions are converted into 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 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 rate, the transaction rate 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.

2.4 Tangible fixed assets

Land and buildings mainly consist of factories and offices. Property, plant and equipment are recognised 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.

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

2.5 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.

2.6 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.

2.7 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 and market support owing are recognised net against accounts receivable, but for customers where customer bonuses and market support owing exceed accounts receivable, the amount is recognised against accounts payable.

2.8 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.

2.9 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.

2.10 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 which 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.

2.11 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.

2.12 Public subsidies

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

2.13 Income recognition

Sales revenues are recognised when the Group has transferred control of goods and services to the customer and fulfilled its delivery obligations. 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.

2.14 Pension liabilities, bonus schemes and other compensation schemes for employees

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.

Severance pays

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 pays due more than 12 months after the balance sheet date is discounted to current value.

2.15 Investment property

Investment in investment property is recognised at fair value in accordance with the rules in IAS 40. 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 2023, the Group sold around 34% outside Norway (2022: 36%), 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 had no outstanding forward foreign exchange contracts as of 31 December 2023 (2022: outstanding forward foreign exchange contracts of TNOK 748, which refers to the purchase of TEUR 72). 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 6.2 (2022: MNOK 10.7).

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 of 31 December 2023, and all other variables had been constant, this would represent an increase/decrease in equity of MNOK 5.4 (2022: MNOK 6.8).

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 10.7 (2022: MNOK 12.1).

Similarly, a change in energy prices would result in MNOK 2.1 (2022: MNOK 4.4) in profit after tax on an annual basis.

B Credit risk

Sales are organised so that the credit risk is considered to be low in relation 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 a contract with new customers.

C Liquidity risk

Liquidity for the Group is considered to be good. The Group has loans of MNOK 50.6 that will be renewed in 2024. As of 31 December 2023, the Group had drawdown funds of MNOK 380.1 (2022: MNOK 379.5). The Group had used MNOK 159.9 of the drawdown funds as of 31 December 2023 (as of 31 December 2022, the drawdown was MNOK 90.3). As of 31 December 2023, the Group had securities financing with a limit of MNOK 330.0, of which MNOK 280.0 of the limit had been used. As of 31 December 2023, the Group had total bank deposits of MNOK 63.2. The Group has the necessary capacity to finance future activities.

Trade payables, tax payable, short-term loans and other current liabilities totalling MNOK 1,135.1 (2022: MNOK 1,105.8) 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 drawdown funds 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.

31.12.2023 (NOK 1,000)	< 1 year	1-5 years	> 5 years
Loans	470,060	451,977	768,746
Overdraft facilities	159,907		
Lease commitments	24,721	65,905	1,701
Trade payables and other current liabilities	466,194		
Total	1,120,882	517,882	770,447

31.12.2022 (NOK thousands)	< 1 year	1-5 years	> 5 years
Loans	510,585	442,139	823,427
Overdraft facilities	90,283	-	-
Lease commitments	21,980	60,460	10,032
Trade payables and other current liabilities	371,450	-	-
Total	994,298	502,599	833,459

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 1,438.9 as of 31 December 2023 (31 December 2022: MNOK 1,462.5). The Group has partly hedged long-term liabilities through interest rate swaps. As of 31 December 2023, interest-rate swap agreements expiring in 2024–2030 had been entered into for MNOK 221.8.

If the interest rate level had been 1% higher/lower for loans in NOK as of 31 December 2023, and all other variables had been constant, on an annual basis this would have constituted a reduction/increase in profit after tax of MNOK 7.9 (2022: MNOK 8.6). 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 of 31 December 2023, and all other variables had been constant, on an annual basis this would have constituted a reduction/increase in profit after tax of MNOK 0.4 (2022: MNOK 1.5). 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 the 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 fixed interest rate and floating interest rate 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 strongly 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 shareholders.

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

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, lease liabilities, securities financing and subordinated loans (NIBD) and EBITDA must be as follows:

Year	2023	2024	2025	2026
NIBD/EBITDA	3.75	3.50	3.00	2.50.

As of 31 December 2023, this ratio was 2.8. Furthermore, there are covenants linked to rolling EBITDA, equity and drawdowns in relation to inventories and accounts receivable. As of 31 December 2023, the Group is well within the requirements of the covenants.

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

NOK 1,000	2023	2022
Net interest–bearing debt ("NIBD")	1,375.7	1,425.4
EBITDA	293.3	350.1
NIBD/EBITDA	4.7	4.1

As of 31 December 2023, the Group had interest–bearing debt of MNOK 1,438.9 (see note 24). In addition, the Group had deposits in bank accounts of MNOK 63.2 (see note 12). As of 31 December 2023, the Byggma Group thus had net interest–bearing debt of MNOK 1,375.7. Of bank deposits, restricted tax deductions amounted to MNOK 15.9.

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 +135.6 (2022: MNOK +329.7).

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.

For 2023, power contracts are recognised at fair value. See note 35 for further information.

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 2023, there are no estimates, apart from investment in associated companies (see note 33), and assumptions that represent a considerable risk of significant changes in the balance sheet value of assets and liabilities during the next financial year.

Note 5 Segment information

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.

Despite the fact that individual segments do not meet the quantitative threshold values listed by IFRS 8, 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.

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 2.13.

The Beams segment consists of 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 2023

	Panels	Lighting	Windows	Beams	Real estate	Byggma other	TOTAL GROUP
Sales revenues	1,539.7	109.7	279.9	311.3	0.0	0.0	2,240.6
Revenue between segments	-16.9	-0.6	0.0	-0.2	0.0	0.0	-17.6
Segment revenues from external customers	1,522.8	109.2	279.9	311.1	0.0	0.0	2,222.9
Operating profit/loss	-96.1	2.7	8.1	34.1	25.0	-9.5	-35.9
Depreciation and write-downs *)	89.5	5.1	5.9	8.6	7.4	2.7	119.3
Total assets 31.12.	1,045.7	85.4	126.2	200.2	330.4	1,452.7	3,240.6
Total liabilities 31.12.	304.9	51.6	87.2	145.2	387.3	1,135.4	2,111.5
Investments *)	55.3	3.1	3.3	9.5	2.7	3.3	77.2

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	391.3	-6.3	18.9	70.4	23.5	56.9	554.8
Depreciation and write-downs *)	51.2	4.9	5.5	7.4	10.8	2.2	82.0
Total assets 31.12.	1,310.8	100.8	135.2	186.9	317.8	1,208.2	3,259.8
Total liabilities 31.12.	449.1	66.5	83.2	148.2	377.6	1,057.5	2,182.1
Investments *)	70.7	1.5	3.0	6.2	46.5	2.5	130.5

Geographical distribution

Geographical distribution revenues	Sales		Tangible fixed assets, investment property and intangible assets 31.12		Investments *)	
	2023	2022	2023	2022	2023	2022
Norway	1,459.5	1,607.2	824.0	852.2	69.0	124.8
United Kingdom	35.5	50.3	0.0	0.0	0.0	0.0
Sweden	428.4	492.5	172.9	196.9	8.1	5.7
Finland	11.0	17.5	0.0	0.0	0.0	0.0
Denmark	92.8	87.9	0.0	0.0	0.0	0.0
Others	195.7	252.9	0.0	0.0	0.0	0.0
TOTAL GROUP	2,222.9	2,508.2	996.9	1,049.1	77.2	130.5

*) 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 2022					
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 1.1.2022	71,768	296,716	409,902	42,661	821,047
Financial year 2022					
Book value 1.1.2022	71,768	296,716	409,902	42,661	821,047
Conversion differences	-213	-1,004	-2,124	-35	-3,377
Reclassification	0	0	53,026	-53,026	0
Additions	6,607	40,034	40,019	41,371	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
Financial year 2023					
Book value 01.01.2023	72,296	303,862	446,324	30,972	853,454
Conversion differences	469	2,120	4,755	128	7,472
Reclassification	0	0	34,701	-34,701	0
Additions	0	14,067	32,401	26,939	73,407
Disposals (note 24)	0	0	-75	0	-75
Write-downs	0	0	-29,049	0	-29,049
Depreciation for the year	-350	-25,913	-59,531	0	-85,794
Book value 31.12.2023	72,416	294,136	429,526	23,338	819,416
As of 31 December 2023					
Acquisition cost	74,518	500,116	1,331,982	23,338	1,929,955
Accumulated depreciation	-2,102	-205,981	-902,456	0	-1,110,539
Book value 31.12.2023	72,416	294,136	429,526	23,338	819,416

The Group has capitalised lease rights for premises and vehicles. Rental rights are included in the overview above with the following amounts:

	2023	2022
Capitalised activated rental rights	176,839	155,007
Accumulated depreciation (see note 18)	-98,511	-76,597
Net book value *)	78,328	78,411
*) of which building and construction	55,728	58,041
Debt concerning capitalised lease rights		
Recognised debt concerning lease rights, long-term	62,832	65,079
Recognised debt concerning lease rights, short-term	21,709	19,139
Total recognised debt concerning lease rights	84,541	84,217

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 128.3, are 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 2024 budget. In addition, forecasts have been made for the following 4 years based on growth of between 2% and 12.5% per year. Beyond year 5, growth is 2% (terminal value). The cash flow is discounted by 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 2022				
Acquisition cost	13,719	10,277	46,394	70,390
Depreciation and write-downs	-7,256	-9,925	-31,308	-48,490
Book value 1.1.2022	6,463	352	15,086	21,901
Financial year 2022				
Book value 1.1.2022	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
Financial year 2023				
Book value 1.1.2023	6,341	319	13,949	20,609
Conversion differences	284	0	217	501
Acquisitions	0	0	3,755	3,755
Depreciation for the year	0	-18	-4,403	-4,421
Book value 31.12.2023	6,625	301	13,517	20,443
As of 31 December 2023				
Acquisition cost	13,881	10,277	52,878	77,035
Depreciation and write-downs	-7,256	-9,976	-39,361	-56,593
Book value 31.12.2023	6,625	301	13,517	20,443

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:

	Norway 2023	EU 2023	Total 2023	Norway 2022	EU 2022	Total 2022
Panel products (AS Byggform) *)	2,381	0	2,381	2,381	0	2,381
Beam products (Masonite Beams AB)	0	4,244	4,244	0	3,960	3,960
Recognised goodwill as of 31.12.	2,381	4,244	6,625	2,381	3,960	6,341

*) In 2023, AS Byggform was merged with Forestia AS

Assessment of goodwill as of 31.12.2023

AS Byggform:

AS Byggform was acquired as of 12 September 2019. In 2023, the company was merged with Forestia AS. The expected future cash flow 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 of 31 December 2023.

Masonite Beams AB:

Masonite Beams AB was acquired as of 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 4.2 is intact as of 31 December 2023.

Note 8 Derivatives, power contracts and 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 2023	Amortised cost	At fair value via the income statement	Total	
Assets:				
Derivatives and power contracts	0	135,611	135,611	
Customer and other receivables	346,622	0	346,622	
Cash and cash equivalents	63,205	0	63,205	
Total	409,827	135,611	545,439	
	At fair value via the income statement	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Liabilities:				
Trade payables and other current liabilities (note 14)	0	376,035	48,641	424,676
Loans	0	1,438,875	0	1,438,875
Derivatives and power contracts	0	0	0	0
Total	0	1,814,909	48,641	1,863,550
As of 31 December 2022	Amortised cost	At fair value via the income statement	Total	
Assets:				
Derivatives and power contracts	0	329,745	329,745	
Customer and other receivables	333,131	0	333,131	
Cash and cash equivalents	37,076	0	37,076	
Total	370,208	0	699,953	
	At fair value via the income statement	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Liabilities:				
Trade payables and other current liabilities (note 14)	0	353,594	62,002	415,596
Loans	0	1,462,455	0	1,462,455
Derivatives and power contracts	0	0	0	0
Total	0	1,816,049	62,002	1,878,051

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

Note 9 Derivatives and power contracts

	2023		2022 *)	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – (long-term)	11,889	0	14,121	0
Interest rate swaps – (short-term)	1,497	0	1,478	0
Total interest rate swaps	13,387	0	15,599	0
Power contracts – (long-term)	66,098	0	180,551	0
Power contracts – (short-term)	56,127	0	133,590	0
Total power contracts	122,225	0	314,141	0
Forward foreign exchange contracts – (short-term)	0	0	5	0
Total derivatives and power contracts	135,611	0	329,745	0

*) 2022 has been adjusted (see note 35)

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 foreign exchange contracts and power contracts through profit and loss is included in note 17.

Forward foreign exchange contracts

The Group has no outstanding forward foreign exchange contracts as of 31 December 2023 (2022: TNOK 748, which refers to the purchase of TEUR 72).

Interest-rate swaps

The nominal principal of outstanding interest rate swaps as of 31 December 2023 was TNOK 221,841 (2022: TNOK 251,287)

As of 31 December 2023, the fixed rate varied from 1.6% to 4.3% (as of 31 December 2022 from 1.6% to 4.3%) and the variable interest rates were linked to NIBOR and STIBOR. Distribution of principal of TNOK 221,841 (2022: TNOK 251,287) is TNOK 177,775 (2022: TNOK 207,425) associated with NIBOR and TNOK 44,066 (2022: TNOK 43,862) associated with STIBOR.

Maturity structure of interest rate swaps	2023		2022	
	Under 1 year	32,588	32,391	
Between 1 and 2 years	27,088	32,391		
Between 2 and 5 years	82,415	94,504		
Over 5 years	79,750	92,000		
Total interest rate swap 31.12	221,841	251,287		

Maturity of fair value, interest rate swaps	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Under 1 year	1,497	0	1,478	0
Between 1 and 2 years	1,367	0	1,478	0
Between 2 and 5 years	5,020	0	6,495	0
Over 5 years	5,502	0	6,148	0
Total fair value of interest rate swaps, 31.12	13,387	0	15,599	0

Maturity of fair value, power contracts	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Under 1 year	56,127	0	133,590	0
Between 1 and 2 years	30,653	0	71,946	0
Between 2 and 5 years	35,445	0	108,604	0
Over 5 years	0	0	0	0
Total fair value of power contracts, 31.12	122,225	0	314,141	0

Note 10 Accounts receivable and other receivables

Customer and other receivables	2023	2022
Accounts receivable	344,323	329,630
Write-downs for losses on accounts receivable (see note 2.7)	-3,008	-2,678
Accounts receivable net	341,315	326,952
Prepayments	29,753	45,694
Receivables from related parties and Group companies (note 27)	649	907
Loans to related parties and group companies (note 27)	4,899	5,423
Customer and other receivables	376,616	378,976
Of which fixed assets (long-term)	-241	-151
Total accounts receivable and other receivables	376,375	378,825

The Group recorded losses on claims of TNOK 308 (2022: TNOK 622). Losses and income recognition are included in other operating expenses (note 18). Write-downs are carried out in line with IFRS 9.

Group accounts receivable by currency	2023	2022
NOK	262,675	220,336
SEK	58,611	56,085
EUR	17,630	37,152
DKK	5,408	13,831
GBP	0	2,227
Total accounts receivable	344,323	329,630
Maturity structure	2023	2022
Not overdue	318,042	313,766
Overdue 0-90 days	31,470	13,118
More than 90 days	-5,189	2,746
Total accounts receivable	344,323	329,630

Note 11 Inventories

	2023	2022
Raw materials and operating materials	164,125	160,341
Goods in progress	25,266	37,377
Finished goods	78,337	80,640
Purchased goods for resale	81,897	107,385
Total inventories	349,625	385,743

As of 31 December 2023, the inventories were written down for obsolescence by MNOK -15.0. (As of 31 December 2022 MNOK -17.6)

Note 12 Bank deposits and similar

In the cash flow statement, cash and cash equivalents comprise the following	2023	2022
Cash and cash equivalents	63,205	37,076
Liquidity reserve	2023	2022
Cash and bank deposits	63,205	37,076
- of which restricted tax deductions	15,867	17,609
Other cash and bank deposits	47,338	19,467
Unused drawdown funds	220,223	289,170
Liquidity reserve	267,561	308,638

Note 13 Share capital and shareholder information

	Number of shares (in thousands)	Share capital	Premium	Own shares	Total
As of 1 January 2022	69,819	18,157	34,499	-4	52,652
As of 31 December 2022	69,819	18,157	34,499	-4	52,652
As of 31 December 2023	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 covers a decision to merge in accordance with Section 13–5 of the Norwegian Public Limited Liability Companies Act. The authorisation applies until 30 May 2025. 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.

The annual general meeting on 31 May 2023 gave the Board the following authorisation to buy 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. 6,983,321 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 2024. The Board has exercised its previous authorisation and Byggma ASA acquired a total of 1,392 of its own shares in July 2020. Following a stock split, the Group owns 13,920 own shares as of 31 December 2023. 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 1,825 shareholders as of 31 December 2023. All shares carry the same rights in the company.

20 largest shareholders as of 31.12.2023	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%
Leif Magne Thu	568,980	0.81%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	368,440	0.53%
Øystein Akselsen	261,000	0.37%
Jomaho AS	222,000	0.32%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Sverre Bragdø-Ellenes	153,362	0.22%
TF Holdings AS	123,564	0.18%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
John Martin Kleiven	99,000	0.14%
Torbjørn Seielstad	96,180	0.14%
Avanza Bank AB	81,457	0.12%
Investor 1 AS *)	80,160	0.11%
Total 20 largest shareholders	66,084,973	94.63%
Share capital	69,833,210	100.00%

20 largest shareholders as of 31.12.2022	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 Bragdø-Ellenes	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%

Board of Directors and Management	31.12.2023 Number of shares	31.12.2022 Number of shares
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
Specialist Wood Processing Dagfinn Eriksen	0	0
Foreman Wood Processing Jonas Heilberg	0	0
Specialist Wood Processing Hans Egil Esketveit Fjelldal	0	0
Operator Erik Fjeldberg	0	0
Operator Roger Bjørklund	0	0
Management:		
Group CEO as of 31 December 2023 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 31 December 2023, the Group CEO as of 31 December 2023, Geir Drangslund, and related parties control 61,942,520 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

**) The CFO as of 31 December 2023, Conrad Lehne Drangslund, and Board member Liv Anne Drangslund Holst are related parties to Geir Drangslund. Their shares are also included in Geir Drangslund's list of shares.

Note 14 Supplier and other liabilities

	2023	2022
Trade payables	376,035	353,594
Public duties	46,191	59,852
Provision for complaints	2,450	2,150
Accrued costs	90,159	77,856
Total accounts payable and other liabilities	514,835	493,452

Note 15 Loans

	2023	2022
Long-term loans		
Subordinated loan, long-term	46,767	43,087
Long-term liability from sale/leaseback *)	225,775	215,404
Other loans, long-term	513,131	573,435
Lease liabilities, long-term	62,832	65,079
Total long-term interest-bearing loans	848,505	897,005
Short-term loans		
Subordinated loan, short-term	11,692	10,772
Overdraft facilities	159,907	90,283
Other loans, short-term	397,062	445,257
Lease liabilities, short-term	21,709	19,139
Total short-term interest-bearing loans	590,370	565,450
Total interest-bearing loans	1,438,875	1,462,455

*) 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 shares in associated companies (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:	2023	2022
Under 1 year	654,688	622,848
Year 2	142,378	135,630
Year 3	133,976	130,060
Year 4	123,939	122,935
Year 5	117,588	113,974
Over 5 years	770,447	833,459
Total over 1 year	1,288,328	1,336,058
Total all due dates	1,943,017	1,958,906

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:	2023	2022
Norwegian Kroner (NOK)	1,202,221	1,293,415
Swedish Kronor (SEK)	240,196	166,870
Danish Kroner (DKK)	-1,929	-3,238
US Dollar	176	1,799
Euro (EUR)	-1,855	3,554
Other currencies	65	56
Total loans	1,438,875	1,462,455

The Group has a net drawdown on Group overdraft facilities as of 31 December 2023. This drawdown is distributed on the following currencies:

	2023	2022
Norwegian Kroner (NOK)	-133,462	-121,042
Swedish Kronor (SEK)	-29,987	32,929
Euro (EUR)	1,855	-3,554
US Dollar	-176	-1,799
Other currencies	1,864	3,182
Total drawdown, Group overdraft facilities	-159,907	-90,283
Book value of mortgaged assets	2023	2022
Tangible fixed assets	691,118	725,577
Investment property	157,000	175,000
Investment in associated companies (financial investment before 09.03.2023)	1,317,202	827,914
Inventories	327,353	356,469
Accounts receivable	293,122	320,586
Total	2,785,795	2,405,546
Due date liabilities for lease agreements (undisclosed) as follows:	2023	2022
Less than 1 year	24,721	21,980
Between 1 and 5 years	65,905	60,460
Over 5 years	1,701	10,032
Total liabilities leases (undiscounted)	92,327	92,472

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:

Deferred tax asset	2023	2022
- Deferred tax assets reversed in more than 12 months	0	0
- Deferred tax assets reversed within 12 months	1,441	1,162
Total deferred tax asset	1,441	1,162
Deferred tax:		
- Deferred tax reversed in more than 12 months	-110,080	-177,369
- Deferred tax reversed within 12 months	-17,791	-1,948
Total deferred tax	-127,871	-179,317
Net deferred tax	-126,430	-178,155
Changes in deferred tax recognised in the balance sheet:	2023	2022
Book value 01.01	178,155	109,044
Currency conversion	1,194	-62
Recognised in the income statement for the period (note 21)	-52,919	52,706
Book value 31.12	126,430	178,155

Deferred tax	Fixed assets	Investment property	Inventory	Accounts receivable	Power derivatives/other	Total
Book value 31.12.2021	91,763	19,707	728	-394	-102	111,702
Change in the accounting of power contracts	0	0	0	0	18,465	18,465
Book value 01.01.2022	91,763	19,707	728	-394	18,363	130,166
Recognised in the income statement for the period	-4,286	-3,755	1,266	-92	56,129	49,262
Exchange rate differences	0	0	0	0	-112	-112
Book value 31.12 2022	87,477	15,952	1,994	-486	74,380	179,316
Recognised in the income statement for the period	-1,649	-3,320	-2,283	49	-45,441	-52,644
Exchange rate differences	0	0	0	0	1,199	1,199
Book value 31.12 2023	85,828	12,632	-289	-438	30,138	127,871

Deferred tax asset	Inventories	Fair value gains	Deferred loss	Other	Total
Book value 01.01.2022	1,070	92	1,957	1,537	4,656
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
Recognised in the income statement for the period	0	0	237	38	275
Exchange rate differences	0	0	4	1	5
Book value 31.12 2023 *)	0	0	241	1,200	1,441

*) Deferred tax assets are entirely related to lease liabilities and Aneta Lighting AB.

Note 17 Other losses/gains – net

	2023	2022 *)
Agio	40,688	31,418
Disagio	-39,631	-35,280
Changes to forward foreign exchange contracts	-5	5
Gains on forward contracts	0	76,524
Acquisition of associated company on favourable terms **)	9,133	0
Change in value of investment property ***)	-18,000	-20,000
Change in fair value, power contracts *)	-191,916	230,210
Realised gain, hedging of power *)	71,800	130,790
Total other net losses/gains	-127,933	413,668

*) 2022 has been adjusted (see note 35)

**) For gains on forward contracts and acquisition of associated companies on favourable terms, see note 33.

***) For investment property, see note 32

Note 18 Other operating expenses

	2023	2022
Maintenance costs	42,881	41,559
Costs of premises 1)	18,669	23,921
Travel costs	12,864	11,698
Miscellaneous fees	17,301	29,757
Miscellaneous office expenses	14,141	13,217
Plant and machinery – rent and minor purchases 2)	26,282	26,838
Phone & postage	3,563	3,566
Membership fees & insurance premiums	21,879	18,898
Miscellaneous other operating expenses	31,598	31,757
Total operating expenses	189,179	201,211
Short-term leases and leases with low value:	2023	2022
1) Of which short-term leases and leases with low value	2,634	3,198
2) Of which short-term leases and leases with low value	4,869	2,411
Total short-term leases and leases with low value	7,504	5,609
Total rental costs	2023	2022
Depreciation of capitalised lease agreements (note 6)	20,971	20,434
Interest on lease obligation (note 20)	3,357	3,460
Interest on sale/leaseback (note 20)	14,712	3,141
Short-term leases and agreements with low value	7,504	5,609
Total rental costs	46,544	32,644

Note 19 Payroll costs

Payroll expenses	2023	2022
Payroll	390,061	409,531
Employer's contributions	61,014	62,985
Pension costs – contribution-based pension schemes	22,552	21,734
Other personnel costs	10,291	6,935
Total payroll expenses	483,918	501,184
Number of FTEs as at 31.12. – Group	675	708

Audit fees	2023	2022
Expensed remuneration to the Group's auditor is divided as follows:		
– statutory audit	3,341	3,095
– other certification services	28	95
– tax advice	297	239
– other assistance	354	205
Total remuneration to auditor	4,020	3,634

Remuneration to auditor's collaborating law firm TNOK 141. Remuneration to other auditing firms amounted to TNOK 297 (2022: TNOK 453) in audit fees and TNOK 165 (2022: TNOK 6) in other fees.

All amounts without VAT.

Senior executives 2023	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Group CEO as of 31 December 2023 Geir Drangslund*)	4,641,362	0	142,000	1,000,000	0
CFO as of 31 December 2023 Conrad Lehne Drangslund	1,149,201	16,411	46,500	0	48,349
IT Director Roy Kenneth Grundetjern	1,526,641	219,891	30,000	0	152,048
Logistics Director Richard Thompsen	970,566	139,658	0	0	137,218
Director Business Development Kjetil Askedal	1,482,753	14,343	21,500	0	26,683

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

Board of Directors 2023	Board fees	Other remuneration	Board fees, subsidiaries
Terje Gunnulfson, Chairman of the Board	238,600	0	0
Liv Anne Drangslund Holst	126,000	0	0
Hege Aarli Klem	134,000	0	0
Terje Sagbakken	142,000	0	20,000
Torbjørn Østebø	86,000	0	20,000
Kjell Magne Gundersen	86,000	0	9,500
Morten Anseth	86,000	0	4,500

Senior executives 2022	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
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

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

Board of Directors 2022	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 Tredal 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

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 2023, however, there is insufficient information to enable the recognition of the liability in the annual financial statements. This means that no liability for the AFP scheme is recognised in the balance sheet in 2023.

Note 20 Financial items

Specification of financial items	2023	2022
Financial income		
Interest loans and bank deposits	859	732
Other financial income	1,893	0
Total financial income	2,751	732
Financial costs		
Interest expenses bank loans	77,271	32,790
Interest-rate swaps	-2,796	-15,998
Interest expenses, leasing liabilities	3,357	3,460
Interest expenses sale/leaseback	14,712	3,141
Other interest expenses	771	377
Other financial expenses	2,636	2,379
Total financial expenses	95,951	26,149
Total financial items	-93,200	-25,417

Note 21 Tax expenses

	2023	2022*)
Tax payable	23,264	46,877
Change in deferred tax (note 16)	-52,919	52,706
Total tax expenses	-29,655	99,583

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:

	2023	2022*)
Profit/loss before tax	31,343	529,357
Tax calculated using the country tax rate on the respective results	6,641	115,692
Non-taxable income (-)/non-tax-deductible expenses (+)	-36,546	-16,345
Application of tax deficit carried forward, not previously recognised in the balance sheet	0	0
Taxable losses where deferred tax assets were not recognised in the balance sheet	250	235
Tax expenses	-29,655	99,583

The weighted average tax rate was 21.3% (2022: 21.7%).

*) 2022 has been adjusted (see note 35)

Note 22 Earnings per share

Earnings per share (NOK per share):	2023	2022*)
Annual profit allocated to the company's shareholders	60,998	429,774
Weighted average of the number of shares issued (in thousands)	69,819	69,819
Earnings per share (NOK per share):	0.87	6.16

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).

Earnings per share (NOK per share):	2023	2022*)
Equity allocated to the company's shareholders	60,998	429,774
Profit used to calculate diluted earnings per share	60,998	429,774
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):	0.87	6.16

*) 2022 has been adjusted (see note 35)

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.

Note 23 Dividends

The Board of Directors proposes that the annual general meeting does not pay any dividend for the 2023 financial year. A decision will be made at the annual general meeting on 31 May 2024.

Note 24 Cash flow from operations

	2023	2022 *)
Profit for the year	60,998	429,774
Adjustments for:		
- Tax expenses (note 21)	-29,655	48,937
- Depreciation and write-downs (note 6)	114,843	78,477
- Depreciation of intangible assets (note 7)	4,421	3,558
- (Profit)/Loss on sale of tangible fixed assets (see below)	-897	-1,602
- Unrealised (gain) loss on derivatives and power contracts	194,134	-194,676
- Realised gain, equity derivative	0	-76,524
- Acquisition of associated company on favourable terms	-9,133	0
- Share of profit from associated companies	-160,399	0
- Unrealised loss (gain), investment property	18,000	20,000
- Interest expenses (note 20)	104,763	38,299
- Interest income (note 20)	-22,862	-5,938
Changes in working capital: - Goods	40,362	-30,522
- Accounts receivable and other receivables	4,253	66,087
- Trade payables and other current liabilities	17,305	12,540
Cash flow from operations	336,134	388,409
In the cash flow statement, income from the sale of tangible fixed assets comprises:	2023	2022
Book value (note 6)	75	13,770
Gain / (loss) on sale of fixed assets	897	1,602
Remuneration for the sale of tangible fixed assets	972	15,373

*) 2022 has been adjusted (see note 35)

Reconciliation of change in interest-bearing debt 2023	2023	2022
Interest-bearing debt 1.1	1,462,455	611,369
Adjustment, overdraft facilities	69,624	73,385
Uptake of loans	731	813,793
Repayment of loans	-132,931	-87,529
Loans from related parties	4,600	53,859
<i>Change without cash flow effect:</i>		
Increase in lease liabilities	20,493	0
Currency change, loans	13,903	-2,421
Interest-bearing debt 31.12	1,438,875	1,462,455
Of which interest-bearing debt 31.12 long-term	848,505	897,005
Of which interest-bearing debt 31.12 short-term	590,370	565,450
Total interest-bearing debt 31.12 (see note 15)	1,438,875	1,462,455

Note 25 Contingent liabilities

Significant costs are not expected to arise as a result of contingent liabilities.

Note 26 Contractual obligations

The contracts entered into as at the balance sheet date for investments not included in the annual financial statements are as follows:

Investment liabilities	2023	2022
Tangible fixed assets	5,259	10,930
Total investment liabilities	5,259	10,930

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 the Group CEO as of 31 December 2023, 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 24 April 2024, Geir Drangslund and related parties control 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 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	2023	2022
Sale of goods:		
– Geir Drangslund	10	62
Total sales of goods and services	10	62
Goods and services are sold to related parties on ordinary commercial terms.		
ii) Purchase of goods and services	2023	2022
Purchase of services:		
– Scanel AS (administrative services)	4,641	4,791
Total purchase of goods and services	4,641	4,791
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	2023	2022
Interest on receivables		
Geir Drangslund / Sørlands-Vekst AS / Investor AS *)	196	130
Total	196	130
iv) Interest on debt	2023	2022
Interest on debt		
Drangslund Kapital AS *)	4,600	0
Total	4,600	0
v) Balance sheet items at year-end.	2023	2022
Receivables from related parties (note 10):		
Geir Drangslund / Sørlands-Vekst AS / Scanel AS / Investor AS *)	5,548	6,330
Total	5,548	6,330
Debt to related parties:		
Drangslund Kapital AS *)	58,459	53,859
Total	58,459	53,859

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

Note 28 Events after the balance sheet date

On Friday, 23 February 2024, the Norwegian Ministry of Climate and the Environment announced that it had overturned the Norwegian Environment Agency's decision to refuse Huntonit's applications for CO₂ compensation. It was thus clarified that Huntonit is covered by the scheme for the 2021–2030 period.

The compensation for 2021 and 2022 will be paid in arrears in 2024 and recognised as income in Huntonit's and the Byggma Group's accounts in 2024. The amounts for 2021 and 2022 are MNOK 7.9 and MNOK 4.3, respectively. The compensation for 2023 will be recognised as income in 2024 and paid in 2024.

The new Group CEO, Conrad Lehne Drangslund, and the new CFO, Henry Gundersen, took office on 1 April 2024.

No other events occurred after the balance sheet date.

Note 29 Climate risk and double materiality assessment

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 102.

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 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. 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.

Overall, the Group's climate risk is regarded as low.

Materiality assessment

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 assessments according to the principle of double materiality, in accordance with GRI. These assessments have revealed 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 102.

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%
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%
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	112,447	18,761
Huntonit Eiendom AS *)	NOK 391	100	100	157	0
Smartpanel AS	NOK 20,000	500	500	20,016	20,000
Aneta Lighting AS	NOK 8,250	82,500	82,500	12,225	15,355
ScanLamps VTA AS*)	NOK 101	1,000	1,000	1,546	0
Byggma Eiendom Lyngdal AS*)	NOK 1,000	10,000	10,000	30,916	0
Byggma Eiendom AS	NOK 5,000	1,000	1,000	99,575	70,030
Uldal AS	NOK 10,480	1,048,000	1,048,000	33,930	25,684
Aneta Lighting AB	SEK 600	600	600	27,398	27,453
Forestia AS	NOK 4,030	1,000,000	1,000,000	231,675	69,851
Forestia Eiendom AS *)	NOK 970	1,000	1,000	22,431	0
Forestia Carbon Sink AS	NOK 100	100	100	100	100
Masonite Beams AS	NOK 1,390	10	10	14,475	1,765
Grammaholmen Fastighet AB*)	SEK 50	500	500	157	0
Masonite Beams AB	SEK 2,200	22,000	22,000	80,054	11,970
Total				687,100	260,969

*) Owned by Byggma ASA via other subsidiaries.

Note 31 Sale/leaseback

Birkeland Eiendom AS and Masonite Fastighet AB 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 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 225.8 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, respectively, for their production of windows and I-beams, respectively. The lease contracts are for 20 years from takeover 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 in accordance with the rules on sale and leaseback in IFRS 9.

See note 15.

Note 32 Other operating income and investment property

Other operating revenue	2023	2022
Income from investment property	12,715	12,351
Subsidy for permanent work adjustment (PWA)	4,387	4,611
Other operating income	7,966	7,461
Total other operating income	25,068	24,423

Amount recognised in the income statement related to investment property:

Description - Consolidated item in the Group	2023	2022
Lease revenue - Other operating income	12,715	12,352
Board fees - Payroll costs	17	17
Other operating expenses - Other operating expenses	1,186	916
Change in fair value - Other gains/losses - net	-18,000	-20,000

The reason the Group owns this property is that the current lessee, an industrial company, was previously part of the Group. The lessee was sold from the Group in 2015. Since then, the Group has owned the investment property. The lessee operates in the same industry as the Group and the Group is therefore well placed to assess the risk associated with the lease. As well as monitoring the commercial real estate market in general and obtaining valuations from an independent third party, the Group manages the risk associated with the investment property.

Note 33 Associated companies

Norske Skog ASA (M NOK)	Norske Skog ASA as at 31.12.2023
Ownership interest as of 31.12.2023	18.49%
Own shares in Norske Skog ASA as of 31.12.2023	10.0%
Beneficial ownership interest as of 31.12.2023	20.55%
Income statement and comprehensive income:	IFRS 2023
Operating income	13,524.0
EBITDA*	2,142.0
Profit after tax	481.0
Comprehensive income	243.0
Total profit	724.0
Share of profit after tax (as from 09.03.2023)	118.2
Gain related to reverse dilution	42.2
Share of profit from associated companies in the income statement	160.4
Share of comprehensive income (as from 09.03.2023)	5.1
Share of total profit (as from 09.03.2023)	165.5
*EBITDA as defined in Norske Skog ASA's Alternative Performance Measures	
Balance sheet Norske Skog ASA	IFRS 31.12.2023
Fixed assets	9,068.0
Current assets	5,687.0
Long-term liabilities	5,680.0
Short-term liabilities	2,914.0
Net assets (equity)	6,161.0
Share of net assets	1,265.8
(equity) Goodwill	51.5
Value of investment in Norske Skog ASA as an associated company in Byggma ASA's consolidated balance sheet	1,317.2
Movements in associated companies so far this year	IFRS 2023
Financial investments 01.01.2023	1,078.0
Access to financial investments Q1 2023	63.9
Gains/losses on financial investments (01.01.2023 - 09.03.2023) over comprehensive income	-11.0
Financial investments 09.03.2023	1,131.0
Recognition of Norske Skog ASA as an associated company 09.03.2023	1,131.0
Purchase of additional stock	23.2
Recognition of gains related to purchase of shares on favourable terms	9.1
Dividend received	-11.7
Share of total profit (as from 09.03.2023)	165.5
Value of investment in Norske Skog ASA as an associated company in Byggma ASA's consolidated balance sheet	1,317.2
Value of investment in Lim og Platetransport AS an associated company in Byggma ASA's consolidated balance sheet	0.0
Value of investment in associated company in Byggma ASA's consolidated balance sheet	1,317.2

As of 31 December 2023, the market value of Norske Skog ASA was lower than book equity, which constitutes an impairment indicator. An impairment test in the form of a cash flow analysis was therefore carried out. The cash flow analysis was based on market expectations compiled from consensus estimates from recognised analysts. The WACC used was 12.0% with a headroom allowance at EBIT level of approximately 50%.

Note 34 Public contributions

Public contributions received are recognised net against the cost of the contribution.	2023	2022
Public contributions received	23,940	24,199

Note 35 Power contracts

Byggma ASA is a leading supplier of building materials solutions in the Nordic region. The power used in the production processes is mainly electricity. Since this is an important raw material, as an energy-intensive company Byggma has focus on its procurement of the raw material, to ensure the best possible conditions, including reducing the price risk by entering into fixed price agreements and hedging contracts for electricity.

During the energy crisis of the last couple of years, Byggma has seen the benefits of this hedging strategy and has mainly been able to produce its products in a sound and economical way. Byggma also has the option of using an alternative power source when this is more favourable.

Up until now, Byggma ASA has used the exemption concerning own use in accounting legislation, as the purpose of these power contracts is to use the electricity itself as a raw material in production. This means that Byggma has recognised its energy costs, including the realised hedging effect, but without any change in the fair value of the contracts, below the “Commodity costs and manufacturing costs” row in the financial statements. The fair value of the power contracts has therefore not been recognised in Byggma’s balance sheet.

A re-assessment of the features of these power contracts has now been made with the conclusion that Byggma ASA cannot use the exemption concerning its own use but must recognise the theoretical value of the power contracts at fair value in accordance with the rules in IFRS 9. The value of the contracts fluctuates with the spot and forward prices in the energy market and the changes in value must in future be presented on the “Other losses/gains – net” row in the financial statements.

The effects of the change in accounting practice are shown in the tables below, where reported and adjusted figures are presented in accordance with IAS 8.

The changes in value impact important key figures such as “Operating profit” and “Profit before tax”. Byggma has therefore updated the definition of its Alternative Performance Measure “EBITDA” to read as follows:

“Operating profit before depreciation, amortisation, and change in fair value of power contracts and investment property.” By presenting the cost of power as electricity for own use in the production process, as presented by Byggma in the accounts to date, EBITDA reflects the “normalised” cash flow from operations to a greater extent than the operating result. EBITDA is therefore not affected by the change in accounting practice and is often used by IFRS reporting companies, since it is a metric often used by stakeholders and users of the accounts.

Throughout 2022 and 2023, the power contracts had a positive value, so that this asset, recognised on the row for derivatives and power contracts in the balance sheet, helps increase Byggma’s recognised equity.

Consolidated income statement	IFRS 2022	IFRS 2022	IFRS 2022
MNOK	Reported	Adjustment	Adjusted
Sales revenues	2,508.2		2,508.2
Other income	24.4		24.4
Goods and manufacturing costs	-1,196.5	-130.8	-1,327.3
Payroll expenses	-501.2		-501.2
Depreciation and write-downs	-82.0		-82.0
Freight and complaints costs	-176.1		-176.1
Marketing costs	-103.7		-103.7
Other losses/gains – net	52.7	361.0	413.7
Other operating costs	-201.2		-201.2
Operating profit/loss	324.6	230.2	554.8
Share of profit from associated companies	0.0		0.0
Net finance (income “+” – cost “-”)	-25.4		-25.4
Profit/loss before tax	299.1	230.2	529.4
Tax expenses	-48.9	-50.6	-99.6
Profit/loss	250.2	179.6	429.8
EBITDA	350.1	0.0	350.1

Consolidated balance sheet	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
	31.12.2021	31.12.2021	01.01.2022	31.12.2022	31.12.2022	31.12.2022
MNOK	Reported	Change	Adjusted	Reported	Adjustment	Adjusted
ASSETS						
Fixed assets						
Tangible fixed assets	821.0		821.0	853.5		853.5
Investment property	195.0		195.0	175.0		175.0
Intangible assets	21.9		21.9	20.6		20.6
Deferred tax asset	4.7		4.7	1.2		1.2
Long-term derivatives and power contracts	1.3	41.3	42.6	14.1	180.6	194.7
Investment in associated companies (financial investment before 09.03.2023)	0.0		0.0	1,078.0		1,078.0
Other long-term receivables	0.2		0.2	0.2		0.2
Total fixed assets	1,044.1	41.3	1,085.4	2,142.5	180.6	2,323.1
Current assets						
Inventories	357.1		357.1	385.7		385.7
Customer and other short-term receivables	445.6		445.6	378.8		378.8
Short-term derivatives and power contracts	0.0	42.6	42.7	1.5	133.6	135.1
Cash and cash equivalents	71.0		71.0	37.1		37.1
Total current assets	873.7	42.6	916.4	803.1	133.6	936.7
Total assets	1,917.8	83.9	2,001.7	2,945.7	314.1	3,259.8
EQUITY						
Equity allocated to the company's shareholders						
Share capital and share premium	52.7		52.7	52.7		52.7
Other equity not recognised in the income statement	9.4		9.4	-6.4		-6.4
Retained earnings	606.0	65.5	671.5	786.4	245.0	1,031.4
Total equity	668.1	65.5	733.56	832.7	245.0	1,077.7
DEBT						
Long-term liabilities						
Long-term loans	387.0		387.0	831.9		831.9
Long-term leasing liabilities	79.2		79.2	65.1		65.1
Long-term derivatives and power contracts	0.3		0.3	0.0		0.0
Deferred tax	111.7	18.5	130.2	110.2	69.1	179.3
Total long-term liabilities	578.2	18.5	596.7	1,007.2	69.1	1,076.3
Current liabilities						
Trade payables and other current liabilities	483.0		483.0	493.5		493.5
Tax payable	42.7		42.7	46.9		46.9
Short-term loans	126.0		126.0	546.3		546.3
Short-term leasing liabilities	19.1		19.1	19.1		19.1
Short-term derivatives and power contracts	0.5		0.5	0.0		0.0
Total current liabilities	671.4	0.0	671.4	1,105.8	0.0	1,105.8
Total liabilities	1,249.7	18.5	1,268.1	2,113.0	69.1	2,182.1
Total equity and liabilities	1,917.8	83.9	2,001.7	2,945.7	314.1	3,259.8

Income statement for Byggma ASA

All figures in NOK 1,000

	Note	NGAAP 2023	NGAAP 2022
Operating revenue			
Other operating revenue		1,367	823
Total operating revenue	1	1,367	823
Operating costs			
Payroll expenses	2	1,035	1,045
Depreciation	3	1,374	830
Other operating costs	2	16,612	17,994
Total operating expenses		19,021	19,869
Operating profit/loss		-17,653	-19,046
Financial income	4	207,370	317,684
Financial costs	4	67,776	21,937
Total financial items		139,593	295,747
Share of profit from associated companies	10	160,402	0
Profit/loss before tax		282,342	276,701
Tax on ordinary profit/loss	5	16,111	20,861
Profit for the year		266,231	255,840
Allocation of profit:			
Proposed dividend	6	0	0
Transferred to Fund for valuation differences	6	160,402	0
Transferred to other equity	6	105,829	255,840
Total allocated		266,231	255,840

Balance sheet as of 31.12. for Byggma ASA

All figures in NOK 1,000	Note	NGAAP 2023	NGAAP 2022
ASSETS			
Fixed assets			
Intangible assets			
Intangible assets	3	5,377	3,962
Deferred tax asset	5	713	498
Total intangible assets		6,090	4,461
Financial fixed assets			
Investments in subsidiaries	7	260,969	260,969
Loans to Group companies	8, 9	549,811	552,811
Investment in associated companies (financial investment before 9.3.2023)	8, 10	1,317,156	1,078,046
Total financial fixed assets		2,127,936	1,891,826
Total fixed assets		2,134,026	1,896,287
Current assets			
Receivables			
Accounts receivable	8	63,742	79,616
Receivables from Group companies	8, 9	182,375	152,327
Other receivables		349	252
Total receivables		246,467	232,195
Cash and cash equivalents	11	20,000	92
Total current assets		266,468	232,287
TOTAL ASSETS		2,400,493	2,128,574
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			
Fund for valuation differences	6	153,854	0
Other equity	6	1,029,296	911,789
Total retained earnings		1,183,150	911,789
Total equity		1,236,114	964,752
Liabilities			
Other long-term liabilities			
Liabilities to Group companies	8, 9	159,459	198,859
Total long-term liabilities		159,459	198,859
Current liabilities			
Debt to credit institutions	8	813,737	745,000
Trade payables	9	91,150	95,010
Tax payable	5	16,325	20,935
Public duties owed		8,291	11,814
Liabilities to Group companies	9	72,691	89,365
Other current liabilities		2,726	2,839
Total current liabilities		1,004,921	964,963
Total liabilities		1,164,380	1,163,822
TOTAL EQUITY AND LIABILITIES		2,400,493	2,128,574

Vennesla, 24 April 2024
Board of Directors of
BYGGMA ASA



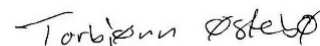
Terje Gunnulfsen,
Chairman



Liv Anne Drangland
Holst



Hege Aarli Klem



Torbjørn Østebø



Terje Sagbakken



Kjell Magne
Gundersen



Morten Anseth



Conrad Lehne Drangland
Chief Executive Officer

Statement of cash flows for Byggma ASA

All figures in NOK 1,000	Note	2023	2022
Cash flow from operational activities			
Profit/loss before tax		282,342	276,701
Tax paid for the period		-20,935	-29,425
Change in value of financial investments	10	11,032	-61,714
Share of profit from associated companies	10	-160,402	0
Ordinary depreciation	3	1,374	830
Change in trade receivables		15,874	25,304
Changes in accounts payable/advance payments, suppliers		-3,860	-23,207
Changes in other receivables and accruals		-3,732	-1,239
Changes in group contributions to subsidiaries		-11,443	44,196
Net cash flow from operational activities		101,117	114,396
Cash flow from investment activities			
Payment on purchase of share in associated companies (financial investment before 9.3.2023)	10	-87,155	-1,016,333
Payment of dividends from associated companies	10	11,678	0
Disbursements (-)/Deposits (+) on short-term and long-term receivables Group	9	-15,606	68,726
Disbursements for the purchase of tangible fixed assets/intangible assets	3	-2,789	-2,251
Net cash flow from investment activities		-93,871	-828,462
Cash flow from financing activities			
Adjustment of overdraft facilities		118,737	252,464
Payments upon taking out short-term debt to credit institutions		0	330,000
Disbursements upon repayment of short-term debt to credit institutions		-50,000	0
Disbursements (-)/Deposits (+) liabilities Group	9	-16,674	50,150
Disbursements on instalments of long-term debt to the Group		-39,400	-2,500
Payments upon taking out long-term debt to the Group		0	153,859
Dividend paid		0	-69,819
Net cash flow from financing activities		12,662	714,154
Net change in payment funds	11	19,908	88
Cash and cash equivalents at the beginning of the period	11	92	4
Changes in payment funds for the period		19,908	88
Cash and cash equivalents at the end of the period	11	20,000	92
This consists of:			
Bank deposits/liquid assets	11	20,000	90
Restricted tax deductions	11	0	2
Cash and cash equivalents at the end of the period		20,000	92
Unused drawdown funds	8	210,093	279,717

Accounting policies for Byggma ASA

The annual financial statements 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 financial statements, 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 so 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 2024.

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 leases.

Investments in other companies

With the exception of short-term investments in listed shares and associated companies, 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. Investments in associated companies are recognised according to the equity method. Comprehensive income in associated companies is recognised directly against equity.

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.

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. The balance sheet shows accounts receivable and accounts payable on a gross basis, both before and after the change.

Notes to Byggma ASA's financial statements

All figures in NOK 1,000 unless otherwise stated.

We reserve the right for errors in the English version as an external agency has translated from official Norwegian annual report into the English version.

Note 1 Operating revenue

Sales revenues	2023	2022
Sales of Huntonit products	349,988	512,409
Purchases of Huntonit products	-349,988	-512,409
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.

Note 2 Payroll expenses, number of employees, remuneration, loans to employees

Payroll expenses	2023	2022
Board fees and other remuneration expensed in the parent company	899	916
Employer's contributions	127	129
Pension costs	0	0
Other benefits	10	0
Total	1,035	1,045

There are no employees of Byggma ASA. The company has not made any loans to employees. As of 31 December 2023, Byggma ASA has net debt of MNOK 56.4 to the Group CEO as of 31 December 2023, Geir Drangslund, and companies that he and related parties control.

Audit fees	2023	2022
Expensed remuneration to the company's auditor is distributed as follows:		
- statutory audit	1,081	1,337
- other certification services		36
- tax advice	98	130
- other assistance	250	79
Total remuneration to auditor	1,429	1,582

All amounts without VAT.

Remuneration to auditor's collaborating law firm NOK 141.

Salaries and remuneration to the Board of Directors and senior executives (figures as whole kroner amounts):

2023	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
Group CEO as of 31 December 2023 Geir Drangslund*)	4,641,362	0	142,000	1,000,000	0
CFO as of 31 December 2023 Conrad Lehne Drangslund	1,149,201	16,411	46,500	0	48,349
IT Director Roy Kenneth Grundetjern	1,526,641	219,891	30,000	0	152,048
Logistics Director Richard Thompsen	970,566	139,658	0	0	137,218
Director Business Development Kjetil Askedal	1,482,753	14,343	21,500	0	26,683

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

	Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors			
Terje Gunnulfsen, Chairman of the Board	238,600	0	0
Liv Anne Drangslund Holst	126,000	0	0
Hege Aarli Klem	134,000	0	0
Terje Sagbakken	142,000	0	20,000
Torbjørn Østebø	86,000	0	20,000
Kjell Magne Gundersen	86,000	0	9,500
Morten Anseth	86,000	0	4,500

2022	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
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

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

	Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors			
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 Trelldal 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

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 of 1.1.2023	26,969	26,969
Addition of acquired fixed assets	2,789	2,789
Disposal of sold fixed assets	0	0
Acquisition cost as of 31.12.2023	29,758	29,758
Accumulated depreciation as of 31.12.2023	-24,380	-24,380
Book value as of 31.12.2023	5,377	5,377
Depreciation for the year	1,374	1,374

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

Note 4 Financial items

Financial income	2023	2022
Income from subsidiaries	169,181	111,065
Gain on the sale of subsidiaries	0	117,050
Change in value of financial investments	0	61,714
Interest income, Group	32,282	20,411
Other interest income	92	216
Agio	5,814	7,228
Total financial income	207,370	317,684
Financial costs		
Interest expenses – group	13,818	5,574
Other interest expenses	39,782	8,024
Charges	1,409	1,956
Change in value of financial investments	1,900	0
Disagio	10,867	6,383
Total financial expenses	67,776	21,937
Total financial items	139,593	295,747

Note 5 Taxes

Overview of temporary differences:	2023	2022
Outstanding receivables	0	0
Fixed assets	-3,240	-2,264
Provision in accordance with generally accepted accounting policies	0	0
Net temporary differences	-3,240	-2,264
3% taxable share income	0	0
Basis for deferred tax	-3,240	-2,264
22% deferred tax/deferred tax asset	-713	-498
Deferred tax/deferred tax assets recognised in the balance sheet	-713	-498
Calculation of tax base for the year:		
Profit/loss before tax	282,342	276,701
Permanent differences *)	-210,086	-181,880
Change in temporary differences	975	340
Tax base for the year	73,231	95,161
Tax costs for the year are distributed as:		
Tax payable (22% of the tax basis)	16,325	20,935
Excess allocated for previous years	0	0
Change in deferred tax	-215	-75
Total tax expenses	16,111	20,861
Tax payable in the balance sheet		
Tax payable in tax expenses	16,325	20,935
Tax effect of Group contributions	0	0
Tax payable in the balance sheet	16,325	20,935
*) Of which gains from the sale of property companies within the exemption method	0	-117,050

Note 6 Equity

Changes in equity for the year	Share capital	Premium	Own shares	Other paid-in equity	Fund for valuation differences	Other equity	Total
Equity as of 1.1.2023	18,157	34,499	-4	312	0	911,789	964,752
Profit for the year	0	0	0	0	160,402	105,829	266,231
Dividends from associated companies	0	0	0	0	-11,678	11,678	0
Comprehensive income from associated companies	0	0	0	0	5,131	0	5,131
Equity as of 31.12 2023	18,157	34,499	-4	312	153,854	1,029,296	1,236,114

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%
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%
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	112,447	18,761
Huntonit Eiendom AS*)	NOK 391	100	100	157	0
Smartpanel AS	NOK 20,000	500	500	20,016	20,000
Aneta Lighting AS	NOK 8,250	82,500	82,500	12,225	15,355
ScanLamps VTA AS*)	NOK 101	1,000	1,000	1,546	0
Byggma Eiendom Lyngdal AS*)	NOK 1,000	10,000	10,000	30,916	0
Byggma Eiendom AS	NOK 5,000	1,000	1,000	99,575	70,030
Uldal AS	NOK 10,480	1,048,000	1,048,000	33,930	25,684
Aneta Lighting AB	SEK 600	600	600	27,398	27,453
Forestia AS	NOK 4,030	1,000,000	1,000,000	231,675	69,851
Forestia Eiendom AS*)	NOK 970	1,000	1,000	22,431	0
Forestia Carbon Sink AS	NOK 100	100	100	100	100
Masonite Beams AS	NOK 1,390	10	10	14,475	1,765
Grammaholmen Fastighet AB*)	SEK 50	500	500	157	0
Masonite Beams AB	SEK 2,200	22,000	22,000	80,054	11,970
Total				687,100	260,969

*) Owned by Byggma ASA via other subsidiaries.

Note 8 Receivables and debt

Long-term receivables due later than 1 year	2023	2022
Other long-term receivables	521,237	549,811
Total	521,237	549,811
Of the long-term receivables from Group companies of MNOK 549.8, the first year's repayments amount to MNOK 28.6.		
Long-term liabilities maturing later than 5 years		
Debt to credit institutions	0	0
Liabilities to Group companies	55,000	99,000
Total	55,000	99,000
Debt secured against pledges	813,737	745,000
Mortgaged assets:		
Accounts receivable *)	126,540	123,212
Investment in associated companies (financial investment before 09.03.2023)	1,317,156	780,519
Total	1,443,695	903,732

*) 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 liabilities to Group companies of MNOK 159.5, a subordinate loan to the Group company Drangslund Kapital AS amounts to MNOK 58.5, of which MNOK 11.7 constitutes the first year's repayments.

Drawdown funds:

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 159.9 on the Group's overdraft facilities as of 31 December 2023.

Byggma ASA's share of the drawdown is MNOK 533.7. The drawdown funds for the Group overdraft facilities amount to MNOK 370.0.

Byggma ASA is the guarantor for the entire drawdown on the Group overdraft facilities.

As of 31 December 2023, Byggma ASA had securities financing with a limit of MNOK 330.0, of which MNOK 280.0 of the 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 201.1.

Byggma ASA also acts as guarantor for payment of rent/property tax on behalf of another Group company until 30.09.2025. The annual rent/property tax is TSEK 2,832.

Byggma ASA also acts as guarantor for 6 months' rent, as well as a proportion of operating costs

and other claims the lessor might 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-linked adjustment. 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.

Note 9 Accounts with other companies in the same Group

Receivables from Group companies	2023	2022
Long-term receivables/loans	549,811	552,811
Accounts receivable	62,797	43,596
Other receivables	119,459	108,731
Total receivables from Group companies	732,067	705,138
Liabilities to Group companies		
Trade payables	84,343	89,606
Long-term liabilities to Group companies	159,459	198,859
Other current liabilities	72,691	89,365
Total debt to Group companies	316,493	377,831

Reference is also made to note 8

Note 10 Associated companies

Norske Skog ASA (M NOK)	Norske Skog ASA as of 31.12.2023
Ownership interest as of 31.12.2023	18.49%
Own shares in Norske Skog ASA as of 31.12.2023	10.0%
Beneficial ownership interest as of 31.12.2023	20.55%
Income statement and comprehensive income:	2023
Operating income	13,524.0
EBITDA*	2,142.0
Profit after tax	481.0
Conversion difference (comprehensive income)	243.0
Total profit	724.0
Share of profit after tax (as from 09.03.2023)	118.2
Gain related to reverse dilution	42.2
Share of profit from associated companies in the income statement (as from 09.03.2023)	160.4
Share of comprehensive income (as from 09.03.2023) (conversion difference)	5.1
Share of total profit (as from 09.03.2023)	165.5
*EBITDA as defined in Norske Skog ASA's Alternative Performance Measures	
Balance sheet Norske Skog ASA	31.12.2023
Fixed assets	9,068.0
Current assets	5,687.0
Long-term liabilities	5,680.0
Short-term liabilities	2,914.0
Net assets (equity)	6,161.0
Share of net assets (equity)	1,265.8
Goodwill	51.5
Value of investment in Norske Skog ASA as an associated company in Byggma ASA's balance sheet	1,317.2
Movements in associated companies so far this year	IFRS 2023
Financial investments 01.01.2023	1,078.0
Access to financial investments Q1 2023	63.9
Gains/losses on financial investments (01.01.2023 - 09.03.2023)	-11.0
Financial investments 09.03.2023	1,131.0
Recognition of Norske Skog ASA as an associated company 09.03.2023	1,131.0
Purchase of additional stock	23.2
Recognition of gains related to purchase of shares on favourable terms	9.1
Dividend received	-11.7
Share of total profit (as at 09.03.2023)	165.5
Value of investment in Norske Skog ASA as an associated company in Byggma ASA's balance sheet	1,317.2
Value of investment in associated companies in Byggma ASA's balance sheet	1,317.2

As of 31 December 2023, the market value of Norske Skog ASA was lower than book equity, which constitutes an impairment indicator. An impairment test in the form of a cash flow analysis was therefore carried out. The cash flow analysis was based on market expectations compiled from consensus estimates from recognised analysts. The WACC used was 12.0% with a headroom allowance at EBIT level of approximately 50%.

Note 11 Bank deposits

	2023	2022
Restricted tax deductions	0	2
Free liquid assets	20,000	90
Total bank deposits and cash	20,000	92

The company is included in the Group's consolidated account system, which has unused drawdown funds of MNOK 210.1 as of 31 December 2023.

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

As at not entered into any forward foreign exchange contracts for delivery in 2024 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 1,825 shareholders as of 31 December 2023. 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 2024. The company owns 13,920 of its own shares as of 31 December 2023.

20 largest shareholders as of 31.12.2023	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%
Leif Magne Thu	568,980	0.81%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	368,440	0.53%
Øystein Akselsen	261,000	0.37%
Jomaho AS	222,000	0.32%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Sverre Bragdø-Ellenes	153,362	0.22%
TF Holdings AS	123,564	0.18%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
John Martin Kleiven	99,000	0.14%
Torbjørn Seielstad	96,180	0.14%
Avanza Bank AB	81,457	0.12%
Investor 1 AS *)	80,160	0.11%
Total 20 largest shareholders	66,084,973	94.63%
Share capital	69,833,210	100.00%

20 largest shareholders as of 31.12.2022	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 Bragdø-Ellenes	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%

Board of Directors and Management	31.12.2023 Number of shares	31.12.2022 Number of shares
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
Specialist Wood Processing 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	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 31 December 2023, the Group CEO, as of 31 December 2023 Geir Drangslund, and related parties control 61,942,520 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

**) The CFO, as of 31 December 2023 Conrad Lehne Drangslund, and Board member Liv Anne Drangslund Holst are related parties to Geir Drangslund. Their shares are also included in Geir Drangslund's list of shares.

Note 13 The company's transactions with related parties

	2023	2022
a) Sale of goods and services		
Sale of goods:		
– Subsidiaries *)	18,288	31,101
Transfer of services, recognised net with other operating costs:		
– Subsidiaries *)	22,537	19,476
Total sale of goods and transfer of services	40,825	50,577
b) Purchase of goods and services		
Purchase of goods:		
– Subsidiaries *)	349,988	512,409
Purchase of services:		
– Subsidiaries *)	38,436	25,499
– Companies controlled by senior executives	4,102	3,964
– Geir Drangslund, the controlling owner	0	0
Total purchase of goods and services	392,526	541,871

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



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 of 31 December 2023, 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 of 31 December 2023, 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 material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with the 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 the Company for 27 years from the election by the general meeting of the shareholders on 24 April 1997 for the accounting year 1997.

PricewaterhouseCoopers AS, Gravane 26, Postboks 447, NO-4664 Kristiansand
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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 2023. 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 contains the same characteristics and risks as last year and has consequently continued to be an important focus area for our audit in 2023.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Customer bonuses and marketing support</p> <p>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.</p> <p>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.</p> <p>We have focused on customer bonuses and marketing support 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 constitutes a significant amount in the accounts.</p> <p>Reference is made to notes 2.7 and 2.13 where management explains the accounting of due customer bonus and market support as well as the ongoing settlement of customer bonus due.</p>	<p>We discussed the principles for calculation and provision for 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 marketing support, including whether relevant internal controls had been implemented.</p> <p>To test whether customer bonuses and marketing support were accurately calculated, we considered 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. Our tests were carried out at the same time as or after the actual settlement of the customers. No material discrepancies were identified.</p> <p>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 2023 were identified.</p> <p>We assessed and found that the disclosures describe the principles of accounting of customer bonuses and marketing support appropriately.</p>



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 appears 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 of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 scepticism 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, actions taken to eliminate threats or safeguards applied.

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-2023-12-31-no.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 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 iXBRL 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, 24 April 2024

PricewaterhouseCoopers AS

Robert Andersen

State Authorised Public Accountant

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

Declaration from the Board of Directors and CEO

DECLARATION FROM THE BOARD OF DIRECTORS AND CEO

To the best of our knowledge, we declare that the annual financial statements for the period from 1 January to 31 December 2023 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 the 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, 24 April 2024

Board of Directors of
BYGGMA ASA



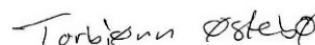
Terje Gunnulfson,
Chairman



Liv Anne Drangland
Holst



Hege Aarli Klem



Torbjørn Østebø



Terje Sagbakken



Kjell Magne
Gundersen



Morten Anseth



Conrad Lehne Drangland
Chief Executive Officer

Corporate governance

1. Statement on 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 NCGB (the Norwegian Corporate Governance Board)

is available at [www.https://nues.no/english/](https://nues.no/english/)

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 similar purposes. This is stated in Article 3 of the Articles of Association presented on page 130. 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 as of 31 December 2023 of MNOK 1,129.1, representing 34.8% of the total capital. 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 30–50% 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 2023.

Capital: The annual general meeting in 2023 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 covers a decision to merge in accordance with Section 13–5 of the Norwegian Public Limited Liability Companies Act. The authorisation applies until 30 May 2025.

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 of 31 May 2023 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 face value of up to NOK 1,815,663, i.e. 6,983,321 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 2024.

Byggma ASA owns 13,920 of its own shares as of 31 December 2023.

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: Until 31 March 2024, the Group had some transactions with companies owned by the departing Group CEO and his related parties. An agreement on remuneration of the departing Group CEO (see item 12) was approved by the Board of Directors. The remuneration to the Group CEO was invoiced from Scanel AS, which he controls. The former Group CEO resigned from his position. The new Group CEO took office on 1 April 2024 and is a permanent and salaried employee in the Group. 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 of 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 Group CEO and CFO attend on behalf of the administration. In 2023, 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: Proposals for 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 of Directors. 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 Group CEO is not a member of the Board of Directors. The Chairman of the Board is elected by the general meeting and Terje Gunnulfsen is elected Chairman of the Board.

Independence of the Board of Directors: 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 Gunnulfsen, 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 Gunnulfsen is a shareholder in the company with an ownership stake of 686.320 shares (0.983% of the shares), Board member Liv Anne Drangslund 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 appoints the Group 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 implementation 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 secretary function.

General management: The Board has overall responsibility for the company's activities, and responsibility for the management of the company. General management is delegated to the Group 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 reporting 10 times a year, commenting on the company's economic and financial status. Interim and annual financial statements 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. Nine board meetings were held in 2023. 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 Group 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 participants are summoned 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 financial statements 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 analyze 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 metrics 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 participating in local management meetings is to ensure that the companies' internal procedures and control routines are complied with correctly.

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 Group CEO. An annual assessment of salaries and other remuneration to the Group 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 managerial employees.

Bonus scheme: The Group CEO 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 for senior executives" adopted at the Annual General Meeting on 27.5.2021.

13. Information and communication

Annual and interim reports: The company usually presents its preliminary financial statements at the end of February. The final annual financial statements 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 half-yearly 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 129 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 of the Board and Group CEO 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 the Group CEO as of 31 December 2023, 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 24 April 2024, Geir Drangslund and related parties control 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.

Sustainability report



Foreword

The past several 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 rose sharply and there was a big increase in raw material prices in 2022. In 2023, prices stabilised, but remained at a high level.

Against this background, I can see how sustainability work is becoming more and more important. In our sustainability work, we now have a strong focus on reducing energy consumption and making good and efficient use of all our resources. We work with wood as a material and make durable products that store carbon 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. Energy recovery makes poorer use of this raw material than material recovery based on the cascading principle of biomass use.

In 2024, Byggma will appoint a Sustainability Director who will be responsible for continuing and developing the good work that has been started locally in the companies. Group management recognises that the sustainability reporting requirements will become far more stringent with the introduction of CSRD (the Corporate Sustainability Reporting Directive) in 2024. It is important that, as a company, we are well prepared for the future.

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,



Conrad Lehne Drangland,
Group CEO

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.

In the first half of 2024, Byggma will appoint a Sustainability Director with overall responsibility for the Group's sustainability work.

In 2024, Byggma will prepare its reporting in accordance with CSRD (the Corporate Sustainability Reporting Directive), which will apply to the Group.

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				INDIVIDUALS AND SOCIETY		BUSINESS MODEL	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 STOPPING CLIMATE CHANGE 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	4 GOOD EDUCATION 	11 SUSTAINABLE CITIES AND LOCAL COMMUNITIES 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Efficient use of raw materials Factories located near raw materials Packaging solutions that minimise waste while still protecting products during transport	Wood-based construction products sequester significant amounts of carbon Efficient distribution system for transportation of goods to customers The wood we use comes from certified sources or sustainable forestry	Resource-efficient construction methods contribute to good raw material utilisation Ensure that we do not pollute our surroundings, affecting life on land, in freshwater or the ocean		Employees are given opportunities for continued development Collaboration with schools Professional education Further education	Factories located near raw materials Our presence contributes to sustainable cities and local communities Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain	Good profitability provides the basis for safe workplaces and company development	We seek out new innovative 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

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

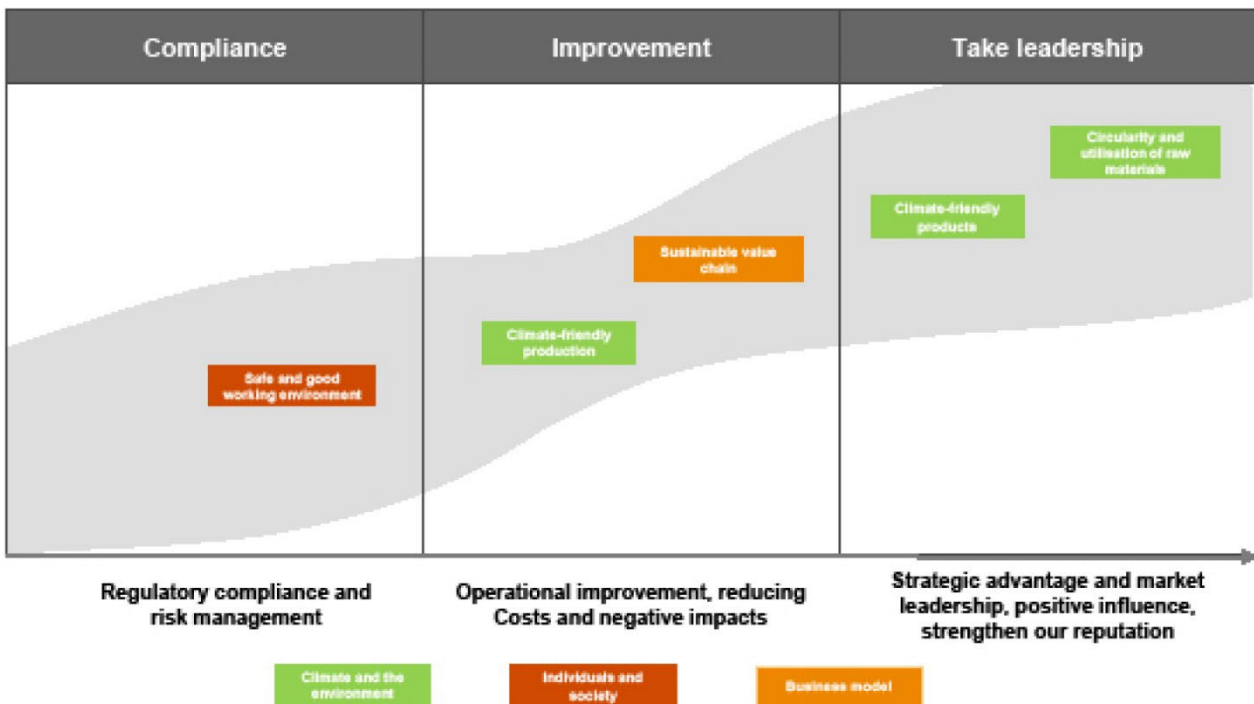
Stakeholder and materiality assessment

Byggma would like to highlight the work related to sustainability and ESG in each individual company. As an element of this, we have conducted stakeholder and materiality assessments. These assessments have revealed 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.

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 Code of Conduct can be found at www.byggma.no.

Prioritised matrix



Climate and the environment



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.

Byggma has acquired the Worldfavor reporting system in order to develop reporting procedures and have a better overview of sustainability reporting. The system will improve the quality of internal reporting and it will be much easier to follow trends from year to year.

Worldfavor has enabled us to compile greenhouse gas accounts for the Group for 2023.

Greenhouse gas accounts

Byggma's greenhouse gas accounts have been prepared in accordance with the GHG Protocol.

Tonnes of CO ₂ equivalents		2023
	Diesel (Trucks and wheelloaders)	931
	LNG	1,519
Scope 1 total	(Emissions in the company)	2,450
	Bark	22,477
	Timber from demolitions	18,062
	From own production	24,605
Out of scope	Direct bio-based emissions	65,143
	Electricity	703
Scope 2 total	(Emissions related to electricity consumption)	703
	Transport to customer truck	9,451
	Transport to customer boat	110
	Domestic business-related flights	76
	International business-related flights	33
	Business-related car transport	211
Scope 3 total	(Emissions outside the company)	9,880
Total emissions	(Scope 1, Scope 2 and Scope 3)	13,033

2023 is the first year that Byggma has prepared greenhouse gas accounts for the entire Group.

For Scope 3, some areas were selected for 2023, see the greenhouse gas accounts above. The data is collected for the entire Group and CO₂ equivalents are calculated using calculation factors from DEFRA and other official methods.

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 sequestration. The wood in our products sequesters significant amounts of carbon. Using wood fibre to create durable products is an important contribution to increasing carbon sequestration 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 425 thousand tonnes of CO₂ equivalents.

This corresponds to 4.9% of CO₂ emissions from road traffic in Norway. (*SSB: Road traffic emissions of 8.7 million tonnes of CO₂ equivalents in 2022*).

Byggma as a Group is carbon negative if the greenhouse gas accounts are viewed in relation to carbon sequestration.

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. By choosing certified materials, we demonstrate our commitment to supporting sustainable forestry and reducing the environmental footprint of our products.

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.

Uldal AS was PEFC certified in March 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. That is to say, 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 stabilised in 2022. Electricity prices have fallen compared to 2022, but we continue to focus on improving energy efficiency, as we can see room for further improvement, which is of both financial and environmental benefit. 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.

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 helps 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 undesirable incidents.

Sorting and recycling of 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. In 2023, all companies increased their focus on sorting waste, so that the sorting rate will be increased. The waste has been reviewed so that it can be sorted more accurately into more fractions. The sorting rate in 2023 was 70%, which we do not find satisfactory.

Projects implemented and/or started in 2023

Huntonit

Change in packaging

In 2022, we made the transition from wood fibreboard to cardboard as packaging for our roofing products. During 2023, cardboard was tested as packaging for Huntonit's wall products. The tests were very promising and during Q1-24 the transition will be made. It will reduce transport weight by approximately 1,000 tonnes/year, which in turn will reduce emissions from transport by 60 tonnes of CO₂ equivalents, with a corresponding reduction of waste at construction sites.

During the year, the volume of goods transported on electrified railways increased from 27% in 2022 to 31% in 2023, resulting in a reduction of approximately 1,000 MT CO₂-eq/year.



Energy mix

In autumn 2023, Huntonit converted our boiler systems, making it possible to switch between gas and electricity at short notice. This means that we can take advantage of periods when electricity prices are low and avoid any unnecessary use of gas. In November, this reduced our emissions of CO₂ equivalents by an amount equivalent to 214 passenger cars (120 g CO₂ – eq/km).

Energy consumption

During 2023, frequency converters were installed on several pumps in our fresh water supply, which has reduced both energy and water consumption. We also worked on optimising control of our extraction system to reduce the downtime of the fans in the system. The improvements brought about by the frequency converters and more intelligent control have cut our energy consumption by around 0.45 GWh/year.

Smartpanel

District heating plant

In 2023, we took an important step towards sustainability by completing installation of a district heating plant. The plant replaces our previous incinerators, which used waste wood from production as fuel. By switching to district heating, we have eliminated the production of ash and direct emissions from our operations. The district heating system is more energy efficient and often uses renewable energy sources, reducing our carbon footprint and contributing to cleaner, greener operations.

LED lighting

Our initiative to replace gas bulbs with energy-efficient LED lighting throughout the factory is nearing completion. This initiative is part of our strategy to cut energy consumption and reduce the impact on the environment. LED bulbs use significantly less energy than traditional light sources, have a longer service life and thus help to reduce both operating costs and waste.

Masonite Beams

Waste

Masonite Beams has installed and commissioned a short wood jointer in Rundvik. This means that we can increase further processing and reduce the amount of raw material that goes to bioenergy.

Transport

Masonite Beams has acquired seven electric company cars to replace fossil-fuelled cars. We have also purchased an electric four-wheeler truck to replace a fossil-fuelled truck.

Bio-based adhesives

The aim of the project is to help develop bio-based adhesives with a smaller carbon footprint and fewer harmful chemicals. Our role in the project is as a design partner, addressing aspects relating to moisture resistance, as well as fire resistance.

Tomorrow's ecolabelling of buildings

Through this project, we have the opportunity to be involved in a new ecolabelling system that could become a new standard in the market. The focus is on looking at the real environmental benefits and our goal is to ensure that the energy efficiency of buildings is calculated correctly.

DUET

Circular design and use of wood building elements. The project gives us the opportunity to look at where we can reduce our environmental footprint by using the circular flow of materials to reduce waste and the collaboration between companies to increase the yield from resources and reduce the carbon footprint. We can also look at how our products can be used in building elements that can be reused at various stages, thus resulting in a very small carbon footprint.

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.

In 2023, we implemented this for Walls2Paint. This project reduces transport weight by approximately 650 tonnes a year, with the same waste reduction volume at the construction sites. This packaging reduction also means that transport-based emissions are cut by approximately 11 tonnes of CO₂ equivalents per year.



Original packaging with wood chips



New packaging with cardboard

Reduced use of additives in chipboard production

Forestia has had its own project for reducing the use of ammonia in the chipboard core. Tests so far show no significant impairment to the properties of the products and Forestia can show a

reduction of ammonia consumption of over 80% in 2023 compared to 2021. Forestia has placed its last order for ammonia and will eliminate use of ammonia completely during Q2 2024.

Logistics

The new warehouse and logistics centre at Forestia was completed at the end of 2022. This meant that we were able to move AS Byggform's products to Braskereidfoss in December 2022. AS Byggform was merged with Forestia on 1 January 2023 and the new logistics centre is 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, and also for the environment and sustainability.

Uldal

Uldal has around 500 old luminaires that are to be replaced with LED luminaires. When all the old luminaires are switched on, they use around 66 KWh of electricity. The new luminaires use about half this electricity, so this is a good investment both for the environment and financially. The savings once all the luminaires have been replaced will be around 200,000 kWh. With 90% already replaced, the work will be completed in early 2024.

Climate risk

Physical risk

When it comes to climate risk, we have seen the weather change more and more frequently than in previous years. A summer of drought one year can be followed by a summer with heavy rainfall the following year. Large weather fluctuations affect us, as our wood chips are stored outdoors and must be dried to a certain maximum moisture content.

When it comes to energy prices, low filling levels in the power companies' reservoirs will push prices up.

Very wet summers can restrict the extraction of timber from the forest, which in turn can affect the sawmills from where we source our raw material. This could result in higher prices for raw materials and limited access to wood chips.

Dry summers with widespread forest fires can also affect access to raw materials.

Extreme weather events can disrupt power supplies, road networks or digital infrastructure. When it comes to digital infrastructure, we have good backup solutions, while for power and roads, we rely on external parties to deal with any incidents.

Forestia saw a clear example during storm "Hans" in 2023. The Glomma river rose very quickly, resulting in the dam at Braskereidfoss bursting and much of the power supply to the factory being cut off. Capacity was reduced for a couple of weeks until the electricity supplier was able to restore the full power supply.

Transition risk

During the next few years, changes in the framework conditions and regulations will affect us. National and international environmental requirements will be introduced, which we will have to comply with. The scope of these changes will be considerable and we are following developments closely.

The energy shortage in Europe due to the war in Ukraine means that the risk of more wood being burned to produce energy is increasing.

Climate and the environmental results

Waste [tonnes]	2020	2021	2022	2023
Hazardous waste	60	45	43	74
Plastic	41	47	97	71
Cardboard/paper	36	41	47	30
EE waste	4	11	12	18
Iron/steel/metals	126	266*	168	96
Bio-waste	3	2	4	4
PVC waste	17	57	23**	-
Mixed machined wood	1,570	1,376	1,385	1,146
Residual waste/other	310	370	449	608
Total	2,167	2,215	2,228	2,047

* Major maintenance project at Forestia

**PVC phased out at Forestia in 2022.

Sorting rate Byggma: 70.3%

Packaging [tonnes]	2021	2022	2023
Wood	2,332	2,209	2,311
Plastic (foil/stretch film/strapping tape, etc.)	486	358	314
Steel strapping tape	42	31	26
Cardboard	718	556	531
Panels produced in-house	2,100	1,936	1,397
Total	5,687	5,095	4,579

Certified wood [%]*	2020	2021	2022	2023
Byggma	90.1	91.0	91.5	93.6

*Uldal was PEFC-certified in March 2023

Wood consumption [1,000 m3]	2020	2021	2022	2023
Byggma	589	597	554	519

Power consumption [GWh]	2020	2021	2022	2023
Byggma	122	141	82	97

Energy consumption [GWh]*	2020	2021	2022	2023
Byggma	150	169	134	146
*Diesel, LNG and electricity				
Carbon sequestration [1,000 tonnes CO ₂ -eq)	2020	2021	2022	2023
Byggma	483	490	454	425

Individuals and society



Highlights:

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

Employees shall have a safe workplace that is free of injuries, as well as a healthy psycho-social environment based on equality. 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.

Byggma's companies are cornerstone companies in their local communities. We must consider and promote good neighbourhood relations. Good cooperation with neighbours and local authorities, and contributing 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 improve the companies' websites. In 2023, the companies within Byggma further developed their websites to provide better information and a better experience for users.

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.

Byggma's proportion of female employees is 14.2%. Most of the women work in lighting assembly or in administrative positions within the companies. Only a few women work directly in production at the companies. Recruiting women as production operators is difficult, despite the companies' focus on this area.

Age distribution

The Byggma Group monitors age distribution closely. The fact that our employees are getting older is positive, viewed in isolated terms, but the over-60 group now constitutes 16% of our employees. It is important for us to ensure that skills are transferred and that there is a good senior policy based on dialogue with the individual. It is also essential that we know what the individual wants as early as possible, so we can contribute to a smooth transition to retirement and at the same time ensure the transfer of skills to other employees.

Employees in the 50-60 age group account for 29%. This means that 45% of employees are in their last 15 years of employment.

Safe workplace

One of our most important goals in our workplaces is to make sure they are safe and to prevent employees or others from work-related injuries in our organisation. We have to work preventively to ensure this. We identify all undesirable events in our businesses 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 2023. More than 200 employees attended courses relating to 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

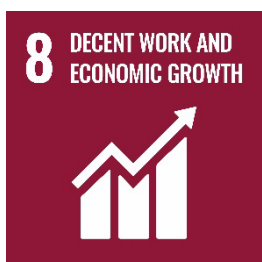
Byggma is engaged in the active local areas where we are represented. We provide active support for teams and associations in our local communities.

Results for individuals and society

F-value*	2019	2020	2021	2022	2023
Byggma	561	441	265	124	333
*F-value: Number of days absent due to injury/number of hours worked x 1,000,000					
H-value*	2019	2020	2021	2022	2023
Byggma	19.6	17.2	15.2	17.8	17.1
*H-value: Number of injuries resulting in absence/number of hours worked x 1,000,000					
Sick leave [%]	2019	2020	2021	2022	2023
Byggma	5.9	5.6	5.7	6.0	6.9
Injuries resulting in sick leave [number]	2019	2020	2021	2022	2023
Byggma	22	19	18	22	19
Days of absence due to injury [number]	2019	2020	2021	2022	2023
Byggma	812	492	380	146	370
Employees [number]	2019	2020	2021	2022	2023
Byggma	701	697	742	723	692
Proportion of women [%]	2019	2020	2021	2022	2023
Byggma	14.3	13.6	13.2	14.4	14.2
Age distribution [%]*		2021	2021	2022	2023
U30		18.1	18.1	18.0	17.0
30–50		42.3	42.3	39.0	37.0
50–60		39.6	39.6	43.0	30.0
O60					16.0

* As from 2023, the over-60 age group is stated separately. Up until 2022, it was part of the 50–60 age group.

Business model



Highlights:

We develop our companies through efficient use of resources, and we create innovative products and solutions for 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. In 2024, we will work hard to meet the requirements of the new Sustainability Directive (CSRD) and the stricter reporting requirements set by the directive.

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.

Certificates in the companies

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, Masonite Beams, Smartpanel, Uldal
ECOproduct	Forestia, Huntonit
Swan Nordic ecolabel	Forestia
M1	Forestia, Huntonit
CARB Phase II / US EPA	Forestia
Asthma and Allergy Association approval	Huntonit
Danish Indoor Climate Labelling	Huntonit
BASTA	Forestia, Huntonit, Masonite Beams, Smartpanel
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
Certificates	Companies

EU Taxonomy for sustainable activities

The Taxonomy for sustainable economic activities is a classification system designed to help financial markets channel capital to profitable sustainable activities and projects.

The Taxonomy is very limited, with many activities are not yet included.

All economic activities in the Byggma Group have been mapped against the Taxonomy. Below is a description of the activities in the Taxonomy identified in Byggma, and reporting of the share of revenue, operating expenditure and investments that apply in the following form.

3.15 Production of energy-efficient equipment for buildings

This activity covers the production of equipment for energy-efficient buildings. At Byggma, Uldal's in-house produced windows, with a U-value of less than 1.0 W/m²K, and doors, with a U-value of less than 1.2 W/m²K, promote climate adjustment and the reduction and prevention of greenhouse gas emissions.

4.15 District heating/cooling distribution

This activity covers the distribution of district heating. Huntonit operates a district heating plant where surplus heat from Huntonit's panel production is distributed locally in Venneå.

4.24 Production of heating/cooling from bioenergy

This activity covers the production of heating and/or cooling from bioenergy. Forestia uses the energy recovered from, for example, bark and scrap from its own production to generate the heat it needs to dry wood chips for its chipboard production.

Economic activities (1)	Code(s) (2)	Absolute operating expenditure (3)	Share of operating expenditure (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Minimum safeguards (17)	Taxonomy-aligned share of operating expenditure, year 2023 (18)	Category (enabling activity) (20)	Category "(transition activity)" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (20)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Yes/No	Yes/No				
OPERATING COSTS		NOK thousands	%	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	Enabling (E)	Transition (T)	
A. TAXONOMY-ELIGIBLE ACTIVITIES			17 %																		
A.1. Environmentally sustainable (Taxonomy-aligned) activities																					
Production of energy-efficient equipment for buildings	3.15	2 051,07	4 %	50 %	0 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4 %	E	T	
Production of heating/cooling from bioenergy	4.24	4 325,93	9 %	0 %	0 %	0 %	0 %	0 %	0 %									9 %			
			0 %	0 %	0 %	0 %	0 %	0 %	0 %									0 %			
Operating expenditure for environmentally sustainable (Taxonomy-aligned) activities (A.1)			6 377,01	14 %	2 %	0 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	J	14 %	0 %	0 %	
A.2 Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																					
Production of energy-efficient equipment for buildings	3.15	1 489,29	3 %																		
			0 %																		
Operating expenditure for activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)			1 489,29	3 %																	
Total (A.1 + A.2)			7 866,30	17 %																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																					
Operating expenditure for non-Taxonomy-aligned activities (B)			38 820,28	83 %																	
Total (A + B)			46 686,58	100 %																	

Economic activities (1)	Code(s) (2)	Absolute investment expenditure (3)	Share of investment expenditure (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Taxonomy-aligned share of investment expenditure, year 2023 (11.8)	Category "enabling activity" (20)	Category "transition activity" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
<i>INVESTMENTS</i>		<i>NOK thousands</i>	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	Enabling (E)	Transition (T)	
A. TAXONOMY-ELIGIBLE ACTIVITIES				4 %																
A.1. Environmentally sustainable (Taxonomy-aligned) activities																				
Production of energy-efficient equipment for buildings	3.15	1 900,73	3 %	100 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3 %	E	T	
			0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %			
			0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %			
Investment expenditure for environmentally sustainable (Taxonomy-aligned) activities		1 900,73	3 %	3 %	0 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	J	3 %	0 %	0 %	
A.2 Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																				
Production of energy-efficient equipment for buildings	3.15	1 380,12	2 %																	
			0 %																	
Investment expenditure for activities that are Taxonomy-aligned, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)		1 380,12	2 %																	
Total (A.1 + A.2)		3 280,85	4 %																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Investment expenditure for non-Taxonomy-aligned activities (B)		70 126,15	96 %																	
Total (A + B)		73 407,00	100 %																	

Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Share of revenue (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Minimum safeguards (17)	Taxonomy-aligned share of revenue, year 2023 (18)	Category (enabling activity) (20)	Category "(transition activity)" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						
OPERATING REVENUE		NOK thousands	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	Enabling (E)	Transition (T)		
A. TAXONOMY-ELIGIBLE ACTIVITIES			12 %																		
A.1. Environmentally sustainable (Taxonomy-aligned) activities																					
Production of energy-efficient equipment for buildings	3.15	154 149,55	7 %	50 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7 %	E	T		
District heating/cooling distribution	4.15	119,62	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %				
Revenue from environmentally sustainable (Taxonomy-aligned) activities (A.1)			154 269,17	7 %	3 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	J	7 %	7 %	7 %		
A.2. Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																					
Production of energy-efficient equipment for buildings	3.15	111 928,35	5 %																		
Revenue from activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)			111 928,35	5 %																	
Total (A.1 + A.2)			266 197,52	12 %																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																					
Revenue from non-Taxonomy-eligible activities (B)		1 982 906,68	88 %																		
Total (A + B)		2 249 104,20	100 %																		

GRI Index

GRI Index 2023 – Byggma ASA

Statement of use BYGGMA ASA has reported the information mentioned in this GRI content index for the period 01.01.2023 – 31.12.2023 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, 18 and 82
	2-2 Units included in the organisation's reporting	Annual Report pages 3 and 18
	2-3 Reporting period, frequency and contact person	Reporting period: 01.01.2023 – 31.12.2023 Frequency of sustainability reports: Annually Contact person: Vegard Grønnerud Vegard.gronnerud@byggma.no
	2-5 External audit	Annual Report page
	89 2-6 Products and markets	Annual Report page
	18	
	2-7 Employees	Annual Report pages 8, 10 and 115
	2-9 Management structure	Annual Report pages 8, 10, 31 and 95
	2-10 Nomination and selection of Board members	Annual Report page 97
	2-11 Chair of the highest governing body	Annual Report page 13
	2-12 Role of the highest governing body in monitoring the management of risk and consequences	Annual Report page 99

2-13 Delegation of responsibility for managing consequences	Annual Report page 98
2-14 Role of the highest governing body within sustainability reporting	Annual Report pages 30 and 100
2-15 Conflicts of interest	Annual Report page 96
2-16 Communication regarding negative relations with stakeholders	Annual Report page 100
2-18 Evaluation of the performance of the work of the Board of Directors	Annual Report page 99
2-19 Guidelines for remuneration	Annual Report page 100
2-20 Process for determining remuneration	Annual Report page 100
2-22 Statement on sustainable development strategy	Annual Report page 102
2-23 Strategies, principles and values related to ethic	Annual Report page 25 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-24 Implementation of strategies, principles and values related to ethic	Annual Report page 25 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-25 Processes for preventing negative consequences	Annual Report page 99
2-26 Mechanism for seeking advice and raising concerns	Annual Report page 26 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-27 Compliance with laws and regulations	No violations in 2023
2-29 Stakeholder dialogue approach	Annual Report pages 25 and 105 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/

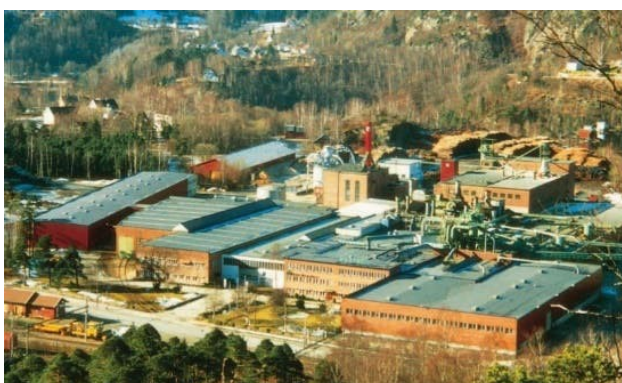
	2-30 Freedom of association and collective agreements	Annual Report page 26
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annual Report pages 25 and
	105 3-2 Material topics	Annual Report pages 26 and
	105	
	3-3 Work on the material topics	Annual Report pages 26 and 109
GRI 201: Economic Performance 2016	103-1/2/3 Management approach 201	Annual Report page 74
	201-1 Direct economic value generated and distributed	Annual Report pages 17
	and 31 201-2 Climate risk	Annual Report pages 63
	and 113	
GRI 207: Tax 2019	207-1 Tax Policy	Annual Report page 77
	207-2 Control and audit auditor's report	Annual Report page 89
GRI 301: Materials 2016	103-1/2/3 Management approach 301	Annual Report page 28
	301-1 Materials	Annual Report page
GRI 302: Energy 2016	114 103-1/2/3 Management approach 302	Annual Report pages 28 and 110
	302-1 Energy consumption in the organisation	Annual Report page 114
	302-4 Reduction of energy consumption	Annual Report page 110
GRI 305: Emissions 2016	305-1 Scope 1 emissions	Annual Report page 106
	305-2 Scope 2 emissions	Annual Report page 106
	305-3 Scope 3 emissions	Annual Report page
GRI 306: Waste 2020	106 103-1/2/3 Management approach 306	Annual Report page 29
	306-2 Reduction of waste	Annual Report pages 29 and 109
GRI 403: Occupational	103-1/2/3 Management	Annual Report page 26

Health and Safety 2018	approach 403	
	403-1 HSE work	Annual Report pages 26 and 117
	403-2 Hazard identification, risk assessment and incident investigation	Annual Report pages 26 and 117
	403-4 Worker participation, consultation and communication on health and safety in the workplace	Annual Report page 26
	403-5 Worker training in occupational health and safety	Annual Report page 117
	403-9 Work-related injuries	Annual Report page 118
GRI 404: Training and Education 2016	103-1/2/3 Management approach 404	Annual Report page 116
GRI 406: Non-discrimination 2016	103-1/2/3 Management approach 406	Annual Report pages 25 and 116
GRI 413: Local Communities 2016	103-1/2/3 Management approach 413	Annual Report pages 25 and 115

Real estate

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.



Huntonit Eiendom AS
 Annual lease revenue (NOK thousands): 16,000
 Production facilities: 19,664 m²
 Storage capacity: 8,100 m²
 Offices: 1,430 m²
 Site area owned: 78,112 m²
 Floor area: 30,171 m²
 Year of construction: 1948–1988
 Municipality: Vennesla, Norway



Forestia Eiendom AS
 Annual lease revenue (NOK thousands): 21,173
 Production facilities: 21,079 m²
 Storage capacity: 18,655 m²
 Offices: 3,961 m²
 Site area owned: 321,460 m²
 Floor area: 43,695 m²
 Year of construction: 1969–1987, 1997 and 2022
 Municipality: Våler, Norway



Byggma Eiendom Lyngdal AS
 Annual lease revenue (NOK thousands): 12,715
 Production and warehouse sites: 16,397 m²
 Offices: 1,666 m²
 Site area owned: 37,377 m²
 Floor area: 18,063 m²
 Year of construction: 2007 and 2017
 Municipality: Lyngdal, Norway

Articles of Association for Byggma ASA

Organisation no.: 979 165 285

Article 1. The Company's name is BYGGMA ASA. The company is a public limited company.

Article 2. The Company's registered office is in Vennesla Municipality.

Article 3. The object of the Company is industrial activity, trade in financial instruments and investments in shares and property, as well as other activities related to this, including participation in companies with equivalent or similar purposes.

Article 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.

Article 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.

Article 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 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 considered at the annual 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 must be considered by the general meeting.

Shareholders may cast their votes in writing, including by using electronic communication, during a period prior to the general meeting. The Board of Directors may set further guidelines for such preliminary voting. The notice convening the general meeting must state the guidelines that have been set.

The right to attend and vote at the general meeting may only be exercised by a shareholder five business days before the general meeting.

The Board of Directors may decide that shareholders who wish to attend the general meeting must notify the company within a certain period, which may not expire more than two days before the general meeting.

Last revised: 31 May 2023

Shareholder information

Share capital and shares

Aspect ratio as of 31.12.2023

Number of shares	Number of shareholders	Proportion of share capital
1 – 1,000	1,359	0.47%
1,001 – 5,000	283	0.97%
5,001 – 10,000	74	0.82%
10,001 – 50,000	83	2.54%
50,001 – 100,000	11	1.22%
100,001 – 500,000	10	3.16%
500,001 –	5	90.82%
Total	1,825	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 2023.

Interim reports are published as follows:

1. Q1 2024 – 16 May 2024
2. Q2/Interim Report 2024 – 28 August 2024
3. Q3 2024 – 7 November 2024

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BYGGMA
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