

Q2 2024 INTERIM REPORT BYGGMA GROUP



Innholdsfortegnelse

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Introduction

The headquarter of Byggma ASA is located at Vennesla in Agder. Byggma ASA 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. In addition, the real estate companies Byggma Eiendom AS, Forestia Eiendom AS, Huntonit Eiendom AS and Byggma Eiendom Lyngdal AS, which own industrial property, are included. Byggma ASA is listed on Oslo Børs 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 presentation of Byggma Group: [Byggma Group presentation](#).

Our vision will be achieved through the following goals:

1. The Group will achieve a turnover of at least NOK 3,000 million.
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 enjoy high customer satisfaction.
6. We will create profitable and safe workplaces by focusing on HSE, employee development and well-being.
7. Byggma will be an attractive investment object.

Innovation and technological development are important elements 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 allocate its investments to digitalisation and automation of production processes, as well as to the environment and sustainability. The expected turnover in 2024 is NOK 2.200 million and the Group has around 690 employees. The Group will seek to realise its vision through its fundamental values, which can be described as IIR:

I – Inclusive

Show interest, respect and understanding towards colleagues, customers, and suppliers. Open and direct communication allows for influence and joint decisions that generate engagement. Help develop the people around you (we are no better than the weakest link).

I – Innovative

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

R – 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 concern for the environment, health, and sustainable development in the execution of our activities.

Branding and positioning


Byggma is a distinguished brand manufacturer, with a legacy of integration within the building materials sector that spans numerous years. This longstanding presence ensures predictability, recognition, and a sense of security—key factors that drive the preference for Byggma's products among our clientele. Our consolidated status as a premier supplier of building material solutions has been further solidified over the course of the year. Such progress contributes to the stability of our employment. Moreover, this fortification serves as a testament to the efficacy of the efforts undertaken across all divisions of the company.

Innovation

Every product undergoes a lifecycle, and currently, Byggma boasts a multitude of products that are firmly established within the market. To maintain a robust product portfolio, we are committed to ongoing product development and innovation. Our dedication to product enhancements and new introductions has yielded a trajectory of increased revenue and profitability in recent years. Innovation and product development occupy a central place in our strategic priorities and will continue to be a focal point moving forward.

Bærekraft / ESG

Forests play a pivotal role in carbon sequestration, and at Byggma, we believe that responsible stewardship of this resource involves creating superior products that encapsulate carbon for extended periods. Byggma's climate assessments reveal that our products sequester a considerably greater volume of carbon than the emissions produced by our operations. Byggma has a longstanding tradition of prioritizing productivity and continuous enhancement. Sustainability represents a natural progression of these efforts. Through the active engagement of our employees and partners, we aim to utilize resources efficiently, thereby ensuring job security and fostering a business that delivers substantial value to the community.

An aerial photograph of a forest. The left side of the image shows trees with vibrant autumn foliage in shades of orange, yellow, and red. The right side shows a dense forest of evergreen trees in dark green. A dark road or path runs diagonally across the center of the image, separating the two types of forest.

**“Significantly more
carbon is bound in
Byggma’s products
than what is emitted
from our business.”**

Highlights

Sales revenue and profit

Sales revenues YTD decreased from NOK 1,181.4 million in 2023 to NOK 1,089.9 million in 2024 corresponding to a decrease of NOK 91.5 million (7.7 %). Adjusted operating profit decreased from NOK 146.0 million in 2023 to NOK 60.7 million in 2024.

Byggma is profitable during challenging times

The construction materials sector is currently facing the most challenging market conditions observed since the financial and housing crises of the 1980s and 1990s, marked by a significant downturn. A critical barometer for market size fluctuations is the residential construction companies' reports on the volume of houses sold and initiated. Over the past year, these figures stand at 13,058 and 14,065 units, respectively, against Norway's annual housing requirement of 29,000. Like many sectors, ours is influenced by various elements, including global unrest, rising interest rates, and pronounced inflation, leading many to defer their homebuilding plans. However, a silver lining exists in the increasing fundamental demand for housing. Consequently, when home sales are substantially below the necessary levels, the theoretical backlog of orders surges, which will eventually catalyze a robust upswing for the industry. It is a testament to Byggma Group's resilience that, despite the exceptionally challenging market conditions, the group has maintained solid profitability throughout the year to date.

Made in Norway

Huntonit and Forestia are among the first 22 companies globally to adopt the official "Made in Norway" trademark. This origin brand has been developed based on both Norwegian and international benchmarks, such as "Swiss Made", "New Zealand Made", and "Seafood from Norway". By associating with positive Norwegian values such as sustainability, responsibility, equality, and natural beauty, the trademark aims to enhance the marketing and sales of Norwegian products.

Norske Skog ASA

As of 30 June, Byggma ASA and its related party Drangslund Kapital AS owns ca. 26.8 % of the share capital in Norske Skog ASA. Byggma aims to be a long-term owner in Norske Skog ASA. There are several synergy effects between Norske Skog and Byggma regarding process equipment, raw materials, logistics, product development and environment.

New distribution hub in Forestia

In 2022, Forestia made a strategic investment in a new 4,000 m² logistics center located at Braskereidfoss. This facility enables our clientele to consolidate orders and receive chipboard,

OSB, and plywood boards in a single shipment. The statistics are a testament to the success of this initiative, and customer feedback underscores the added value this brings to both Forestia and our clients, alongside the environmental benefits derived from more efficient goods transportation. The rising sales figures for OSB and plywood reinforce the attractiveness of this solution to our customers, confirming its success.

Product innovation

Our product launches Forestia Premium Ceiling, Smart Veneer, Forestia Ergospon and Huntonit Pro Wall are still experiencing increasing sales in the market. These decorative interior products add more value for the customer and hence have high unit prices. The increasing sales of these products are consequently increasing the profitability of the group.

Sustainability

The Group is constantly identifying new valuable sustainability projects that reduce emissions to both air and water, which simultaneously are economically profitable for Byggma. See more in the [Sustainability](#) section in this report.

Forestia Carbon Sink

Forestia has for a period been in dialogue with Innovasjon Norge to receive grants to support the building of a plant for reception and cleaning of wood waste to be reused in new woodchip boards. On 8 April 2023, Forestia was informed by the Minister of Finance, Trygve Slagsvold Vedum, and Minister of Trade and Industry, Jan Christian Vestre, that the Board of Directors of Innovasjon Norge had resolved to grant Forestia NOK 80 million for this project. This project will be value enhancing for Forestia. It will also make the woodchip boards from Forestia even more circular because the wood waste will be material recycled into new boards and sequester CO₂ instead of energy recovered and release CO₂ into the atmosphere through combustion. This will be a better usage of the wood waste in accordance with the multi-step cascading principle for biomass. It will also reduce sourcing risk as it makes Forestia less dependent on raw materials from the sawmills. Forestia is working with vendors to secure good, stable, and long-term supply agreements for the project.

A word from the CEO

The building materials market continues to experience historically low activity, which is reflected in our financial results. Despite this, Byggma has managed to remain profitable during a period marked by the lowest construction activity possibly in over a century. This demonstrates our resilience and highlights the dedication of all Byggma employees, who have shown remarkable responsibility and teamwork during challenging times. We should take pride in this achievement.

Investment in I-beams in Great Britain: The United Kingdom represents the largest market for I-beams in Europe. This product is well-established in the construction industry and is particularly prevalent in joists between floors in residential buildings.

Masonite Beams I-beams are wood-based structural beams that offer several advantages, including reduced weight, increased stiffness, efficient resource usage, enhanced strength and stability, efficient transport, and superior insulation properties compared to other construction systems such as timber, glulam, and steel. Notably, I-beams use 47% less raw material than equivalent traditional timber.

Masonite Beams, a division of Byggma, has been present in the UK without its own company or employees. In Q2 2024, Byggma established a separate company in Great Britain and appointed a local sales director. This strategic move aims to strengthen our brand and market penetration in the UK. Our goal is to significantly increase sales and market share, leveraging the scalable production capabilities of our Rundvik, Sweden factory without additional investments.

The Way Forward: While we can't control market conditions, we can control our priorities and actions to outperform the market and increase our market share. Although the current construction rate in the Nordics is below the required level, a backlog of housing demand is accumulating, necessitating increased construction in the future. As the market recovers, we are enhancing our operations to be prepared for the anticipated surge in demand.

At Byggma, we have state-of-the-art machinery and equipment, but our people are our most valuable asset. Your contributions have secured Byggma's esteemed position in the industry. Thank you for your dedication in 2024, and I look forward to our continued collaboration.



Best regards

A handwritten signature in blue ink that reads "Conrad L. Drangland". The signature is written in a cursive, flowing style.

Conrad Lehne Drangland
Chief Executive Officer

Group

Group Key Figures

NOK million	Q2 2024	Q2 2023*	YTD Q2 2024	YTD Q2 2023*	2023
Sales revenues	548.3	544.7	1,089.9	1,181.4	2,223.0
EBITDA *)	43.6	75.4	105.1	190.1	293.3
Adjusted operating profit*)	21.5	53.3	60.7	146.0	203.1
Adjusted profit before tax*)	0.2	36.9	18.3	108.2	109.9

* Q2 2023 is adjusted

The Group's sales revenues in Q2 2024 amounted to NOK 548,3 million which is a NOK 3,6 million (0,7%) increase from Q2 2023. Sales revenue for YTD Q2 2024 amounted to NOK 1,089.9 million which is NOK 91.5 million (7.7 %) lower than for the same period in 2023.

The Group achieved an EBITDA*) YTD Q2 2024 of NOK 105.1 million compared to NOK 190.1 million in the same period last year.

The adjusted operating profit in Q2 2024 was NOK 21.5 million compared to NOK 53.3 million in the same period last year. For YTD 2024, the adjusted operating profit was NOK 60.7 million, compared to NOK 146.0 million last year. The operating profit contains non-recurring items, please see reconciliation of adjusted operating profit in Alternative Performance Measures after the notes to the interim report.

From 9 March 2023 the investment in Norske Skog ASA is classified as an investment in associate and is accounted for using the equity method in accordance with IAS 28. See note 12 for more information. Share of profit from associate was NOK -17.1 million YTD Q2 2024.

The Group achieved an adjusted profit before tax in Q2 2024 of NOK 0.2 million, compared to NOK 36.9 million last year. Adjusted profit before tax YTD Q2 was NOK 18.3 million compared to NOK 108.2 million in the same period in 2023.

YTD Q2 2024, net financials amounted to an expense of NOK 42.4 million which is NOK 4.5 million weaker compared to the same period in 2023. The main reasons for the increase in net financial expenses are increased interest rates and debt, and that there was a finance income on increased value of interest rate swaps in 2023. Please see note 3 for specification of net financials.

The liquidity reserve as of 30 June 2024 amounted to NOK 245.7 million, a reduction of NOK 21.8 million from 1 January 2024. The Board of Directors will maintain its focus on capital and cost-efficiency.

Net interest-bearing debt is reduced from NOK 1,375.7 million as of 1 January 2024 to NOK 1,373.0 million as of 30 June 2024. During the second quarter of 2024, there were acquired loans of NOK 15.4 million.

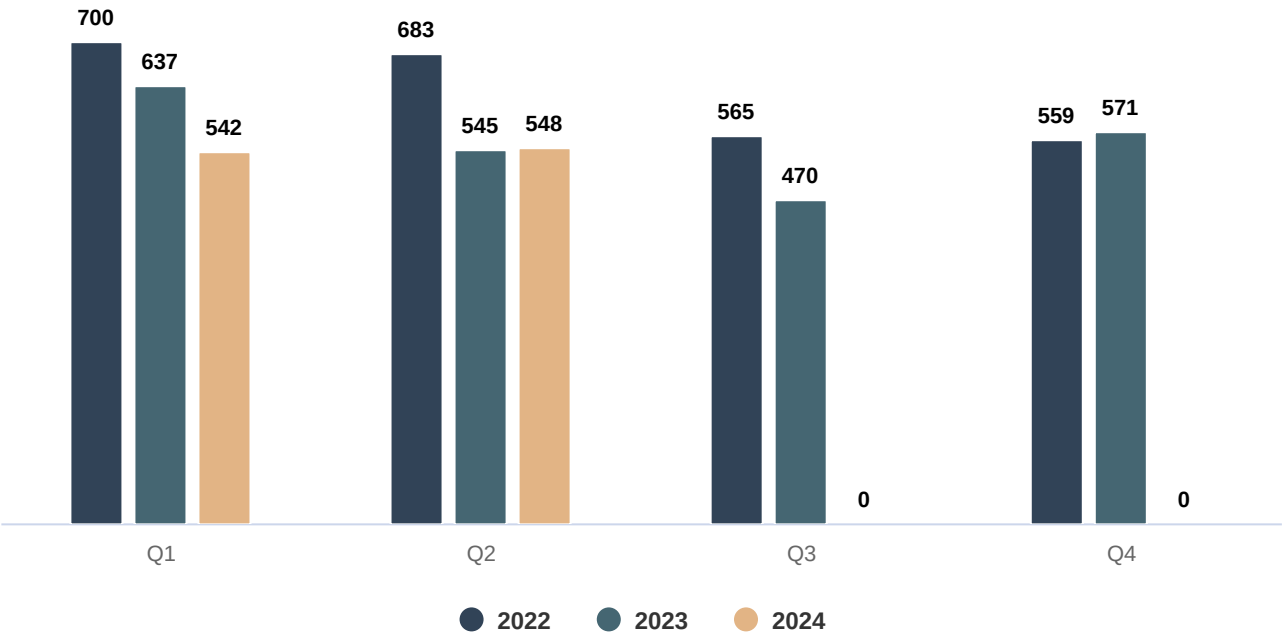
Investments in tangible fixed assets and intangible assets YTD Q2 2024 totaled NOK 13.6 million which is NOK 27.0 million lower than in 2023.

Total assets decreased from NOK 3,240.6 million as at 1 January 2024 to NOK 3,085.6 million as at 30 June 2024.

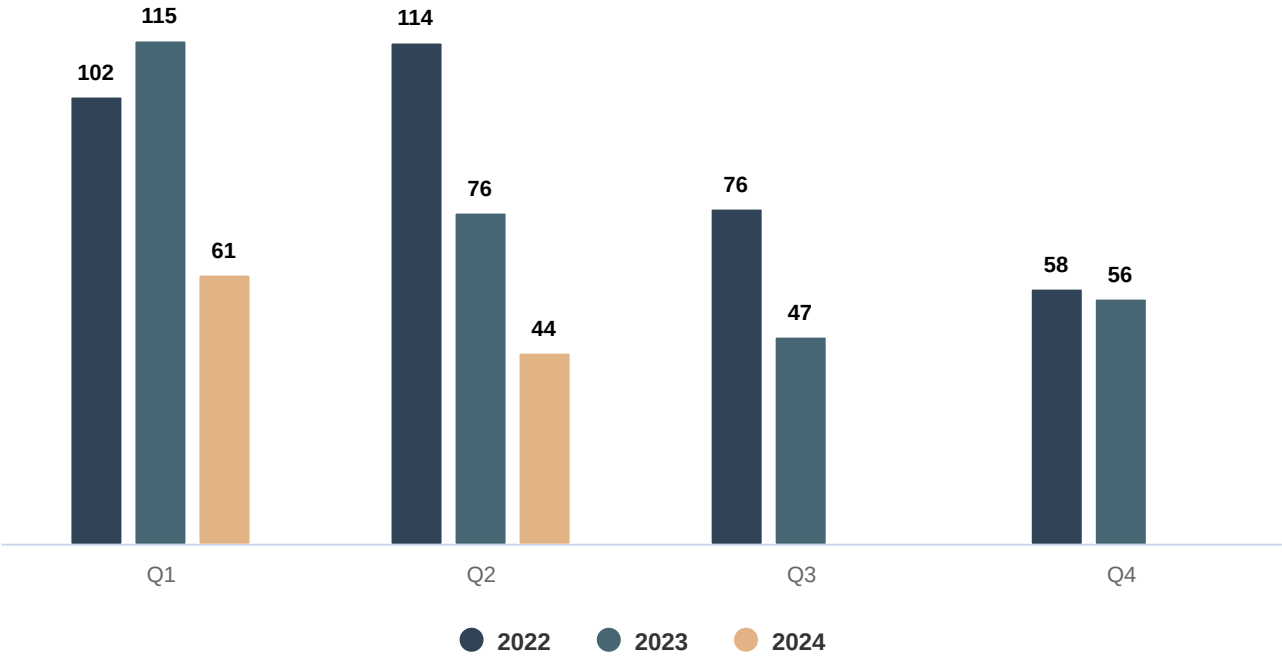
Booked equity as of 30 June 2024 was NOK 1,098.1 million (35.6 %), which is a decrease of NOK 31.0 million compared to 1 January 2024 (34.8 %). The reasons for the change in equity are due to the profit of the year of NOK -47.4 million, a currency translation difference of NOK 3.9 million and share of other comprehensive income from associate of NOK 12.3 million.



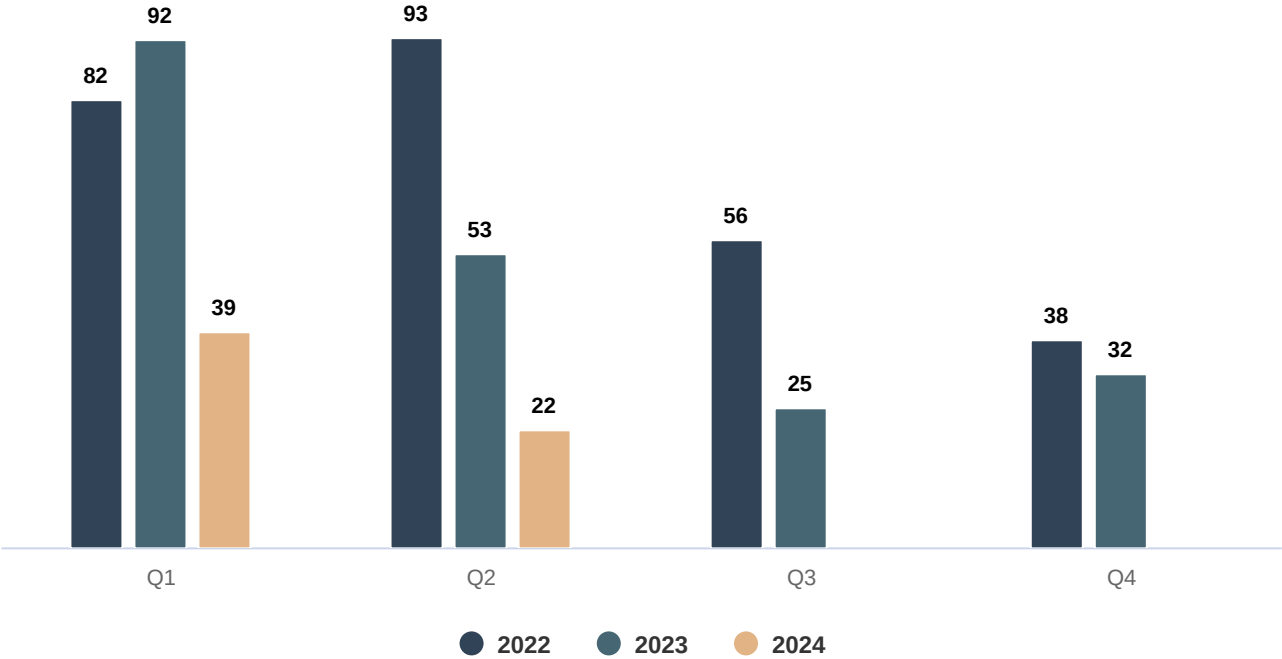
Sales revenues



EBITDA



Adjusted operating profit



¹EBITDA and adjusted operating profit in the graphs above are restated for 2023 and 2022.

Segment Information



Panels



NOK million	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Sales Revenues	403,0	375,6	804,7	814,0	1522,8
Operating Profit	27,1	33,2	5,6	-77,8	-96,1
Change in fair value of power contracts (income "-" – expense "+")	-5,3	3,8	57,1	181,8	191,9
Write down of assets (income "-" – expense "+")					29,0
Adjusted operating profit	21,8	37,1	62,7	104,0	124,8

THE PANELS SEGMENT consists of the companies Huntonit AS, Forestia AS and Smartpanel AS.

In 2023 AS Byggform has been merged into Forestia AS.

The financial accounts for Q2 2023 have been restated following a change in accounting of power contracts. Please see stock exchange announcement dated 5 February 2023 for more information.

In Q2 2024, the Panels segment achieved higher sales revenues, but lower adjusted operating profit compared with the same period in 2023. There is continuous work to optimize operations and to maintain good discipline in the procurement process. Demand for products in the panels segment varies between the various product groups.

The Board of Directors (BoD) is satisfied with the development in sales and profitability in Q2 2024. The BoD understands that the vast downturn in the market results in lower sales and profit for the Panels segment compared to last year. Management has a continuous focus on improvements, including trends in sales and costs. During the current market conditions, it is of utmost importance that the sales organisation manages the professional market and that the products are presented in the best fashion possible at the building materials outlets.

Beams



NOK million	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Sales Revenues	63,0	81,7	125,5	179,6	311,1
Operating Profit	0,7	8,2	-4,5	22,6	34,1
Change in fair value electricity contracts (income «-» - cost «+»)	2,4	0	0,1	0	0
Adjusted Operating Profit	-1,7	8,2	-4,7	22,6	34,1

THE BEAMS SEGMENT consists of the company Masonite Beams AB and Masonite Beams AS.

Beams have increased their market share in most markets, and we are experiencing greater acceptance for I-Beams as a construction material.

Sales revenues and operating profit are lower in Q2 2024 than for the corresponding period in 2023. There is a focus on efficient operations to adapt to this period with lower activity in the market for new housing units.

The Board of Directors (BoD) is satisfied with the sales and operating profit in Q2 2024. The BoD understands that the vast downturn in the market results in lower sales and profit for the Beams segment compared to last year. Management will continue to focus on sales and cost trends.

Windows



NOK million	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Sales Revenues	60,9	69,1	110,1	140,7	279,9
Operating Profit	-1,3	-2,3	-6,5	1,2	8,1

THE WINDOWS SEGMENT consists of the company Uldal AS.

In Q2 2024, the Windows segment achieved lower sales revenues but a better operating profit compared with the corresponding period in 2023. The Windows segment is still facing intense competition and pricing pressure in the market.

The demand for aluminum windows is increasing and Uldal meets this by increasing its production capacity for this group of windows. This is among other things achieved by the investment in a clips machine. The project will also free manpower and facilitate a more efficient production.

The Board of Directors (BoD) is not satisfied with the sales and operating profit in Q2 2024. The BoD understands that the vast downturn in the market has resulted in lower sales and profit for the Windows segment compared to last year. Management will continue to focus on sales and cost trends.

Lighting



NOK million	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Sales Revenues	20,9	18,4	49,7	47,2	109,2
Operating Profit	-3,0	-3,9	-2,7	-3,6	2,7

THE LIGHTING SEGMENT consists of the companies Aneta Lighting AS, Scan Lamps VTA AS in Norway and Aneta Lighting AB in Sweden.

In Q2 2024, the Lighting segment achieved higher sales revenues and operating profit compared with the corresponding period in 2023.

The Lighting is segment is starting to see some effect from the increased efforts to penetrate the electric installations market. It is expected to see a larger effect from this going forward.

The Board of Directors is satisfied with the sales revenues and operating profit in Q2 2024. Management will continue to focus on sales and cost trends.

Real Estate



NOK million	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	2023
Rental Revenues*	13,2	12,6	26,3	25,3	50,4
*whereof group internal rent	9,9	9,5	19,8	18,9	37,3
Operating Profit	11,4	10,7	22,7	21,4	25,0
Change in fair value (income "-“ – expense "+“)					-18
Adjusted Operating Profit	11,4	10,7	22,7	21,4	43,0

THE REAL ESTATE SEGMENT consists of the companies Byggma Eiendom AS, Huntonit Eiendom AS, Forestia Eiendom AS, Byggma Eiendom Lyngdal AS and Grammarholmen Fastighets AB.

The segment's rental revenues are based on lease contracts with the Group's industrial companies except for Byggma Eiendom Lyngdal AS which has a lease contract with an external party.

Please see the Real Estate overview later in this report.

Sustainability / ESG

Forests and wood capture and stores significant amounts of carbon (sequestration) and at Byggma the good management of this resource is all about creating high quality products that store carbon for many decades. In several of our operations, the contributions to carbon storage significantly outweigh the carbon footprint from our operations.



At Byggma, we have a tradition of working on productivity and continuous improvement. Sustainability is in many ways a progression of this work. In terms of sustainability and through the involvement of a committed team of employees and partners, Byggma will continue to implement efficient use of resources, while also securing jobs and ensuring the future of a company that is committed to creating value for society. The following are some of the projects developed in 2024.

Byggma

Climate Accounting

In 2024, Byggma has unveiled its Sustainability Report for the year 2023. For the first time, Byggma has compiled climate accounts in alignment with the GHG protocol. The data unequivocally demonstrates that Byggma's products sequester a significantly greater amount of carbon than what is emitted from our operations. Consequently, we can assert that Byggma's activities contribute to the net removal of CO₂ from the atmosphere, positioning us as a vital player in addressing climate challenges moving forward. When considering the total carbon sequestered through a year's production of Byggma's wood-based products, the figure amounts to an impressive storage of 425 thousand tonnes of CO₂ equivalents. This milestone underscores Byggma's commitment to sustainability and its proactive role in environmental stewardship.

Tons of CO ₂ equivalents		2023
	Diesel (Trucks and wheel loaders)	931
	LNG	1,519
Scope 1 total	(Company emissions)	2,450
	Bark	22,477
	Demolition work	18,062
	From company production	24,605
Outside scope	Direct bio-based emissions	65,143
	Electricity	703
Scope 2 total	(Emission from electricity consumption)	703
	Transport to customer, truck	9,451
	Transport to customer, boat	110
	Domestic work-related flights	76
	Work-related flights abroad	33
	Work-related car transport	211
Scope 3 total	(Emissions outside the company)	9,880
Total emissions	(Scope 1, scope 2 og scope 3)	13,033

Forestia

Waste heat

In the first half of 2024, Forestia was granted financial support by Innovation Norway for a project dedicated to exploring the potential of repurposing waste heat generated from our core

manufacturing processes. The objective of this initiative is to conduct a comprehensive assessment of Forestia's opportunities to significantly diminish our energy requirements by recuperating and reutilizing energy derived from our production activities for heating purposes. The ambition of this endeavor is to curtail our yearly energy expenditure for heating by a substantial margin, potentially several gigawatt-hours annually. The project team is engaged in an extensive exploration of various alternatives. This project is scheduled to conclude in 2024, with a detailed report to be presented towards the year's end. After the project's culmination, we will proceed to the subsequent phase, which involves capital investment in appropriate technological solutions to reclaim energy from our operational processes.

Waste management

Forestia is committed to elevating its waste sorting ratio to surpass 75% within the current year. In 2023, the sorting rate fell considerably short of our objectives. To rectify this and meet our 2024 target, tangible measures and comprehensive training programs have been instituted at our manufacturing facility.



Ammonia in production

Throughout the first half of 2024, Forestia has systematically eliminated the use of ammonia in our production processes. The preliminary findings indicate that this elimination has not adversely impacted the technical specifications of our products. The cessation of ammonia usage represents a significant stride towards reducing the reliance on chemicals and additives, and concurrently, it contributes positively to the reduction of our overall CO2 emissions.

Success for the logistics center at Forestia

The new logistics hub at Forestia was completed in Q4 2022. Byggform was merged with Forestia in 2023 and the new hub has become vital regarding bulk loading, transportation optimisation and to ensure that we reach satisfactory fill grades on trucks going out of Forestia. This reduces emissions from transportation, and it is a good project financially. The feedback from customers is positive and they appreciate the solutions with bulk loading of self-produced chipboard and traded OSB and plywood and this leads to increased sales.



Outlook

Byggma monitors the housing market continuously, as this is an important arena for the company. We see lower activity in some areas of the market but are experiencing increased sales of new product launches introduced to the market. During the last 12 months there are sold 14,002 and commissioned 13,853 housing units in the market for newbuilds. The need for housing units has been increased to 30,000 which can lead to serious consequences for the housing supply if the trend continues. When sales and commissioning are below the need, pent up demand grows, and more housing units will be produced at a later point in time. Meanwhile, we are still experiencing high activity in commercial buildings and public buildings. The renovation and extension market expects to see growth as the market to a larger extent is characterised by the fact that more people don't change residence.

The vast increase in raw materials is the most important explanation for lower sales and commissioning of new housing units in 2023. Additionally, the interest rate development may affect the activity in the newbuild and the renovation and extension market. The conflict in Ukraine may also affect markets and factors as access to raw materials, energy, and increased prices on imported goods. However, we see more stable prices on timber going forward, which may increase sales and commissioning of new housing units increasing the demand for building materials. This is supported by the upward adjustment of the official number of housing units needed in Norway to 30,000 per year. This may increase the demand for Byggma ASAs products in the medium and long term.

We experience the same market development for Byggma's products outside Norway.

The market development has meant that the input factors for several of the segments are considerably more expensive. Byggma has implemented price increases during the last two years in order to maintain a reasonable margin.

Group management is continuously monitoring the situation to be able to implement cost reductions resulting from lower activity levels.

The board of directors is continuously considering various strategic adaptations and possibilities for alliances and transactions. The goal is to strengthen Byggma's position in the Nordic building materials market.

To ensure further growth, investment in the sale of the Group's products outside Norway is an important part of Byggma's strategy. Innovation and technological development are vital components of the Group's growth strategy, driven by a forceful determination to invest in essential equipment and expertise to maintain its position as a leading player in the Nordic building materials market in the future. Byggma Group is firmly focused on achieving efficiency, dominance, and profitability.

Byggma is well positioned for implementing its enhancement processes for maintaining its position as a leading, efficient producer of building products. Several major investments have

been made to streamline our processes. New investments in equipment have also been decided and this will enable greater efficiency. In principle, Byggma will be directing its investments toward digitization and automation of the production processes, including the environment and sustainability.

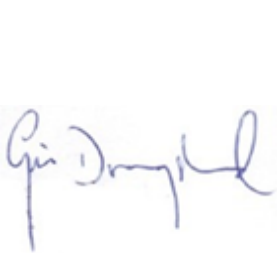
As per 27 August 2024 Byggma ASA owns ca. 20.6 % of the share capital in Norske Skog ASA. Together with related party Drangslund Kapital AS, Byggma controls ca. 26.8% of the share capital and voting rights in Norske Skog.

Former CEO in Byggma, Geir Drangslund, is CEO in Norske Skog with effect from 1 September 2023. Simultaneously he resigned as Chairman of the board in Norske Skog. Conrad Lehne Drangslund assumed the role as CEO in Byggma, and Henry Gundersen assumed the role as CFO in Byggma, as of 1 April 2024.

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. It is the Board's opinion that completed adjustments and cost reductions entails that the group is well positioned and well prepared to tackle future challenges.

Byggma Group has a stable and highly competent work force and the supply for manpower is good. The group aims to be an attractive employer. We will continue to focus on ensuring that all employees in the Group can realize their human potential through their employment at Byggma.

Vennesla 27 August 2024
The Board of Directors of BYGGMA ASA



Geir Drangslund

Chair of the board



Dagfinn Eriksen



Kenneth Berntsen



Torbjørn Østebø



Terje Gunnulfsen

Liv Anne Drangslund
Holst

Hege Aarli Klem

Terje Sagbakken



Conrad Lehne Drangslund
CEO



“Byggma’s goal is to develop and deliver sustainable solutions based on renewable raw materials and unique competence.”

Consolidated Income Statement

NOK million	Note nr.	IFRS Q2 2024	IFRS Q2 2024	IFRS YTD Q2 2024	IFRS YTD Q2 2023*	IFRS 2023
Sales revenues	<u>11</u>	548.3	544.7	1089.9	1181.4	2223.0
Other operating revenues		6.0	5.8	12.5	12.1	25.1
Cost of goods and manufacturing costs		-287.0	-285.5	-561.0	-625.1	-1094.6
Payroll expenses		-131.4	-124.3	-257.8	-248.1	-483.9
Depreciation and write-downs	<u>2</u>	-22.2	-22.1	-44.4	-44.1	-119.3
Freight and complaints costs		-43.5	-38.1	-84.1	-85.3	-167.0
Marketing costs		-18.1	-20.9	-36.9	-44.0	-102.0
Other losses/gains	<u>12, 13</u>	16.2	23.3	-41.7	-118.2	-127.9
Other operating costs		-39.1	-33.6	-72.9	-64.6	-189.2
Operating profit/loss	<u>11</u>	29.2	49.4	3.7	-35.9	-35.9
Share of profit from associate	<u>12</u>	50.3	8.3	-17.1	-7.3	160.4
Net financials (income "+" - expenses "-")	<u>3</u>	-21.3	-16.4	-42.4	-37.8	-93.2
Profit/loss before tax		58.3	41.3	-55.7	-81.0	31.3
Tax expenses	<u>5</u>	-1.9	-5.4	8.3	18.3	29.7
Profit/loss		56.4	36.0	-47.4	-62.7	61.0
TOTAL COMPREHENSIVE INCOME						
Profit/loss		56.4	36.0	-47.4	-62.7	61.0
Currency translation difference		-0.1	0.8	3.9	-1.5	-3.7
Gain (+) / loss (-) on financial investments	<u>12</u>	0,0	0,0	0,0	-11.0	-11.0
Share of other comprehensive income from associate	<u>12</u>	-22.8	21.6	12.3	43.3	5.1
Total profit for the period/year		33.4	58.3	-31.2	-31.9	51.4
Allocated to						
Shareholders		33.4	58.3	-31.2	-31.9	51.4
Minority interests		0,0	0,0	0,0	0,0	0,0
		33.4	58.3	-31.2	-31.9	51.4
Earnings per share (NOK per share):						
Earnings per share allocated to the company's shareholders		0.81	0.52	-0.68	-0.90	0.87
Diluted earnings per share allocated to the company's shareholders		0.81	0.52	-0.68	-0.90	0.87
Total profit per share allocated to the company's shareholders		0.48	0.84	-0.45	-0.46	0.74

*YTD Q2 2023 is adjusted

Consolidated Balance Sheet

NOK million	Note no.	IFRS 30 June 2024	IFRS 30 June 2023*	IFRS 31 December 2023
Assets				
Non-current assets				
Tangible fixed assets	2	788.4	855.2	819.4
Investment property		157.0	175.0	157.0
Intangible assets	2	19.4	20.7	20.4
Deferred tax assets	5	1.8	1.2	1.4
Long-term derivatives and power contracts	6	45.7	108.1	78.0
Investment in associate (financial investment before 9 March 2023)	12	1,312.5	1199.3	1317.2
Other long-term receivables		0.4	0.3	0.2
Total non-current assets		2,325.1	2359.9	2393.7
Current assets				
Inventories		373.8	364.7	349.6
Customer and other short-term receivables		324.8	371.5	376.4
Short-term derivatives and power contracts	6	33.8	44.5	57.6
Cash and cash equivalents		28.0	22.6	63.2
Total current assets		760.4	803.3	846.8
Total assets		3,085.6	3163.2	3240.6
Equity				
Shareholder's equity				
Share capital and share premium	4	52.7	52.7	52.7
Other equity not recognised in P&L		0.2	24.4	-16.0
Retained earnings		1,045.2	968.7	1092.4
Sum egenkapital tilordnet selsk. aksjonærer		1,098.1	1045.7	1129.1
Total equity		1,098.1	1045.7	1129.1
Liabilities				
Non-current liabilities				
Long-term loans	10	754.9	808.5	785.7
Long-term leasing obligations	10	53.4	62.9	62.8
Deferred tax	5	115.6	142.4	127.9
Total non-current liabilities		923.9	1013.9	976.4
Current liabilities				
Trade payables and other current liabilities		465.0	465.9	514.8
Tax payable	5	5.9	7.9	29.9
Short-term loans	10	570.7	609.4	568.7
Short-term leasing obligations	10	22.0	20.4	21.7
Total current liabilities		1,063.6	1103.5	1135.1
Total liabilities		1,987.5	2,117.4	2,111.5
Total equity and liabilities		3,085.6	3,163.2	3,240.6
Of which net interest-bearing debt (long-term and short-term) incl. leasing obligations and sale leaseback	10	1,373.0	1,478.6	1,375.7
Of which net interest-bearing debt (long-term and short-term) ex. leasing obligations and sale leaseback	10	1,072.6	1,173.0	1,065.4

*YTD Q2 2023 is adjusted

Consolidated Statement of Changes in Equity

NOK million	Equity allocated to the company's shareholders (IFRS)				Total
	Note no.	Share capital and share premium	Other equity not recognised in P&L	Retained earnings	
As at 31 December 2022		52.7	-6.4	1,031.4	1,077.7
Currency translation difference		0,0	-1.5	0,0	-1.5
Profit of the period		0,0	0,0	-62.7	-62.7
Gain (+) / loss (-) on financial investments	12	0,0	-11.0	0,0	-11.0
Share of other comprehensive income from associate		0,0	43.3	0.0	43.4
As at 31 March 2023		52.7	24.4	968.7	1,045.7
Currency translation difference		0,0	-2.2	0,0	-2.2
Profit of the period		0,0	0,0	123.7	123.7
Share of other comprehensive income from associate		0,0	-38.2	0,0	-38.2
As at 31 December 2023		52.7	-16.0	1,092.5	1,129.1
Currency translation difference		0,0	3.9	0.0	4.0
Profit of the period		0,0	0,0	-47.4	-47.4
Share of other comprehensive income from associate	12	0,0	12.3	0.0	12.3
As at 31 March 2024		52.7	0.2	1,045.2	1098.1

Consolidated Statement of Cash Flows

NOK million	Note no.	IFRS 30 June 2024	IFRS 30 June 2023	IFRS 31 December 2023
Cash flow from operations				
Cash flow from operations		76.5	161.2	336.1
Interest paid		-50.4	-47.0	-104.8
Interest received		12.7	8.0	22.9
Taxes paid		-24.0	-38.9	-40.5
Net cash flow from operations		14.8	83.2	213.7
Cash flow from investment activities				
Purchase of tangible fixed assets	2	-10.4	-30.0	-52.9
Sale of tangible fixed assets		0.0	0.1	1.0
Purchase of intangible assets	2	-1.2	-1.7	-3.8
Received dividend from associated company	12	0,0	0,0	11.7
Purchase of associated company (financial investment)	12	0,0	-87.2	-87.2
Loans granted to related parties		0,0	0,0	0.5
Net cash flow used for investment activities		-11.6	-118.9	-130.6
Cash flow from financing activities				
Adjustment of overdraft facility		-9.7	108.1	69.6
Uptake of loans		15.4	0.4	0.7
Repayment of loans		-44.0	-87.9	-132.9
Loan from related parties		0,0	0,0	4.6
Net cash flow used for financing activities		-38.3	20.5	-58.0
Adjustment to cash, cash equivalents		-35.1	-15.1	25.1
Cash and cash equivalents as per 1 January		63.2	37.1	37.1
Effect of exchange rate gain/(loss) on cash and cash equivalents		-0.1	0.7	1.0
Cash and cash equivalents at the end of the period		28.0	22.6	63.2
This consists of:				
Bank deposits and similar		15.9	10.2	47.3
Restricted bank deposits		12.1	12.4	15.9
Cash and cash equivalents at the end of the period		28.0	22.6	63.2
Unused overdraft facility/drawing rights		229.8	181.6	220.2

Profit Before Tax per Quarter

NOK million	IFRS 2024	IFRS 2023*	IFRS 2022*	IFRS 2021	IFRS 2020
Profit/loss for Q1	-113.9	-122.3	98.9	54.3	26.2
Profit/loss for Q2	58.3	41.5	280.7	49.7	28.0
Profit/loss for Q3		3.8	321.2	54.2	46.2
Profit/loss for Q4		108.5	-171.4	65.9	59.4
SUM	-55.7	31.3	529.4	224.1	159.7

*Financials for 2023 og 2022 have been restated following a change in accounting of power contracts. Former years are stated as previously.

Notes to the Consolidated Financial Statements

Note 1 General Information

Byggma ASA is domiciled in Norway. The head office is in Vennesla. Byggma ASA is listed on the Oslo Stock Exchange. The Group's main area of 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.

Byggma Group reports in accordance with IFRS Accounting Standards® as approved by EU. This quarterly report has been prepared in accordance with IFRS Standard for interim reporting (IAS 34). The report should be viewed in conjunction with the annual report for 2022 and with reference to the accounting policies specified therein. The quarterly report has not been audited.

Note 2 Tangible Fixed Assets and Intangible Assets (NOK million)

	YTD 2024	YTD 2023	2023
Investments	13.6	40.6	77.2
Depreciations and write downs	-44.4	-44.1	-119.3

Write-downs amount NOK 29.0 million in Q4 2023. This is related to impairment of assets in Smartpanel AS.

Note 3 Net Financial Items (NOK million)

	IFRS Q2 2024	IFRS Q2 2023	IFRS YTD Q2 2024	IFRS YTD Q2 2023	IFRS 2023
Change in market value, derivatives	-0.7	5.8	0.9	4.6	-2.5
Received (+) / paid (-) interest rate swap	1.7	1.1	3.4	2.1	5.3
Interest expenses leasing agreements	-0.8	-0.8	-1.7	-1.7	-3.4
Net interest income (+) / interest expenses (-)	-22.9	-23.7	-45.8	-43.4	-91.9
Other financial income (+) / expenses (-)	1.4	1.3	0.7	0.6	-0.7
Net financials (income "+" - expenses "-")	-21.3	-16.3	-42.4	-37.8	-93.2

Note 4 Share Capital (NOK million)

	Number of shares (in thousands)	Ordinary shares	Share premium	Own shares	Sum
As at 31 December 2022	69,819	18.2	34.6	0.0	52.7
As at 31 March 2023	69,819	18.2	34.6	0.0	52.7
As at 31 December 2023	69,819	18.2	34.6	0.0	52.7
As at 31 March 2024	69,819	18.2	34.6	0.0	52.7

Note 5 Tax Description

For the full year, we calculate and book actual tax, while for the interim accounts we use nominal tax rates per company per country. Deferred tax/deferred tax assets are based on the tax rate in the relevant countries.

Note 6 Derivative Financial Instruments (NOK million)

	30 June 2024	30 June 2023	31 December 2023
Assets			
Interest rate swaps - long-term	12.7	18.2	11.9
Power contracts - long-term	33.0	89.9	66.1
Interest rate swaps - short-term	1.6	2.1	1.5
Power contracts - short-term	32.2	42.4	56.1
Forward exchange contracts - short-term	0,0	0,0	0,0
Total financial derivatives - assets	79.5	152.7	135.6

Note 7 Contingencies

Provisions made in the accounts based on contingent events after the balance sheet date are insignificant.

Note 8 Related Parties

Geir Drangslund and related parties as of 27 August 2024 control 88,70 % of the share capital in Byggma ASA.

Note 9 Subsequent Events

On 2 February 2024 it was announced that the new CEO, Conrad Lehne Drangslund, and the new CFO, Henry Gundersen, will assume their roles on 1 April 2024.

There are no other significant subsequent events.

Note 10 Loans (NOK million)

	30 June 2024	30 June 2023	31 December 2023
Long-term loans			
Bank loans	483.1	543.2	513.1
Subordinated loan from related parties	46.8	43.1	46.8
Long-term liability from sale leaseback*	225.1	222.2	225.8
Lease liabilities	53.4	62.9	62.8
Total long-term loans	808.3	871.5	848.5
Short-term loans			
Overdraft facility	150.2	198.3	159.9
Bank loans	408.8	400.3	397.1
Subordinated loan from related parties	11.7	10.8	11.7
Lease liabilities	22.0	20.4	21.7
Total short-term loans	592.7	629.7	590.4
Total loans	1401.0	1501.2	1438.9

* The liability from sale leaseback relates to the sale of Birkeland Eiendom AS and Masonite Fastighet AB. They were sold during the autumn of 2022. The transaction is booked as a sale leaseback in accordance with IFRS 9 as it is likely that the companies will be purchased back through a put/call structure in the autumn of 2042. The related properties are continued in the consolidated financial statements.

Byggma ASAs subsidiaries Uldal AS and Masonite Beams AB rents the related properties in Birkeland Eiendom AS and Masonite Fastighet AB respectively for their production of windows and I-Beams. The rental agreements run for 20 years and Uldal AS and Masonite Beams AB have an option to prolong the agreements for 10 years at a time after that. The rent is classified as interest expense in the consolidated financial statements.

Note 11 Segment information (NOK million)

Net Sales Revenues

	IFRS Q2 2024	IFRS Q2 2023	IFRS YTD Q2 2024	IFRS YTD Q2 2023	IFRS 2023
Panel sales to external customers	403.0	375.6	804.7	814.0	1,522.8
Beams sales to external customers	63.5	81.7	125.5	179.6	311.1
Window sales to external customers	60.9	69.1	110.1	140.7	279.9
Lighting sales to external customers	20.9	18.4	49.7	47.2	109.2
NET SALES REVENUES FOR THE GROUP	548.3	544.7	1089.9	1181.4	2,223.0

Operating Profit

	IFRS Q2 2024	IFRS Q2 2023	IFRS YTD Q2 2024	IFRS YTD Q2 2023	IFRS 2023
Panels	27.1	33.2	5.6	-77.8	-96.1
Beams	0.7	8.2	-4.5	22.6	34.1
Windows	-1.3	-2.3	-6.5	1.2	8.1
Lighting	-3.0	-3.9	-2.7	-3.6	2.7
Real Estate	11.4	10.7	22.7	21.4	25.0
Byggma joint/eliminations	-5.6	3.3	-10.9	0.2	-9.5
OPERATING PROFIT FOR THE GROUP	29.2	49.4	3.7	-35.9	-35.9

Net Sales Revenues by Country

	IFRS Q2 2024	IFRS Q2 2023	IFRS YTD Q2 2024	IFRS YTD Q2 2023	IFRS 2023
Norway	355.0	346.9	703.2	754.2	1,459.5
United Kingdom	5.1	12.7	9.4	25.6	35.5
Sweden	114.6	102.4	228.7	222.6	428.4
Finland	4.3	2.5	6.9	6.2	11.0
Denmark	21.7	25.9	42.1	52.5	92.8
The Netherlands	26.1	25.1	54.1	52.7	95.2
Other	21.6	29.3	45.4	67.7	100.5
NET SALES REVENUES FOR THE GROUP	548.3	544.7	1089.9	1181.4	2,223.0

Note 12 Associated Company (NOK million)

Norske Skog ASA	Norske Skog ASA Q2 2024	Norske Skog ASA YTD Q2 2024
Share of ownership	20.55 %	20.55 %
Income statement and statement of comprehensive income		
Operating revenues	3,217.0	5,905.0
EBITDA*	471.0	546.0
Profit (loss) after tax	245.0	-83.0
Other comprehensive income	-111.0	60.0
Total comprehensive income	135.0	-22.0
Share of profit (loss) before tax (from 09.03.2023)	50.3	-17.1
Gain related to reverse dilution	0,0	0,0
Share of profit (loss) from associate in P&L	50.3	-17.1
Share of other comprehensive income (from 09.03.2023)	-22.8	12.3
Share of comprehensive income (from 09.03.2023)	27.5	-4.7

*EBITDA as defined in Norske Skog ASA Alternative Performance Measures

Balance sheet	IFRS 30 June 2024
Non-current assets	9,660
Current assets	5,540
Non-current liabilities	5,275
Current liabilities	3,789
Net assets (total equity)	6,138
Share of net assets (total equity)	1,261
Goodwill	52
Carrying amount as at 31 December 2023	1,312

In 2023, Byggma achieved a pivotal position in Norske Skog ASA, leading to a transition in accounting practices from financial investment as per IFRS 9 to the application of the equity method in accordance with IAS 28. For further details, please refer to Byggma's annual report for the year 2023.

Note 13 Other gains/losses (NOK million)

	IFRS Q2 2024	IFRS Q2 2023	IFRS YTD Q2 2024	IFRS YTD Q2 2023	IFRS 2023
Change in fair value of forward contract foreign exchange	0,0	0,0	0,0	0,0	0,0
Reclassification agio/disagio	1,0	-4,4	-0,3	-5,7	1,1
Gain on forward contract related to share purchase	0,0	0,0	0,0	0,0	0,0
Recognition of gain related to bargain purchase	0,0	9,1	0,0	9,1	9,1
Change in fair value of investment property	0,0	0,0	0,0	0,0	-18,0
Change in fair value of power contracts	7,7	-3,8	-57,0	-181,8	-191,9
Realised gain on hedging of power	7,6	22,5	15,5	60,1	71,8
Other losses/gains (NOK million)	16,2	23,4	-41,7	-118,2	-127,9

Definitions / Alternative Performance Measures

Alternative Performance Measures are used to provide the users of this report with more consistent measurement of operating performance and other relevant key performance indicators frequently used by stakeholders.

Key Figures	Definition
EBITDA	Operating profit (loss) before depreciation, write downs, gain/loss on forward contracts on share purchase, and change in fair value of power contracts, and investment property
Adjusted operating profit	Operating profit adjusted for special items to better reflect a more normalised operating profit and value creation
Adjusted profit before tax	Adjusted operating profit after net financials
Liquidity reserve	Bank deposits (ex. Restricted cash deposits) + unused overdraft facilities
Profit margin	Profit or loss after tax divided by sales revenues
Interest bearing debt	Interest bearing loans + leasing obligations + bank overdrafts
Net interest bearing debt	Interest bearing loans + leasing obligations + bank overdrafts - cash and cash equivalents

NOK million	Q2 2024	Q2 2023*	YTD Q2 2024	YTD Q2 2023*	2023
Reported operating profit	29.2	49.4	3.7	(35.9)	(35.9)
Gain on forward contract on share purchase (income "-" - expense "+")	-	-	-	-	-
Change in fair value of power contracts (income "-" - expense "+")	(7.7)	3.9	57.0	181.9	191.9
Write down of assets (income "-" - expense "+")	-	-	-	-	29.0
Write down of investment property (income "-" - expense "+")	-	-	-	-	18.0
Adjusted operating profit	21.5	53.3	60.7	146.0	203.1

NOK million	Q2 2024	Q2 2023*	YTD Q2 2024	YTD Q2 2023*	2023
Adjusted operating profit	21.5	53.3	60.7	146.0	203.1
Write-off (income "-" - expense "+")	-	-	-	-	29.0
Depreciation (income "-" - expense "+")	22.1	22.1	44.4	44.1	61.2
EBITDA	43.6	75.4	105.1	190.1	293.3

NOK million	Q2 2024	Q2 2023*	YTD Q2 2024	YTD Q2 2023*	2023
Adjusted operating profit	21.5	53.3	60.7	146.0	203.1
Net financials (income "-" - expense "+")	(21.3)	(16.4)	(42.4)	(37.8)	(93.2)
Adjusted profit before tax	0.2	36.9	18.3	108.2	109.9

Statement from the board and general manager

We hereby declare, to the best of our knowledge, that the half-year accounts for the period from 1 January to 30 June 2024 have been prepared in accordance with IAS 34 - Interim Reporting. These accounts provide a true and fair view of the group's assets, liabilities, financial position, and overall results. Furthermore, we believe that the half-year report offers a fair overview of significant events during the accounting period and their impact on the half-year accounts, the principal risks and uncertainties the business may face in the upcoming accounting period, as well as significant transactions with related parties.

Vennesla 27 August 2024

The Board of Directors of BYGGMA ASA



Geir Drangland

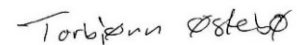
Chair of the board



Dagfinn Eriksen



Kenneth Berntsen



Torbjørn Østebø



Terje Gunnulfsen



Liv Anne Drangland
Holst



Hege Aarli Klem



Terje Sagbakken

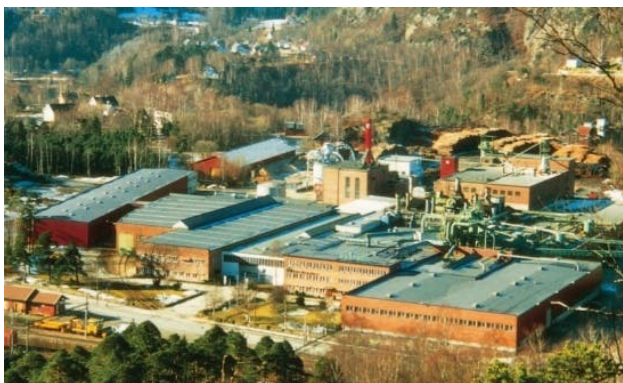


Conrad Lehne Drangland
CEO

Real Estate

Byggma ASA currently owns approximately 115,000 m² of building stock. A significant portion 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 them in the best possible condition.

Byggma Group will take good care of all its properties and their premises – now and in the future.



Huntonit Eiendom AS
Yearly rental income (NOK thousand): 16,768
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 and 2016
Municipality: Vennesla, Norway



Forestia Eiendom AS
Yearly rental income (NOK thousand): 22,360
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 and 1997
Municipality: Våler, Norway



Byggma Eiendom Lyngdal AS
Yearly rental income (NOK thousand): 13,020
Production facilities: 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

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