



BYGGMA
group

ANNUAL REPORT 2021

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

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

Byggma's vision is to be one of the leading suppliers of building materials solutions in the Nordic region. Our vision will be achieved through the following goals:

1. The Group will achieve a 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 high customer satisfaction
6. The Group must create profitable and safe workplaces by focusing on HSE, employee development and well-being.
7. The Group shall be an attractive investment objective.

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

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

The expected Group turnover in 2022 is MNOK 2,900 and the Group has around 740 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. 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.

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 the environment, health and sustainable development as we carry our activities.

PLEASE SEE OUR GROUP PRESENTATION:





Sales revenue and profit

Sales revenue in 2021 increased from MNOK 2,052.4 in 2020 to MNOK 2,344.3, corresponding to an increase of 14.2%. Profit before tax increased from MNOK 159.7 in 2020 to MNOK 221.2 in 2021.

Sliding door production started at Uldal

Uldal has suffered from a weakness in its product programme over the years, as the company has not had its own sliding door production. In the window market, it is very common to offer sliding doors alongside windows for both residential and commercial buildings. This investment has significantly strengthened Uldal's position in the market. The production of sliding doors has meant that Uldal has increased its proportion of tenders offered.

Establishment of Real Estate division

A significant part of Byggma's consolidated balance sheet comprises our properties and land. All the properties are operationally dependent property holdings and are mainly used by Byggma's subsidiaries for their production process. Up until this year, industrial operations and properties have belonged to the same legal entities. Byggma wishes to differentiate between its industrial operations and the property operations and has therefore established the subsidiary Byggma Eiendom AS, which, through its subsidiaries, owns and manages the properties. Rental agreements have been established with all the industrial operations that carry on their activities in the properties. The total annual rent level for Byggma Eiendom AS is approximately MNOK 60.5. Through this restructuring, Byggma wishes to have a more clear presentation and overview of the values that the properties represent for the company.

Progress at Forestia AS

Forestia AS increased its operating profit from MNOK 119.9 in 2020 to MNOK 133.1 in 2021. This corresponds to an increase of 10.9%.

Progress at Huntonit AS

Huntonit AS increased its operating profit from MNOK 48.9 in 2020 to MNOK 54.0 in 2021. This corresponds to an increase of 10.3%.

Progress at Masonite Beams

The Masonite Beams I-beam segment increased its operating profit from MNOK 25.5 in 2020 to MNOK 56.2 in 2021. This corresponds to an increase of 120.4%.

Progress at Uldal AS

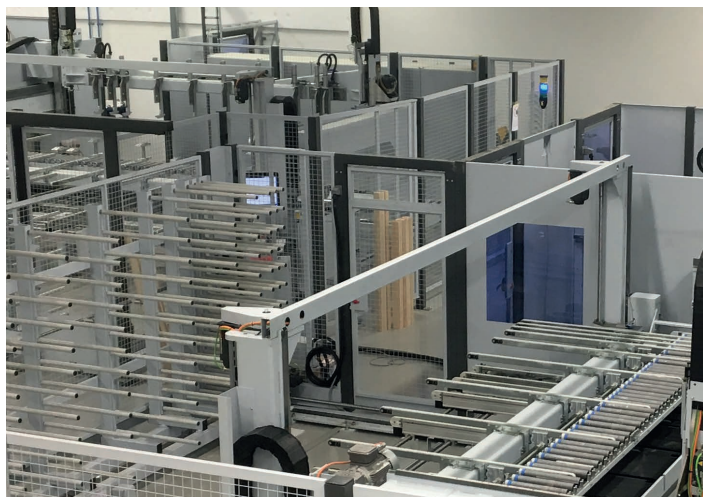
Uldal AS increased its operating profit from MNOK 6.3 in 2020 to MNOK 9.9 in 2021. This corresponds to an increase of 58.9%.

Sustainability

The Group is constantly identifying new valuable sustainability projects that reduce emissions to both air and water, and which simultaneously are economically profitable for Byggma.

Capacity expansion and improved energy efficiency at Huntonit

We have made Investments in Huntonit to reduce energy losses from the production process, which is estimated to reduce energy consumption by as much as 2 GWh.



Sustainable packaging

Forestia trials cardboard as packaging. 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 instead.

Product innovation

Sales of our launches Walls2Paint, Premium Ceiling and Huntonit Proff Vegg are rising steadily in the market. These decorative interior products have high unit prices and the increase in sales of these products is therefore profitable for the Group.

Smartpanel Wetwall

In 2021, Byggma invested significantly in the new production line for the production of Smartpanel Wetwall bathroom panels. The market for bathroom panels in Norway is currently around 2.8 million m². The Byggma Group has received approval for the Huntonit panels as the core of the Smartpanel Wet Wall. The environmentally-friendly, moisture-resistant and strong Huntonit core gives Smartpanel AS advantages in terms of cost, price and environmental quality over other bathroom panel providers. Byggma's aim is to gain a 30% market share in the bathroom panel market over the next few years.

Forestia Carbon Sink

The Byggma Group has established the subsidiary Forestia Carbon Sink AS. The purpose of this company is to establish a production plant for cleansing wood waste. This waste will be used as a fresh and clean raw material for Forestia's panel production. This project is particularly environmentally friendly and will ensure that carbon is bound in Byggma's panel products for decades, rather than being released into the atmosphere through combustion. Carbon sequestration in Byggma's panel products is currently equivalent to 5.8% of Norway's road traffic emissions

BYGGMA ASA GROUP MANAGEMENT



GEIR DRANGLAND

Chief Executive Officer

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



JENS UNHAMMER

Chief Financial Officer

Jens Unhammer has been Group CFO since 2003. He has 12 years' experience from the Øglænd Group, including as CFO at Cubus AS, and he served as CFO at Fibo-Trespo AS from 1992 to 2000, and as CFO at the Byggma Group from 2000 to 2002. Jens Unhammer has a degree in Business Economics from BI Oslo.



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 his degree from the University of Oslo (Informatics), the University of Agder and studies for an MBA - Executive Master of Business Administration at the University of Agder.



RICHARD THOMPSEN

Logistics Director

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



KJETIL ASKEDAL

Director Business Development

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

BYGGMA ASA MANAGEMENT BUILDING/LIGHTING



ERLEND JORDET
Sales Director Forestia



HALVOR C. OLSEN
Sales Director Huntonit



JOHN SÆTEN
Sales Director Masonite



TERJE SAGBAKKEN
Managing Director
Forestia



TORE HANSEN
CEO Lighting



KNUT NILSEN
Managing Director
Huntonit



MORTEN LEANDER
JONASSEN
Marketing Director
Lighting



TORUNN MANGSETH
Marketing Manager



ATLE ARCTANDER
MD Masonite Beams



MARIUS HEIDENBERG
CEO Smartpanel



EGIL SANDVE
CEO Uldal



HERULF ESPENÆS
Purchasing Director
Byggform

Results

The Byggma Group continued its progress in 2021. Revenue for the full year increased from MNOK 2,052.4 in 2020 to MNOK 2,344.3 in 2021. Profit before tax increased from MNOK 159.7 in 2020 to MNOK 221.2 in 2021.

Demand for wood-based building products remains strong. This was an important factor behind the strong growth in revenue we experienced in 2021. I am grateful that we have not been negatively affected by the corona pandemic. We must be aware that many industries have been hard hit by the pandemic and not take our progress for granted.

I am particularly pleased with the development in our Masonite I-beams and panels business areas in 2021, which saw excellent growth in both sales and profitability. This confirms that Masonite I-beams and the panel segment have strengthened their position. It also confirms that increasing numbers of customers are seeing the benefits of Masonite in terms of weight, strength, stability and environmental friendliness.

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

Brand building and positioning

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

Our overall position as one of the leading suppliers of building materials solutions has strengthened throughout the year. I am delighted with this position, and it secures jobs. The invigorative trend we are seeing 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. In order to ensure a stable product portfolio, we work continuously on product development and innovation.

Through product improvements and new launches, we have achieved increased revenues and profitability in recent years. An achievement we have also repeated this year. 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 operations, our 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 further development of this work. In terms of sustainability and through the involvement of our committed team of employees and partners, we will make efficient use of resources, while also securing jobs and a company that creates value for society.

I would like to take this opportunity to mention a couple of vital ESG projects on which we worked in Q4.

Forestia Carbon Sink

For several years, we have focused our work on mapping the potential for cleaning timber from demolition and repurposing it as a raw material to produce wood-based products. The project has an investment framework of around MNOK 250, but will be dependent on public investment support in order to be realised.

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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

Making use of returned wood industrially represents a major opportunity to keep high amounts of carbon bound in wood for many decades more than would

otherwise be the case, while also increasing the resource base for the industry. This initiative will be important in establishing timber as a circular resource and ensuring extended natural carbon binding.

Capacity expansion and improved energy efficiency at Huntonit

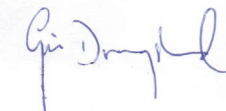
2021 saw the completion of upgrades and capacity expansions at Huntonit. The investment amounts to around MNOK 30, providing an increase in capacity of around 6%. This results in savings in energy consumption and costs per Huntonit panel produced in the plant.

In addition, we are also working on a large project to reduce energy losses from the same production process, which is estimated to reduce energy consumption by as much as 2 GWh.

Packaging

We are constantly working to improve sustainability of our products' packaging/wrapping. It involves both using lesser and more sustainable solutions while ensuring that the products are sufficiently protected. With Forestia, we have now tested the replacement of plastic and panel packaging with cardboard packaging. This will reduce the weight significantly, thus saving the environment from emissions during transport, and also reducing the amount of waste on the construction site. It will also free up our production capacity, so that we can use that capacity to produce goods for sale instead.

Best regards,



Geir Drangslund
Chief Executive Officer





TERJE GUNNULFSEN

Chairman of the Board

Terje Gunnulfson has been Chairman of the Board since 2009, but has been a member of the Board since 1 June 2001. Gunnulfson 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, Gunnulfson was CFO and later CEO of the Nordic IT service company InforCare. In recent years, he has served as an advisor and partner, from 2011 at consultancy firm Boyden Global Executive Search, and from 2018 at transaction consultancy company Able.



KNUT HENNING LARSEN

Board member

Knut Henning Larsen was elected to the Board of Directors in May 2016. He is an economist and solicitor. As an economist, he has worked as a credit advisor, head of the Norwegian Academy of Credit and CEO of Vest-Agder Police District. As a solicitor, he has worked as a police adjudant and solicitor. He has been running his own legal practice since 1999. He has the right to attend the Supreme Court and is currently a partner in the law firm Sørlandsadvokatene DA.



HEGE AARLI KLEM

Board member

Hege Aarli Klem was elected to the Board of Directors in May 2019. She worked as a solicitor 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 Drangslund Holst was elected to the Board of Directors in 2020. She has more than 20 years of management experience in sales, customer service and marketing. She has held various key roles in companies such as DHL and Bisnode. She is now Head of Marketing and Communications at Dun & Bradstreet in Norway.



EDVARD TRELDAL HØÅSEN

Board member/employee representative

Edvard Høyåsen was first elected to the Byggma Board of Directors in 2012. He is a qualified industrial mechanic and works as a process operator at Byggma's Huntonit subsidiary. He is also secretary of Byggma's Group committee.



ERIK FJELDBERG

Board member/employee representative

Erik Fjeldberg was elected to the Board of Directors in 2018. He was also a Board member during the period 2012-2016. Erik has a background as an operator at several sites, but is currently working at a rooftop facility in Byggma's subsidiary Forestia, where he has worked since 1985. He is currently the union representative of his department at Braskeridfoss and is also the employee representative on the Forestia Board.



DAGFINN ERIKSEN

Board member/employee representative

Dagfinn Eriksen was elected to the Board of Directors in 2020. He joined Uldal AS in 2012 as a process operator and has held Board positions in Uldal AS for 8 years. Dagfinn has been an ambulance worker with emergency medicine and has worked for 20 years at sea for Color Line and in the ambulance services in Aust-Agder.

ALL FIGURES IN NOK 1,000

	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Profit/loss					
Sales revenues	2,344,280	2,052,371	1,783,388	1,655,279	1,619,451
EBITDA	320,140	269,648	142,660	118,753	148,176
Operating profit/loss	230,205	192,584	72,528	64,526	93,761
Profit before tax	221,185	159,733	61,976	55,873	84,383
Tax expenses	47,130	34,825	13,026	9,088	19,994
Profit for the year	174,055	124,908	48,949	46,785	64,389
Depreciation and write-downs	89,935	77,064	70,132	54,227	54,415
Balance sheet:					
Fixed assets	954,490	963,922	967,485	832,253	786,134
Current assets	873,723	1,168,012	847,963	855,532	764,568
Total assets	1,828,213	2,131,933	1,815,448	1,687,785	1,550,702
Equity	598,252	990,217	861,427	824,428	798,881
Long-term liabilities	558,531	552,393	456,466	433,155	339,261
Current liabilities	671,431	589,323	497,555	430,202	412,559
Total equity and liabilities	1,828,213	2,131,933	1,815,448	1,687,785	1,550,702
Short-term interest-bearing liabilities	145,169	144,230	131,553	35,782	47,235
Long-term interest-bearing liabilities	466,200	452,774	370,999	353,364	255,724
Total interest-bearing liabilities	611,369	597,004	502,552	389,146	302,959
Bank deposits (excl. tax deduction)	53,272	509,167	307,921	362,073	344,995
Unused overdraft facilities	262,848	287,481	283,089	250,000	218,992
Liquidity reserve	316,120	796,648	591,011	612,073	563,988
Staff:					
Number of FTEs as of 31.12. Group	710	680	684	671	635
Equity ratio:					
Number of shareholders	2,209	703	668	716	733
Stock exchange price as of 31.12.*	NOK 26.20	18.90	9.20	6.80	9.15

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

ALTERNATIVE PERFORMANCE MEASURES

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

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

THE BUSINESS

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

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

The product range is mainly produced by the Group's wholly-owned production companies. Byggma ASA also sells trade products. As of 31 December 2021, the company had seven production units: Two production units at Huntonit AS in Vennesla, Agder, Uldal AS in Birkeland in Agder, Masonite Beams AB in Rundvik, 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.

In addition to the production companies, Byggma ASA owns Byggform in Slemmestad, Asker in Viken, which sells panel products, Aneta Lighting AS in Kristiansand in Agder and Aneta Lighting AB in Växjö in Sweden, which sells lighting products, Scan Lamps VTAAS 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, Birkeland Eiendom AS, Masonite Fastighet AB and Grammholmen Fastighets AB.

BUSINESS AREAS PANELS

The Panels segment consists of the companies Huntonit AS, Forestia AS, AS Byggform and Smartpanel AS with subsidiaries. The Masonite part of Huntonit AS has been included in the Beams business area. Huntonit Eiendom AS and Forestia Eiendom AS are also included in the Panels business area. In 2021, Huntonit Eiendom AS was demerged from Huntonit AS and Forestia Eiendom AS was demerged from Forestia AS.

In 2021, the Panels business area achieved revenue of MNOK 1,588.3 compared with MNOK 1,449.8 in 2020. The operating result for 2021 was MNOK 168.2, which is MNOK 4.8 higher than in 2020.

The segment is experiencing higher raw materials and energy costs and we brought in price increases for our products with effect from 1 October 2021. Price increases have also been notified as from 1 April 2022. Demand for products in the Panels segment continues to be very good.

Forestia's facility at Kvam was written down by MNOK 8.6 in 2021. Huntonit has sold CO₂ quotas for MNOK 19.4, which is included under other income. Up to and including 2020, Huntonit recognised CO₂ compensation as income. As from 2021 and until 2030, CO₂ compensation will not be finally adopted by the Norwegian Parliament and will only be recognised as income if Parliament ratifies its adoption and the programme is notified and approved by the EEA. For 2020, MNOK 6.4 in CO₂ compensation was recognised as income. Assuming the draft regulation is approved, the CO₂ compensation for 2021 will be higher than for 2020.

Management has continuous focus on improvement projects, including trends in sales and costs.

The Board of Directors is very satisfied with the development in sales and results in the Panels segment.

BEAMS

This business area consists of Masonite Beams AB, which manufactures wood-based I-beams and property companies Masonite Fastighet AB and Grammholmen Fastighets AB. In addition, the segment consists of Masonite Beams AS and the Masonite part of Huntonit AS.

In 2021, the Beams business area achieved revenue of MNOK 417.6 compared with MNOK 293.4 in 2020. The operating profit for 2021 was MNOK 56.2, which is MNOK 30.7 higher than in 2020.

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

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

WINDOWS

This business area consists of 2 companies: Uldal AS in Birkeland in Agder and the property company Birkeland Eiendom AS. It produces windows, mainly for the Norwegian market.

In 2021, the Window business area achieved revenue of MNOK 228.9 compared with MNOK 214.0 in 2020.

Operating profit in 2021 was MNOK 11.4, which is MNOK 5.5 better than in 2020. Uldal's position in the window market has been significantly strengthened in recent years, but continues to experience strong competition and price pressure on its products.

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

The 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.

The Board of Directors is very satisfied with the sales and profit development in the Windows segment. Management is firmly focused on implementing measures to improve profitability.

LIGHTING

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

Due to the outbreak of Covid-19, transport costs from China increased considerably in 2021 and deliveries were significantly delayed.

In 2021, the Lighting business area achieved revenue of MNOK 109.5 compared with MNOK 95.2 in 2020.

The operating result for 2021 was MNOK 4.6, which is MNOK 0.5 lower than in 2020.

The Board of Directors is satisfied with the sales and operating profit within Lighting. Management has a strong focus on measures to improve profitability.

ANALYSIS OF THE ANNUAL ACCOUNTS AND KEY RISKS AND UNCERTAINTIES

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

Group revenue in 2021 was MNOK 2,344.3, which is 14.2% higher than in 2020. All segments achieved higher revenue in 2021 compared to 2020.

The Byggma Group's profit for 2021 was MNOK 174.1, and Byggma ASA's profit for the year was MNOK 724.4.

Total investments in property, plant and equipment and intangible assets in 2021 came to MNOK 90.4.

At the end of the year, total assets were MNOK 1,828.2 compared with MNOK 2,131.9 as of 31 December 2020.

The Group's book equity as of 31 December 2021 was MNOK 598.3 (32.7%), compared with MNOK 990.2 as of 31 December 2020 (46.4%).

In 2021, the parent company Byggma ASA had revenue of MNOK 553.7, which is an increase of MNOK 69.4 compared with 2020. Profit before tax was MNOK 753.7, which is an increase of MNOK 639.9 compared with 2020. In 2021, Byggma ASA sold shares in the subsidiaries Huntonit Eiendom AS, Forestia Eiendom AS, Birkeland Eiendom AS and Byggma Eiendom Lyngdal AS to wholly-owned subsidiary Byggma Eiendom AS. The profit from the sale is recognised in Byggma ASA as income of MNOK 615.9. Rental agreements have been established with all the industrial operations that carry on their activities in the properties. The total annual rent level for the property companies is approximately MNOK 60.5. Through this restructuring, Byggma wishes to have a more clear presentation and overview of the value that the properties represent for the company.

The Group had positive cash flow from operations of MNOK 192.9 in 2021. The difference between operating profit and cash flow from operations is mainly explained by changes in working capital and depreciation. The liquidity position is satisfactory. As of 31 December 2021, the liquidity reserve was MNOK 316.1.

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 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 of the cost increase as possible in a growth period to be reversed in a reduction period.

As a result of the Group having significant exports and imports, the company follows a fixed currency policy. The Group regularly follows up the Group's currency exposure with regard to any forward hedging of cash flow. Most of the export turnover goes to Sweden, Denmark, the UK and the Netherlands, and a change in the Swedish and Danish krone and Euro will therefore affect the result. Similarly, a weakening of the Norwegian krone against the Euro and USD would be unfortunate, because a significant proportion of imports are paid for in EUR and USD. The Board of Directors believes that the annual financial statements provide a complete picture of the Byggma Group's assets and liabilities, financial position and results.

OUTLOOK

The Covid-19 pandemic only had limited consequences for Byggma in 2021. The inflow of orders is good, and production at the factories and deliveries to customers is mainly going as planned. Group management and management of the individual subsidiaries are following the situation closely and have taken measures to limit any negative consequences that the outbreak may have for employees and operations. Furthermore, any retail trade restrictions introduced by individual countries could have an impact on access to input factors in production and on sales revenues from these countries. The availability of input factors for production is intact, and significant elements of the input factors come from Norway and Sweden.

Sale of new housing in the Norwegian market shows a positive development of 2% in 2021 compared with the corresponding period in 2020. Commissioning of new housing shows an increase of 7% compared with the corresponding period in 2020. The highest growth is in detached houses, with growth of over 3% in sales and 18% in commissioning, while small houses have seen a decline of -7% in commissioning and -10% in sales. A varying picture and Byggma monitors the market on an ongoing basis, as this is an important arena for Byggma ASA. The total market for sales/commissioning of housing ended at 26,226/25,425 units in 2021. Q4 2021 shows a decline in sales of 21% and in commissioning of 5% compared to the corresponding period in 2020. A decline in sales and commissioning in Q4 may result in lower activity at the end of Q2 2022, but this is expected to be around 24-26,000 units in 2022. Statistics for January/February 2022 confirm the decline in sales and commissioning of housing in Norway, with a decline in sales of 29% in February. However, we are still experiencing high activity within commercial and public construction.

The Renovation and Extension market is expected to remain stable, on a par with 2021, although in this case the uncertainty concerns how the market will respond to the relatively high price growth in electricity/timber/building products etc.

The interest rate level is of great significance for the initiation of new-builds and particularly affects construction products that are mainly used in new-builds. In the Byggma Group, this applies in particular to chipboard, I-beams and windows. Other products are used to a great extent also for refurbishment and maintenance, and the effect for these product groups is therefore expected to be less.

It is also uncertain how the conflict in Ukraine will affect the market.

Byggma is following the situation in Ukraine closely. Byggma has no operations in Ukraine, Russia or Belarus. Byggma's sales to and purchases from the region are limited. The Group has purchased some plywood and OSB from Russia. The cooperation with these suppliers has been terminated and replacement suppliers outside Russia have been found. Indirect consequences can arise if the situation affects suppliers, customers or value chains in general. The conflict has resulted in major movements and uncertainty in the energy and raw materials markets, which may have an impact on Byggma's operations and accounts.

Byggma has strong liquidity and equity, and is well prepared for any negative effects of the pandemic and conflict in Ukraine.

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

Innovation and technological development are vital aspects of the Group's growth strategy, driven by a strong determination to invest in essential equipment and expertise to maintain the Group's position as a leading player in the Nordic building materials market in the future. The Byggma Group continuously seeks efficiency and profitability. Dominance is created through efficiency. And dominance creates profitability.

Byggma is well ahead in 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 work processes. New investments in equipment have also been adopted that will make us even more efficient. In principle, Byggma will allocate its investments to digitisation and automation of the production processes, as well as to the environment and sustainability.

In future, the Byggma Group will also increase its focus on its brands. We are a brand manufacturer and will seek to strengthen our focus and increase resources in order to develop and protect our brands in the Nordic construction market.

Furthermore, the Byggma Group will increase its focus on the environment and sustainability.

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

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

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

EVENTS SO FAR IN 2022

The outbreak of the conflict in Ukraine is discussed in "Statement of the company's prospects" and in note 30. In April 2022, Innovation Norway decided to award 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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills. There are otherwise no significant events so far in 2022.

FINANCIAL RISK MARKET RISK

Currency risk

Group sales outside Norway amount to approx. 35%, 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. As a result of the weighting in purchases and sales, the risk is considered to be limited. As of 31 December 2021, the Group had not entered into any foreign exchange contracts for delivery in 2022 or later.

Price risk

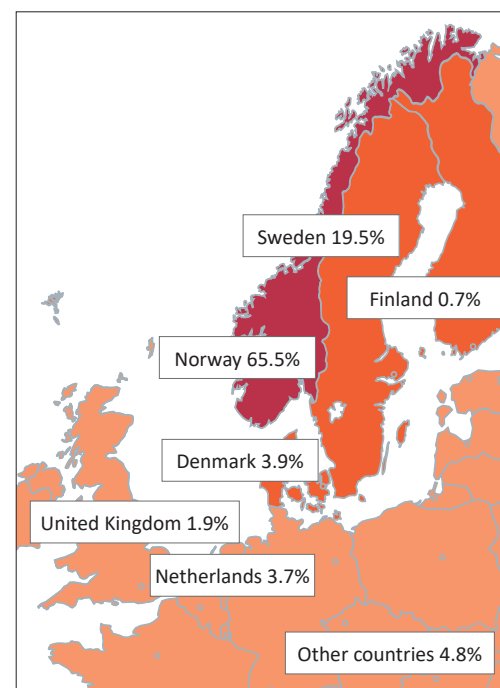
In certain areas, the Group is exposed to risk associated with wood, glue and energy prices.

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 experiences payment problems. Credit rating is carried out when entering into a contract with new customers. Losses on receivables in 2021 were MNOK 0.01, corresponding to 0.0% of revenue.

LIQUIDITY RISK

Liquidity for the Group is deemed to be good as at 31 December 2021. The Group has loans of MNOK 73.4, which will be renewed in 2022. As of 31 December 2021, the Group had deposits of MNOK 71.0 and overdraft facilities of MNOK 279.7.



Byggma ASA – geographical distribution of the Group's turnover. Total revenue: MNOK 2,344.3

The Group had used MNOK 16.9 of the overdraft facilities as at 31 December 2021. The Group has the necessary capacity to finance future activities.

INTEREST RISK

Total interest-bearing debt in the Group was MNOK 611.4 as at 31 December 2021. Lease liabilities amount to MNOK 98.4 of interest-bearing debt. The Group has partly hedged long-term liabilities through interest rate swaps. As at 31 December 2021, interest rate swaps for MNOK 271.4 with expiry between 2022-2030 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 accounts have been prepared under this assumption. The parent company and subsidiaries have implemented measures to adapt to market developments. The Group's solvency ratio is satisfactory and the conditions for positive development are in place.

RESEARCH & DEVELOPMENT

Product development and innovation are important activities in our efforts 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.

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 71.

VISION

Byggma ASA will be one of the leading suppliers of building materials in the Nordic region. The Group will realise its vision through its fundamental values, which can be described as Inclusive, Innovative and Responsible:

The Byggma Group requires honesty, integrity and honour in all matters relating to our business activities. Byggma's aim is to ensure a proper and well-organised relationship with our employees, partners, the environment and society in general by always complying with our values, which are inclusive, innovative and responsible. More specifically, this means that Byggma does not make contributions to political candidates or political parties. We show respect for cultures in the countries in which we operate, and we seek to recruit and develop the local workforce and to promote local deliveries.

The Byggma Group has drawn up ethical guidelines. They generally describe the ethical principles under which the Group will manage its activities, the way in which the Group will treat its business partners and the behaviour the Group expects of its employees as well as others who act on behalf of the Group. These guidelines is mainly a tool for describing and encouraging the desired behaviour 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 and adhere to the company's ethical guidelines in relation to colleagues, business partners and society in general. A violation

of the ethical guidelines is expected to be reported in the same manner as in the event of violations of penal provisions, other statutory orders or prohibitions, or other stipulated instructions or guidelines.

As a general rule, any violations must be discussed with the relevant manager. If this is not appropriate, employees must contact other managers or managers of the company. Alternatively, the Group CEO, the Chairman of the Board or the Chair of the Audit Committee may be notified.

The Byggma Group's activities have an impact on the local community of which we are part. We maintain good and open communication with the groups that are affected by the company. This applies to trade unions, co-operation 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 attitudes into the ethical guidelines.

THE WORK ENVIRONMENT

At year-end, the Group's workforce comprised 710 full-time equivalents, an increase of 30 full-time equivalents from 2020.

Absence due to illness in the Group was 5.7% in 2021, compared with 5.3% in 2020.

Injuries: A total of 18 injuries resulted in absence of 380 days in 2021. The corresponding figure for 2020 was 19 injuries resulting in absence of 492 days. All personal injuries are investigated for underlying causes so that preventative measures can be taken.

Accidents: There were no serious accidents in the Group in 2021.

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

The building 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 long tradition of having good relationships and open communication with employee organisations. Group committees have been established with employee representatives in Byggma's units in Norway. Group committees discuss and coordinate matters in Byggma that affect employees in several of the Norwegian units.

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

EQUAL OPPORTUNITY

The Byggma Group aims to be a workplace with full equality between women and men. The Group's policy has incorporated points on equal opportunities to ensure that there is no discrimination due to gender in matters such as wages, 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 742 employees, 98 are women. The Group aims to increase the proportion of women in managerial positions. At the end of the year there were 10 women in management positions within 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 fibre to create durable products is an important contribution to increasing carbon capture in forests and wood-based products.

Certified wood:

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

Efficient resource utilisation:

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

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

Raw materials for production:

We are committed to making efficient use of raw materials. This means that we have optimised our production procedures

to maintain the products' technical properties within the requirements while using a minimum of raw materials. This also involves focusing on reducing process waste and scrapped items in production. We aim to reuse waste streams. Efficient production also results in a reduction of other inputs.

Energy:

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

Packaging:

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

Transport:

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

Reducing emissions:

The factories have emissions 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 wood waste

At Forestia, we have developed a project whereby we can clean timber from demolition and turn it into industrial wood chips, to make new products from the wood waste. As the project relies on a certain amount of public funding to make it profitable, for some time now we have been lobbying politicians to use state funding regulations to establish climate-smart solutions in line with what we can see in our neighbouring countries.

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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

Climate risk:

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 began preparing a separate Sustainability Report in 2020. See this year's report on page 71.

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 alongside water bodies and are not at any immediate risk of flooding or rising sea levels. However, the Group may be indirectly affected if our suppliers or customers are affected. Transition risk includes increased requirements for a reduced environmental impact in society and political requirements and regulations. Large parts of the Group operate mechanical wood pulping, which is energy-intensive. There may be increased requirements for this activity, which may affect energy costs. On the other hand, we can see a great political wish for greater use of wood as a building material, since wood is renewable. The Group's subsidiaries, Huntonit and Forestia, make wood-based building panels from wood and sawdust, i.e. the part of the log that is not used for planks and timber. If the Group did not use this part of the log, this raw material could remain on the forest floor or be sent for incineration and be released as CO₂ into the atmosphere through decay or energy recovery. Instead, the Group ensures that the material is recovered and the carbon from the wood and sawdust is bound in the ceilings, walls and floors of buildings for decades. Overall, the Group's climate risk is regarded as low.

INSURANCE FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO

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

CORPORATE GOVERNANCE

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

ALLOCATION OF PROFIT/LOSS

The Board of Directors proposes that a dividend of NOK 1.00 per share be paid for 2021.

The Board of Directors proposes the following allocation of the annual profit of MNOK 724.4 in Byggma ASA as follows:

Dividend of MNOK	69.8
To other equity: MNOK	654.6
Total allocated: MNOK	724.4

VENNESLA, 27 APRIL 2022
THE BOARD OF DIRECTORS OF BYGGMA ASA



TERJE
GUNNULFSEN
Chairman of the
Board



KNUT HENNING
LARSEN
Board member



HEGE AARLI
KLEM
Board member



LIV ANNE
DRANGSLAND
HOLST
Board member



EDVART TRELDAL
HØYÅSEN
Board member



ERIK
FJELDBERG
Board member



DAGFINN
ERIKSEN
Board member



GEIR
DRANGSLAND
Chief Executive
Officer


TERJE GUNNULFSEN
CHAIRMAN


KNUT HENNING LARSEN


HEGE AARLI KLEM


LIV ANNE DRANGSLAND HOLST


EDVART TRELDAL HØYÅSEN


ERIK FJELDBERG


DAGFINN ERIKSEN


GEIR DRANGSLAND
CHIEF EXECUTIVE OFFICER

CONSOLIDATED INCOME STATEMENT

(all amounts in NOK 1,000)	Note	2021	2020
Sales revenues	5	2,344,280	2,052,371
Other income		43,544	23,109
Total income		2,387,823	2,075,480
Goods and manufacturing costs		-1,133,211	-954,884
Payroll expenses	19	-487,557	-439,432
Depreciation and write-downs	5, 6, 7	-89,935	-77,064
Freight and complaints costs		-171,227	-162,831
Marketing costs		-95,988	-92,667
Other losses/gains - net	17	-449	715
Other operating costs	18, 19	-179,251	-156,732
Total operating expenses		-2,157,618	-1,882,896
Operating profit/loss	5	230,205	192,584
Financial income	20	2,818	5,314
Financial costs	20	-11,838	-38,165
Net financial expenses	20	-9,020	-32,851
Profit/loss before tax		221,185	159,733
Tax expenses	21	-47,130	-34,825
Profit for the year		174,055	124,908
Allocated to			
Shareholders		174,055	124,908
Minority interests		0	0
		174,055	124,908

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

Earnings per share	22	2.49	1.79
Diluted earnings per share	22	2.49	1.79

TOTAL COMPREHENSIVE INCOME

Profit for the year		174,055	124,908
<i>Other income elements that may later be reclassified to profit and loss</i>			
Conversion differences		-7,466	11,003
Total		-7,466	11,003
<i>Other income elements that will not be reclassified through profit and loss</i>			
Total profit for the year		166,589	135,911
Allocated to			
Shareholders		166,589	135,911
Minority interests		0	0
		166,589	135,911

Notes 1-31 are part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31.12.

(all amounts in NOK 1,000)	Note	2021	2020
ASSETS			
Tangible fixed assets	6	926,469	931,857
Intangible assets	7	21,901	25,002
Deferred tax asset	16	4,655	6,863
Long-term financial derivatives	8.9	1,260	0
Other long-term receivables	10	204	200
Total fixed assets		954,490	963,922
Inventories	11	357,117	263,501
Customer and other short-term receivables	8.10	445,605	379,288
Short-term financial derivatives	8.9	40	0
Cash and cash equivalents	8.12	70,961	525,222
Total current assets		873,723	1,168,012
TOTAL ASSETS	5	1,828,213	2,131,933
EQUITY			
Share capital and share premium	13.31	52,652	52,652
Other equity not recognised in the income statement		9,444	16,910
Retained earnings		536,156	920,656
Total equity		598,252	990,217
LIABILITIES			
Long-term loans	8.15	466,200	452,774
Long-term financial derivatives	8.9	337	9,671
Deferred tax	16	91,995	89,949
Total long-term liabilities		558,531	552,393
Trade payables and other current liabilities	8.14	483,048	409,138
Tax payable	21	42,742	33,015
Short-term loans	8.15	145,169	144,230
Short-term financial derivatives	8.9	472	2,940
Total current liabilities		671,431	589,323
Total liabilities	5	1,229,961	1,141,716
TOTAL EQUITY AND LIABILITIES		1,828,213	2,131,933

Notes 1-31 are part of the consolidated financial statements.

VENNESLA, 27 APRIL 2022
THE BOARD OF DIRECTORS OF BYGGMA ASA


TERJE GUNNULFSEN
CHAIRMAN


KNUT HENNING LARSEN


HEGE AARLI KLEM


LIV ANNE DRANGSLAND HOLST


EDVART TRELDAL HØYÅSEN


ERIK FJELDBERG


DAGFINN ERIKSEN


GEIR DRANGSLAND
GROUP CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in NOK 1,000)	Note	2021	2020
Cash flow from operations			
Cash flow from operations	24	192,916	230,157
Interest paid		-22,610	-24,066
Interest received		2,545	5,214
Taxes paid		-33,767	-4,232
Net cash flow from operations		139,084	207,074
Cash flow from investment activities			
Purchase of tangible fixed assets	6	-88,604	-59,063
Sale of tangible fixed assetst	24	50	1,010
Purchase of intangible assets	7	-1,755	-2,119
Loans granted to related parties, including group companies	24, 27	38,780	-27,205
Net cash flow used for investment activities		-51,528	-87,377
Cash flow from financing activities			
Purchase of own shares	13	0	-139
Dividends paid to Byggma ASA's shareholders		-558,554	-6,982
Net paid to shareholders		-558,554	-7,121
Adjustment of overdraft facility	15	15,943	-3,398
Uptake of loans	24	71,708	150,239
Repayment of loans	24	-67,201	-62,005
Net cash flow to(-)/from (+) foreign capital financing	24	20,450	84,835
Net cash flow to(-)/from (+) financing activities		-538,104	77,714
Adjustment to cash, cash equivalents		-450,548	197,411
Cash and cash equivalents as of 1 January.		525,222	322,591
Foreign exchange gains/(loss) on cash and cash equivalents	24	-3,713	5,220
Cash and cash equivalents as of 31 December	12	70,961	525,222

Notes 1-31 are part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(all amounts in NOK 1,000)	Note	Equity allocated to the company's shareholders			
		Share capital and share premium	Other equity not recognised in the income statement	Retained earnings	Total
Equity 1 January 2020		52,655	5,907	802,866	861,427
Profit for the year		0	0	124,908	124,908
Conversion differences		0	11,003	0	11,003
Purchase of own shares	13	-4	0	-136	-139
Dividend	23	0	0	-6,982	-6,982
Equity 31 December 2020		52,652	16,910	920,657	990,217
Profit for the year		0	0	174,055	174,055
Conversion differences		0	-7,466	0	-7,466
Dividend	23	0	0	-558,554	-558,554
Equity 31 December 2021		52,652	9,444	536,157	598,252

Notes 1-31 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; while 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 27 April 2022 and submitted for approval at the annual general meeting on 31 May 2022. All figures in NOK thousands unless otherwise stated

NOTE 2 ACCOUNTING PRINCIPLES

The most important accounting policies used in the preparation of the consolidated financial statements are described below. Unless otherwise stated in the description, these principles are applied in the same way during all periods presented.

NOTE 2.1 BASIC PRINCIPLES

The consolidated financial statements of Byggma ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and effective as of 31 December 2021. The consolidated financial statements also include information specified under Norwegian accounting legislation.

The consolidated financial statements have been prepared based on the historical cost principle with the following modifications: Value adjustment of financial derivatives - assessed at fair value through profit or loss.

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

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

(a) New standards and interpretations that have not yet been adopted.

There have been no changes in accounting standards for 2021. There are minor changes in standards and interpretations that could potentially affect the accounts for future periods. For 2023, the new standard regarding insurance contracts is expected to come into effect without affecting Byggma's accounts.

NOTE 2.2 CONSOLIDATION PRINCIPLES

(a) Subsidiaries

Subsidiaries are all units (including structured units) of which the Group has control. Control of a unit occurs when the group

is subject to variability in the returns from the unit and has the ability to influence this return through its power over the unit. Subsidiaries are consolidated from the day the control occurs, and deconsolidated when the control ceases.

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

Expenses related to the business consolidation are expensed when incurred.

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

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

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

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

(b) Associated companies

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

2.3 SEGMENT INFORMATION

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

2.4 CONVERSION OF FOREIGN CURRENCY

(a) Functional currency and presentation currency

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

(b) Transactions and balance sheet items

Foreign currency transactions are converted 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 (none with hyperinflation) with a functional currency that differs from the presentation currency are recalculated as follows:

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

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

2.5 TANGIBLE FIXED ASSETS

Land and buildings mainly consist of factories and offices. 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 asset's carrying value or recognised in the balance sheet separately, when it is probable that future economic benefits associated with the expense will accrue to the Group, and the expense can be reliably measured. Other repair and maintenance costs are recognised in the income statement in the period in which the expenses are incurred.

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

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

Of which vehicles	3-5 years
Of which fixtures	3-8 years

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

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

2.6 INTANGIBLE ASSETS

(a) Goodwill

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

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

(b) Research and development

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

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

Capitalised development costs are valued at acquisition cost with deduction of accumulated depreciation and accumulated losses on impairment of value. Received contributions are recognised net against the cost of the contribution.

(c) Software and other intangible assets

Purchased IT software is recognised in the balance sheet at acquisition cost (including costs of getting the programs operational) and depreciated over the expected useful life (3 to 8 years). Expenses for maintenance of IT software are expensed as they are incurred. Expenses directly related to the development of identifiable and unique software owned by the Group and where it is probable that financial benefits exceed expenditure are recognised in the balance sheet as intangible assets. Direct expenses include personnel costs for programme development personnel and a share of related fixed costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

A write-down is recognised in the income statement as the difference between the book value and the recoverable amount. The recoverable amount is the highest of fair value less sales costs and utility value. When assessing impairment of value, the fixed assets are grouped at the lowest level where it is possible to separate ingoing independent cash flows (cash-generating units). At each reporting date, the possibility of reversing previous write-downs on non-financial assets is assessed (except goodwill).

2.8 FINANCIAL INSTRUMENTS

Recognition, deduction and presentation

Ordinary purchases and sales of investments are recognised at the time of agreement, which is the date on which the Group undertakes to buy or sell the asset. All financial assets that are not recognised at fair value through profit or loss are initially recognised at fair value with the addition of transaction costs. Financial assets that are recognised at fair value through profit or loss are recognised at fair value at the time of acquisition, and transaction costs are recognised in the income statement. Investments are removed from the balance sheet when the rights to receive cash flows from the investment cease or when they have been transferred and the Group has principally transferred all risk and profit potential through ownership.

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

Measurement

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

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

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

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

2.9 DERIVATIVES AND HEDGING

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

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

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

2.10 GOODS

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

2.11 ACCOUNTS RECEIVABLE

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

2.12 CASH AND CASH EQUIVALENTS

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

2.13 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity.

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

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

2.14 TAX PAYABLE AND DEFERRED TAX

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

against equity. If this is the case, tax is also recognised in the income statement or directly in equity.

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

Deferred tax has been calculated on temporary differences between tax and consolidated accounting values of assets and liabilities. If deferred tax occurs on the first recognition of a liability or asset in a transaction which is not a business combination, and 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.

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

(a) Pension liabilities

For defined contribution schemes, the company pays in fixed contributions. The Company has no legal or self-imposed obligation to deposit additional funds if it there prove to be insufficient funds to pay all employees the benefits associated with their earnings in this or previous periods.

A defined benefit scheme will typically define an amount an employee will receive from and including the retirement date, usually depending on age, number of years of service and salary.

In a defined contribution scheme, the company pays into public or private schemes what it has committed to pay by agreement,

is obliged by law or voluntarily. The company has no further liabilities beyond this payment. The contribution is entered as payroll costs when it is incurred. Prepayments are recognised in the balance sheet as an asset to the extent that they can be used to cover future premiums or be repaid.

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

(b) Severance pay

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

2.16 PROVISIONS

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

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

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

2.17 PRINCIPLES FOR REVENUE RECOGNITION

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.18 DIVIDENDS

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

2.19 TRADE PAYABLES

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

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

2.20 PUBLIC SUBSIDIES

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

2.21 LEASE AGREEMENTS

IFRS 16 does not distinguish between operational and financial leases, and almost all leases must be recognised in the tenant's balance sheet. An exception has only been made for leases with a duration of less than 12 months and leases with a low value. These exceptions are optional for the lessee to make use of. Byggma has chosen not to recognise short-term leases and leases of low value. These lease agreements will continue to be booked in the same way as before.

In the balance sheet, the present value of future lease liabilities is recognised as interest-bearing loans and the value of the lease agreement (right of use) is recognised as fixed assets. The total balance sheet total has been increased upon transition to the new standard, with the associated change in key figures such as equity ratio and net interest-bearing liabilities.

The liability is calculated by applying a discount rate corresponding to the marginal loan rate for the relevant company that has a contract, for each class of underlying asset, and adjusted for the remaining lease period of the agreement. The capitalised right of use is depreciated over the agreed lease period and interest on the lease liability is recognised as an interest expense.

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

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 variable 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 Group CEO.

(a) Market risk

(i) Currency risk

In 2021, the Group sold around 35% outside Norway (2020: 33%), 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. As a result of the weighting in purchases and sales, the risk is considered to be limited. As of 31 December 2021, the Group had not entered into any foreign exchange contracts for delivery in 2022 or later. (As of 31 December 2020, contracts to sell MSEK 33 at an average price of SEK 102.12 and purchases of EUR 101 thousand at an average price of SEK 10.67 for delivery in 2021). 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 6.9 (2020: MNOK 8.2).

The company has certain investments in foreign subsidiaries where net assets are exposed to currency risk when converting. If NOK in relation to SEK had been 5% weaker/stronger as at 31 December 2021, and all other variables had been constant, this would represent an increase/decrease in equity of MNOK 5.8 (2020: MNOK 4.8).

(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. Such a change in wood prices will affect the Group's profit after tax for the year at MNOK 12.3 (2020: MNOK 9.7). Similarly, a change in energy prices will result in MNOK 3.4 (2020: MNOK 1.7) 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) have internal hedging of the individual chain members. Agreements with the large customers are handled at Group level. Risk of major losses on receivables exists if one of the major building materials chains experiences 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 73.4, which will be renewed in 2022. As at 31.12.2021, the Group had an overdraft facility of MNOK 279.7 (2020: MNOK 288.4). The Group had used MNOK 16.9 of its overdraft facilities as at 31.12.2021 (as at 31.12.2020 MNOK 1.0). As at 31.12.2021, the Group had total bank deposits of MNOK 71.0. The Group has the necessary capacity to finance future activities. Trade payables, tax payable, short-term loans and other short-term liabilities totalled MNOK 671.0 (2020: MNOK 586.4 falls due within 1 year).

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

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

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

31 December 2020	< 1 year	2-5 years	Over 5 years
Loans	135,498	189,527	218,109
Overdraft facility	954	0	0
Liabilities in the event of lease agreements	21,915	71,344	31,046
Trade payables and other current liabilities	357,056	0	0
Total	515,424	260,871	249,155

(d) Floating interest rate and fixed rate risk

The Group's interest rate risk is related to long-term loans. Loans with variable interest rates entail an interest 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 611.4 as at 31.12.2021 (31.12.2020: MNOK 597.0). The Group has partly hedged long-term liabilities through interest rate swaps. As at 31.12.2021, interest-rate swap agreements for MNOK 271.4 expiring between 2022-2030 had been entered into.

If the interest rate level had been 1% higher/lower for loans in NOK as at 31.12.2021, and all other variables had been constant, this would on an annual basis constitute a reduction/increase in profit after tax of MNOK 3.3 (2020: MNOK 3.2). This is due to lower/higher interest costs on loans with variable interest rates. If the interest rate level had been 1% higher/lower for loans in SEK as at 31.12.2021, and all other variables had been constant, this would on an annual basis constitute a reduction/increase in profit after tax of MNOK 0.6 (2020: MNOK 0.6). This is due to lower/higher interest costs on loans at variable interest rates.

The Group manages the variable interest rate risk through variable-to-fixed interest rate swaps: Such interest rate swaps entail conversion of variable interest rate loans to fixed interest rate loans. The Group normally takes out long-term loans at variable interest rates and swaps them to a fixed interest rate below the rate the Group would have achieved by borrowing directly at fixed interest rates. Through the interest rate swaps, the Group enters into an agreement with other parties to swap the difference between the 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 heavily focused on capital rationalisation and capital adequacy. The Board will maintain its focus on capital and cost-efficiency. One of the company's objectives is to pay out between 30-50% of the year's profit after tax in dividends. On determining dividends, consideration is given to liquidity requirements, planned investments and debt ratio. Surplus liquidity must be paid to shareholders.

	2021	2020
Net interest-bearing liabilities/receivables(-)	535,365	27,959
EBITDA	320,140	269,648
Net interest-bearing liabilities/EBITDA	1.7	0.1

The Group monitors capital management, including the relationship between interest-bearing debt and bank deposits. The Group's objective in relation to net interest-bearing liabilities and EBITDA must be a maximum of 5.0.

As at 31 December 2021, the Group had interest-bearing loans of MNOK 611.4. In addition, the Group has deposits in bank accounts of MNOK 71.0 and interest-bearing receivables of MNOK 5.0. The Byggma Group thus had net interest-bearing debt of MNOK 535.4 as at 31 December 2021. Of the bank deposits, restricted withholding tax deposits amounted to MNOK 17.7.

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 +0.5. (2020: MNOK -12.6).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The fair value of financial instruments traded in active markets is based on the market price on the balance sheet date. A market is considered active if the market prices are easily and regularly available from a stock exchange, trades, broker, business grouping, pricing service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. See also note no. 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 2021, there are no 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.

NOTE 5 SEGMENT INFORMATION

All figures in MNOK

REPORTED SEGMENTS

The operating segments are identified based on the reporting that the Group management (most senior decision-maker) uses when making assessments of performance and profitability on 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.

SALES REVENUES

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

The Masonite part of Forestia AS was demerged in 2020 to a separate company, Masonite Beams AS. This company, together with the Masonite part of Huntonit AS, is included in the Beams segment.

SEGMENT INFORMATION 2021

	Panels	Lighting	Windows	Beams	Byggma other	TOTAL GROUP
Sales revenues	1,604.1	109.6	228.9	417.6	0.0	2,360.2
Revenue between segments	-15.8	-0.1	0.0	0.0	0.0	-15.9
Segment revenues from external customers	1,588.3	109.5	228.9	417.6	0.0	2,344.3
Operating profit/loss	168.2	4.6	11.4	56.2	-10.2	230.2
Depreciation and write-downs *)	63.6	5.1	6.2	9.6	5.4	89.9
Total assets 31.12.	1,263.4	127.3	132.8	286.1	18.6	1,828.2
Total liabilities 31.12.	758.3	82.9	90.7	162.7	135.2	1,230.0
Investments *)	79.2	0.2	4.0	2.5	4.5	90.4

SEGMENT INFORMATION 2020

	Panels	Lighting	Windows	Beams	Byggma other	TOTAL GROUP
Sales revenues	1,463.0	95.2	214.0	293.4	0.0	2,065.5
Revenue between segments	-13.1	0.0	0.0	0.0	0.0	-13.1
Segment revenues from external customers	1,449.9	95.2	214.0	293.4	0.0	2,052.4
Operating profit/loss	163.4	5.1	5.9	25.5	-7.4	192.6
Depreciation and write-downs *)	50.8	5.3	5.9	9.9	5.3	77.1
Total assets 31.12.	1,319.9	101.4	96.5	277.9	336.2	2,131.9
Total liabilities 31.12.	846.1	49.9	57.0	174.9	13.7	1,141.7
Investments *)	53.6	0.4	3.2	2.2	1.7	61.2

BY GEOGRAPHY

	Sales revenues		Property, plant and equipment and intangible assets 31.12		Investments *)	
	2021	2020	2021	2020	2021	2020
Norway	1,535.1	1,366.9	786.1	816.0	87.8	58.7
United Kingdom	44.7	44.9	0.0	0.0	0.0	0.0
Sweden	456.5	400.3	162.2	140.9	2.6	2.4
Finland	16.4	23.3	0.0	0.0	0.0	0.0
Denmark	91.9	71.6	0.0	0.0	0.0	0.0
Others	199.7	145.4	0.0	0.0	0.0	0.0
Total group	2,344.3	2,052.4	948.4	956.9	90.4	61.2

*) Depreciation, write-downs and investments apply to both property, plant and equipment and intangible assets

NOTE 6 FIXED ASSETS

	Land	Buildings and plant	Machinery, fixtures and fittings, operational assets, etc.	Buildings under construction	Total fixed assetst
As of 1 January 2020					
Acquisition cost	76,365	595,597	1,022,012	42,595	1,736,568
Accumulated depreciation	-625	-146,355	-656,454	0	-803,434
Book value 1.1.2020	75,740	449,242	365,558	42,595	933,134
Financial year 2020					
Book value 1.1.2020	75,740	449,242	365,558	42,595	933,134
Conversion differences	792	4,050	7,085	1,275	13,202
Acquisitions	0	554	77,421	-18,912	59,063
Disposals (note 24)	0	0	-955	0	-955
Depreciation for the year	-370	-24,961	-47,255	0	-72,587
Book value 31.12.2020	76,162	428,884	401,853	24,959	931,857
As of 31 December 2020					
Acquisition cost	77,228	600,946	1,112,329	24,959	1,815,462
Accumulated depreciation	-1,067	-172,062	-710,476	0	-883,605
Book value 31.12.2020	76,162	428,884	401,853	24,959	931,857
Financial year 2021					
Book value 1.1.2021	76,162	428,884	401,853	24,959	931,857
Conversion differences	-521	-2,541	-5,301	-50	-8,414
Acquisitions	1	6,313	64,536	17,753	88,604
Disposals (note 24)	0	0	0	0	0
Write-downs	0	-8,645	0	0	-8,645
Depreciation for the year	-363	-25,384	-51,185	0	-76,932
Book value 31.12.2021	75,278	398,628	409,902	42,661	926,469
As of 31 December 2021					
Acquisition cost	76,630	603,919	1,166,254	42,661	1,889,464
Accumulated depreciation	-1,351	-205,291	-756,352	0	-962,995
Book value 31.12.2021	75,278	398,628	409,902	42,661	926,469

The Group has capitalised lease rights for premises and vehicles.

Rental rights are included in the overview above with the following amounts:

	2021	2020
Capitalised activated rental rights	149,744	143,061
Accumulated depreciation	-56,464	-36,769
Net book value	93,280	106,292

See also note 18 and note 20.

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 99.3, 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. Based on the market in general and the valuations carried out, there are no indications that future earnings cannot justify capitalised value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 INTANGIBLE ASSETS

	Goodwill	R&D	Other	Total
As of 1 January 2020				
Acquisition cost	13,592	10,277	42,420	66,290
Depreciation and write-downs	-7,256	-8,967	-23,391	-39,613
Book value 1.1.2020	6,336	1,311	19,030	26,677
Financial year 2020				
Book value 1.1.2020	6,336	1,311	19,030	26,677
Conversion differences	416	0	267	683
Acquisitions	0	0	2,119	2,119
Depreciation for the year	0	-479	-3,997	-4,477
Book value 31.12.2020	6,752	831	17,419	25,002
As of 31 December 2020				
Acquisition cost	14,008	10,277	44,998	69,283
Depreciation and write-downs	-7,256	-9,446	-27,579	-44,281
Book value 31.12.2020	6,752	831	17,419	25,002
Financial year 2021				
Book value 1.1.2021	6,752	831	17,419	25,002
Conversion differences	-289	0	-209	-498
Acquisitions	0	0	1,755	1,755
Depreciation for the year	0	-479	-3,878	-4,358
Book value 31.12.2021	6,463	352	15,086	21,901
As of 31 December 2021				
Acquisition cost	13,719	10,277	46,394	70,390
Depreciation and write-downs	-7,256	-9,925	-31,308	-48,490
Book value 31.12.2021	6,463	352	15,086	21,901

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.

Write-down 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:

	2021			2020		
	Norway	EU	Total	Norway	EU	Total
Panel products (AS Byggform)	2,381	0	2,381	2,381	0	2,381
Beam products (Masonite Beams AB)	0	4,082	4,082	0	4,371	4,371
Book goodwill as of 31.12.	2,381	4,082	6,463	2,381	4,371	6,752

ASSESSMENT OF GOODWILL AS OF 31.12.2021

AS Byggform

AS Byggform was acquired on 12 September 2019. The expected future cash flow in the company means that the discounted value exceeds the book goodwill. The Board of Directors thus concludes that the goodwill of MNOK 2.4 is intact as at 31.12.2021.

Masonite Beams AB

Masonite Beams AB was purchased on 1 August 2006. The expected future cash flow in the company means that the discounted value exceeds the book goodwill. The Board of Directors thus concludes that the goodwill of MNOK 4.1 is intact as at 31.12.2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 FINANCIAL INSTRUMENTS BY CATEGORY

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

As of 31 December 2021	Amortised cost	Through profit and loss	Total	
Assets:				
Derivatives	0	1,300	1,300	
Customer and other receivables	418,234	0	418,234	
Cash and cash equivalents	70,961	0	70,961	
Total	489,195	1,300	490,495	

	Through profit and loss	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Commitments:				
Accounts payable and other short-term liabilities (note14)	0	352,030	51,340	403,370
Loans	0	611,369	0	611,369
Derivatives	808	0	0	808
Total	808	963,398	51,340	1,015,546

As of 31 December 2020	Amortised cost	Through profit and loss	Total	
Assets:				
Derivatives	0	0	0	
Customer and other receivables	356,735	0	356,735	
Cash and cash equivalents	525,222	0	525,222	
Total	881,957	0	881,957	

	Through profit and loss	Amortised cost	Statutory and guarantee liabilities, as well as loss provisions	Total
Commitments:				
Trade payables and other current liabilities	0	273,526	52,082	325,608
Loans	0	597,004	0	597,004
Derivatives	12,611	0	0	12,611
Total	12,611	870,530	52,082	935,223

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 FINANCIAL DERIVATIVES

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – (long-term)	1,260	337	0	9,671
Interest rate swaps – (short-term)	40	472	0	2,164
Total interest rate swaps	1,300	808	0	11,835
Forward exchange contracts - (short-term)	0	0	0	776
Total financial derivatives	1,300	808	0	12,611

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

Forward exchange contracts

The Group has no outstanding forward exchange contracts as at 31 December 2021

(2020: TNOK 33,700, which refers to the sale of TSEK 33,000, and TNOK 1,083, which refers to the purchase of TEUR 101).

Interest-rate swaps

The nominal principal of outstanding interest rate swaps as at 31 December 2021 was TNOK 271,421 (2020: TNOK 349,684).

As of 31 December 2021, the fixed interest rate varied from 1.6% to 4.2% (as at 31.12.2020 from 1.6% to 5.4%) and the variable interest rates were linked to NIBOR and STIBOR. Distribution of principal of TNOK 271,421 (2020: TNOK 349,684) is TNOK 197,700 (2020: TNOK 266,100) associated with NIBOR and TNOK 73,721 (2020: TNOK 83,584) associated with STIBOR.

Maturity structure interest rate swaps	2021	2020
Under 1 year *)	-5,388	73,044
Between 1 and 2 years *)	33,987	-5,081
Between 2 and 5 years	106,678	97,381
Over 5 years	136,145	184,341
Total interest rate swap 31.12	271,421	349,684

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

Maturity of fair value interest rate swaps	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Under 1 year	40	-472	0	-2,164
Between 1 and 2 years	85	-98	0	1,838
Between 2 and 5 years	473	-192	0	-3,576
Over 5 years	702	-47	0	-7,933
Total fair value of interest rate swaps 31.12	1,300	-808	0	-11,835

Hedging of net investments in foreign operations

The Group has no hedging of net investments in foreign subsidiaries.

NOTE 10 ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	2021	2020
Accounts receivable	414,738	315,498
Write-downs for losses on accounts receivable (see Note 2.11)	-2,124	-2,900
Accounts receivable net	412,615	312,598
Prepayments	27,371	22,553
Receivables from related parties and Group companies (note 27)	781	514
Loans to related parties and group companies (note 27)	5,043	43,823
Customer and other receivables	445,809	379,488
Of which fixed assets (long-term)	-204	-200
Account receivables and other receivables	445,605	379,288

The Group recorded losses on claims of TNOK 13 (2020: TNOK 822). 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 per currency	2021	2020
NOK	284,891	217,748
SEK	71,345	62,643
EUR	41,511	30,033
DKK	10,169	5,030
GBP	6,822	45
Total accounts receivable	414,738	315,498

Maturity structure	2021	2020
Not overdue	382,816	288,241
Overdue 0-90 days	30,795	25,142
More than 90 days	1,128	2,115
Current assets	414,738	315,498

NOTE 11 INVENTORIES

	2021	2020
Raw materials and operating materials	142,668	114,761
Goods in progress	28,225	26,267
Finished goods	75,265	56,635
Purchased goods for resale	110,959	65,839
Total inventories	357,117	263,501

As at 31 December 2021, the inventories were written down for obsolescence by MNOK -14.8. (As of 31 December 2020 MNOK -13.0)

NOTE 12 BANK DEPOSITS AND SIMILAR

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

	2021	2020
Cash and cash equivalents	70,961	525,222
Cash and bank deposits	70,961	525,222
of which restricted tax deductions	17,689	16,055
Other cash and bank deposits	53,272	509,167
Unused overdraft facilities	262,848	287,481
Liquidity reserve	316,120	796,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 SHARE CAPITAL

	Number of shares (in thousands)	Ordinary shares	Premium	Own shares	Total
As of 1 January 2020	6,983	18,273	34,499	-117	52,655
Write-downs, share capital	0	-117	0	117	0
Purchase of own shares	-1	0	0	-4	-4
As of 31 December 2020	6,982	18,157	34,499	-4	52,652
Write-downs, share capital	62 837	0	0	0	0
Purchase of own shares	0	0	0	0	0
As of 31 December 2021	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 26.5.2023.

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

The annual general meeting on 27.5.2021 has given the Board the following authorisation to be able 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. 6,983,319 shares. The Board is free to choose 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 1.11.2022.

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 shares as at 31 December 2021. 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.

Refer to note 31.

Stock options

There are no stock options in the company.

NOTE 14 SUPPLIER AND OTHER LIABILITIES

	2021	2020
Trade payables	352,030	273,526
Public duties	49,590	49,685
Provision for complaints	1,750	2,397
Accrued costs	79,679	83,530
Total accounts payable and other liabilities	483,048	409,138

NOTE 15 LOANS

	2021	2020
Long-term loans		
Bank loan, long-term	386,969	360,797
Lease liabilities, long-term	79,231	91,977
Total long-term loans	466,200	452,774
Short-term loans		
Overdraft facility	16,897	954
Bank loans, short-term	109,124	125,165
Lease liabilities, short-term	19,148	18,111
Total short-term loans	145,169	144,230
Total loans	611,369	597,004

Bank loans and overdraft facilities are collateralised against parts of the Group's inventories (note 11), accounts receivable (note 10) and property, plant and equipment (note 6).

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.

Maturity loans (without interest) are as follows:	2021	2020
Under 1 year	161,707	158,368
Between 1 and 5 years	241,896	260,871
Over 5 years	303,711	249,155
Sum over 1 year	545,607	510,027
Total all due dates	707,314	668,395

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:	2021	2020
Norwegian Kroner (NOK)	606,582	501,974
Swedish Kroner (SEK)	16,772	95,035
Danish Kroner (DKK)	-6,740	0
US Dollar	-1,728	0
Other currencies	-1	0
Euro (EUR)	-3,516	-5
Total loans	611,369	597,004

The Group has a net drawdown on Group overdraft facilities as at 31.12.2021 (net deposits as at 31.12.2020). This drawdown (2020: deposit) is distributed on the following currencies:

This deposit is divided into the following currencies:	2021	2020
Norwegian Kroner (NOK)	-93,985	404,463
Swedish Kroner (SEK)	65,103	17,247
Euro (EUR)	3,516	1,522
US Dollar	1,728	-1,741
Other currencies	6,741	848
Total deposits, group overdraft facility	-16,897	422,338

Book value of mortgaged assets	2021	2020
Tangible fixed assets	827,201	817,983
Goods	327,174	243,352
Accounts receivable	403,866	303,876
Total	1,558,241	1,365,212

Due date liabilities for lease agreements (undisclosed) as follows:	2021	2020
Less than 1 year	22,489	21,915
Between 1 and 5 years	66,839	71,344
Over 5 years	20,038	31,046
Total liabilities leases (undiscounted)	109,366	124,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	2021	2020
Deferred tax asset		
– Deferred tax assets reversed in more than 12 months	3,622	4,934
– Deferred tax assets reversed within 12 months	1,033	1,929
Total deferred tax asset	4,655	6,863
Deferred tax:		
– Deferred tax reversed in more than 12 months	-91,921	-90,651
– Deferred tax payable within 12 months	-73	703
Total deferred tax	-91,995	-89,949
Net deferred tax	-87,339	-83,086
Changes in deferred tax recognised in the balance sheet:	2021	2020
Book value 01.01	83,086	79,588
Currency conversion	840	634
Recognised in the income statement for the period (note 21)	3,413	2,863
Book value 31.12	87,339	83,086

Deferred tax	Fixed assets	Inventory	Accounts receivable	Other	Total
Book value 1.1.2020	83,132	713	-486	950	84,309
Recognised in the income statement for the period	6,934	-38	109	-2,352	4,654
Exchange rate differences	982	0	0	4	986
Book value 31.12.2020	91,048	675	-377	-1,398	89,949
Recognised in the income statement for the period	715	52	-17	623	1,374
Exchange rate differences	0	0	0	673	672
Book value 31.12.2021	91,763	728	-394	-102	91,995

Deferred tax asset	Inventory	Fair value gains	Deferred loss	Other	Total
Book value 1.1.2020	1,008	290	3,343	80	4,721
Recognised in the income statement for the period	62	2,189	-645	185	1,791
Exchange rate differences	0	0	338	14	352
Book value 31.12.2020	1,070	2,479	3,036	279	6,863
Recognised in the income statement for the period	0	-2,387	-903	1,250	-2,040
Exchange rate differences	0	0	-176	8	-168
Book value 31.12.2021	1,070	92	1,957	1,537	4,655

NOTE 17 OTHER LOSSES/GAINS - NET

	2021	2020
Agio	24,985	79,184
Disagio	-26,210	-77,714
Changes to forward exchange contracts	776	-755
Total other losses/gains - net	-449	715

NOTE 18 OTHER OPERATION EXPENSES

	2021	2020
Maintenance costs	39,548	40,520
Costs of premises 1)	21,445	17,705
Travel costs	7,543	8,713
Miscellaneous fees	26,182	22,299
Miscellaneous office expenses	12,407	10,893
Plant and machinery - rent and minor purchases 2)	20,360	17,640
Phone & postage	3,348	3,750
Membership fees & insurance premiums	19,271	12,503
Miscellaneous other operating expenses	29,147	22,709
Total operating costs	179,251	156,732

NOTE 18 OTHER OPERATING EXPENSES CONTD.

Short-term leases and leases with low value:

	2021	2020
1) Of which short-term leases and leases with low value	3,458	4,591
2) Of which short-term leases and leases with low value	2,419	1,663
Total short-term leases and leases with low value	5,877	6,254

Total rental costs

Depreciation of capitalised lease agreements (note 6)	20,236	19,102
Interest on lease obligation (note 20)	3,967	4,343
Short-term leases and agreements with low value	5,877	6,254
Total rental costs	30,079	29,699

See also note 6 and note 20.

NOTE 19 PAYROLL COSTS

	2021	2020
Payroll	402,548	360,419
Employer's contributions	60,321	52,995
Pension costs – contribution-based pension schemes	17,903	17,114
Other personnel costs	6,786	8,904
Total payroll expenses	487,557	439,432

Audit Fee

	2021	2020
Expensed remuneration to the Group's auditor is divided as follows:		
- statutory audit	2,773	2,451
- other certification service	58	87
- tax advice	263	295
- other assistance	634	209
Total remuneration to auditor	3,728	3,042

Remuneration to other auditing firms amounted to TNOK 546 (2020: TNOK 548) in audit fees and TNOK 16 (2020: TNOK 0) in other fees.

All amounts without VAT.

Number of FTEs as of 31.12. - Group	710	680
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Payroll and remuneration to board members and executive personnel

2021	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangslund *)	4,670,005	51,697	178,038	2,000,000	0
CFO Jens Unhammer	1,343,175	94,980	67,019	100,000	120,735
IT Director Roy Kenneth Grundetjern	1,444,636	165,904	40,019	0	122,297
Logistics Director Richard Thompsen	1,111,966	92,867	0	0	74,300
Director Business Development Kjetil Askedal	1,338,977	6,494	0	0	17,540

	Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors			
Terje Gunnulfson, Chairman of the Board	224,900	0	0
Liv Anne Holst	126,600	0	0
Hege Aarli Klem	126,600	0	0
Knut Henning Larsen **)	119,000	0	0
Edvart Trelidal Høyåsen, employee representative	81,000	0	0
Erik Fjeldberg, employee representative	81,000	0	4,500
Dagfinn Eriksen, employee representative	81,000	0	9,500

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 19 PAYROLL EXPENSES CONTD.

2020	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangslund *)	4,324,657	9,156	130,453	1,000,000	0
CFO Jens Unhammer	1,256,000	93,274	35,227	0	120,308
IT Director Roy Kenneth Grundetjern	1,351,049	162,338	50,227	0	122,188
Logistics Director Richard Thompsen	1,036,711	80,968	0	0	63,470

	Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors			
Terje Gunnulfsen, Chairman of the Board	218,800	0	0
Liv Anne Holst (from 28.05.2020)	0	0	0
Grethe Hindersland (until 28.05.2020)	130,800	0	0
Hege Aarli Klem	130,800	0	0
Knut Henning Larsen **)	130,800	0	0
Edvart Tredal Høyåsen, employee representative	79,000	0	0
Erik Fjeldberg, employee representative	79,000	0	4,500
Dagfinn Eriksen, employee ref. (from 28.05.2020)	0	0	0
Bjørnar Jakobsen, employee ref. (until 28.05.2020)	79,000	0	0

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

**) Knut Henning Larsen has carried out billable services for the Byggma Group for a total of NOK 219.072 in 2020.

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 2021, however, there is insufficient information to enable the recognition of liabilities in the annual financial statements.

This means that no liability for the AFP scheme is recognised in the balance sheet in 2021.

NOTE 20 FINANCIAL ITEMS

Specification of financial items	2021	2020
Financial income		
Interest loans and bank deposits	2,818	5,314
Total financial income	2,818	5,314
Financial costs		
Interest expenses bank loans	14,322	16,021
Interest-rate swaps	-7,797	16,225
Interest expenses leasing liabilities	3,967	4,343
Other interest expenses	275	363
Other financial expenses	1,071	1,213
Total financial costs	11,838	38,165
Total financial items	-9,020	-32,851

NOTE 21 TAX EXPENSES

	2021	2020
Tax payable	43,717	31,962
Change in deferred tax (note 16)	3,413	2,863
Total tax expenses	47,130	34,825

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:

	2021	2020
Profit/loss before tax	221,185	159,733
Tax calculated using the country tax rate on the respective results	48,154	34,997
Change in deferred tax/deferred tax asset as a result of changed tax rate in Sweden (2021: from 21.4% to 20.6%)	0	-392
Non-taxable income (-)/non-tax-deductible expenses (+)	327	220
Application of tax deficit carried forward, not previously recognised in the balance sheet	-1,373	0
Taxable losses where deferred tax assets were not recognised in the balance sheet	22	0
Tax expenses	47,130	34,825

The weighted average tax rate was 21.6% (2020: 21.9%).

NOTE 22 EARNINGS PER SHARE

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

	2021	2020
Annual profit allocated to the company's shareholders	174,055	124,908
Weighted average of the number of shares issued (in thousands) *)	69,819	69,831
Earnings per share (NOK per share) *)	2.49	1.79

DILUTED EARNINGS PER SHARE

When calculating diluted earnings 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.

	2021	2020
Equity allocated to the company's shareholders	174,055	124,908
Profit used to calculate diluted earnings per share	174,055	124,908
Average number of issued ordinary shares (thousand) *)	69,819	69,831
Average number of ordinary shares for calculating diluted earnings per share (thousand) *)	69,819	69,831
Earnings per share (NOK per share) *)	2.49	1.79

*) Number of shares in 2020 has been adjusted following a stock split of 1 to 10 in 2021.

NOTE 23 DIVIDENDS

Dividends paid for 2019 and 2020 were TNOK 6,982 (NOK 1.00 per share) and TNOK 558,554 (NOK 80.00 per share), respectively. In 2021, a stock split was carried out in Byggma ASA by each share with a nominal value of NOK 2.60 being split into 10 shares, each with a nominal value of NOK 0.26. The Board of Directors proposes that the annual general meeting pay NOK 1.00 per share for the 2021 financial year, totalling TNOK 69,819. A decision will be made at the annual general meeting on 31 May 2022. The proposed dividend is not included in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 CASH FLOW FROM OPERATIONS

	2021	2020
Profit for the year	174,055	124,908
Adjustments for:		
- Tax expenses (note 21)	47,130	34,825
- Depreciations (note 6)	85,577	72,587
- Depreciation of intangible assets (note 7)	4,358	4,477
- (Profit)/Loss on sale of property, plant and equipment (see below)	-50	-55
- Unrealised (gain) loss on derivatives	-13,103	14,129
- Interest Note 20	22,610	24,066
- Interest income (note 20)	-2,545	-5,214
Changes in working capital:		
- Goods	-96,931	30,797
- Accounts receivable and other receivables	-107,780	-113,008
- Trade payables and other current liabilities	79,595	42,645
Cash flow from operations	192,916	230,157

In the cash flow statement, income from the sale of property, plant and equipment comprises:

	2021	2020
Book value (note 6)	0	955
Gain / (loss) on sale of fixed assets	50	55
Remuneration for the sale of tangible fixed assets	50	1,010

RECONCILIATION OF CHANGES IN INTEREST-BEARING ITEMS

2021	Interest-bearing receivables	Of which interest- bearing debt	Net interest- bearing debt
Balance sheet 1.1.2021	569,045	-597,004	-27,959
Balance sheet 31.12.2021	76,004	-611,369	-535,365
Changes in net interest-bearing debt from cash flow	493,041	14,365	507,406
Of which the change comprises liquid assets	-450,548		-450,548
Changes in net interest-bearing debt excluding liquid assets	42,493	14,365	56,858
Currency effect of interest-bearing items	0	6,085	6,085
Currency effect of liquid assets	-3,713	0	-3,713
Net cash flow from (+)/spent (-) on investment and financing activities	38,780	20,450	59,230

2020	Interest-bearing receivables	Of which interest- bearing debt	Net interest- bearing debt
Balance sheet 1.1.2020	339,209	-502,552	-163,343
Balance sheet 31.12.2020	569,045	-597,004	-27,959
Changes in net interest-bearing debt from cash flow	-229,836	94,452	-135,384
Of which the change comprises liquid assets	197,411		197,411
Changes in net interest-bearing debt excluding liquid assets	-32,425	94,452	62,027
Currency effect of interest-bearing items	0	-9,616	-9,616
Currency effect of liquid assets	5,220	0	5,220
Net cash flow from (+)/spent (-) on investment and financing activities	-27,205	84,836	57,631

NOTE 25 CONTINGENT LIABILITIES

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

NOTE 26 CONTRACTUAL LIABILITIES

INVESTMENT LIABILITIES

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

	2021	2020
Tangible fixed assets	8 900	10 808
Total investment liabilities	8,900	10,808

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

The Group is controlled by Investor AS, Investor 1 AS, Investor 3 AS and Sørlands-Vekst AS. Investor AS is controlled by Group CEO Geir Drangslund. Investor AS owns 99.8% of Sørlands-Vekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangslund. As of On 27 April 2022, Geir Drangslund and related parties controlled 88.70% of the shares in Byggma ASA. The Group buys some administrative services from Scanel AS. Scanel AS is wholly owned by Investor AS. These administrative services consist of fees for the CEO Geir Drangslund. The Group has net receivables on 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	2021	2020
Sale of goods:		
Geir Drangslund	45	0
Total sales of goods and services	45	0

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

ii) Purchase of goods and services	2021	2020
Purchase of services:		
- Scanel AS (administrative services)	4,667	4,325
Total purchase of goods and services	4,667	4,325

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	2021	2020
Interest on receivables		
Geir Drangslund / Sørland - Vekst AS / Scanel AS / Investor AS *)	366	435
Total	366	435

iv) Balance sheet items at year-end.	2021	2020
Receivables from related parties (note 10):		
Geir Drangslund / Sørlands-MVekst AS / Scanel AS / Investor AS *)	5,823	44,337
Total	5,823	44,337

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

NOTE 28 EVENTS AFTER THE BALANCE SHEET DATE

Byggma is following the situation in Ukraine closely. Byggma has no operations in Ukraine, Russia or Belarus. Byggma's sales to and purchases from the region are limited. The Group has purchased some plywood and OSB from Russia. The cooperation with these suppliers has been terminated and replacement suppliers outside Russia have been found. Indirect consequences can arise if the situation affects suppliers, customers or value chains in general. The conflict has resulted in major movements and uncertainty in the energy and raw materials markets, which may have an impact on Byggma's operations and accounts.

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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29 OTHER EVENTS - PANDEMIC

The Covid-19 pandemic had limited consequences for Byggma in 2021. The inflow of orders is good, and production at the factories and deliveries to customers is mainly going as planned. As the building materials stores introduced limitations on visits from suppliers in 2020, large parts of the sales apparatus were partly laid off in April 2020. In addition, partial lay-offs were carried out from April to June 2020 at the Group's factory at Masonite Beams AB in Sweden as a result of France and the UK closing their borders. In 2021, there were no layoffs as a result of the Covid-19 pandemic. For lighting, transport costs from China increased considerably in 2021 and deliveries were significantly delayed as a consequence of the pandemic. Group management and management of the individual subsidiaries are following the situation closely and have taken measures to limit any negative consequences that the outbreak may have for employees and operations. Furthermore, restrictions any countries may make on retail trade could have an impact on access to input factors in production and sales revenues from these countries. The availability of input factors to production is intact, and significant elements of the input factors come from Norway and Sweden.

NOTE 30 SUBSIDIARIES

Company	Acquisition time	Registered office	Vote share
Huntonit	01.01.1996	Stockholm, Sweden	100%
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%
RBI Interiør AB (owned by Smartpanel AS)	04.07.2018	Västra Frölunda, Sweden	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, Birkeland	03.06.2004	Birkeland	100%
Birkeland Eiendom AS (owned by Byggma Eiendom AS)	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Aneta Lighting AS)	16.11.2004	Vennesla	100%
Aneta Lighting AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	Braskereidfoss	100%
Forestia Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Braskereidfoss	100%
Forestia Carbon Sink AS	28.06.2021	Braskereidfoss	100%
Masonite Beams AS	29.05.2020	Mo I Rana	100%
MASONITE FASTIGHET AB	09.09.2011	Rundvik, Sweden	100%
Grammaholmen Fastighet AB (owned by Masonite Fastighet AB)	29.05.2019	Rundvik, Sweden	100%
AS Byggform	12.09.2019	Asker	100%
Masonite Beams AB	01.08.2006	Rundvik, Sweden	100%
Smart Board Production AB (owned by Smartpanel AS)	13.09.2018	Västra Frölunda, Sweden	100%

Company	Share capital	Number of shares	Our number of shares	Book equity in subsidiaries	Book value in Byggma
Huntonit	SEK 100	100	100	1,049	96
Huntonit AS	NOK 919	13,100	13,100	79,915	18,761
Huntonit Eiendom AS *)	NOK 310	100	100	945	0
Smartpanel AS	NOK 20,000	500	500	33,062	20,000
RBI Interiør AB *)	SEK 100	1,000	1,000	3,925	0
Aneta Lighting AS	NOK 8,250	82,500	82,500	12,322	15,355
ScanLamps VTA AS *)	NOK 100	1,000	100	1,552	0
Byggma Eiendom Lyngdal AS *)	NOK 1,000	10,000	10,000	29,987	0
Byggma Eiendom AS	NOK 5,000	1,000	1,000	77,618	70,030
Uldal AS, Birkeland	NOK 10,480	1,048,000	1,048,000	34,584	25,684
Birkeland Eiendom AS *)	NOK 500	500	500	3,343	0
Rolf Dolven AS *)	NOK 2,000	200,000	200,000	4,272	0
Aneta Lighting AB	SEK 600	600	600	30,224	27,453
Forestia AS	NOK 4,030	1,000,000	1,000,000	169,586	47,108
Forestia Eiendom AS *)	NOK 970	1,000	1,000	3,993	0
Forestia Carbon Sink AS	NOK 100	100	100	96	100
Masonite Beams AS	NOK 1,390	10	10	4,161	1,765
Masonite Fastighet AB	SEK 5,000	50,000	50,000	8,582	4,250
Grammaholmen Fastighet AB *)	SEK 50	500	500	64	0
AS Byggform	NOK 2,000	2,000	2,000	21,273	22,744
Masonite Beams AB	SEK 2,200	22,000	22,000	69,159	11,970
Smart Board Production AB *)	SEK 100	1,000	1,000	2,366	0
Total				592,079	265,315

*) Owned by Byggma ASA via other subsidiaries.

NOTE 31 SHARE CAPITAL AND SHARE INFORMATION

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

The company had 2,209 shareholders as at 31 December 2021. 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 1.11.2022. The company owns 13,920 of its own shares as at 31 December 2021.

In 2021, a stock split was carried out in Byggma ASA by each share with a nominal value of NOK 2.60 being split into 10 shares, each with a nominal value of NOK 0.26.

20 largest shareholders as at 31.12.2021	Number of shares	Share of share capital
Investor AS *)	51,633,790	73.94%
Sørlands-MVekst AS *)	10,000,000	14.32%
TEG Invest AS	686,320	0.98%
Beeline AS	531,760	0.76%
Narmont AS	486,000	0.70%
Gunnar Bernhard Brandsberg	350,550	0.50%
Øystein Akselsen	259,000	0.37%
Jomaho AS	227,830	0.33%
Geir Drangslund *)	192,200	0.28%
Ingus AS	175,760	0.25%
Avanza Bank AB	144,823	0.21%
Olav Roger Lassesen	120,000	0.17%
Jarel AS	105,000	0.15%
Asbjørn Rudolf Nerland	100,000	0.14%
Lasse Solberg Invest AS	97,624	0.14%
Torbjørn Seielstad	96,180	0.14%
Nordnet Bank AB	96,164	0.14%
Sverre Bragdø-Eellenes	92,222	0.13%
Investor 1 AS *)	80,160	0.11%
Richard Henry Armstrong	74,000	0.11%
Total 20 largest shareholders	65,549,383	93.87%
Share capital	69,833,210	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 SHARE CAPITAL AND SHARE INFORMATION CONTD.

20 largest shareholders as of 31.12.2020	Number of shares	Share of share capital
Investor AS *)	4,745,411	67.95%
Sørlands-MVekst AS *)	1,000,000	14.32%
Investor 6 AS *)	400,000	5.73%
TEG Invest AS	67,632	0.97%
Beeline AS	66,780	0.96%
Leif Magne Thu	62,879	0.90%
Narmont AS	49,470	0.71%
Jan Adler Mortensen	34,000	0.49%
Jomaho AS	32,000	0.46%
In Ulstein Loen AS	29,228	0.42%
Gunnar Bernhard Brandsberg	29,055	0.42%
Øystein Akselsen	25,900	0.37%
Knut Henning Larsen	20,000	0.29%
Geir Drangslund *)	19,220	0.28%
Sverre Bragdø-Eellenes	18,623	0.27%
Olav Roger Lassesen	12,000	0.17%
Jarel AS	10,500	0.15%
Asbjørn Rudolf Nerland	10,000	0.14%
Torbjørn Seielstad	9,618	0.14%
Avanza Bank AB	9,079	0.13%
Total 20 largest shareholders	6,651,395	95.25%
Share capital	6,983,321	100.00%

Board of Directors and Management	31.12.2021 Number of shares	31.12.2020 Number of shares
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	686,320	67,632
Head of Marketing and Communications Liv Anne Drangslund Holst	1,600	0
Solicitor Hege Aarli Klem	0	0
Solicitor Knut Henning Larsen	0	20,000
Operator Edvart Tredal Høyåsen	0	0
Operator Erik Fjeldberg	0	0
Process operator Dagfinn Eriksen	0	0
Deputy members		
Accountant Kjell Magne Gundersen	0	0
Operations Assistant EB Morten Anseth	0	0
Operator Kenneth Berntsen	0	0
Building engineer Odd Arne Stien	0	0
Head of Department Halvor Mathias Stavdal	0	0
Operator Terje Iversen	0	0
Management:		
CEO Geir Drangslund *)	61,940,920	6,176,124
CFO Jens Unhammer	46,730	4,673
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 27 April 2022, Group CEO Geir Drangslund and related parties control 61,940,920 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

BYGGMA ASA INCOME STATEMENT

(all amounts in NOK 1,000)	Note	NGAAP 2021	NGAAP 2020
Operating revenues			
Sales revenues	11	553,730	484,311
Other income		1,312	1,216
Total operating revenue		555,041	485,527
Operating costs			
Cost of goods and production	11	553,730	484,311
Payroll expenses	8	960	935
Depreciation	2	1,366	1,484
Other operating costs	8	16,839	14,083
Total operating expenses		572,895	500,814
Operating profit/loss		-17,853	-15,287
Financial items			
Financial income	9	779,206	145,523
Financial costs	9	7,660	16,419
Total financial items		771,546	129,104
Profit/loss before tax		753,692	113,817
Tax on ordinary profit/loss	7	29,261	19,446
Profit for the year		724,431	94,371
Allocation of profits:			
Proposed dividend	1	69,819	558,554
Transferred to other equity	1	654,612	-464,183
Total allocated		724,431	94,371

BYGGMA ASA
BALANCE SHEET AS AT 31.12.

(all amounts in NOK 1,000)	Note	NGAAP 2021	NGAAP 2020
ASSETS			
FIXED ASSETS			
Intangible assets			
Intangible assets	2	2,541	2,863
Deferred tax asset	7	423	259
Total intangible assets		2,965	3,122
Financial fixed assets			
Investments in subsidiaries	3	265,315	234,374
Loans to Group companies	4.5	629,411	84,488
Total financial fixed assets		894,726	318,861
Total fixed assets		897,691	321,984
CURRENT ASSETS			
Receivables			
Accounts receivable	4	105,557	87,644
Receivables from group companies	4.5	186,339	150,109
Other receivables		1,774	40,562
Total receivables		293,669	278,315
Cash and cash equivalents	10	4	220,206
Total current assets		293,673	498,521
TOTAL ASSETS		1,191,364	820,504

BYGGMA ASA
BALANCE SHEET AS AT 31.12.

All figures in NOK 1,000	Note	NGAAP 2021	NGAAP 2020
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	1.6	18,157	18,157
Premium	1	34,499	34,499
Own shares	1	-4	-4
Other paid-in equity	1	312	312
Total paid-in equity		52,963	52,963
Retained earnings			
Other equity	1	655,948	1,336
Total retained earnings		655,948	1,336
Total equity		708,912	54,300
LIABILITIES			
Other long-term liabilities			
Debt to group companies	4.5	47,500	51,467
Total long-term liabilities		47,500	51,467
Current liabilities			
Debt to credit institutions	4	162,536	0
Trade payables	5	118,217	99,615
Tax payable	7	29,425	19,599
Public duties owed		13,461	11,807
Dividend	1	69,819	558,554
Liabilities to group companies	5	39,215	22,943
Total current liabilities		2,279	2,220
Total current liabilities		434,952	714,738
Total liabilities		482,452	766,205
TOTAL EQUITY AND LIABILITIES		1,191,364	820,504

VENNESLA, 27 APRIL 2022
THE BOARD OF DIRECTORS OF BYGGMA ASA


 TERJE GUNNULFSEN
 CHAIRMAN


 KNUT HENNING LARSEN


 HEGE AARLI KLEM


 LIV ANNE DRANGSLAND HOLST


 EDVART TRELIDAL HØYÅSEN


 ERIK FJELDBERG


 DAGFINN ERIKSEN


 GEIR DRANGSLAND GROUP
 CEO

BYGGMA ASA
STATEMENT OF CASH FLOWS

All figures in NOK 1,000	Note	2021	2020
Cash flow from operational activities			
Profit/loss before tax		753,692	113,817
Tax paid for the period	7	-19,599	-2,154
Gain/loss on sale of subsidiaries	9	-615,883	0
Ordinary depreciation	2	1,366	1,484
Unrealised foreign exchange losses/gains on loans to group companies		0	-2,641
Change in trade receivables		-17,913	-31,465
Changes in accounts payable/advance payments, suppliers		18,602	9,733
Changes in other receivables and accruals		40,501	-24,643
Changes in group contributions to subsidiaries		-27,211	-106,600
Net cash flow from operational activities		133,556	-42,469
Cash flow from investment activities			
Payments for capital expansion in subsidiaries		-130	-100
Disbursements (-)/Deposits (+) on short-term and long-term receivables Group	5	31,130	11,235
Disbursements for the purchase of property, plant and equipment/intangible assets	2	-1,045	-1,621
Net cash flow from investment activities		29,955	9,514
Cash flow from financing activities			
Change in overdraft facility		162,536	0
Disbursements (-)/Deposits (+) liabilities Group	5	16,272	-2,115
Purchase of own shares	1	0	-139
Disbursements on instalments of long-term debt to Group		-3,967	-533
Payments upon taking out long-term debt to the Group		0	50,000
Dividend paid		-558,554	-6,982
Net cash flow from financing activities		-383,713	40,230
Net change in payment funds	10	-220,201	7,275
Cash and cash equivalents at the beginning of the period	10	220,206	212,931
Changes in payment funds for the period		-220,201	7,275
Cash and cash equivalents at the end of the period	10	4	220,206
This consists of:			
Bank deposits/liquid assets	10	2	220,203
Restricted tax deductions	10	2	2
		4	220,206

ACCOUNTING POLICIES

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

GENERAL

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

USE OF ESTIMATES

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

SALES REVENUES

The sale of goods is recognised in the income statement when the company has delivered its products to the customer, the customer has accepted the product and the customer's ability to settle the receivable is satisfactorily confirmed. Revenues from the sale of goods and services are valued at fair value, net after deduction of VAT, returns, discounts and rejections.

CLASSIFICATION AND ASSESSMENT OF BALANCE SHEET ITEMS

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that are to be repaid within one year are nevertheless classified as current assets. Analogue criteria are used as the basis for the classification of liabilities.

Current assets are valued at the lowest of acquisition cost and fair value. Short-term liabilities are recognised in the balance sheet at their nominal amount at the time of establishment.

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

RECEIVABLES

Accounts receivable are entered in the balance sheet after deduction of provisions for expected losses. Provisions for

losses are made on the basis of an individual assessment of the receivables and an additional provision to cover other foreseeable losses. Significant financial problems with the customer, the probability of the customer going bankrupt or going through financial restructuring, and deferrals and shortcomings in payments are regarded as indicators that accounts receivables must be written down.

Other receivables, both current receivables and fixed assets, are recognised at the lowest of nominal value and fair value. Fair value is the present value of expected future payments. Discounting is however not carried out when the effect of discounting is insignificant for the accounts. Provisions for losses are assessed in the same way as for accounts receivable.

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

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

FINANCIAL RISK

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

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

Liquidity is considered to be good. Byggma ASA has no major loans that need to be renewed in 2022.

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 property, plant and equipment 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 reliably measured. 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 property, plant and equipment. The cross entry is included under long-term liabilities. Operational leasing is recognised as operating costs based on invoiced leasing leases.

INVESTMENTS IN OTHER COMPANIES

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

WRITE-DOWNS OF FIXED ASSETS

If there is an indication that the value of a fixed asset recognised in the balance sheet is higher than its fair value, a test is

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

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

DEBT

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

WARRANTY LIABILITY

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

TAXES

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

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

Deferred tax is recognised at nominal amount.

STATEMENT OF CASH FLOWS

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

NOTES TO ACCOUNTS

All figures in NOK 1000 unless otherwise stated

NOTE 1 EQUITY

Changes in equity for the year	Share capital	Premium	Own shares	Other paid-in equity	Other equity	Total
Equity as at 1.1.2021	18,157	34,499	-4	312	1,336	54,300
Profit for the year	0	0		0	724 431	724 431
Allocated dividend	0	0		0	-69 819	-69 819
Equity as at 31.12.2021	18,157	34,499	-4	312	655,948	708,912

NOTE 2 INTANGIBLE ASSETS

	Software and similar	Total intangible assets
Acquisition cost as at 1.1.2021	23,673	23,673
Additions of acquired fixed assets	1,045	1,045
Disposals of sold fixed assets	0	0
Acquisition cost as at 31.12.2021	24,718	24,718
Accumulated depreciation as at 31.12.2021	-22,176	-22,176
Book value as at 31.12.2021	2,541	2,541
Depreciation for the year	1,366	1,366

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

NOTE 3 SUBSIDIARIES

Company	Acquisition time	Registered office	Vote share
Huntonit	01.01.1996	Stockholm, Sweden	100%
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%
RBI Interior AB (owned by Smartpanel AS)	04.07.2018	Västra Frölunda, Sweden	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, Birkeland	03.06.2004	Birkeland	100%
Birkeland Eiendom AS (owned by Byggma Eiendom AS)	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Aneta Lighting AS)	16.11.2004	Vennesla	100%
Aneta Lighting AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	Braskereidfoss	100%
Forestia Eiendom AS (owned by Byggma Eiendom AS)	18.06.2021	Braskereidfoss	100%
Forestia Carbon Sink AS	28.06.2021	Braskereidfoss	100%
Masonite Beams AS	29.05.2020	Mo I Rana	100%
Masonite Fastighet AB	09.09.2011	Rundvik, Sweden	100%
Grammaholmen Fastighet AB (owned by Masonite Fastighet AB)	29.05.2019	Rundvik, Sweden	100%
AS Byggform	12.09.2019	Asker	100%
Masonite Beams AB	01.08.2006	Rundvik, Sweden	100%
Smart Board Production AB (owned by Smartpanel AS)	13.09.2018	Västra Frölunda, Sweden	100%

NOTE 3 SUBSIDIARIES CONTD.

Company		Share capital	Number of shares	Our number of shares	Book equity in subsidiaries	Book value in Byggma
Huntonit	SEK	100	100	100	1,049	96
Huntonit AS	NOK	919	13,100	13,100	79,915	18,761
Huntonit Eiendom AS *)	NOK	310	100	100	945	0
Smartpanel AS	NOK	20,000	500	500	33,062	20,000
RBI Interiør AB *)	SEK	100	1,000	1,000	3,925	0
Aneta Lighting AS	NOK	8,250	82,500	82,500	12,322	15,355
ScanLamps VTA AS *)	NOK	100	1,000	100	1,552	0
Byggma Eiendom Lyngdal AS *)	NOK	1,000	10,000	10,000	29,987	0
Byggma Eiendom AS	NOK	5,000	1,000	1,000	77,618	70,030
Uldal AS, Birkeland *)	NOK	10,480	1,048,000	1,048,000	34,584	25,684
Birkeland Eiendom AS	NOK	500	500	500	3,343	0
Rolf Dolven AS *)	NOK	2,000	200,000	200,000	4,272	0
Aneta Lighting AB	SEK	600	600	600	30,224	27,453
Forestia AS	NOK	4,030	1,000,000	1,000,000	169,586	47,108
Forestia Eiendom AS *)	NOK	970	1,000	1,000	3,993	0
Forestia Carbon Sink AS	NOK	100	100	100	96	100
Masonite Beams AS	NOK	1,390	10	10	4,161	1,765
Masonite Fastighet AB	SEK	5,000	50,000	50,000	8,582	4,250
Grammaholmen Fastighet AB *)	SEK	50	500	500	64	0
AS Byggform	NOK	2,000	2,000	2,000	21,273	22,744
Masonite Beams AB	SEK	2,200	22,000	22,000	69,159	11,970
Smart Board Production AB *)	SEK	100	1,000	1,000	2,366	0
Total					592,079	265,315

*) Owned by Byggma ASA via other subsidiaries.

Refer also to note 9

Byggma ASA has decided to create a clearer division between the property operations and industrial operations in the Group. As a result, in 2021 Byggma ASA sold the four property companies Huntonit Eiendom AS, Forestia Eiendom AS, Byggma Eiendom Lyngdal AS and Birkeland Eiendom AS to wholly-owned Byggma Eiendom AS. The sales price for the property companies is based on fair value.

The sale was carried out by Byggma ASA establishing a receivable for Byggma Eiendom AS for the sales price of NOK 655 million. NOK 70 million of this receivable was converted to equity in Byggma Eiendom AS. A loan agreement for NOK 585 million has been entered into, for which the interest is calculated on market terms based on 3 MNIBOR. On this basis the transaction's risk profile for both the seller and buyer is assessed, so that the transaction is recognised at fair values and not continuity values. On determining the sales price for the companies, the starting point is the book value of the equity in the sold companies as at 30 November 2021, with addition of the total added value of the properties owned by the companies.

External estate agents carried out a valuation of the properties. The valuations are based on concluded lease agreements. On calculating fair value in the individual companies deductions are made for the book value of the properties. Furthermore, an addition is made for booked deferred tax relating to the properties, with deduction of latent tax relating to the property value. Latent tax is calculated for property that can be depreciated, distributed on a discretionary basis between the depreciation groups at 4% and technical plant at 10%. Latent tax related to excess value of land is assessed at zero. On discounting, an interest rate is assumed that is equivalent to the yield consideration for the valuations.

Calculation of sales gains for Byggma ASA

Sales price of four property companies to Byggma Eiendom AS	655,071
Book value	39,188
Gains	615,883

NOTE 4 RECEIVABLES AND LIABILITIES

Long-term receivables due later than 1 year	2021	2020
Other long-term receivables	626,411	81,488
Total	626,411	81,488
Long-term debt maturing later than 5 years		
Debt to credit institutions	0	0
Liabilities to group companies	35,000	37,500
Total	35,000	37,500
Debt secured against pledges	0	0
Mortgaged assets:		
Accounts receivable *)	140,608	112,619
Total	140,608	112,619

*) No provision has been made for latent losses on accounts receivable as Huntonit AS is responsible for any losses.

OVERDRAFT FACILITIES:

Byggma ASA is included in the Group cash credit system, together with other companies in the Group.

The Group had a net drawdown of MNOK 16.9 on the Group's overdraft facility as at 31 December 2021.

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

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 228.1.

Byggma ASA also acts as guarantor for payment of rent/property tax on behalf of another group company until 30.09.2024. The annual rent/property tax is TSEK 2,778. Byggma ASA also acts as guarantor for 6 months' rent, as well as the proportion of operating costs and other requirements the lessor may have regarding the lease to another subsidiary. Rent per month amounts to TNOK 802. The lease contract lasts until 31.12.2028 with the option of a further 5 + 5 years.

NOTE 5 BALANCE WITH COMPANIES IN THE SAME GROUP

	2021	2020
Receivables from Group companies		
Long-term receivables/loans	629,411	84,488
Accounts receivable	35,689	24,975
Other receivables	152,960	125,134
Total receivables from group companies	818,059	234,597
Liabilities to group companies		
Trade payables	105,745	87,551
Long-term debt to Group companies	47,500	51,467
Total current liabilities	39,215	22,943
Total debt to Group companies	192,460	161,961

Refer also to note 4.

NOTE 6 SHARE CAPITAL AND SHARE INFORMATION

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

The company had 2,209 shareholders as at 31 December 2021. 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 1.11.2022. The company owns 13,920 of its own shares as at 31 December 2021.

In 2021, a stock split was carried out in Byggma ASA by each share with a nominal value of NOK 2.60 being split into 10 shares, each with a nominal value of NOK 0.26.

20 largest shareholders as at 31.12.2021	Number of shares	Share of share capital	20 largest shareholders as of 31.12.2020	Number of shares	Share of share capital
Investor AS *)	51,633,790	73.94%	Investor AS *)	4,745,411	67.95%
Sørlands-MVekst AS *)	10,000,000	14.32%	Sørlands-MVekst AS *)	1,000,000	14.32%
TEG Invest AS	686,320	0.98%	Investor 6 AS *)	400,000	5.73%
Beeline AS	531,760	0.76%	TEG Invest AS	67,632	0.97%
Narmont AS	486,000	0.70%	Beeline AS	66,780	0.96%
Gunnar Bernhard Brandsberg	350,550	0.50%	Leif Magne Thu	62,879	0.90%
Øystein Akselsen	259,000	0.37%	Narmont AS	49,470	0.71%
Jomaho AS	227,830	0.33%	Jan Adler Mortensen	34,000	0.49%
Geir Drangslund *)	192,200	0.28%	Jomaho AS	32,000	0.46%
Ingus AS	175,760	0.25%	In Ulstein Loen AS	29,228	0.42%
Avanza Bank AB	144,823	0.21%	Gunnar Bernhard Brandsberg	29,055	0.42%
Olav Roger Lassesen	120,000	0.17%	Øystein Akselsen	25,900	0.37%
Jarel AS	105,000	0.15%	Knut Henning Larsen	20,000	0.29%
Asbjørn Rudolf Nerland	100,000	0.14%	Geir Drangslund *)	19,220	0.28%
Lasse Solberg Invest AS	97,624	0.14%	Sverre Bragdø-Eellenes	18,623	0.27%
Torbjørn Seielstad	96,180	0.14%	Olav Roger Lassesen	12,000	0.17%
Nordnet Bank AB	96,164	0.14%	Jarel AS	10,500	0.15%
Sverre Bragdø-Eellenes	92,222	0.13%	Asbjørn Rudolf Nerland	10,000	0.14%
Investor 1 AS *)	80,160	0.11%	Torbjørn Seielstad	9,618	0.14%
Richard Henry Armstrong	74,000	0.11%	Avanza Bank AB	9,079	0.13%
Total 20 largest shareholders	65,549,383	93.87%	Total 20 largest shareholders	6,651,395	95.25%
Share capital	69,833,210	100.00%	Share capital	6,983,321	100.00%

Board of Directors and Management	31.12.2021 Number of shares	31.12.2020 Number of shares
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	686,320	67,632
Head of Marketing and Communications Liv Anne Drangslund Holst	1,600	0
Solicitor Hege Aarli Klem	0	0
Solicitor Knut Henning Larsen	0	20,000
Operator Edvart Trelidal Høyåsen	0	0
Operator Erik Fjeldberg	0	0
Process operator Dagfinn Eriksen	0	0
Deputy members:		
Accountant Kjell Magne Gundersen	0	0
Operations Assistant EB Morten Anseth	0	0
Operator Kenneth Berntsen	0	0
Building engineer Odd Arne Stien	0	0
Head of Department Halvor Mathias Stavdal	0	0
Operator Terje Iversen	0	0
Management:		
CEO Geir Drangslund *)	61,940,920	6,176,124
CFO Jens Unhammer	46,730	4,673
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 27 April 2022, Group CEO Geir Drangslund and related parties control 61,940,920 shares in Byggma ASA. This corresponds to 88.70% of the shares in Byggma ASA.

NOTE 7 TAXES

Overview of temporary differences:	2021	2020
Outstanding receivables	0	0
Fixed assets	-1,924	-1,179
Provision in accordance with generally accepted accounting policies	0	0
Net temporary differences	-1,924	-1,179
3% taxable share income	0	0
Basis for deferred tax	-1,924	-1,179
22% deferred tax/deferred tax asset	-423	-259
Deferred tax/deferred tax assets recognised in the balance sheet	-423	-259
Calculation of tax base for the year:		
Profit/loss before tax	753,692	113,817
Permanent differences *)	-620,688	-25,426
Change in temporary differences	745	694
Tax base for the year	133,750	89,085
Tax costs for the year are divided into:		
Tax payable (22% of tax basis)	29,425	19,599
Excess allocated for previous years	0	0
Change in deferred tax	-164	-153
Total tax expenses	29,261	19,446
Tax payable in the balance sheet		
Tax payable in tax expenses	29,425	19,599
Tax effect of group contributions	0	0
Tax payable in the balance sheet	29,425	19,599
*) Of which gains from the sale of property companies within the exemption method	-615,883	0
*) Of which group contributions without tax effect	0	-25,500

NOTE 8 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES

Payroll expenses	2021	2020
Board fees expensed in the parent company	840	848
Employer's contributions	118	87
Pension costs	0	0
Other benefits	1	0
Total	960	935

There are no employees of Byggma ASA.

The company has not made any loans to employees.

As at 31 December 2021, Byggma ASA has a net receivable of MNOK 0.4 from CEO Geir Drangslund and companies that he and related parties control.

Audit Fee	ASA	Group
Expensed remuneration to the company's auditor is divided as follows:		
- statutory audit	1,346	2,773
- other certification service		58
- tax advice	113	263
- other assistance	574	634
Total remuneration to auditor	2,033	3,728

All amounts without VAT.

Remuneration to other firms of accountants amounts to NOK 546 in audit fees and NOK 16 in other fees.

NOTE 8 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES CONTD.

SALARIES AND REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE PERSONNEL:

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

*) Geir Drangslund is hired from Scanel AS, cf. note 12

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

2020	Payroll	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangslund *)	4,324,657	9,156	130,453	1,000,000	0
CFO Jens Unhammer	1,256,000	93,274	35,227	0	120,308
IT Director Roy Kenneth Grundetjern	1,351,049	162,338	50,227	0	122,188
Logistics Director Richard Thompsen	1,036,711	80,968	0	0	63,470
			Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors					
Terje Gunnulfsen, Chairman of the Board		218,800	0	0	
Liv Anne Holst (from 28.05.2020)		0	0	0	
Grethe Hindersland (until 28.05.2020)		130,800	0	0	
Hege Aarli Klem		130,800	0	0	
Knut Henning Larsen **)		130,800	0	0	
Edvart Treldal Høyåsen, employee representative		79,000	0	0	
Erik Fjeldberg, employee representative		79,000	0	4,500	
Dagfinn Eriksen, employee ref. (from 28.05.2020)		0	0	0	
Bjørnar Jakobsen, employee ref. (until 28.05.2020)		79,000	0	0	

*) Geir Drangslund is hired from Scanel AS, cf. note 12

**) Knut Henning Larsen has carried out billable services for the Byggma Group for a total of NOK 219,072 in 2020.

LEADING EMPLOYEES

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

NOTE 9 FINANCIAL ITEMS

Financial income	2021	2020
Income from subsidiaries	155,905	123,734
Gain on the sale of subsidiaries intra-Group *)	615,883	0
Interest income, group	1,590	1,569
Other income	1,513	3,908
Agio	4,315	16,312
Total financial income	779,206	145,523
Financial costs		
Interest expenses - group	2,666	1,400
Other interest expenses	115	175
Charges	679	654
Disagio	4,200	14,191
Total financial costs	7,660	16,419
Total financial items	771,546	129,104
*)		
Sales price of four property companies to Byggma Eiendom AS	655,071	
Book value	39,188	
Gains	615,883	

The transaction was part of the Group's reorganisation aimed at having a separate property division.

Two of the companies that were sold were founded after the demerger of the property previously owned by Huntonit AS and Forestia AS.

NOTE 10 BANK DEPOSITS

	2021	2020
Restricted tax deductions	2	2
Free liquid assets	2	220,203
Total bank deposits and cash	4	220,206

The company is included in the Group's consolidated account system, which has unused overdraft facilities of MNOK 253.1 as at 31 December 2021.

As at 31 December 2021, Byggma ASA has not entered into interest rate swaps.

As at 31 December 2021, Byggma ASA has not entered into any foreign exchange contracts for delivery in 2021 or later.

NOTE 11 SEGMENT INFORMATION

Sales revenues	2021	2020
Huntonit products	553,730	484,311
Total sales revenues	553,730	484,311
Geographical distribution		
Norway	425,636	367,425
United Kingdom	420	297
Sweden	93,723	91,334
Finland	477	555
Denmark	18,814	16,374
Other countries	14,660	8,326
Total sales revenues	553,730	484,311
Purchase of goods		
	2021	2020
Huntonit products	553,730	484,311
Total purchase of goods	553,730	484,311

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.

NOTE 12 COMPANY'S TRANSACTIONS WITH RELATED PARTIES

	2021	2020
a) Sale of goods and services		
Sale of goods:		
- Subsidiaries	5,878	1,288
Sale of services:		
- Subsidiaries	20,346	18,345
Total sales of goods and services	26,224	19,633
b) Purchase of goods and services		
Purchase of goods:		
- Subsidiaries	553,730	484,311
Purchase of services:		
- Subsidiaries	31,362	27,568
- Companies controlled by senior executives	3,830	3,481
- Geir Drangslund, the controlling owner	0	0
Total purchase of goods and services	588,921	515,361



To the General Meeting of Byggma ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Byggma ASA (the Company), which comprise the balance sheet as at 31.12., the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Byggma ASA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31.12., the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations 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 25 years from the election by the general meeting of the shareholders on 24 April 1997 for the accounting year 1997.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. 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* and *Valuation of inventories* contain approximately the same complexity and risk as last year and have been the focus of our audit this year as well. In addition, a reorganisation of the Group's real estate operation was carried out during the year. *Reorganisation* is therefore a new focus area this year

Key Audit Matter

How our audit addressed the Key Audit Matter

Customer bonuses and marketing support

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

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

We have focused on this because an accurate calculation of the provision on the balance sheet date is extensive, depends on a number of assumptions and can be technically demanding to carry out. In addition, the estimated total amount regarding customer bonuses and marketing is significant.

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

We have discussed the principles for calculating and allocating customer bonuses and marketing support with management and assessed whether these were in line with the accounting rules. We have gained an understanding of the routine for calculating customer bonuses and marketing support, including testing whether relevant internal control has been implemented.

To test whether customer bonuses and marketing support have been accurately calculated, we have reviewed the systematics and formulas in the technical calculation. By reading the agreements, we have tested whether the assumptions in the agreements are completely and correctly reflected in the bonus calculations. We have tested the basis for bonuses and marketing support in accordance with the agreements that have been tested against invoiced sales per customer. Our inspections have not revealed any significant discrepancies.

Our tests have been carried out at the same time as or after the actual settlement of the customers. We have used the dialogue that arose with the customers to substantiate the accuracy of the calculation. Furthermore, we have also performed payment checks on outstanding accounts receivable at the end of the year to substantiate the correct calculation and posting of customer bonuses.

We have tested recorded transactions after year-end, which relate to customer bonuses and marketing

Independent Auditor's Report - Byggma ASA



support on the balance sheet date. No recorded transactions were identified that indicate errors in the calculation of customer bonus or marketing support for the year 2021.

We have assessed whether the additional information on customer bonuses and marketing support in an appropriate manner describes the principles for bookkeeping and whether the information in the notes is in accordance with the requirements for the presentation of the accounts.

Inventory valuation

Booked inventories in the consolidated financial statements are significant and amount to TNOK 357 117. Inventories consist of both raw materials, goods purchased for resale, goods under construction and finished goods. We refer to note 11 for more information on the inventory's composition and provisions for obsolescence, as well as to note 2.10 regarding principles for valuation of inventories.

Obsolescence provisions are based on judgement, and the determination of the value of goods under construction and finished goods is based on technical calculation and allocation of full manufacturing cost. In addition, a discretionary obsolescence provision is made in connection with outdated or damaged goods, or goods that cannot be sold at full price. The estimate is partly based on experience and partly on models based on the age distribution of product groups in in stock. We have focused on this because determining the manufacturing cost of goods under construction and finished goods is a process that requires a high degree of accuracy and because the obsolescence provision is based on management's use of judgment.

We have assessed whether management's principles for valuation of finished goods and goods under construction, including the determination of estimated obsolescence provisions, are in accordance with relevant accounting regulations.

We have gained an understanding of management's processes for calculating and accounting of manufacturing costs related to finished goods and goods under construction, and processes for assessing the inventory's obsolete provisions. Furthermore, we have tested the implementation of relevant internal control activities.

We have formed our own opinions on which direct and indirect costs are to be included in manufacturing costs allocated to finished goods and goods under construction and compared this against the costs included in management's calculation. We have also discussed the procedure for allocating indirect costs with management. Furthermore, we have tested the values in management's cost calculations against incoming invoices and updated hourly rates. We have analysed the mark-ups against this year's and previous years' mark-ups, which we have compared with this year's and previous years' production. Further, the technical calculation of manufacturing cost was tested for mathematical accuracy. Our tests did not reveal any significant discrepancies.

We have discussed the size of booked obsolete provisions with management. The Group's management focuses on minimizing the amount of obsolete goods in stock and follows this up regularly at the various locations, among other things by focusing on increased turnover and alternative use of obsolete goods.

We have tested the obsolescence provisions, among other things by testing the accuracy of management's prior years' provisions. Where age distribution of goods



is used as a basis for obsolescence provisions, we have tested the accuracy of the age distribution in the inventory system. We have also assessed the turnover rate of key product groups and found that this was high. We have participated in inventory counts and checked whether damaged goods have been identified and have assessed how discretionary write-downs on these were made.

We have assessed whether the additional information about the inventory in an appropriate manner describes the principles for valuing the inventory, including the provision of obsolescence, and whether the information in the notes is in accordance with the requirements for the presentation of the accounts.

Reorganisation

In the fourth quarter Byggma ASA sold its shares in four subsidiaries to its wholly owned subsidiary Byggma Eiendom AS. The companies sold, own the Norwegian properties in the Byggma Group. Through the transaction, a separate real estate group was established. The price of the shares in the four companies included in the transaction totalled TNOK 655 071. The recorded gain from the sale in the Byggma ASA parent company financial statement amounts to TNOK 615 883. The transaction has no accounting consequence for the consolidated financial statement.

The transaction was recorded at fair value. See note 3 for more information regarding the transaction and the accounting principles applied.

The transaction was considered to be a key audit matter because it entailed a considerable transfer of assets between subsidiaries and because of the significant accounting gain recorded in the parent company's financial statement.

We have assessed whether the value of the shares sold in the subsidiaries was determined in accordance with accepted principles for transactions between related parties.

We have discussed the valuation of the shares with management, including selected principles, methods and assumptions for calculating the values of the properties transferred in the transaction.

To test the calculations, we have obtained the appraisals management used external valuers to prepare. We assessed the competence, capability and objectivity of the external valuers.

We tested the principles on which the valuations are based on lease agreements and deferred taxes on the properties and assessed the determined share value against the sold companies' balance sheets as of 30 November 2021. We have tested the input in and mathematical accuracy of the valuation models. We have not identified any significant discrepancies.

We have assessed the accounting of the transaction against the transaction principle. The transaction is a reorganization of the business. Combined with the settlement method, including the risk profile, this indicate that the transaction should be carried out at fair value for both the buyer and seller.

We have audited the information in note 3, including checking whether the additional information describes relevant principles in an appropriate manner, and are in accordance with the requirements for the presentation of the accounts.

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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 legal requirements.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it



exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 or 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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the

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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 Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name Byggma_ASA-2021-12-31-no.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandeloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Kristiansand, 27 April 2022
PricewaterhouseCoopers AS

Reidar Henriksen
State Authorised Public Accountant

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

DECLARATION FROM THE BOARD OF DIRECTORS/GENERAL MANAGER

DECLARATION FROM THE BOARD OF DIRECTORS AND GENERAL MANAGER:

To the best of our knowledge, we declare that the annual financial statements for the period 1 January to 31 December 2021 have been prepared in accordance with applicable accounting standards and that the information presented in the annual financial statements provides a true and fair view of the assets, liabilities, financial position and overall results of the Company and Group. We also declare that the annual report provides a true and fair view of the development, results and position of the company and the Group, together with a description of the key risk and uncertainty factors faced by the company and the Group.

VENNESLA, 27.4.2022
THE BOARD OF DIRECTORS OF BYGGMA ASA



TERJE GUNNULFSEN
CHAIRMAN



KNUT HENNING LARSEN



HEGE AARLI KLEM



LIV ANNE DRANGSLAND HOLST



EDVART TRELDALE HØYÅSEN



ERIK FJELDBERG



DAGFINN ERIKSEN



GEIR DRANGSLAND GROUP CEO

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 will present its report on the company's corporate governance below. The recommendation from NUES is available at www.nues.no.

2. THE COMPANY

Byggma ASA is a company that conducts industrial activities. The Company may also invest in shares and property, and undertake other activities related to this, including participation in companies with similar purposes. This is stated in Article 3 of the Articles of Association reproduced on page 90. The company's vision and strategies are stated on page 3. Furthermore, the company's vision and strategies are available on the company's website www.byggma.no.

3. EQUITY AND DIVIDENDS

Equity

The Group has equity of MNOK 598.3 as at 31 December 2021, representing 32.7% of total assets. The equity ratio exceeds the Group's target of at least 25% and, in the opinion of the Board, is justifiable based on the risk and scope of the activities in the Group.

Dividend policy

Byggma's objective is to distribute between 30-50% 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 proposes to the annual general meeting on 31 May 2022 to pay dividend of NOK 1 per share.

Capital

The annual general meeting in 2021 granted the Board of Directors authorisation to carry out capital increase(s). It must be possible to increase the share capital by up to NOK 5,200,000 by issuing up to 20,000,000 shares, each with a nominal value of NOK 0.26. The share price and other subscription terms will be determined by the Board. Alternatively, the Board of Directors must be able to decide that the subscriber can make deposits in assets other than money, that the share contribution obligation can be settled by offsetting, or that shares may be subscribed for on special terms.

The authorisation covers a decision to merge in accordance with Section 13-5 of the Norwegian Public Limited Liability Companies Act. The authorisation applies until 26 May 2023.

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

Purchase of own shares

The annual general meeting on 27.5.2021 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 nominal value of up to NOK 1,815,663, i.e. 6,983,319 shares. The Board is free to choose 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 1.11.2022."

Byggma ASA owns 13,920 of its own shares as at 31 December 2021.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Class of shares

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

Transactions in own shares

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

Transactions with related parties

The Group has some transactions with companies owned by the CEO and his related parties. An agreement on remuneration as CEO (see point 12) is approved by the Board of Directors. The remuneration given to the Group CEO is invoiced from Scanel AS, which he controls. Board member Solicitor Knut Henning Larsen is engaged in various legal assessments. 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.

Summons

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

Attendance

Registration to attend the annual general meeting takes place by written reply or e-mail no later than the day before the annual general meeting. The Board wishes to make it as easy as possible for as many shareholders as possible to attend. Shareholders who are unable to attend the meeting themselves may provide a proxy. The Chairman of the Board of Directors and the auditor attend the annual general meeting. As a minimum, the CEO and CFO attend from the administration. In 2021, the annual general meeting was held on 27 May, and 92.82% 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 board is done by simple majority. Four of the Board's members are shareholder-elected, while three of the Board's members are elected by and from among the Group's employees. Members are elected for 2 years at a time, with the opportunity for re-election. The entire board is not up for election at the same time, which ensures continuity.

Composition of the board

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

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

Independence of the Board

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

Board members' shareholding

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) and Board member Liv Anne Drangslund Holst has an ownership stake of 1,600 shares (0.002% 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 and work of the Board of Directors is based on the following key tasks: strategy, organisation, control and own duties.

The Board of Directors must appoint the CEO.

Instructions for the Board of Directors

Instructions for the Board of Directors have been drawn up, and these were last revised on 30.8.2017. The instructions for the Board of Directors include items related to the purpose of the Board's work, invitations to and implementation of Board meetings, the Board's composition – resources, rights and obligations, work plan and relation to the General Manager, 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. Daily management is delegated to the CEO, who is responsible for operational management. Instructions are drawn up for the CEO, who must report on the day to day management at board meetings.

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 accounts are also prepared.

Invitation letter and meeting agenda

The Board of Directors holds set board meetings every year. Normally, 6-8 board meetings are held each year. Additional meetings are convened as required. Eight board meetings were held in 2021. All members of the Board receive information about the company's operational and financial development prior to the meetings. The members of the Board of Directors have free access to consult the Group's senior managers if they feel the need to do so. The CEO usually prepares proposals for the agenda, while the Chairman of the Board determines the final agenda for the board meetings. In addition to Board members, the CEO and Chief Financial Officer (Secretary of 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 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 consultancy assignments must be approved by the audit committee. The audit committee reviews the annual accounts prior to consideration and approval by the company's Board of Directors.

The Board of Directors' self-evaluation

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

10. RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are carried out through various processes in the Group, both at board level and in the day-to-day management of the company. The Board of Directors conducts risk management and internal control through board meetings. The Board receives financial reporting 10 times a year, commenting on the company's economic and financial status. An annual planning and budgeting process ends with a board-approved budget that sets the framework for the coming year. The Group has a centralised finance and controller function. The centralised finance function must ensure optimisation and control of the Group's cash and currency flows. The controller function must analyse and report significant deviations in the subsidiaries' accounts in relation to plans approved by the Board of Directors.

Risk management and internal control at management level are carried out through monthly reviews of the company's accounts against budget. Some financial figures are also reported on a weekly basis. Every quarter, a review of the results and

development of the business is conducted with the manager of each subsidiary. Financial risk management and internal control procedures are carried out both at group level and in each subsidiary.

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

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

The Group CEO regularly participates in 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 EXECUTIVE PERSONNEL

Guidelines

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

Bonus scheme

The Group CEO, CFO and Logistics Director have a performance-oriented bonus scheme with annual payments. Furthermore, the 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 accounts are made available to shareholders at least three weeks before

the ordinary general meeting usually held annually in May. The company also submits quarterly and half-yearly reports. The date for submitting quarterly and interim reports is shown in the financial calendar, which is reported to the Oslo Stock Exchange and is also available on the company's website. The financial calendar is presented on page 90 of the annual report. All shareholders are treated equally.

Other information

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

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

14. TAKEOVER

There are no statutes or other conditions that limit the possibility to buy the shares in the company. The Group is controlled by Investor AS, Investor 1 AS, Investor 3 AS and Sørlands-Vekst AS. Investor AS is controlled by Group CEO Geir Drangslund. Investor AS owns 99.8% of Sørlands-Vekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangslund. As of On 27 April 2022, Geir Drangslund and related parties controlled 88.70% of the shares in Byggma ASA. Investor AS owns 51,633,790 shares (73.94%) and is the parent company of Byggma ASA.



15. AUDITOR

The company's auditor is 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. The annual report Note 19 states how much is paid in fees in addition to the audit fee.



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Introduction from the CEO, Geir Drangslund

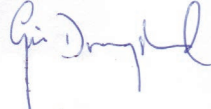
One year ago, we produced our first sustainability report to both raise our own awareness and tell our partners about our status and projects aimed at improving our sustainability performance. It is therefore very gratifying to see what has happened since we gave this high priority in the Group a year ago.

We work with wood as a material and make durable products that bind carbon in the products. Our business is climate-positive, and we therefore ensure that there is more carbon stored in the products we deliver than the emissions resulting from our business. 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 what we use this resource for.

But that said, I'm very proud to work with an organisation that does not use this to rest on its laurels when talking about what we can do to improve our climate footprint.

This year's report shows that we have come a long way in our systematic work to improve our activities in terms of environmental and climate impact, our employees and our corporate social responsibility and at the same time develop our businesses.

Best regards,



Geir Drangslund
Chief Executive Officer





HIGHLIGHTS

5.8%

Carbon sequestration in Byggma's panel products is equivalent to 5.8% of Norway's road traffic emissions

47%

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

2 GWh

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

SUSTAINABILITY AND RESPONSIBLE BUSINESS

Byggma is an industrial group that develops and delivers building material solutions 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. Beyond our

financial goals, we need to be aware of our impact on society and the environment.

The various companies in Byggma report their activities concerning sustainability and results. The CEO and Byggma's Board review and approve the sustainability report before it is published.

THE UN'S SUSTAINABLE DEVELOPMENT GOALS

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

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

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

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





HIGHLIGHTS

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

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

CARBON SEQUESTRATION

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

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

If we add up all of the carbon sequestered in an annual production cycle of Byggma's products, this would be equivalent to sequestering around 490,000 tonnes of CO₂ equivalents.

This corresponds to 5.8% of CO₂ emissions from road traffic in Norway. (SSB: Emissions from road traffic 8.4 million tonnes of CO₂ equivalents in 2020).

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. Each stage of manufacturing and distribution must carry traceability certification. If any stage is not certified, the traceability chain is broken and the product cannot be sold as PEFC certified.

Masonite Beams AS was PEFC Chain of Custody certified in January 2022. Uidal is in the process of certification with the aim of becoming PEFC certified during 2022.

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

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

TRANSPORT

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

We have an efficient transport network out of our factories. Consolidating deliveries to different customers in a specific district ensures that capacity is well utilised and results in fewer emissions from distribution. Delivery vehicles should be filled as much as possible when they leave the factory. We are

constantly striving to find optimal, environmentally-friendly transport solutions and we require that our transport partners use modern equipment in relation 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 adverse incidents.

SORTING AND RECYCLING WASTE.

Waste from production is a waste of resources and we are aiming to reduce the extent of our production waste through purchasing and our business activities. We have set up environmental stations in our factories and offices for sorting recyclable materials.



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

HUNTONIT ECO-FRIENDLY PACKAGING

Huntonit has carried out transport tests and adapted production equipment, making it possible to use cardboard packaging on the sides of the finished goods pallets. The new side panels will replace the current 11-mm wood fibrepanels, which will mean less weight per pallet and less waste at the construction site. The current solution involving plastic bandoleers around the pallet for marketing purposes will also be removed. We will initially start off the conversion process with some of our 60x120 roofing products. The expected reduction in plastic consumption is initially 1.2 tonnes/year and the expected reduction in weight for timber packaging is 130 tonnes/year.



Before: pallets packed in plastic



After: pallets packed with cardboard

TREATMENT PLANT TO SAFEGUARD AGAINST ADVERSE DISCHARGES INTO RIVERS

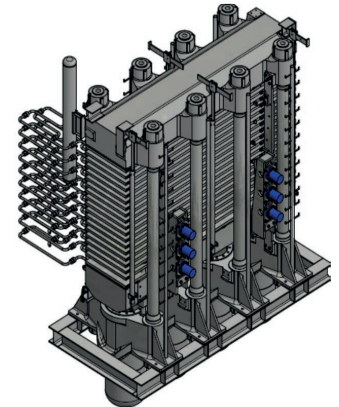
Huntonit has at times had problems with adverse discharge into rivers. This applies particularly to surface water on asphalted areas with heavy traffic. A treatment plant has been installed to collect possible areas of discharge, which has improved the situation and given us better opportunity to clean the waste water before it enters the river. We are now in a phase of finetuning and optimising the plant.

PRODUCTIVITY BOOST, PRODUCTION OF CORE MATERIAL

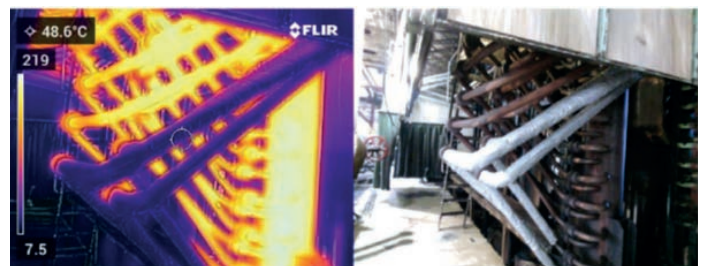
In June 2020, one of the four cylinders in one of our presses broke down. The Board decided to order four new cylinders. At the same time, it was decided to make necessary modifications to the presses to ensure a 6% productivity increase in the process unit that produces the core material. During summer and autumn 2021, a huge effort was made to remove the old press and prepare the press for increased capacity. In total, more than 200 tonnes of parts and equipment were lifted out and refurbished. The equipment was put into operation during the autumn and we are now stepping up to increased capacity. In parallel with the productivity increase, the amount of energy consumed per volume produced has been reduced.

HEAT RECOVERY, FLOOR PRESSES

While working on renovating the presses, we have also worked on developing solutions that ensure the recovery of waste heat from the floor presses. The picture shows one of the measures involving the insulation of steam pipes entering the heating tables in the presses.



The effect of the insulation is shown in the picture below, taken with the IR camera of uninsulated and insulated pipes. The surface temperature of the insulated pipes is 48 degrees Celcius. For uninsulated pipes, the surface temperature is 220 degrees Celcius.



The expected savings for the project are in excess of 2 GWh per year based on the current operating pattern.

MORE RECYCLED DUST IN HARDBOARD

Part of the excess dust generated in connection with the milling and sawing of the fibreboard at Huntonit is pressed into fuel briquettes and sold to various local biofuel plants. Other dust is recycled in the process unit for the manufacture of



The picture shows a dust silo with a modified transport system, resulting in fewer briquettes for incineration.

fibreboard. For several years now, Huntonit has been working to increase the quality of incoming raw materials in line with the development of recipes adapted to the requirements made of the finished product. Step 1 was to establish a silo facility to split the dust quality. In the past year, we have worked on step 2, which has been to ensure a more stable feed of recycled dust into the panels. We can also see the potential in increasing productivity in our process.

During Q4 2021, a number of technical modifications were carried out, which have helped make the supply of dust more stable. The result can be seen in the form of better control and a more even quality of core material, which has allowed us to increase the amount of recycled dust in our panels and thus reduce the amount of fuel briquettes burnt. Annually, it is expected that 1,500 tonnes more dust can be recycled in the production process instead of being sent for incineration.

SMARTPANEL GREENBIZZ

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

CONVERSION TO DISTRICT HEATING

It has been decided that incinerating grinding dust will be phased out and replaced by district heating. This is expected to be completed in summer 2022.

USE OF MDF DUST

Smartpanel is a partner in the “EcoReFibre” project, an EU project aimed at finding better ways of using the waste from the timber industry – including MDF dust. EU funding is now being applied for, in order to continue the project.

BATHROOM PANEL

The production of bathroom panels and kitchen boards is now underway at Smartpanel. The core is produced by Huntonit and is an environmentally friendly panel produced using raw materials from Norwegian forests. With these new products, we will gain increased use of consolidated shipments to our customers, potentially resulting in lower CO₂ emissions on the roads.

MASONITE BEAMS

Development of new future-oriented building systems Masonite Beams is taking part in the “Future Design – Reuse of wood buildings in a circular economy” project. The idea of the project is, based on concept studies, to develop and show examples of removable and reusable wood structures based on environmental benefits in the circular value chain. The project is planned for completion in autumn 2023. The Masonite building system uses 47% fewer raw materials compared to solid wood structures.

Environmental Product Declaration (EPD)

We have updated our EPD and developed EPD tools to create our own EPDs based on the transport route, means of transport and relevant beam types delivered. We are participating in a project called “digital templates” which is a collaborative project between Masonite Beams, Skanska, IVL and EPD-Norge. The aim of the project is that, based on new EU standards, we will be able to demonstrate the environmental impact of a building at an early stage when the drawings are completed. The data needed for the calculation is retrieved automatically from various servers.

FORESTIA TREATMENT SYSTEM FOR RETURNED WOOD

As previously described, at Forestia we have developed a project where we can clean timber from demolition and turn it into industrial wood chips and make new products from the wood waste. As the project relies on a certain amount of public funding to make it profitable, we have been lobbying politicians for some time now to use state funding regulations to establish climate-smart solutions in line with our neighbouring countries.

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 risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills.

SUSTAINABLE PACKAGING

Although we have started the job of reducing the weight and extent of packaging on Forestia products, we still use a lot of chipping as packaging.

We have launched a project whereby we will review all products and see where 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 instead. The first alternative being considered is cardboard.



REDUCED USE OF ADDITIVES IN CHIPBOARD PRODUCTION

Forestia has had its own project for reducing the use of additives in the chipboard core. Tests so far show no significant impairment to the properties of the products, and the objective is to eliminate the use of certain additives entirely. But we need to test more so that we can check that seasonal fluctuations etc. do not affect the process negatively.

PHASING OUT PVC FOIL

We have taken the initiative to remove the last products from our PVC foil portfolio. The customers concerned have been contacted and products with more sustainable foil have been developed. The customers are happy with this initiative and support the change currently being introduced.

MAINTENANCE UPGRADE

In recent years, Forestia has chosen to invest in its maintenance. This not only boosts competency, it also facilitates recruitment of staff with the right skills. It will also appeal more to those seeking an apprenticeship.

We have equipped the maintenance workshop with machines so that we can machine and manufacture parts and components ourselves.

In-house production has proven to extend service life, since we can strengthen and install more durable parts in places most prone to wear.

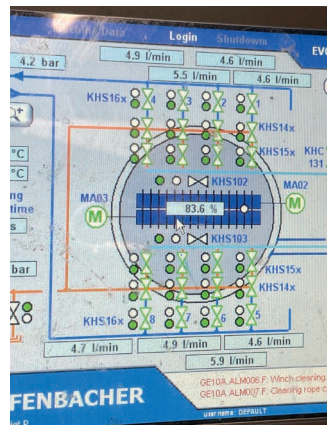
They are also produced so that we can easily replace “worn and torn” parts.

Overall, this provides us with a maintenance department that is highly functional and operational, while also preventing and reducing unforeseen stoppages.

Maintenance dept. at Forestia



New glue mixer



BYGGMA

	2019	2020	2021
Certified raw material (%) *	83.6	90.1	91.0
Wood consumption (1,000 m ³)	557	589	597
Carbon sequestration (1,000 tonnes CO ₂ -eqv)	456	483	490
Energy consumption Gwh**	135	144	141

* Masonite Beams AS was PEFC-certified in January 2022.

* Uldal is in the process of certification.

** Fossil fuels and electricity





HIGHLIGHTS

- Profitability leads to 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

Opportunities for employee development are important in order for Byggma to be able to retain its employees. Arrangements shall be made to provide good opportunities for personal development to employees who want them. 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 have to take into account and facilitate good neighbourhoods, and good cooperation with neighbours and local authorities, and also contribute to an active local community.

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

COMMUNICATION AND INFORMATION

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



EQUAL OPPORTUNITY

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 statement concerning equal opportunities in Forestia, Huntonit and Uldal has been drawn up in accordance with the UN's Sustainable Development Goal number 8 and the Norwegian Act on Equality and Anti-Discrimination.

SAFE WORKPLACE

One of our most important goals 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 courses were completed in 2021. 295 people attended courses relating to e.g. first aid, defibrillators, fire prevention, smoke diving, trained electrical personnel, etc. Some key personnel 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.

BYGGMA EMPLOYEES

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

AGE DISTRIBUTION

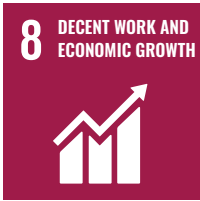
> 30	18%
30 - 50	42%
< 50	40%

BYGGMA

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

BYGGMA ABSENCE

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



HIGHLIGHTS

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

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

FUTURE PROSPECTS

The forest is a climate-friendly raw material for making construction products.

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 taking advantage of new technologies.

PRODUCT DEVELOPMENT AND INNOVATION

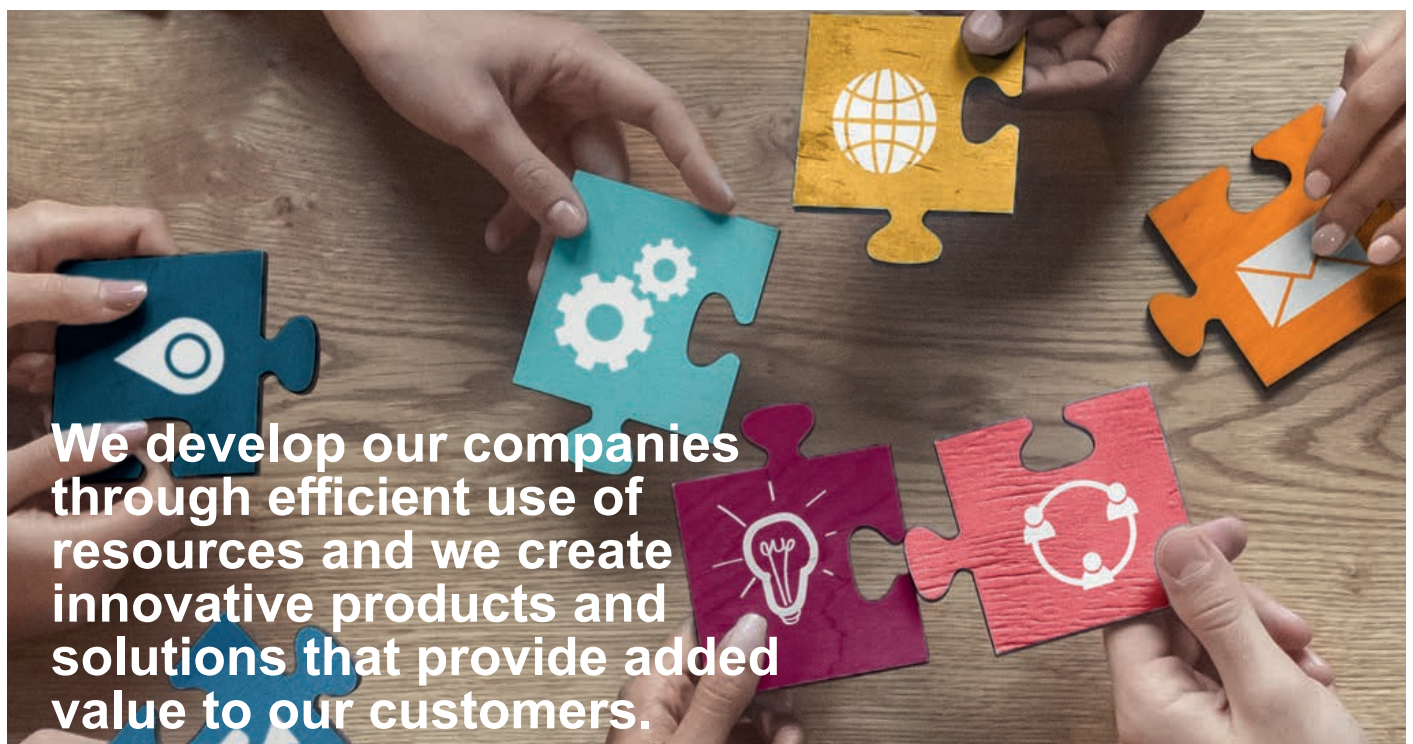
Product development and innovation are important activities in our quest to offer contemporary and environmentally friendly

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 procedures possible. We have to stay on track with new, future environmental requirements and also stay ahead of the game. Some customers set high standards, but the EU is also working continuously on this front. 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.



CERTIFICATES	COMPANIES
ISO 9001	Forestia, Huntonit, Masonite Beams
ISO 14001	Forestia, Huntonit, Masonite Beams
ISO 50001	Huntonit
EPD	Forestia, Huntonit, Masonite Beams
PEFC CoC	Forestia, Huntonit, Smartpanel, Masonite Beams
ECOproduct	Forestia, Huntonit
Swan ecolabel	Forestia
M1	Forestia, Huntonit
CARB Phase II / US EPA	Forestia
Approved by the Norwegian Asthma and Allergy Association	Huntonit
Danish Indoor Climate Labelling	Huntonit
BASTA	Forestia, Huntonit, Smartpanel, Masonite Beams
Construction product 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	Uldal



BYGGMA ASA has reported the information mentioned in this GRI content index for the period 01.01.2021 – 31.12.2021 with reference to the GRI Standards.

GRI Standard used	GRI 1: FOUNDATION 2021	
GRI STANDARD	DESCRIPTION	SOURCE Reference to page in report or website
GRI 2: General Disclosures 2021	2-1 Company details	Annual Report pages 3, 12, 22 and 67
	2-2 Units included in the organisation's reporting	Annual Report pages 3, 12 and 51
	2-3 Reporting period, frequency and contact person	Reporting period: 01.01.2021 – 31.12.2021 Frequency of sustainability reports: Annually Contact person: Vegard Grønnerud Vegard.Gronnerud@byggma.no
	2-5 External audit	Annual Report page 59
	2-6 Products and markets	Annual Report page 12
	2-7 Employees	Annual Report pages 3, 16 and 83
	2-9 Management structure	Annual Report pages 6-10
	2-10 Nomination and selection of Board members	Annual Report pages 67-70
	2-11 Chairman of the highest governing body	Annual Report pages 10 and 68
	2-12 Role of the highest governing body in monitoring the management of risk and consequences	Annual Report pages 67-70
	2-13 Delegation of responsibility for managing consequences	Annual Report page 69
	2-14 Role of the highest governing body within sustainability reporting	Annual Report pages 69-70
	2-15 Conflicts of Interest	Annual Report page 67
	2-16 Communication regarding negative relations with stakeholders	Annual Report page 68
	2-18 Evaluation of the performance of the work of the Board of Directors	Annual Report page 69
	2-19 Guidelines for remuneration	Annual Report page 69
	2-20 Process for determining remuneration	Annual Report page 69
	2-22 Statement on sustainable development strategy	Annual Report page 73
	2-23 Strategies, principles and values related to ethics	"Annual Report pages 15-17 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/ "
	2-24 Implementation of strategies, principles and values related to ethics	"Annual Report pages 15-17 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/ "
	2-25 Processes for preventing negative consequences	Annual Report page 69
	2-26 Mechanism for seeking advice and raising concerns	"Annual Report pages 15-16 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/ "
	2-27 Compliance with laws and regulations	No violations in 2021
	2-29 Stakeholder dialogue approach	"Annual Report pages 15-16 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/ "
	2-30 Freedom of association and collective agreements	Annual Report page 16

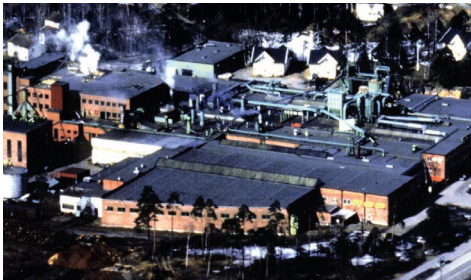
GRI STANDARD	DESCRIPTION	SOURCE Reference to page in report or website
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annual Report page 13
	3-2 Material topics	Annual Report pages 13-17
	3-3 Management of material topics	Annual Report pages 13-17, 76-84
GRI 201: Economic Performance 2016	103-1/2/3 Management approach 201	Annual Report pages 22-28
	201-1 Direct economic value generated and distributed	Annual Report pages 19-20
	201-2 Climate risk	Annual Report page 17
GRI 207: Tax 2019	207-1 Tax policy	Annual Report pages 24-25
	207-2 Control and audit – auditor’s report	Annual Report pages 59-64
GRI 301: Materials 2016	103-1/2/3 Management approach 301	Annual Report pages 16-17
	301-1 Materials	Annual Report page 81
GRI 302: Energy 2016	103-1/2/3 Management approach 302	Annual Report page 17
	302-1 Energy consumption in the organisation	Annual Report page 81
	302-4 Reduction in energy consumption	Annual Report pages 77-78
GRI 306: Waste 2020	103-1/2/3 Management approach 306	Annual Report page 79
	306-2 Reduction in waste	Annual Report pages 5, 9, 17 and 79
GRI 403: Occupational Health and Safety 2018	103-1/2/3 Management approach 403	Annual Report page 16
	403-1 Occupational health and safety management system	Annual Report page 16
	403–2 Hazard identification, risk assessment and incident investigation	Annual Report pages 16 and 83
	403-4 Worker participation, consultation and communication on occupational health and safety	Annual Report page 16
	403-5 Worker training on occupational health and safety	Annual Report page 83
	403-9 Work-related injuries	Annual Report page 83
GRI 404: Training and Education 2016	103-1/2/3 Management approach 404	Annual Report page 82
GRI 406: Non-discrimination 2016	103-1/2/3 Management approach 406	Annual Report pages 16 and 83
GRI 413: Local Communities 2016	103-1/2/3 Management approach 413	Annual Report pages 16 and 82-83



BUILDINGS AND PROPERTIES owned by Byggma ASA

Byggma ASA currently owns approximately 140,000 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 preserving them 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



MASONITE FASTIGHET AB
 ANNUAL LEASE REVENUE (SEK THOUSANDS): 8,500
 PRODUCTION AND WAREHOUSE SITES: 38,107 m²
 OFFICES: 1,600 m²
 SITE AREA - OWNED: 187,585 m²
 FLOOR AREA: 39,707 m²
 YEAR OF CONSTRUCTION: 1921–2017
 MUNICIPALITY: Nordmaling, Sweden



FORESTIA EIENDOM AS
 ANNUAL LEASE REVENUE (NOK THOUSANDS): 19,500
 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



BIRKELAND EIENDOM AS
 ANNUAL LEASE REVENUE (NOK THOUSANDS): 4,500
 PRODUCTION FACILITIES: 4,930 m²
 STORAGE CAPACITY: 2,662 m²
 OFFICES: 460 m²
 SITE AREA - OWNED: 15,100 m²
 FLOOR AREA: 8,052 m²
 YEAR OF CONSTRUCTION: 1967–1991
 MUNICIPALITY: Birkenes, Norway



BYGGMA EIENDOM LYNGDAL AS
 ANNUAL LEASE REVENUE (NOK THOUSANDS): 12,352
 PRODUCTION AND WAREHOUSE SITE: 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 AND SHAREHOLDER INFORMATION BYGGMA ASA

ARTICLES OF ASSOCIATION FOR BYGGMA ASA

Organisation no.: 979 165 285

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

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

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

Last revised: 27 May 2021

SHAREHOLDER INFORMATION

SHARE CAPITAL AND SHARES

Aspect ratio as at 31.12.2021

Number of shares	Number of shareholders	Share of share capital
1 - 1,000	1,660	0.60%
1,001 - 5,000	335	1.15%
5,001 - 10,000	93	1.00%
10,001 - 50,000	93	2.68%
50,001 - 100,000	15	1.62%
100,001 - 500,000	9	2.95%
500,001 -	4	90.00%
	2 209	100.00%

See note 7 in Byggma ASA's notes for an overview of the 20 biggest 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 proposes to the annual general meeting on 31 May 2022 to pay a dividend of NOK 1 per share.

INTERIM REPORTS ARE PUBLISHED AS FOLLOWS:

Q1 2022	19 May 2022
Q2/Interim Report 2022	25 August 2022
Q3 2022	3 November 2022

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