BYGGMA group

ANNUAL REPORT 2020

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

CONTENTS

INTRODUCTION:

Byggma ASA has its head office 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, Byggform AS, Scan Lamps AS and Aneta Belysning AB. 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 must achieve a turnover of at least MNOK 3,000.
2. The profit margin should be a minimum of 5%.
3. The Group's activities must be based on sustainable products and efficient use of resources.
4. The Group must be innovative and build strong brands
5. We must 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 must be an attractive investment.

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 production processes, as well as to the environment and sustainability.

The expected group turnover in 2021 is MNOK 2,200 and the group has around 700 employees.

The Group aims to achieve its vision through its core values, which can be described as Inclusive, Innovative and Responsible:

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).

Innovative

Curious and in search of future challenges.
Always solutions-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 for the environment, health and sustainable development as we carry out our activities.

PLEASE SEE OUR GROUP PRESENTATION:

BYGGMA
group

Photos of our products and employees.

Sales revenue and profit
Sales revenues in 2020 totalled MNOK 2,052. EBITDA was MNOK 270.

Liquidity
The liquidity reserve increased from MNOK 591 as of 31.12.2019 to MNOK 797 as of 31.12.2020.

Improvement in Uldal
Uldal AS showed a deficit of MNOK -10.2 in 2019 and a surplus of MNOK 4.2 in 2020.

Improvement in Scan Lamps
Scan Lamps AS showed a deficit of MNOK -5.3 in 2019 and a surplus of 0.8 million in 2020.

Improvement in Aneta Lighting
Aneta Lighting AB showed a deficit of MSEK -3.6 in 2019 and a surplus of MSEK 2.4 in 2020.

Improvement in Smartpanel
Smartpanel AS showed a deficit of MNOK -17.9 in 2019 and a profit of MNOK 0.2 in 2020.

Improvement in Huntonit
Huntonit AS showed a surplus of MNOK 15.4 in 2019 and increased its surplus to MNOK 49.0.

Improvement in Forestia
Forestia AS showed a surplus of MNOK 75.2 in 2019, which increased to MNOK 119.9 in 2020.

Strong sales development in Sweden
Sales in Sweden increased from MNOK 332.3 in 2019 to MNOK 400.3 in 2020. This corresponds to an increase of 20.5%.

Strong sales development in the Netherlands
Sales in the Netherlands increased from MNOK 56.9 in 2019 to MNOK 71.4 in 2020. This corresponds to an increase of 25.4%.

Walls2Paint
Walls2Paint is one of Byggma's largest new launches in recent years. The product has grown strongly since its introduction a few years ago. There is still great potential for further growth. Walls2Paint is expected to become Byggma's biggest product in a few years' time.

Premium Ceiling
Forestia AS introduced the Premium Ceiling product in autumn 2020. The product has been very well received and we expect strong sales growth in the coming years.

Pro Wall
Huntonit AS launched Huntonit Pro Wall in autumn 2020. The product has been well received and we expect strong growth in the coming years.

BYGGMA ASA
GROUP MANAGEMENT

GEIR DRANGSLAND
Chief Executive Officer

Geir Drangsland is CEO of Byggma ASA. He served as Chairman of the Board of Byggma ASA from 2000-09. He is CEO of Investor AS. Geir Drangsland has a Master of Business Economics and has been CFO of Idun AS since 1987-91, CFO of El-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 of experience from Øglændgruppen, including AS CFO at Cubus AS, he worked AS CFO at Fibo-Trespo AS from 1992-2000, AS CFO at Byggma Group from 2000-2002. 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 started working at the customer centre in his time, and 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.

BYGGMA ASA
MANAGEMENT BUILDING/LIGHTING


ERLEND JORDET
Sales Director Foresta


HALVOR C. OLSEN
Sales Director Huntonit


JOHN SÆTEN
Sales Director Masonite


TERJE SAGBAKKEN
Managing Director Forestia


TORE HANSEN
CEO Uldal and 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

Results

Byggma achieved its best results ever in 2020.

Sales revenues increased from MNOK 1,783 in 2019 to MNOK 2,052 in 2020.

EBITDA increased from MNOK 143 in 2019 to MNOK 270 in 2020.

I am extremely satisfied with the results achieved. There are many skilled, competent and motivated people who are performing at levels that exceed my expectations. **Thank you very much indeed!** 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 provides predictability, recognition and security, all of which are important drivers for customer preference for Byggma's 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 strengthening 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. And this year is no exception. Innovation and product development are high priorities in our strategy, and will continue to be in future.

Internationalisation

In 2020, our sales revenue from exports increased by 15%. This confirms that our products are also attractive and competitive outside Norway. Increased sales abroad are also risk-mitigating and make us less vulnerable to economic fluctuations in the Norwegian market. We have strong sales growth in both Sweden and the Netherlands, where we are doing a great job of approaching the market in the right way.

Sustainability/ESG

Forests bind significant amounts of carbon and, for us, good management of this resource is about creating good products that store carbon for decades. In several of our operations, what we contribute to carbon storage significantly exceeds the emissions 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, we will through our committed team of employees and partners 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 important projects that we are working on: At Huntonit, we have developed a project where, by recovering waste heat from the board press machine, we can save 3 GWh. ENOVA has agreed to support the project.

Another important project we have been working on is at Forestia. Here we are looking at the potential for collecting wood from demolitions, cleaning it up and reusing it as a raw material in new building products. This is a unique project in the Norwegian context and will mean that we can extend carbon storage of products equivalent to 150,000 tonnes of CO^2 every year.

The way forward

Byggma is doing well in the market. I therefore want to continue pursuing the strategy we have established. Byggma is built on values that are also important to me personally. By adhering to these values, I strive to be a good role model for all of my employees who I value greatly.

In order to succeed, we depend on skilled and motivated employees. All our factories would be valueless if it were not for our skilled employees taking care of them and making sure that together we develop great products that delight our customers. This is the foundation of our existence and the foundation of profitable industrial jobs in the future.

It is official company policy that Byggma must contribute positively to the local communities in which our factories are established. As part of this strategy, we contribute by sponsoring local sports clubs. We want to maintain and continue this strategy.

Thanks to each and every one of you at Byggma for your efforts in 2020. I want everyone to do well and each of you to be able to realise your human potential through your role in the Byggma Group.

Best regards,

Geir Drangsland

Geir Drangsland
Chief Executive Officer

MEMBERS OF THE BOARD OF DIRECTORS

TERJE GUNNULFSEN

Chairman of the Board

Terje Gunnulfsen has been Chairman of the Board since 2009, but has been a member of the Board since 1 June 2001. Gunnulfsen has a degree in Business Economics and has varied management experience as Marketing Manager at the financing company Nevi Finans and as Sales Director and later Distribution Director at Christianssands Bryggeri. In the period 1998 – 2009, Gunnulfsen was CFO and later CEO of the Nordic IT service company InforCare. In recent years, he has served as an 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 ANNENGSLAND HOLST

Board member

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

EDVARD TRELDAL HØÅSEN

Board member/employee representative

Edvart 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. Edvart also currently holds the post of main employee representative at Huntonit, and is head of department at Fellesforbundet. He is also a secretary 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 6 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.

FINANCIAL KEY FIGURES

ALL FIGURES IN NOK 1,000

		IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017	IFRS 2016
Profit/loss:						
Sales revenues		**2,052,371**	**1,783,388**	**1,655,279**	**1,619,451**	**1,514,839**
EBITDA		269,648	142,660	118,753	148,176	142,779
Operating profit/loss		192,584	72,528	64,526	93,761	86,487
Profit before tax		159,733	61,976	55,873	84,383	80,888
Tax expenses		34,825	13,026	9,088	19,994	17,144
Profit for the year		124,908	48,949	46,785	64,389	63,744
Depreciation and write-downs		77,064	70,132	54,227	54,415	56,292
Balance sheet:						
Fixed assets		963,922	967,485	832,253	786,134	724,230
Current assets		1,168,012	847,963	855,532	764,568	729,600
Total assets		**2,131,933**	**1,815,448**	**1,687,785**	**1,550,702**	**1,453,830**
EQUITY		990,217	861,427	824,428	798,881	764,109
Long-term liabilities		552,393	456,466	433,155	339,261	343,439
Current liabilities		589,323	497,555	430,202	412,559	346,282
Total equity and liabilities		**2,131,933**	**1,815,448**	**1,687,785**	**1,550,702**	**1,453,830**
Short-term interest-bearing liabilities		144,230	131,553	35,782	47,235	44,408
Long-term interest-bearing liabilities		452,774	370,999	353,364	255,724	251,379
Total interest-bearing liabilities		597,004	502,552	389,146	302,959	295,787
Bank deposits (excl. tax deduction)		509,167	307,921	362,073	344,995	306,386
Unused overdraft facilities		287,481	283,089	250,000	218,992	218,073
Liquidity reserve		796,648	591,011	612,073	563,988	524,459
Staff:						
Number of FTEs as of 31.12. Group		680	684	671	635	627
Equity ratio:						
Number of shareholders		703	668	716	733	667
Stock exchange price as of 31.12.	NOK	189.00	92.00	68.00	91.50	74.75

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 2020, 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, Scan Lamps AS in Kristiansand in Agder and Aneta Belysning AB in Växjö in Sweden, which sells lighting products, Scan Lamps VTA AS in Kristiansand in Agder, which is a supplier of renovation services, as well as property companies Byggma Eiendom AS, Birkeland Eiendom AS, Masonite Fastighet AB and Grammaholmen Fastighets AB.

BUSINESS AREAS

PANELS

The Panels segment consists of the companies Huntonit AS, Forestia AS, AS Byggform and Smartpanel AS with subsidiaries. AS Byggform was acquired in September 2019. The Masonite part of Forestia AS has been demerged to its own company, Masonite Beams AS. This company, together with the Masonite part of Huntonit AS, has been included in the Beams segment, and the figures for Panels and Beams have therefore been adjusted.

In 2020, the Panels segment achieved sales of MNOK 1,449.8 compared with MNOK 1,229.7 in 2019. The operating result for 2020 was MNOK 163.4, which is MNOK 95.9 higher than in 2019.

This business area is seeing increased costs of raw materials, mainly due to a weakened Norwegian krone in connection with the COVID-19 outbreak.

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

The Board 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 Grammaholmen Fastighets AB. In addition, the segment consists of Masonite Beams AS, which has been demerged from Forestia AS in the Panels segment, as well as the Masonite part of Huntonit AS. The figures for the Panels and Beams segments are a result of these adjustments.

In 2020, the Beams business area achieved revenues of MNOK 293.4 compared with MNOK 280.4 in 2019. The operating result for 2020 was MNOK 25.5, which is MNOK 4.2 lower than in 2019. As a result of theCOVID-19 outbreak, activities in France and the UK were closed down for parts of the first half of the year and resulted in a reduction in turnover for these countries

I-beam is gaining an increasingly strong position in the Nordic building products market. The company is experiencing increased price pressure on I-beams.

Norway, Sweden and the UK are the largest markets in the Beams segment.

The Board is satisfied with sales and results in the Beams segment. The Management and Board of Directors have strong focus on creating increased sales and improved profitability.

WINDOWS

This business area consists of 2 companies: Uldal AS and the real estate company Birkeland Eiendom AS at Birkeland in Agder. It produces windows, mainly for the Norwegian market.
In 2020, the Window business area achieved sales of MNOK 214.0 compared with MNOK 196.7 in 2019.
Operating profit in 2020 was MNOK 5.9, which is MNOK 14.0 better than in 2019. Uldal's position in the window market has been significantly strengthened in recent years, but continues to experience increased competition and price pressure on its products. The segment is seeing increased costs of raw materials, mainly due to a weakened Norwegian krone in connection with the COVID-19 outbreak.
MNOK 3 has been invested in a new sliding door factory at Uldal. Investing 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 satisfied with sales and profit developments in the Windows segment. Management has strong focus on measures to improve profitability

LIGHTING

This business area consists of Scan Lamps AS, Scan Lamps VTA AS and Aneta Belysning AB and offers a wide range of lighting products, primarily to the home lighting market.
Most of the products are manufactured in China. In 2019, Scan Lamps AS expanded its product range with lighting for the professional installation market. The Board expects this initiative

to generate increased revenues for the company.

In 2020, the Lighting business area achieved sales of MNOK 95.2 compared with MNOK 76.6 in 2019.
Operating profit in 2020 was MNOK 5.1, which is MNOK 13.0 better than in 2019.
The Board of Directors is satisfied with the development in results and sales in lighting. Management has strong focus on measures to improve profitability

ANALYSIS OF THE ANNUAL ACCOUNTS AND KEY RISKS AND UNCERTAINTIES

As from 2005 the consolidated accounts have been completed in accordance with the International Financial Reporting Standards (IFRS).

Group turnover in 2020 was MNOK 2,052.4, which is 15.1% higher than in 2019. All segments had higher revenues in 2020 compared to 2019. AS Byggform, which is part of the panel segment, was acquired in September 2019.

The Byggma Group's profit for 2020 was MNOK 124.9, and Byggma ASA's profit for the year was MNOK 94.4.

Total investments in tangible fixed assets and intangible assets in 2020 came to MNOK 61.2.

At the end of the year, total assets were MNOK 2.131.9 compared with MNOK 1,815.4 as of 31.12.2019.

The Group's book equity as of 31 December 2020 was MNOK 990.2 (46.4%), compared with MNOK 861.4 as of 31 December 2009 (47.4%).

In 2020, the parent company Byggma ASA had revenues of MNOK 484.3, which is an increase of MNOK 40.3 compared with 2019. Profit before tax was MNOK 113.8, which is an increase of MNOK 107.6 compared with 2019.

The Group had positive cash flow from operations of MNOK 230.2 in 2020. 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 31.12. 2020, the liquidity reserve was MNOK 796.6.
The Group operates in two sectors: Building products and home lighting. Turnover within lighting is relatively stable and largely independent of the general economic conditions.

The building materials sector has historically been unstable and is to a greater extent dependent on new building activities, but the tendency for the renovation, and extension market to increase when new building 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 is unfortunate, because a significant part of imports are paid in Euros and USD.

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

STATEMENT OF THE COMPANY'S PROSPECTS

There is still uncertainty related to market developments due to the economic situation in Europe and in Norway and the rest of the Nordic region. Uncertainty in the international oil market and the Norwegian housing market may affect the Norwegian building materials market going forward.

The forecast for the sale of new housing in the Norwegian market shows growth of 40% in Q1 compared with the same period in 2020 and up 20%. The largest growth is in detached houses with a growth of over 40% in both commissioning and sales, small houses growing at 29% and sales at 43%. This is positive for the company, as this is an important arena.
The activity is estimated to grow at a relatively low volume of approximately 23,000 new homes per year to approximately 25,000. The Renovation and Extension market is expected to maintain a high level, as per 2020.

The outbreak and spread of the COVID-19 virus worldwide affects industry and trade globally and nationally. Norway and several other countries have introduced strict travel restrictions. Norway and Sweden, which are the largest markets for Byggma, have introduced several public support schemes for employees and companies to limit the negative consequences of the outbreak.

The effect of the outbreak of the COVID-19 virus is currently limited for Byggma as of 29 April 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, which the outbreak may have for employees and operations. If building materials outlets close and construction projects stop, this may have an impact on Byggma.

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.

It is currently not possible to quantify any effect the outbreak of COVID-19 virus may have on Byggma in the longer term.

Byggma has strong liquidity and equity, and is well prepared for any negative effects of the outbreak.

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.

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 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. The Byggma Group continuously seeks efficiency and profitability. Dominance is created through efficiency. And dominance creates profitability.

Byggma is well advanced in its improvement processes for becoming an 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 be allocating its investments to digitalisation 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 human potential through their work 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 and cost reductions mean that the Group is well positioned and well prepared for future challenges.

EVENTS SO FAR IN 2021

There are no significant events so far in 2021.

The outbreak of the COVID-19 virus is discussed in the section entitled "Statement of the company's prospects" and in note 29.

FINANCIAL RISK

MARKET RISK

Currency risk

Group sales outside Norway amount to approx. 33%, 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. The Group has considerable sales in foreign currency, particularly due to sales in SEK. As a result of the balance between purchases and sales, the risk is considered to be limited. As of 31 December 2020, the Group had signed a contract to sell MSEK 33 at an average price of SEK 102.12 and purchase EUR 101 thousand at an average price of SEK 10.67 for delivery in 2021.

Price risk

In certain areas, the Group is exposed to risk associated with wood 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 for the individual chain members. Agreements with 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. A credit assessment is carried out when entering into a contract with new customers. Losses onreceivables in 2020 were MNOK 0.8, corresponding to 0.04% of turnover.

LIQUIDITY RISK

Liquidity for the Group is deemed to be good as per 31 December 2020. The Group has loans of MNOK 82.9, which will be renewed in 2021. As of 31 December 2020, the Group had deposits of MNOK 525.2 and overdraft facilities of MNOK 288.4. The Group had used MNOK 1.0 of the overdraft facilities as per 31 December 2020. The Group has the necessary capacity to finance future activities.

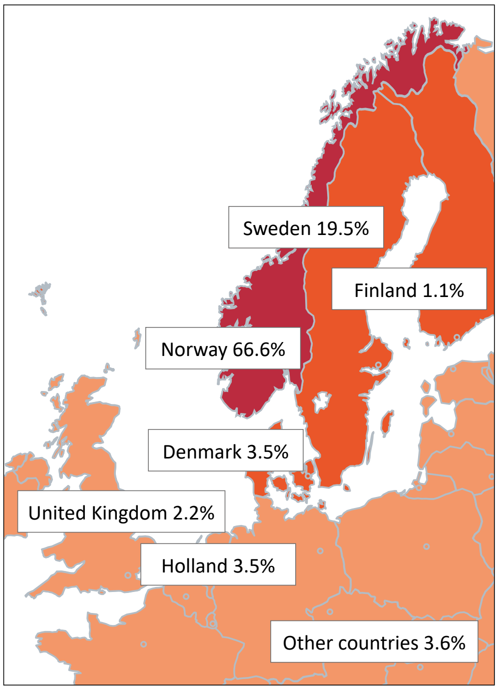
INTEREST RISK

Total interest-bearing liabilities in the Group were MNOK 597.0 as of 31 December 2020. Lease liabilities amount to MNOK 110.1 of interest-bearing liabilities. The Group has partly hedged long-term liabilities through interest rate swaps. As of 31 December 2020, agreements for interest rate swaps have been signed with an expiry date of between 2021-2030 for MNOK 349.7.

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 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.



Byggma ASA – geographical distribution of the Group's turnover. Total revenue: MNOK 2,052.4

RESEARCH & DEVELOPMENT

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

We have to be the absolute best in this area so customers see Byggma as their preferred partner. Being the best in product development and innovation builds a strong 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 sustainable development goals.

In our work to develop a sustainability strategy, we have chosen to prioritise and work with

CLIMATE AND THE ENVIRONMENT

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

INDIVIDUALS AND SOCIETY

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

BUSINESS MODEL

Good profitability provides the foundation for secure 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, please refer to the Sustainability Report on page 75.

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 at all times by seeking to comply with our values that 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 local workers and 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 follow the company's ethical guidelines towards 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 CEO or Chairman of the Board may be notified.

Byggma Group's activities have an impact on the local community that we are part of. 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 guidelines for human rights, but has incorporated the company's attitudes into the ethical guidelines.

THE WORK ENVIRONMENT

At year-end, the Group had 680 full-time equivalents, a decrease of four full-time equivalents from 2019.

Absence due to sickness in the Group was 5.3% in 2020, compared with 5.9% in 2019.

Injuries:
A total of 19 injuries resulted in absence of 812 days in 2020. The corresponding figure for 2019 was 22 injuries resulting in absence of 492 days. All personal injuries are investigated for underlying causes so that preventative measures can be taken.

Accidents:
There have been 2 serious accidents in the Group in 2020 as a result of forklift collisions.

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.

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 697 employees, 95 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 are from the employees, five men and two women.

DISCRIMINATION

The Board of Directors believes that no differences are made 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. The 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 carefully consider the raw materials we use in production, energy, packaging, transport, and other production 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.
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.

Huntonit, the largest consumer of energy in the Group, is certified in accordance with ISO 50001, Work aimed at reducing energy consumption is ongoing. Over the past five years, specific energy consumption at Huntonit has been reduced by 12%. Equipment will be installed over the next two years to help with heat recovery from our floor presses; it will recover an equivalent of 3 GWh.

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. Stakeholder analyses have been carried out to determine the scope.
Our factories are particularly focused on dust, noise, and emissions to the atmosphere and waterways.
We work with relevant action plans to reduce the scope and prevent any undesirable incidents.

The stakeholders here are the employees and neighbours, as well as authorities on various levels.

Waste separation and recycling:
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.

Future opportunities - returned wood - reusing wood waste:
The Norwegian forest and timber industry provides important job opportunities in the local districts. We also make construction products that capture significant amounts of carbon and retain it for the entire service life of the building.
Approximately 1 million tonnes of timber from demolitions is sent to Norwegian landfills every year. This is equivalent to about 2 million m^3 of wood, which in turn is equivalent to 15% of Norwegian trees harvested. This is a resource that can be recycled into new construction products.
We have national targets for material recycling that can only be met by setting up new circular systems in Norway that also include wood.

However, it will take a significant amount of processing to clean timber from demolitions and turn it into new, clean, industrial wood chips.

Over the past several years, Forestia has been working on a project where, by investing in new cleaning technologies, we can use wood from demolitions as an input for chipboard production. This will, however, require a major investment of approximately MNOK 250. From an economic point of view, this has not yet proved profitable for the company on its own, but the outlook will be different with investment support from the authorities.

We therefore still want state investment support to realise the project - for the benefit of the environment, industrial workplaces, the wood industry, and society in general.

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

The Byggma Group has accumulated considerable surplus liquidity. The Board of Directors proposes that parts of the surplus liquidity be paid out to shareholders by proposing to the annual general meeting a payment of NOK 80 per share.

The Board of Directors proposes the following allocation of the annual profit of MNOK 94.4 in Byggma ASA as follows:

Dividend of MNOK	558.6
Other equity: MNOK	-464.2
Total allocated: MNOK	94.4

VENNESLA, 29 APRIL 2021
BOARD OF BYGGMA ASA

TERJE GUNNULFSEN
Chairman of the Board

KNUT HENNING LARSEN
Board member

HEGE AARLI KLEM
Board member

LIV ANNENGSLAND HOLST
Board member

EDVART TRELDAL HØYÅSEN
Board member

ERIK FJELDBERG
Board member

DAGFINN ERIKSEN
Board member

GEIR DRANGSLAND
Chief Executive Officer

TERJE GUNNULFSEN
CHAIRMAN OF THE BOARD

KNUT HENNING LARSEN

HEGE AARLI KLEM

LIV ANNENGSLAND HOLST

EDVART TRELDAL HØYÅSEN

ERIK FJELDBERG

DAGFINN ERIKSEN

GEIR DRANGSLAND
CHIEF EXECUTIVE OFFICER

HUNTONIT PRO WALL

Smooth click-together walls that do not need filling or priming. The boards are ready to be painted immediately after assembly and are also suitable for wallpapering.

PRODUCT SIZE
11 x 620 x 2420/2800 mm

FORESTIA Premium Ceiling

Smooth wood-based ceiling sheets. Pre-taped with 4-sided locking profile for paint. Do not plaster.

PRODUCT SIZE
12 x 620 x 1220 mm

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(all amounts in NOK 1,000)	Note	2020	2019
Sales revenues	5	**2,052,371**	**1,783,388**
Other income		23,109	23,448
Total income		**2,075,480**	**1,806,836**
Cost of goods and manufacturing costs		-954,884	-843,514
Payroll expenses	19	-439,432	-424,154
Depreciation and write-downs	5,6,7	-77,064	-70,132
Freight and warranty claim costs		-162,831	-146,396
Marketing costs		-92,667	-90,839
Other losses/gains - net	17	715	-3,060
Other operating costs	18	-156,732	-156,215
Total operating expenses		**-1,882,896**	**-1,734,308**
Operating profit/loss	5	**192,584**	**72,528**
Financial income	20	5,314	7,388
Financial costs	20	-38,165	-17,941
Net financial costs	20	-32,851	-10,552
Profit/loss before tax		**159,733**	**61,976**
Tax expenses	21	-34,825	-13,026
Profit for the year		**124,908**	**48,949**
Allocated to			
Shareholders		124,908	48,949
Minority interests		0	0
		124,908	**48,949**

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

Earnings per share	22	17.89	6.97
Diluted earnings per share	22	17.89	6.97

TOTAL COMPREHENSIVE INCOME			
Profit for the year		124,908	48,949
Other income elements that may later be reclassified to profit and loss			
Conversion differences		11,003	-967
Total		**11,003**	**-967**
Other income elements that will not be reclassified through profit and loss			
Total profit for the year		**135,911**	**47,982**
Allocated to:			
Shareholders		135,911	47,982
Minority interests		0	0
		135,911	**47,982**

Note 1-31 is part of the consolidated accounts.

CONSOLIDATED BALANCE SHEET AS OF 31.12.

(all amounts in NOK 1,000)	Note	2020	2019
ASSETS			
Tangible fixed assets	6	931,857	933,134
Intangible assets	7	25,002	26,677
Deferred tax asset	16	6,863	4,721
Long-term financial derivatives	8.9	0	2,753
Other long-term receivables	10	200	201
Total fixed assets		**963,922**	**967,485**
Inventories	11	263,501	289,179
Customer and other short-term receivables	8.10	379,288	236,007
Short-term financial derivatives	8.9	0	186
Cash and cash equivalents	8.12	525,222	322,591
Total current assets		**1,168,012**	**847,963**
Total assets	5	**2,131,933**	**1,815,448**
EQUITY			
Share capital and share premium	13.31	52,652	52,655
Other equity not recognised in the income statement		16,910	5,907
Retained earnings		920,656	802,865
Total equity		**990,217**	**861,427**
LIABILITIES			
Long-term loans	8.15	452,774	370,999
Long-term financial derivatives	8.9	9,671	1,157
Deferred tax	16	89,949	84,309
Total long-term liabilities		**552,393**	**456,466**
Trade payables and other current liabilities	8.14	409,138	361,510
Tax payable	21	33,015	4,230
Short-term loans	8.15	144,230	131,553
Short-term financial derivatives	8.9	2,940	263
Total current liabilities		**589,323**	**497,555**
Total liabilities	5	**1,141,716**	**954,021**
Total equity and liabilities		**2,131,933**	**1,815,448**

Note 1-31 is part of the consolidated accounts.

VENNESLA, 29 APRIL 2021
THE BOARD OF DIRECTORS
OF BYGGMA ASA

TERJE GUNNULFSEN
CHAIRMAN

KNUT HENNING LARSEN

HEGE AARLI KLEM

LIV ANNENGSLAND HOLST

EDVART TRELDAL HØYÅSEN

ERIK FJELDBERG

DAGFINN ERIKSEN

GEIR DRANGSLAND
GROUP CEO

CONSOLIDATED STATEMENT OF CASH FLOW

(all amounts in NOK 1,000)	Note	2020	2019
Cash flow from operations			
Cash flow from operations	24	230,157	102,315
Interest paid		-24,066	-21,655
Interest received		5,214	7,483
Taxes paid		-4,232	-9,245
Net cash flow from operations		**207,074**	**78,899**
Cash flow from investment activities			
Purchase of subsidiary (less liquid assets in subsidiaries)		0	-21,476
Purchase of tangible fixed assets	6	-59,063	-89,663
Sale of tangible fixed assets	24	1,010	856
Purchase of intangible assets	7	-2,119	-2,450
Loans granted to related parties, including group companies	27	-27,205	-11,863
Net cash flow used for investment activities		**-87,377**	**-124,596**
Cash flow from financing activities			
Purchase of own shares	13	-139	-3,955
Dividends paid to Byggma ASA's shareholders		-6,982	-7,028
Net paid to shareholders		-7,121	-10,983
Adjustment of overdraft facility	15	-3,398	4,353
Uptake of loans	24	150,239	49,689
Repayment of loans	24	-62,005	-49,264
Net cash flow to(-)/from (+) foreign capital financing	24	84,835	4,777
Net cash flow to(-)/from (+) financing activities		**77,714**	**-6,206**
Adjustment to cash, cash equivalents		197,411	-51,903
Cash and cash equivalents as of 1 January.		322,591	377,039
Foreign exchange gains/(loss) on cash and	24	5,220	-2,545
Cash and cash equivalents as of 31 December	**12**	**525,222**	**322,591**

Note 1-31 is part of the consolidated accounts.

CONSOLIDATED STATEMENT OF CHANGES IN EQITY

		Equity allocated to the company's shareholders			
(all amounts in NOK 1,000)	Note	Share capital and share premium	Other equity not recognised in the income statement	Retained earnings	Total
Equity 1 January 2019		**52,772**	**6,874**	**764,783**	**824,428**
Profit for the year		0	0	48,949	48,949
Conversion differences		0	-967	0	-967
Purchase of own shares	13	-117	0	-3,838	-3,955
Dividend	23	0	0	-7,028	-7,028
Equity as of 31 December 2019		**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**

Note 1-31 is part of the consolidated accounts.

NOTE 1 GENERAL INFORMATION

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

The Group's main business is the production and sale of building products to the Scandinavian and Northern European markets. In Norway, the products are sold through our own nationwide sales apparatus; abroad, sales are 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 29 April 2021 and submitted for approval at the annual general meeting on 27 May 2021.

All figures are in NOK thousand unless otherwise stated.

NOTE 2 ACCOUNTING PRINCIPLES

The most important accounting policies used in the preparation of the consolidated accounts 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 2020.
The consolidated accounts 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 largely contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are important to the consolidated accounts, are described in note 4.

The consolidated accounts 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 2020. 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 available where the Group has between 20 and 50% of 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 statement and balance sheet for group units (none with hyperinflation) functional currency different from the presentation currency is recalculated as follows:

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

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

TANGIBLE FIXED ASSETS

Land and buildings mainly consist of factories and offices. Long-term fixed assets are accounted for at historical acquisition cost less depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Acquisition costs may also include gains or losses transferred from equity due to 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 value, is depreciated to residual value over their expected useful life, which is:

Buildings and plant	25-50 years
Of which housing has 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 make up 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 results when they are incurred.

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

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

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

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

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

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

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

A write-down is recognised in the income statement with 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 time of agreement -, which is the day 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 profit and loss statement under "Other (loss) 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 revenues 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 liabilities 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 for 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, other short-term and easily negotiable investments with a maximum of three months' original maturity.

2.13 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity.

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

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

2.14 TAX PAYABLE AND DEFERRED TAX

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

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

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

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

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

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

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

(a) Pension liabilities

For defined contribution schemes, the company pays in fixed contributions. The Company has no legal or self-imposed obligation to deposit additional funds if it turns out that there are 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 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 liabilities classified as short-term 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.
Liability is calculated with 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.

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 float 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 secures financial risk in close cooperation with the CEO.

(a) Market risk

(i) Currency risk

In 2020, the Group sold around 33% of its products outside Norway (2019: 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 2020, the Group had entered into a contract to sell MSEK 33 at an average price of SEK 102.12 and purchase EUR 101 thousand at an average price of SEK 10.67 for delivery in 2021. (As of 31.12.2019 contract for the purchase of EUR 56 thousand at an average price of EUR 10.19 for delivery in 2020). 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 post-tax profit of MNOK 8.2 (2019: MNOK 4.9).

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 of 31 December 2020, and all other variables were constant, this would represent an increase/decrease in equity of MNOK 4.8 (2019: MNOK 3.5).

(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% and where all other variables are constant. Such a change in wood prices will affect the Group's post-tax profit for the year by MNOK 9.7 (2019: MNOK 8.2). Similarly, a change in energy prices will result in MNOK 1.7 (2019: MNOK 2.2) in post-tax profit on an annual basis.

(b) 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. 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 82.9, which will be renewed in 2021. As of 31 December 2020, the Group had an overdraft facility of MNOK 288.4 (2019: MNOK 287.4). The Group had used MNOK 1.0 of its overdraft facilities as of 31.12.2020 (as od 31.12.2019 MNOK 4.4). As of 31 December 2020, the Group had total bank deposits of MNOK 525.2. The Group has the necessary capacity to finance future activities. Trade payables, tax payable, short-term loans and other short-term liabilities totalled MNOK 586.4 (2019: MNOK 497.3 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 2020	< 1 year	1-5 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

31 December 2019	< 1 year	2-5 years	Over 5 years
Loans	122,196	154,483	175,075
Overdraft facility	4,353	0	0
Liabilities in the event of lease agreements	20,276	62,267	37,169
Trade payables and other current liabilities	321,536	0	0
Total	468,361	216,750	212,244

(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 liabilities amounted to MNOK 597.0 as of 31 December 2020 (31.12.2019: MNOK 502.6). The Group has partly hedged long-term liabilities through interest rate swaps. As of 31 December 2020, interest-rate swap agreements had been entered into with an expiry date of MNOK 349.7 between the period 2021-2030. If the interest rate level had been 1% higher/lower for loans in NOK as of 31 December 2020, and all other variables were constant, this would on an annual basis constitute a reduction/increase in post-tax profit of MNOK 3.2 (2019: MNOK 2.4). 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 of 31 December 2020, and all other variables were constant, this would on an annual basis constitute a reduction/increase in post-tax profit of MNOK 0.6 (2019: MNOK 0.6). This is due to lower/higher interest costs on loans with variable interest rates.

The Group manages the floating interest rate risk by means of floating to fixed interest rate swaps: Such interest rate swaps entail a conversion of floating interest rate loans to fixed interest rate loans. The Group normally takes out long-term loans at variable interest rates and swaps them at a fixed interest rate lower than the one the Group would have achieved by lending directly in 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 is done in 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. It is an objective for the company to pay a dividend in the order of 30% of its annual profit over time.
As a result of the Board's strategy for increased growth through mergers and acquisitions, the objective of a dividend of 30% of the profit may be deviated from and used in the financing of acquisitions.

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.

	2020	2019
Net interest-bearing liabilities/receivables(-)	27,959	163,343
EBITDA	269,648	142,660
Net interest-bearing liabilities/EBITDA	0.1	1.1

As of 31 December 2020, the Group had interest-bearing loans of MNOK 597.0. In addition, the Group has deposits on overdraft facilities of MNOK 465.5 in other bank accounts of MNOK 59.7 and interest-bearing receivables of MNOK 43.8. The Byggma Group thus has net interest-bearing liabilities of MNOK 28.0 as of 31 December 2020.
Of bank deposits, restricted tax withholding deposits amounted to MNOK 16.1.

3.3 ASSESSMENT OF FAIR VALUE

The Group does not use hedge accounting.

Below are financial instruments at fair value according to the valuation method.
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 levels of MNOK 2 to MNOK -12.6. (2019: MNOK +1.5)

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

these prices represent actual and regular occurring market transactions at arm's length.
Please also refer to notes no. 8 and 9.

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 2020, 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.

5 SEGMENT INFORMATION

All figures in MNOK

REPORTED SEGMENTS

The operating segments are identified based on the reporting that the Groupmanagement (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 for the goods and services has been transferred to customers, see note 2.17.

The Masonite part of Forestia AS has been demerged to its own company, Masonite Beams AS. This company, together with the Masonite part of Huntonit AS, has been included in the Beams segment, and the figures for Panels and Beams have therefore been adjusted. Balance sheet and investments have not been adjusted for 2019.

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**

SEGMENT INFORMATION 2019

	Panels	Lighting	Windows	Beams	Byggma other	**TOTAL GROUP**
Sales revenues	1,240.6	76.6	196.7	280.4	0.0	**1,794.3**
Revenue between segments	-10.9	0.0	0.0	0.0	0.0	**-10.9**
Segment revenues from external customers	1,229.7	76.6	196.7	280.4	0.0	**1,783.4**
Operating profit/loss	67.5	-7.9	-8.1	29.7	-8.7	**72.5**
Depreciation and write-downs *)	46.3	4.9	6.0	8.1	4.8	**70.1**
Total assets 31.12.	1,174.1	118.3	119.7	216.9	186.4	**1,815.4**
Total liabilities 31.12.	718.3	72.0	84.2	142.3	-62.8	**954.0**
Investments *)	68.7	9.6	4.1	7.1	2.5	**92.1**

GEOGRAPHICALLY BENEFICIAL

	Sales revenues		**Tangible fixed assets and intangible assets 31.12**		**Investments *)**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Norway	1366.9	1187.9	816.0	837.9	58.7	84.4
United Kingdom	44.9	45.0	0.0	0.0	0.0	0.0
Sweden	400.3	332.3	140.9	121.9	2.4	7.6
Finland	23.3	16.0	0.0	0.0	0.0	0.0
Denmark	71.6	61.7	0.0	0.0	0.0	0.0
Others	145.4	140.5	0.0	0.0	0.0	0.0
Total group	**2,052.4**	**1,783.4**	**956.9**	**959.8**	**61.2**	**92.1**

**) Depreciation, writedowns and investments apply to both tangible and intangible assets*

NOTE 6 FIXED ASSETS

	Land	Buildings and plant	Machinery, fixtures and fittings, operational assets, etc.	Buildings under con-struction	Total fixed assets
As of 31 December 2018					
Acquisition cost	75,783	483,346	936,881	43,842	1,539,853
Accumulated depreciation	-333	-121,698	-616,766	0	-738,797
Book value 31.12.2018	**75,450**	**361,648**	**320,115**	**43,842**	**801,055**
Financial Year 19					
Book value 31.12.2018	75,450	361,648	320,115	43,842	801,055
Implementation of IFRS 16	43	103,958	7,418	0	111,419
Book value 1.1.2019	75,493	465,606	327,534	43,842	912,474
Conversion differences	-168	-1,214	-1,989	-280	-3,651
Acquisition of subsidiaries	0	0	1,648	0	1,648
Acquisitions	1,246	9,581	79,802	-967	89,663
Disposals (note 24)	-536	-38	-288	0	-861
Depreciation for the year	-296	-24,694	-41,148	0	-66,139
Book value 31.12.2019	**75,740**	**449,242**	**365,558**	**42,595**	**933,134**
As of 31 December 2019					
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 31.12.2019	**75,740**	**449,242**	**365,558**	**42,595**	**933,134**
Financial Year 20					
Book value 01.01.2020	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**

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

	2020	2019
Capitalised activated rental rights	143,061	130,722
Accumulated depreciation	-36,769	-17,289
Net book value	106,292	113,433

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 113.9, are pledged as security for bank loans and overdraft facilities (note 15).

Tangible fixed assets are assessed for impairment when there are indications that future earnings cannot justify capitalised value. Analysis of future cash flows has been carried out for relevant business areas. The starting point is based on the 2021 budget. In addition, forecasts have been made for the following 4 years based on growth between 2% and 33% (2019: 8% and 17%) per year. Beyond year 5, growth was 2.5% (2019: 2.5%) (terminal value). The cash flow is discounted with a discount factor of 9.3% (2019: 9.3%) after tax. The test shows that the estimated future cash flow with a good margin can justify the assets' carrying value.

NOTE 7 INTANGIBLE ASSETS

	Goodwill	R&D	Other	Total
As of January 1 2019				
Acquisition cost	11,982	9,976	40,325	62,283
Depreciation and write-downs	-7,918	-8,487	-19,922	-36,327
Book value 1.1.2019	**4,064**	**1,489**	**20,403**	**25,956**
Financial Year 19				
Book value 1.1.2019	4,064	1,489	20,403	25,956
Conversion differences	-108	0	-8	-117
Acquisition of subsidiaries	2,381	0	0	2,381
Acquisitions	0	301	2,149	2,450
Depreciation for the year	0	-479	-3,514	-3,994
Book value 31.12.2019	**6,336**	**1,311**	**19,030**	**26,677**
As of 31 December 2019				
Acquisition cost	13,592	10,277	42,420	66,290
Depreciation and write-downs	-7,256	-8,967	-23,391	-39,613
Book value 31.12.2019	**6,336**	**1,311**	**19,030**	**26,677**
Financial Year 20				
Book value 1.1.2020	6,336	1,311	19,030	26,677
Conversion differences	416	0	267	683
Acquisition of subsidiaries	0	0	0	0
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**

[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:

	2020			2019		
	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	4,371	4,371	0	3,955	3,955
Book goodwill as of 31.12.	**2,381**	**4,371**	**6,752**	**2,381**	**3,955**	**6,336**

ASSESSMENT OF GOODWILL AS OF 31.12.2020

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 goodwill of MNOK 2.4 is intact as per 31 December 2020.

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 4.4 is intact as of 31 December 2020.

Reference is also made to Note 6 concerning the calculation of expected future cash flow. The test shows that the estimated future cash flow with a good margin can justify the capitalised value of intangible assets.

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 2020	Amortized 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 liabil-ities, as well as loss provisions	Total
Commitments:				
Accounts payable and other short-term liabilities (note14)	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**

As of 31 December 2019	Amortized cost	Through profit and loss	Total
Assets:			
Derivatives	0	2,938	2,938
Customer and other receivables	212,620	0	212,620
Cash and cash equivalents	322,591	0	322,591
Total	**535,212**	**0**	**538,150**

	Through profit and loss	Amortized cost	Statutory and warranty liabilities, as well as loss provisions	Total
Commitments:				
Trade payables and other current liabilities	0	260,886	39,974	300,860
Loans	0	502,552	0	502,552
Derivatives	1,420	0	0	1,420
Total	**1,420**	**763,438**	**39,974**	**804,832**

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

NOTE 9 FINANCIAL DERIVATIVES

	2020		2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps - (long-term)	0	9,671	2,753	1,157
Interest rate swaps - (short-term)	0	2,164	186	242
Total interest rate swaps	0	11,835	2,938	1,400
Forward exchange contracts - (short-term)	0	776	0	20
Total financial derivatives	**0**	**12,611**	**2,938**	**1,420**

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 nominal amount of outstanding forward exchange contracts as of 31 December 2020 is TNOK 33,700, which refers to the sale of TSEK 33,000 and TNOK 1,083, which refers to the purchase of TEUR 101. (2019: TNOK 571, which refers to the purchase of TEUR 56).

Interest-rate swaps

The nominal principal amount of outstanding interest rate swaps as of 31 December 2020 was TNOK 349,684 (2019: NOK 392,415)

As of 31 December 2020, the fixed interest rate varied from 1.6% to 5.4% (as of 31.12.2019 from 1.6% to 6.4%) and the floating interest rates were linked to NIBOR and STIBOR. Distribution of principal amount of TNOK 349,684(2019: TNOK 392.415) is TNOK 266.100 (2019: TNOK 312.583) associated with NIBOR and TNOK 83.584 (2019: TNOK 79.831) associated with STIBOR.

Maturity structure interest rate swaps	**2020**	**2019**
Under 1 year	73,044	50,685
Between 1 and 2 years *)	-5,081	72,602
Between 2 and 5 years	97,381	62,180
Over 5 years	184,341	206,949
Total interest rate swap 31.12	**349,684**	**392,415**

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

	2020		2019	
Maturity of fair value interest rate swaps	Assets	Liabilities	Assets	Liabilities
Under 1 year	0	-2,164	186	-242
Between 1 and 2 years	0	1,838	236	-1,018
Between 2 and 5 years	0	-3,576	-328	-25
Over 5 years	0	-7,933	2,845	-115
Total fair value of interest rate swaps 31.12	**0**	**-11,835**	**2,938**	**-1,400**

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

	2020	2019
Accounts receivable	315,498	198,375
Write-downs for losses on accounts receivable (see Note 2.11)	-2,900	-2,560
Accounts receivable net	312,598	195,815
Prepayments	22,553	23,387
Receivables from related parties and Group companies (note 27)	514	388
Loans to related parties and group companies (note 27)	43,823	16,618
Customer and other receivables	379,488	236,208
Of which fixed assets (long-term)	-200	-201
Account receivables and other receivables	**379,288**	**236,007**

The Group recorded losses on claims of TNOK 822 (2019: TNOK 48). 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	2020	2019
NOK	217,748	129,700
SEK	62,643	52,505
EUR	30,033	12,783
DKK	5,030	3,177
GBP	45	210
Total accounts receivable	**315,498**	**198,375**

Maturity structure	2020	2019
Not overdue	288,241	157,636
Overdue 0-90 days	25,142	37,741
More than 90 days	2,115	2,999
Current assets	**315,498**	**198,375**

NOTE 11 INVENTORIES

	2020	2019
Raw materials and operating materials	114,761	103,403
Goods in progress	26,267	30,896
Finished goods	56,635	85,738
Purchased goods for resale	65,839	69,142
Total inventories	**263,501**	**289,179**

As of 31 December 2020, the inventories were written down for obsolescence by MNOK -13.0. (As of 31 December 2019 MNOK -10.0)

NOTE 12 BANK DEPOSITS AND SIMILAR

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

	2020	2019
Cash and cash equivalents	**525,222**	**322,591**
Cash and bank deposits	525,222	322,591
of which restricted tax deductions	16,055	14,670
Other cash and bank deposits	509,167	307,921
Unused overdraft facilities	287,481	283,089
Liquidity reserve	**796,648**	**591,011**

NOTE 13 SHARE CAPITAL

	Number of shares (in thousands)	Ordinary shares	Premium	Own shares	Total
As of January 1 2019	**7,028**	**18,616**	**34,499**	**-342**	**52,772**
Write-downs, share capital	0	-342	0	342	0
Purchase of own shares	-45	0	0	-117	-117
As of 31 December 2019	**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**

The annual general meeting has authorised the Board of Directors to issue up to 2,000,000 shares each with a nominal value of NOK 2.60.
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 22.5.2021.
The Board of Directors must be able to waiver 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 27.5.2020 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 nominal value of up to NOK 1,815,663, i.e. 698,331 shares. The Board is free to choose method of acquisition and sale. A minimum of 20% must be paid under the last known stock exchange price and a maximum of 20% premium on the last known stock exchange price. The authorisation applies until 1.11.2021.
The Board has exercised this authorisation and Byggma ASA acquired a total of 1,392 of its own shares in July 2020. The Group owns 1,392 shares as of 31 December 2020. 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

	2020	2019
Trade payables	273,526	260,886
Public duties	49,685	38,470
Provision for complaints	2,397	1,504
Accrued costs	83,530	60,650
Total accounts payable and other liabilities	**409,138**	**361,510**

NOTE 15 LOANS

	2020	2019
Long-term loans		
Bank loan, long-term	360,797	271,730
Lease liabilities, long-term	91,977	99,269
Total long-term loans	452,774	370,999
Short-term loans		
Overdraft facility	954	4,353
Bank loans, short-term	125,165	111,061
Lease liabilities, short-term	18,111	16,139
Total short-term loans	144,230	131,553
Total loans	**597,004**	**502,552**

Bank loans and overdraft facilities are secured against parts of the Group's inventories (note 11), accounts receivable (note 10) and tangible fixed assets (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:	2020	2019
Under 1 year	158,368	146,825
Between 1 and 5 years	260,871	224,977
Over 5 years	249,155	217,207
Sum over 1 year	510,027	442,184
Total all due dates	**668,395**	**589,009**

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:	2020	2019
Norwegian Kroner (NOK)	501,974	410,689
Swedish Kroner (SEK)	95,035	92,792
Euro (EUR)	-5	-929
Total loans	**597,004**	**502,552**

The Group has net deposits on Group overdraft facilities as of 31 December 2020.

This deposit is divided into the following currencies:	2020	2019
Norwegian Kroner (NOK)	404,463	73,901
Swedish Kroner (SEK)	17,247	10,389
Euro (EUR)	1,522	1,097
US Dollar	-1,741	-170
Other currencies	848	945
Total deposits, group overdraft facility	**422,338**	**86,162**

The Group can draw on its own overdraft facility outside the Group overdraft facility of TNOK 954, of which TNOK-959 and deposits in TEUR 5.

Book value of mortgaged assets	2020	2019
Tangible fixed assets	817,983	818,953
Goods	243,352	266,561
Accounts receivable	303,876	189,323
Total	**1,365,212**	**1,274,837**

Due date liabilities for lease agreements (undisclosed) as follows:	2020	2019
Less than 1 year	21,915	20,276
Between 1 and 5 years	71,344	70,484
Over 5 years	31,046	42,133
Total liabilities leases (undiscounted)	**124,305**	**132,893**

NOTE 16 DEFERRED TAX

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

Deferred tax asset	2020	2019
– Deferred tax assets reversed in more than 12 months	4,934	3,546
– Deferred tax assets reversed within 12 months	1,929	1,175
Total deferred tax asset	6,863	4,721
Deferred tax:		
– Deferred tax reversed in more than 12 months	-90,651	-84,567
– Deferred tax payable within 12 months	703	259
Total deferred tax	-89,949	-84,308
Net deferred tax	**-83,086**	**-79,588**

Changes in deferred tax recognised in the balance sheet:	2020	2019
Book value 01.01	79,588	72,016
Currency conversion	634	-1,223
Recognised in the income statement for the period (note 21)	2,863	8,796
Book value 31.12	**83,086**	**79,588**

Deferred tax	Fixed assets	Inventory	Accounts receivable	Other	Total
Book value 1. 1 2019	76,785	1,211	-473	-518	**77,005**
Recognised in the income statement for the period	6,347	-498	-12	2,809	**8,646**
Exchange rate differences	0	0	0	-1,342	**-1,342**
Book value 31.12.2019	**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**

Deferred tax asset	Inventory	Fair value gains	Deferred loss	Other	Total
Book value 1. 1 2019	847	856	3,164	122	**4,990**
Recognised in the income statement for the period	161	-567	186	70	**-150**
Exchange rate differences	0	0	-7	-112	**-119**
Book value 31.12.2019	**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**

NOTE 17 OTHER LOSSES/GAINS - NET

	2020	2019
Agio	79,184	17,923
Disagio	-77,714	-20,962
Changes to forward exchange contracts	-755	-20
Total other losses/gains - net	**715**	**-3,060**

NOTE 18 OTHER OPERATION EXPENSES

	2020	2019
Maintenance costs	40,520	40,447
Costs premises	17,705	17,948
Travel costs	8,713	13,262
Miscellaneous fees	22,299	20,753
Miscellaneous office expenses	10,893	9,677
Plant and machinery - rent and minor purchases	17,640	17,524
Phone & postage	3,750	3,276
Membership fees & insurance premiums	12,503	8,158
Miscellaneous other operating expenses	22,709	25,170
Total operating costs	**156,732**	**156,215**

NOTE 19 PAYROLL COSTS

	2020	2019
Payroll	360,419	344,049
Employer's contributions	52,995	53,031
Pension costs – contribution-based pension schemes	17,114	17,156
Other personnel costs	8,904	9,917
Total payroll expenses	**439,432**	**424,154**

Audit Fee	**2020**	**2019**
Expensed remuneration to the Group's auditor is divided as follows:		
- statutory audit	2,451	2,105
- other certification service	87	52
- tax advice	295	457
- other assistance	209	242
Total remuneration to auditor	**3,042**	**2,856**

Remuneration to other auditing firms amounted to TNOK 548 (2019: MNOK 581) in audit fees and TNOK 0 (2019: TNOK 245) of other fees.
All amounts without VAT.

Number of FTEs as of 31.12. - Group	680	684

Payroll and remuneration to board members and executive personnel

2020	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangsland *)	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 subsidiary
The Board of Directors			
Terje Gunnulfsen, Chairman of the Board	218,800	0	0
Liv Anne Drangsland 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 Drangsland 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.*

NOTE 19 PAYROLL EXPENSES CONT.

2019	Salary and fees	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangsland *)	3,630,096	8,766	146,610	1,000,000	0
CFO Jens Unhammer	1,245,693	96,346	51,450	0	121,201
IT Director Roy Kenneth Grundetjern	1,309,180	183,656	29,450	0	123,259
Logistics Director Richard Thompsen	1,025,628	82,147	0	0	60,332

	Board fees	Other remuneration	Board fees subsidiary
The Board of Directors			
Terje Gunnulfsen, Chairman of the Board	212,700	6,400	0
Grethe Hindersland	127,400	0	0
Kristin Wallevik (until 28.05.2019)	127,400	6,400	0
Hege Aarli Klem (from 28.05.2019) * * *)	0	0	0
Knut Henning Larsen * *)	127,400	0	0
Edvart Treldal Høyåsen, employee representative	77,000	0	0
Erik Fjeldberg, employee representative	77,000	0	6,000
Bjørnar Jakobsen, employee representative	77,000	0	0

**) Geir Drangsland 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 374,930 in 2019.*
** * *) Hege Aarli Klem has performed billable services for the Byggma Group for a total of NOK 7,200 in 2019*

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 2020, however, there is insufficient information to enable the recognition of liabilities in the annual accounts.
This means that no liability for the AFP scheme is recognised in the balance sheet in 2020.

NOTE 20 FINANCIAL ITEMS

Specification of financial items	2020	2019
Financial income		
Interest loans and bank deposits	5,314	7,388
Total financial income	**5,314**	**7,388**
Financial costs		
Interest expenses bank loans	16,021	15,317
Interest-rate swaps	16,225	-3,094
Interest expenses leasing liabilities	4,343	4,202
Other interest expenses	363	337
Other financial expenses	1,213	1,179
Total financial costs	**38,165**	**17,941**
Total financial items	**-32,851**	**-10,552**

NOTE 21 TAX EXPENSES

	2020	2019
Tax payable	31,962	4,230
Change in deferred tax (note 16)	2,863	8,796
Total tax expenses	**34,825**	**13,026**

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:

	2020	2019
Profit/loss before tax	**159,733**	**61,976**
Tax calculated using the country tax rate on the respective results	34,997	13,500
Change in deferred tax/deferred tax benefit as a result of changed tax rate in Sweden (2021: from 21.4% to 20.6%)	-392	0
Non-taxable income (-)/non-tax-deductible expenses (+)	220	-474
Application of tax carried forward deficit	0	0
Taxable losses where deferred tax assets were not recognised in the balance sheet	**0**	**0**
Tax expenses	**34,825**	**13,026**

The weighted average tax rate was 21.9% (2019: 21.8%).

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).

	2020	2019
Annual profit allocated to the company's shareholders	124,908	48,949
Weighted average of the number of shares issued (in thousands)	6,983	7,020
Earnings per share (NOK per share):	17.89	6.97

DILUTED EARNINGS PER SHARE

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

	2020	2019
Equity allocated to the company's shareholders	124,908	48,949
Profit used to calculate diluted earnings per share	124,908	48,949
Average number of issued ordinary shares (thousand)	6,983	7,020
Average number of ordinary shares for calculating diluted earnings per share (thousand)	6,983	7,020
Earnings per share (NOK per share):	17.89	6.97

NOTE 23 DIVIDENDS

Dividends paid for 2018 were TNOK 7,028 (NOK 1.00 per share). Due to the outbreak of the COVID-19 pandemic, the annual general meeting on 27 May 2020 granted the Board the power to decide on dividends for 2019. This authorisation has been used by the Board of Directors and dividends of TNOK 6,982 (NOK 1.00 per share) were paid in the autumn of 2020. The Byggma Group has accumulated considerable surplus liquidity. For the 2020 financial year, the Board of Directors proposes to pay out parts of the surplus liquidity to shareholders by proposing to the annual general meeting NOK 80.00 per share, in total TNOK 558,554. A decision will be made at the annual general meeting on 27 May 2021. The proposed dividend is not included in the consolidated financial statements.

NOTE 24 CASH FLOW FROM OPERATIONS

	2020	2019
Profit for the year	124,908	48,949
Adjustments for:		
– Tax expenses (note 21)	34,825	13,026
– Depreciations (note 6)	72,587	66,139
– Depreciation of intangible assets (note 7)	4,477	3,994
– (Profit)/Loss on sale of tangible fixed assets (see below)	-55	5
– Unrealised (gain) loss on derivatives	14,129	-5,496
– Interest Note 20	24,066	21,655
– Interest income (note 20)	-5,214	-7,483
Changes in working capital:		
– Goods	30,797	-17,870
– Accounts receivable and other receivables	-113,008	13,045
– Trade payables and other current liabilities	42,645	-33,648
Cash flow from operations	**230,157**	**102,316**

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

	2020	2019
Book value (note 6)	955	861
Gain / (loss) on sale of fixed assets	55	-5
Remuneration for the sale of tangible fixed assets	1,010	856

RECONCILIATION OF CHANGES IN INTEREST-BEARING ITEMS

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 (+)/used for (-) financing activities	-27,205	84,836	57,631

2019	Interest-bearing receivables	Of which interest-bearing debt	Net interest-bearing debt
Balance sheet 1.1.2019	381,793	-389,146	-7,352
Balance sheet 31.12.2019	339,209	-502,552	-163,343
Changes in net interest-bearing debt from cash flow	42,584	113,406	155,991
Of which the change comprises liquid assets	-51,903		-51,903
Changes in net interest-bearing debt excluding liquid assets	-9,318	113,406	104,088
Implementation IFRS16 1.1.2019	0	-111,419	-111,419
Currency effect of interest-bearing items	0	2,790	2,790
Currency effect of liquid assets	-2,545	0	-2,545
Net cash flow from/(used in) financing activities	-11,863	4,777	-7,086

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:

	2020	2019
Tangible fixed assets	10,808	10,840
Total investment liabilities	**10,808**	**10,840**

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

The Group is controlled by Investor AS, Investor 1 AS, Investor 3 AS, Investor 6 AS and Sørlands-MVekst AS. Investor AS and Investor 6 AS are controlled by CEO Geir Drangsland. Investor AS owns 99.6% of Sørlands-MVekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangsland. As of 29 April 2021, Geir Drangsland and related parties inspect 88.56% 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 Drangsland. The Group has net receivables from Geir Drangsland and the companies it controls.

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

i) Sale of goods and services	**2020**	**2019**
Sale of goods:	0	0
Total sales of goods and services	**0**	**0**

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

ii) Purchase of goods and services	**2020**	**2019**
Purchase of services:		
- Scanel AS (administrative services)	4,325	3,630
Total purchase of goods and services	**4,325**	**3,630**

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	**2020**	**2019**
Interest on receivables		
Geir Drangsland / Sørland - Vekst AS / Scanel AS / Investor AS *)	435	298
Total	**435**	**298**

iv) Balance sheet items at year-end.	**2020**	**2019**
Receivables from related parties (note 10):		
Geir Drangsland / Sørlands-MVekst AS / Scanel AS / Investor AS *)	44,337	17,006
Total	**44,337**	**17,006**

**) 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

There are no significant events after the balance sheet date.

NOTE 29 OTHER EVENTS - PANDEMIC

The Covid-19 pandemic has had only limited consequences for Byggma. The inflow of orders is good, and production at the factories and deliveries to customers are 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. If building materials outlets close and construction projects stop, this may have an impact on Byggma. 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. Closing of borders has only to a limited extent led to delays or missed deliveries to customers.

Due to the building stores' introduced limitations on visits from suppliers, 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.

The Norwegian authorities introduced reduced employer's National Insurance contributions by 4% for the period May-June 2020.

It is difficult to quantify the effect of the outbreak of COVID-19 virus on Byggma in 2020. Reduced employer's National Insurance contributions, lay-offs and the closure of borders with associated reduced travel activity have resulted in reduced costs. However, demand for Byggma's products has been good.

NOTE 30 SUBSIDIARIES

Company	Acquisition time	Registered office	Vote share
Huntonit AB	01.01.1996	Stockholm, Sweden	100%
Huntonit AS	25.04.1997	Vennesla	100%
Smartpanel AS	28.06.2018	Fredrikstad	100%
RBI Interiør AB (owned by Smartpanel AS)	04.07.2018	Västra Frölunda, Sweden	100%
Scan Lamps AS	06.06.2002	Kristiansand	100%
Scan Lamps VTA AS (owned by Scan Lamps AS)	20.09.2017	Kristiansand	100%
Byggma Eiendom AS	31.03.2003	Lyngdal	100%
Uldal AS	03.06.2004	Birkeland	100%
Birkeland Eiendom AS	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Scan Lamps AS)	16.11.2004	Vennesla	100%
Aneta Belysning AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	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	1,059	96
Huntonit AS	NOK	13,100	13,100	13,100	63,160	26,736
Smartpanel AS	NOK	20,000	500	500	30,330	20,000
RBI Interiør AB *)	SEK	100	1,000	1,000	-80	0
Scan Lamps AS	NOK	8,250	82,500	82,500	12,447	15,355
Scan Lamps VTA AS *)	NOK	100	1,000	100	1,259	0
Byggma Eiendom AS	NOK	1,000	10,000	10,000	29,251	15,250
Uldal AS	NOK	10,480	1,048,000	1,048,000	33,720	21,955
Birkeland Eiendom AS	NOK	500	500	500	3,342	8,354
Rolf Dolven AS *)	NOK	2,000	200,000	200,000	4,179	0
Aneta Belysning AB	SEK	600	600	600	27,810	27,453
Forestia AS	NOK	48,615	1,000,000	1,000,000	159,667	58,446
Masonite Beams AS	NOK	1,390	10	10	4,018	1,765
Masonite fastighet AB	SEK	5,000	50,000	50,000	8,322	4,250
Grammaholmen Fastighet AB *)	SEK	50	500	500	52	0
AS Byggform	NOK	2,000	2,000	2,000	21,386	22,744
Masonite Beams AB	SEK	2,200	22,000	22,000	59,300	11,970
Smart Board Production AB *)	SEK	100	1,000	1,000	-51	0
Total					**459,170**	**234,374**

**) Owned by Byggma ASA via other subsidiaries.*

NOTE 31 SHARE CAPITAL AND SHARE INFORMATION

Share capital consists of:	Quantity	Nominal	Booked
Class A Shares	6,983,321	2.60	18,157
Total	**6,983,321**	**2.60**	**18,157**

The company has 703 shareholders as of 31 December 2020. 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% must be paid under the last known stock exchange price and a maximum of 20% premium on the last known stock exchange price. The authorisation applies until 01.11.2021. The company owns 1,392 treasury shares as of 31 December 2020.

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 Drangsland	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%**

NOTE 31 SHARE CAPITAL AND SHARE INFORMATION CONTD.

20 largest shareholders as of 31.12.2019	Number of shares	Proportion of share capital
Investor 5 AS *)	3,248,612	46.22%
Investor 4 AS *)	1,000,000	14.23%
Sørlands-MVekst AS *)	1,000,000	14.23%
Investor AS *)	896,799	12.76%
TEG Invest AS	67,632	0.96%
Beeline AS	66,780	0.95%
Kristiand Hodne AS	53,191	0.76%
Byggma ASA	44,842	0.64%
Jan Adler Mortensen	31,000	0.44%
In Ulstein Loen AS	29,228	0.42%
Øystein Akselsen	25,900	0.37%
Leif Magne Thu	21,237	0.30%
Jomaho AS	21,189	0.30%
Knut Henning Larsen	20,000	0.28%
Torodd Rande	20,000	0.28%
Estate of Karin Oddveig Drangsland *)	19,220	0.27%
Knut Ove Kjær	15,000	0.21%
Olav Roger Lassesen	12,000	0.17%
Foreede Forvaltning AS	11,600	0.17%
Kristian Mikalsen	11,010	0.16%
Total 20 largest shareholders	**6,615,240**	**94.12%**
Share capital	**7,028,163**	**100.00%**

Board of Directors and Management	31.12.2020 Number of hares	31.12.2019 Number of shares
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	67,632	67,632
Head of Marketing and Communications Liv Anne Drangsland Holst	0	0
Solicitor Hege Aarli Klem	0	0
Solicitor Knut Henning Larsen	20,000	20,000
Operator Edvart Treldal 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 Drangsland *)	6,176,124	6,176,124
CFO Jens Unhammer	4,673	4,673
IT Director Roy Kenneth Grundetjern	0	0
Logistics Director Richard Thompsen	0	0
Auditing:		
Auditor company PricewaterhouseCoopers AS	0	0

**) As of 29 April 2021, Group CEO Geir Drangsland and related parties control 6,184,092 shares in Byggma ASA. This corresponds to 88.56% of the shares in Byggma ASA.*

BYGGMA ASA
INCOME STATEMENT

(all amounts in NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
Operating revenues			
Sales revenues	11	484,311	444,041
Other income		1,216	1,112
Total operating revenue		**485,527**	**445,153**
Operating costs			
Cost of goods and production	11	484,311	444,041
Payroll expenses	8	935	1,027
Depreciation	2	1,484	1,165
Other operating costs	8	14,083	13,747
Total operating expenses		**500,814**	**459,980**
Operating profit/loss		**-15,287**	**-14,827**
Financial income	9	145,523	29,412
Financial costs	9	16,419	8,319
Total financial items		**129,104**	**21,093**
Profit/loss before tax		**113,817**	**6,266**
Tax on ordinary profit/loss	7	19,446	1,358
Profit for the year		**94,371**	**4,908**
Allocation of profits:			
Proposed dividend	1	558,554	0
Transferred to other equity	1	-464,183	4,908
Total allocated		**94,371**	**4,908**

BYGGMA ASA

BALANCE SHEET ON 31.12.

(all amounts in NOK 1,000)	Note	NGAAP 2020	NGAAP 2019
ASSETS			
FIXED ASSETS			
Intangible assets			
Intangible assets	2	2,863	2,726
Deferred tax asset	7	259	107
Total intangible assets		3,122	2,833
Financial fixed assets			
Investments in subsidiaries	3	234,374	234,274
Loans to Group companies	4.5	84,488	89,068
Total financial fixed assets		318,861	323,341
Total fixed assets		**321,984**	**326,174**
CURRENT ASSETS			
Receivables			
Accounts receivable	4	87,644	56,179
Receivables from group companies	4.5	150,109	46,629
Other receivables		40,562	13,468
Total receivables		**278,315**	**116,276**
Cash and cash equivalents	10	220,206	212,931
Total current assets		**498,521**	**329,207**
TOTAL ASSETS		**820,504**	**655,381**

BYGGMA ASA

BALANCE SHEET AT 31.12.

All figures in NOK 1,000	Note	NGAAP 2020	NGAAP 2019
TOTAL EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	1.6	18,157	18,273
Share Premium	1	34,499	34,499
Own shares	1	-4	-117
Other paid-in equity	1	312	312
Total paid-in equity		52,963	52,967
Retained earnings			
Other equity	1	1,336	472,637
Total retained earnings		1,336	472,637
Total equity		**54,300**	**525,604**
LIABILITIES			
Other long-term liabiities			
Debt to group companies	4.5	51,467	2,000
Total long-term liabilities		**51,467**	**2,000**
Current liabilities			
Trade payables	5	99,615	89,882
Tax payable	7	19,599	2,154
Public duties owed		11,807	10,015
Dividend	1	558,554	0
Liabilities to group companies	5	22,943	24,164
Total current liabilities		2,220	1,561
Total current liabilities		**714,738**	**127,777**
Total liabilities		**766,205**	**129,777**
TOTAL EQUITY AND LIABILITIES		**820,504**	**655,381**

VENNESLA, 29 APRIL 2021
THE BOARD OF DIRECTORS
OF BYGGMA ASA

TERJE GUNNULFSEN
CHAIRMAN OF THE BOARD

KNUT HENNING LARSEN

HEGE AARLI KLEM

LIV ANNENGSLAND HOLST

EDVART TRELDAL HØYÅSEN

ERIK FJELDBERG

DAGFINN ERIKSEN

GEIR DRANGSLAND
GROUP CEO

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 experiences 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 2020.

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 a conversion of floating interest rate loans to fixed interest rate loans.

ACQUISITION COST

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

INTANGIBLE ASSETS

Development costs are recognised in the balance sheet to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the costs can be 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 under fixed assets for accounting purposes. 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 capital expansion, 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.

CASH FLOW STATEMENT

The cash flow statement 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 of 01.01.2020	**18,273**	**34,499**	**-117**	**312**	**472,637**	**525,604**
Purchase of own shares	0	0	-4	0	-136	-139
Write-downs of own shares	-117	0	117	0	0	0
Profit for the year	0	0		0	94,371	94,371
Dividend paid 2020 *)	0	0		0	-6,982	-6,982
Allocated dividend	0	0		0	-558,554	-558,554
Equity as of 31.12 2020	**18,157**	**34,499**	**-4**	**312**	**1,336**	**54,300**

**) Due to the outbreak of the COVID-19 pandemic, the Annual General Meeting on 27 May 2020 granted the Board the authority to decide on the dividend for 2019. The Board of Directors used this authorisation and dividends of TNOK 6,982 (NOK 1.00 per share) were paid in autumn 2020.*

NOTE 2 INTANGIBLE ASSETS

	Software and similar	Total intangible assets
Acquisition cost as of 01.01.2020	22,052	22,052
Additions of acquired fixed assets	1,621	1,621
Disposals of sold fixed assets	0	0
Acquisition cost 31.12.2020	23,673	23,673
Accumulated depreciation as of 31.12.2020	-20,810	-20,810
Book value as of 31.12.2020	**2,863**	**2,863**
Depreciation for the year	**1,484**	**1,484**

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 AB	01.01.1996	Stockholm, Sweden	100%
Huntonit AS	25.04.1997	Vennesla	100%
Smartpanel AS	28.06.2018	Fredrikstad	100%
RBI Interiør AB (owned by Smartpanel AS)	04.07.2018	Västra Frölunda, Sweden	100%
Scan Lamps AS	06.06.2002	Kristiansand	100%
Scan Lamps VTA AS (owned by Scan Lamps AS)	20.09.2017	Kristiansand	100%
Byggma Eiendom AS	31.03.2003	Lyngdal	100%
Uldal AS	03.06.2004	Birkeland	100%
Birkeland Eiendom AS	03.06.2004	Birkeland	100%
Rolf Dolven AS (owned by Scan Lamps AS)	16.11.2004	Vennesla	100%
Aneta Belysning AB	01.01.2005	Växjö, Sweden	100%
Forestia AS	01.03.2006	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	1,059	96
Huntonit AS	NOK	13,100	13,100	13,100	63,160	26,736
Smartpanel AS	NOK	20,000	500	500	30,330	20,000
RBI Interiør AB *)	SEK	100	1,000	1,000	-80	0
Scan Lamps AS	NOK	8,250	82,500	82,500	12,447	15,355
Scan Lamps VTA AS *)	NOK	100	1,000	100	1,259	0
Byggma Eiendom AS	NOK	1,000	10,000	10,000	29,251	15,250
Uldal AS	NOK	10,480	1,048,000	1,048,000	33,720	21,955
Birkeland Eiendom AS	NOK	500	500	500	3,342	8,354
Rolf Dolven AS *)	NOK	2,000	200,000	200,000	4,179	0
Aneta Belysning AB	SEK	600	600	600	27,810	27,453
Forestia AS	NOK	48,615	1,000,000	1,000,000	159,667	58,446
Masonite Beams AS	NOK	1,390	10	10	4,018	1,765
Masonite fastighet AB	SEK	5,000	50,000	50,000	8,322	4,250
Grammaholmen Fastighet AB *)	SEK	50	500	500	52	0
AS Byggform	NOK	2,000	2,000	2,000	21,386	22,744
Masonite Beams AB	SEK	2,200	22,000	22,000	59,300	11,970
Smart Board Production AB *)	SEK	100	1,000	1,000	-51	0
Total					**459,170**	**234,374**

**) Owned by Byggma ASA via other subsidiaries.*

NOTE 4 RECEIVABLES AND LIABILITIES

Long-term receivables due later than 1 year	2020	2019
Other long-term receivables	81,488	86,068
Total	**81,488**	**86,068**
Long-term debt maturing later than 5 years		
Debt to credit institutions	0	0
Liabilities to group companies	37,500	0
Total	**37,500**	**0**
Debt secured against pledges	0	0
Mortgaged assets:		
Accounts receivable *)	112,619	83,053
Total	**112,619**	**83,053**

**) 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 balance of MNOK 422.3 on the Group's overdraft facility as of 31 December 2020.
Byggma ASA is the guarantor for the entire drawdown of the group overdraft facility.
Byggma ASA is jointly and severally responsible for the payment of VAT with the group companies Huntonit AS, Smartpanel AS and Byggma Eiendom AS.
Byggma ASA acts as guarantor for debt in other group companies totalling MNOK 243.0.
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 2.751. 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

Receivables from Group companies	2020	2019
Long-term receivables/loans	84,488	89,068
Accounts receivable	24,975	26,874
Other receivables	125,134	19,755
Total receivables from group companies	**234,597**	**135,697**
Liabilities to group companies		
Trade payables	87,551	77,750
Long-term debt to Group companies	51,467	2,000
Total current liabilities	22,943	24,164
Total debt to Group companies	**161,961**	**103,914**

Refer also to note 4.

NOTE 6 SHARE CAPITAL AND SHARE INFORMATION

Share capital consists of:	Quantity	Nominal	Booked
Class A Shares	6,983,321	2.60	18,157
Total	**6,983,321**	**2.60**	**18,157**

The company has 703 shareholders as of 31 December 2020. 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% must be paid under the last known stock exchange price and a maximum of 20% premium on the last known stock exchange price. The authorisation applies until 1.11.2021. The company owns 1,392 of its own shares as of 31 December 2020.

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 Drangsland	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%**

20 largest shareholders as of 31.12.2019	Number of shares	Proportion of share capital
Investor 5 AS *)	3,248,612	46.22%
Investor 4 AS *)	1,000,000	14.23%
Sørlands-MVekst AS *)	1,000,000	14.23%
Investor AS *)	896,799	12.76%
TEG Invest AS	67,632	0.96%
Beeline AS	66,780	0.95%
Kristiand Hodne AS	53,191	0.76%
Byggma ASA	44,842	0.64%
Jan Adler Mortensen	31,000	0.44%
In Ulstein Loen AS	29,228	0.42%
Øystein Akselsen	25,900	0.37%
Leif Magne Thu	21,237	0.30%
Jomaho AS	21,189	0.30%
Knut Henning Larsen	20,000	0.28%
Torodd Rande	20,000	0.28%
Karin Oddveig Drangsland dødesbo *)	19,220	0.27%
Knut Ove Kjær	15,000	0.21%
Olav Roger Lassesen	12,000	0.17%
Foreede Forvaltning AS	11,600	0.17%
Kristian Mikalsen	11,010	0.16%
Total 20 largest shareholders	**6,615,240**	**94.12%**
Share capital	**7,028,163**	**100.00%**

Board of Directors and Management	31.12.2020 Number of shares	31.12.2019 Number of shares
The Board of Directors:		
Partner Terje Gunnulfsen, Chairman of the Board	67,632	67,632
Head of Marketing and Communications Liv Anne Drangsland Holst	0	0
Solicitor Hege Aarli Klem	0	0
Solicitor Knut Henning Larsen	20,000	20,000
Operator Edvart Treldal 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 Drangsland *)	6,176,124	6,176,124
CFO Jens Unhammer	4,673	4,673
IT Director Roy Kenneth Grundetjern	0	0
Logistics Director Richard Thompsen	0	0
Auditing:		
Auditor company PricewaterhouseCoopers AS	0	0

**) As of 29 April 2021, Group CEO Geir Drangsland and related parties control 6,184,092 shares in Byggma ASA. This corresponds to 88.56% of the shares in Byggma ASA.*

NOTE 7 TAXES

Overview of temporary differences:	2020	2019
Outstanding receivables	0	0
Fixed assets	-1,179	-485
Provision in accordance with generally accepted accounting policies	0	0
Net temporary differences	**-1,179**	**-485**
3% taxable share income	0	0
Basis for deferred tax	**-1,179**	**-485**
22% deferred tax/deferred tax asset	-259	-107
Deferred tax/deferred tax assets recognised in the balance sheet	**-259**	**-107**
Calculation of tax base for the year:		
Profit/loss before tax	113,817	6,266
Permanent differences *)	-25,426	3,072
Change in temporary differences	694	454
Tax base for the year	**89,085**	**9,792**
Tax costs for the year are divided into:		
Tax payable (22% of tax basis)	19,599	2,154
Excess allocated for previous years	0	-697
Change in deferred tax	-153	-100
Total tax expenses	**19,446**	**1,358**
Tax payable in the balance sheet		
Tax payable in tax expenses	19,599	2,154
Tax effect of group contributions	0	0
Tax payable in the balance sheet	**19,599**	**2,154**
*) Of which group contributions without tax effect	-25,500	0

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

Payroll expenses	2020	2019
Board fees expensed in the parent company	848	887
Employer’s contributions	87	118
Pension costs	0	0
Other benefits	0	22
Total	**935**	**1,027**

There are no employees of Byggma ASA.
The company has not made any loans to employees.
As of 31 December 2020, Byggma ASA has a net receivable of MNOK 41.0 from CEO Geir Drangsland and companies that he and related parties control. Of which MNOK 39.0 was loaned against security. Loans of MNOK 29.0 were repaid on 5 January 2021. The receivables are interest calculated.

Audit Fee	ASA	Group
Expensed remuneration to the company’s auditor is divided as follows:		
- statutory audit	804	2,451
- other certification service		87
- tax advice	200	295
- other assistance	109	209
Total remuneration to auditor	**1,113**	**3,042**

All amounts without VAT.
Remuneration to other auditing firms amounts to NOK 548 in audit fees and NOK 0 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:

2020	Payroll	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangsland *)	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 Drangsland Holst (from 28.05.2020)	0	0	0
Grethe Hindersland (until 28.05.2020)	130,800	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 Drangsland 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.*

2019	Payroll	Other remuneration	Board fees, subsidiaries	Bonus	Pension
Leading employees					
CEO Geir Drangsland *)	3,630,096	8,766	146,610	1,000,000	0
CFO Jens Unhammer	1,245,693	96,346	51,450	0	121,201
IT Director Roy Kenneth Grundetjern	1,309,180	183,656	29,450	0	123,259
Logistics Director Richard Thompsen	1,025,628	82,147	0	0	60,332

	Board fees	Other remuneration	Board fees, subsidiaries
The Board of Directors			
Terje Gunnulfsen, Chairman of the Board	212,700	6,400	0
Grethe Hindersland	127,400	0	0
Kristin Wallevik (until 28.05.2019)	127,400	6,400	
Hege Aarli Klem (from 28.05.2019) * * *)	0	0	0
Knut Henning Larsen * *)	127,400	0	0
Edvart Treldal Høyåsen, employee representative	77,000	0	0
Erik Fjeldberg, employee representative	77,000	0	6,000
Bjørnar Jakobsen, employee representative	77,000	0	0

**) Geir Drangsland 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 374,930 in 2019.*
** * *) Hege Aarli Klem has performed billable services for the Byggma Group for a total of NOK 7,200 in 2019*

LEADING EMPLOYEES

Geir Drangsland 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	2020	2019
Income from subsidiaries	123,734	17,134
Interest income, group	1,569	2,071
Other income	3,908	6,220
Agio	16,312	3,987
Total financial income	**145,523**	**29,412**
Financial costs		
Interest expenses - group	1,400	1,547
Market value interest rate swap	0	-658
Other interest expenses	175	742
Losses on loans to subsidiaries	0	0
Charges	654	620
Disagio	14,191	6,067
Total financial costs	**16,419**	**8,319**
Total financial items	**129,104**	**21,093**

NOTE 10 BANK DEPOSITS

	2020	2019
Restricted tax deductions	2	2
Free liquid assets	220,203	212,928
Total bank deposits and cash	**220,206**	**212,931**

The company is included in the Group’s consolidated account system, which has unused overdraft facilities of MNOK 270 as of 31 December 2020.

As of 31 December 2020, Byggma ASA has not entered into interest rate swaps.

As of 31 December 2020, Byggma ASA has not entered into any foreign currency contracts for delivery in 2021 or later.

NOTE 11 SEGMENT INFORMATION

Sales revenues	**2020**	**2019**
Huntonit products	484,311	444,041
Total sales revenues	**484,311**	**444,041**
Geographical distribution		
Norway	367,425	352,011
United Kingdom	297	437
Sweden	91,334	68,010
Finland	555	277
Denmark	16,374	12,427
Other countries	8,326	10,879
Total sales revenues	**484,311**	**444,041**
Purchase of goods		
Huntonit products	484,311	444,041
Total purchase of goods	**484,311**	**444,041**

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

	2020	**2019**
a) Sale of goods and services		
Sale of goods:		
- Subsidiaries	1,288	1,314
Sale of services:		
- Subsidiaries	18,345	18,375
Total sales of goods and services	**19,633**	**19,689**
b) Purchase of goods and services		
Purchase of goods:		
- Subsidiaries	484,311	444,041
Purchase of services:		
- Subsidiaries	27,568	27,086
- Companies controlled by senior executives	3,481	3,349
- Geir Drangsland, the controlling owner	0	0
Total purchase of goods and services	**515,361**	**474,476**

BYGGMA ASA
CASH FLOW STATEMENT

All figures in NOK 1,000	2020	2019
Cash flow from operational activities		
Profit/loss before tax	113,817	6,266
Tax paid for the period	-2,154	-6,718
Ordinary depreciation	1,484	1,165
Unrealised foreign exchange losses/gains on loans to group companies	-2,641	689
Change in trade receivables	-31,465	1,172
Changes in accounts payable/advance payments, suppliers	9,733	-2,010
Changes in other receivables and accruals	-24,643	-15,439
Changes in group contributions to subsidiaries	-106,600	21,588
Net cash flow from operational activities	**-42,469**	**6,713**
Cash flow from investment activities		
Payment on acquisition of subsidiary	0	-22,744
Payments for capital expansion in subsidiaries	-100	0
Disbursements (-)/Deposits (+) on short-term and long-term receivables Group	11,235	52,781
Disbursements for the purchase of fixed assets/intangible assets	-1,621	-165
Net cash flow from investment activities	**9,514**	**29,872**
Cash flow from financing activities		
Change in overdraft facility	0	0
Disbursements (-)Deposits (+) liabilities Group	-2,115	-3,576
Purchase of own shares	-139	-3,955
Disbursements on instalments of long-term debt to Group	-533	-400
Payments upon taking out long-term debt to the Group	50,000	0
Dividend paid	-6,982	-7,028
Net cash flow from financing activities	**40,230**	**-14,959**
Net change in payment funds	**7,275**	**21,627**
Cash and cash equivalents at the beginning of the period	212,931	191,304
Changes in payment funds for the period	7,275	21,627
Cash and cash equivalents at the end of the period	**220,206**	**212,931**
This consists of:		
Bank deposits/liquid assets	220,203	212,928
Restricted tax deductions	2	2
	220,206	**212,931**

To the General Meeting of Byggma ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Byggma ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement 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 balance sheet as at 31 December 2020, the income statement, statement of changes in equity and 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 are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

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 of the current period. 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.

The Group operates in the same market as previous years. There are no changes of substance to structure and transaction flow in the Group compared to previous years. There are no regulatory changes, transactions or events that qualify as new Key Audit Matters. In this light, our focus areas have been the same as in previous years.

Key Audit Matter	How our audit addressed the Key Audit Matter
Customer bonuses and marketing support The Group operates in the building products industry, in which investors and suppliers focus on sales and volume. To achieve this, it is normal to use different loyalty schemes. Customer bonus agreements and market support are prepared individually for each customer relationship and may contain different conditions. These conditions affect the size of the customer bonuses and market support as well as the time and method of settlement. We focus on this because an accurate calculation of the provision on the balance sheet date is extensive, depending on various conditions and can be technically demanding to work out. Furthermore, the estimated total amount relating to customer bonuses and market support constitutes significant amounts in the financial statement. Reference is made to notes 2.11 and 2.17 in which management explains the accounting of customer bonuses owed and the accruals for these.	We have discussed the principles for calculating and allocating customer bonuses and market support with the management and agree with the management that these are in line with accounting rules. We have gained an understanding of the routine for calculations and associated controls by interviewing the personnel who carry out the calculations. We have tested that the control has been implemented by checking whether the calculation of bonuses and marketing support was prepared in line with the agreements at the given time. To check that customer bonuses and market support have been accurately calculated, we reviewed the system and formulas in the technical calculation. By reading the agreements, we have checked whether the prerequisites in the agreements are completely and correctly reflected in the bonus calculations. Furthermore, the basis for bonuses and market support according to the agreements tested is checked against invoiced sales per customer. Our checks revealed no material misstatements. Our check took place at the same time or after the actual billing of customers. We have made use of the dialogue that arose with customers to support the accuracy of the calculation. We have performed settlement reviews of outstanding accounts receivable at year end. The settlement of these also confirmed that customer bonuses were correctly calculated and recorded since customer bonuses and market support are credited to accounts receivable at year end. We checked entries made in the new year related to customer bonuses and market support at year end. No entries that indicated erroneous calculation of customer bonuses or market support for 2020 were discovered.

We ensured that the additional information about the customer bonuses appropriately describes the principles for bookkeeping and that the information in the notes is in accordance with the requirements for the presentation of the financial statements.

Inventory valuation

Provisions in the inventory is due to the fact that goods are either obsolete and cannot be sold or that the goods are damaged and cannot be sold at full price. The inventory in the financial statement is significant and amounts to TNOK 263 501. We refer to note 11 for more information on the composition of the stock and the provision, as well as to note 2 concerning the principles for inventory valuation.

The provisions are based on an estimate and determination of the value of goods in progress and finished goods are based on a technical calculation of manufacturing costs. The estimate is partly based on experience and partly on models based on age distribution by product groups in the warehouse. Manufacturing costs include raw material costs as well as direct and indirect manufacturing costs.

We have focused on this because determining the value of goods in progress and finished goods is a process that requires a high degree of accuracy and because provisions are based on the management's use of judgement.

We have assessed that the management's estimates for provisions and the principles for valuating goods during the production cycle, as well as finished goods, were in accordance with the relevant accounting standards. We discussed the valuation with the management, including the principles for calculating and actual calculations of the value of goods in progress and finished goods.

We have made our own assessment about which direct and indirect costs should be included in the production cost. We did so by checking the values in the calculations against incoming invoices and updated hourly rates. We have analysed the mark-ups against the current and previous year's mark-ups that we compared with the year's and previous years' production. The price of raw materials and the company's calculations were also tested. The procedure for allocating indirect costs has been discussed with the management. We have tested the technical calculation by verifying the input and formulas. Our tests revealed no significant deviations.

The size of the booked provisions was discussed with the management. The Group's management focuses on minimising the amount of provisions regarding the inventory and follows this up regularly at the various locations such as by focusing on increased turnover and alternative use of damaged or obsolete goods.

We have tested obsolescence provisions, including where age distribution of goods is used as the basis for obsolescence provisions, by checking how these have historically been met. Our tests showed that there was a high turnover rate for central product groups. We have participated in stocktaking and checked whether damaged goods have been identified and have assessed how discretionary impairment of these was carried out.

We ensured that additional information about the inventories appropriately describes the principles for valuation and provision of obsolescence, and that the information in the notes is in accordance with the requirements for the presentation of the financial statements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Kristiansand, 29 April 2021
PricewaterhouseCoopers AS

Reidar Henriksen
State Authorised Public Accountant

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

DECLARATION FROM THE BOARD OF DIRECTORS AND GENERAL MANAGER:

To the best of our knowledge, we declare that the financial statements for the period 1 January to 31 December 2020 have been prepared in accordance with applicable accounting standards and that the information presented in the 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, 29.4.2021
THE BOARD OF DIRECTORS OF BYGGMA ASA

TERJE GUNNULFSEN
CHAIRMAN OF THE BOARD

KNUT HENNING LARSEN

HEGE AARLI KLEM

LIV ANNENGSLAND HOLST

EDVART TRELDAL 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 17 October 2018. 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 97. The company's vision and strategies are stated on page 03. 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 990.2 as of 31 December 2020, representing 46.4% 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:
It is an objective that over time the company pays a dividend in the order of 30% of its annual profit. As a result of the Board's strategy for increased growth through mergers and acquisitions, the objective of a dividend of 30% of the profit may be deviated from and used to finance acquisitions. The Byggma Group has accumulated considerable surplus liquidity. The Board of Directors proposes that parts of the surplus liquidity be paid out to shareholders by proposing to the annual general meeting on 27 May 2021 a payment of NOK 80 per share.

Capital
The annual general meeting in 2019 granted the Board of Directors authorisation to carry out capital expansion(s).

It must be possible to increase the share capital by up to NOK 5,200,000 when issuing up to 2,000,000 shares each with a nominal value of NOK 2.60. 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 22 May 2021.

The Board of Directors must be able to waiver 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 27.5.2020 has 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 face value of up to NOK 1,815,663, i.e. 698,331 shares. The Board is free to choose method of acquisition and sale. A minimum of 20% must be paid under the last known stock exchange price and a maximum of 20% premium on the last known stock exchange price. The authorisation applies until 1.11.2021."
The Board has exercised this authorisation and Byggma ASA acquired 1,392 treasury shares in July 2020.

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

Attendance
Registering for attendance at the general meeting is given by written reply or e-mail no later than the day before the 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 and the Auditor of the Board of Directors attend the annual general meeting. As a minimum, the CEO and CFO attend from the administration. In 2020, the ordinary general meeting was held on 27 May, and 89.98% of the voting shares were represented.

Agenda and implementation
The agenda is set by the Board of Directors, where 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 88.56% 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 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 competence, 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 four members from the shareholder-elected members, and three of the members are elected by and 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 68.632 shares (0.98% of the shares) and board member Knut Henning Larsen has an ownership stake of 10,000 shares (0.14% of the shares). Other board members are not shareholders.

9. THE WORK OF THE BOARD OF DIRECTORS

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

Instructions for the Board of Directors
Instructions for the Board of Directors have been drawn up, and these were last revised on 30.8.2017. The instructions for the Board of Directors include items related to the purpose of the Board's work, invitations to and implementation of board meetings, the Board's composition - resources, rights and liabilities, work plan and relationships with 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. Nine board meetings were held in 2020. 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 auditcommittee usually holds 3-4 meetings throughout 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. From 2021, all consulting tasks 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 CEO and CFO 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, reference is made to the executive salary policy document presented for approval at the company's ordinary general meeting.

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 half-yearly reports is shown in the financial calendar, which is reported to the Oslo Stock Exchange and is also available on the company's website. The financial calendar is presented on page 97 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, Investor 6 AS and Sørlands-MVekst AS. Investor AS and Investor 6 AS are controlled by CEO Geir Drangsland. Investor AS owns 99.6% of Sørlands-MVekst AS. Investor 1 AS and Investor 3 AS are controlled by related parties to Geir Drangsland. As of On 29 April 2021, Geir Drangsland and related parties controlled 88.56% of the shares in Byggma ASA. Investor AS owns 4,745,411 shares (67.95%) after a merger with Investor 4AS and Investor 5 AS in 2020, so that the company is now 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 conducts 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 Chairman of the Board. From 2021, there are new procedures for approving consultancy assignments by dealing with them in 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.

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 similar or similar purposes.

Art. 4. Share capital is NOK 18,156,634.60 divided into 6,983,321 shares each with a nominal value of NOK 2.60. 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 together.

The entire board acts as the company's audit committee.

Art. 6. Notice of the general meeting takes place within the deadline of the Norwegian Public Limited Liability Companies Act. Documents relating to matters to be dealt with at the general meeting, including documents which by law are to be included in or attached to a notice of the general meeting, may be made available on the company's websites on the internet. A requirement for posting does not apply in this case. A shareholder may nevertheless request to receive documents relating to matters to be dealt with at the general meeting.

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

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

Last revised: 27 May 2020

SHAREHOLDER INFORMATION

SHARE CAPITAL AND SHARES

Aspect ratio as of 31.12.2020

Number of shares	Number of shareholders	Share of share capital
1 - 100	366	0.18 %
101 - 500	168	0.57 %
501 - 1,000	70	0.78 %
1,001 - 5,000	70	2.36 %
5,001 - 10,000	12	1.27 %
10,001 - 50,000	11	4.01 %
50,001 -	6	90.83 %
	703	**100.00 %**

See note 7 in Byggma ASA's notes for an overview of the 20 biggest shareholders.

DIVIDEND POLICY

It is an objective for the company to pay a dividend in the order of 30% of its annual profit over time.

As a result of the Board's strategy for increased growth through mergers and acquisitions, the objective of a dividend of 30% of the profit can be deviated from and used to finance acquisitions.

The Byggma Group has accumulated considerable surplus liquidity. The board proposes to pay part of the excess liquidity to the shareholders by proposing to the general meeting on 27 May 2021 to pay a dividend of NOK 80 per share.

INTERIM REPORTS ARE PUBLISHED AS FOLLOWS:

Q1 2021	27 May 2021
Q2/Interim Report 2021	26 August 2021
Q3 2021	4 November 2021

BYGGMA group

SUSTAINABILITY REPORT 2020

Contents:

Introduction:

Introduction from the CEO, Geir Drangsland

Byggma's goal is to develop and deliver sustainable solutions based on renewable raw materials and our unique expertise. Sustainability is a key element of our business model and a natural part of Byggma's overall goals. Byggma's management and the board want sustainability to be a natural part of operations and innovation within the Byggma Group.

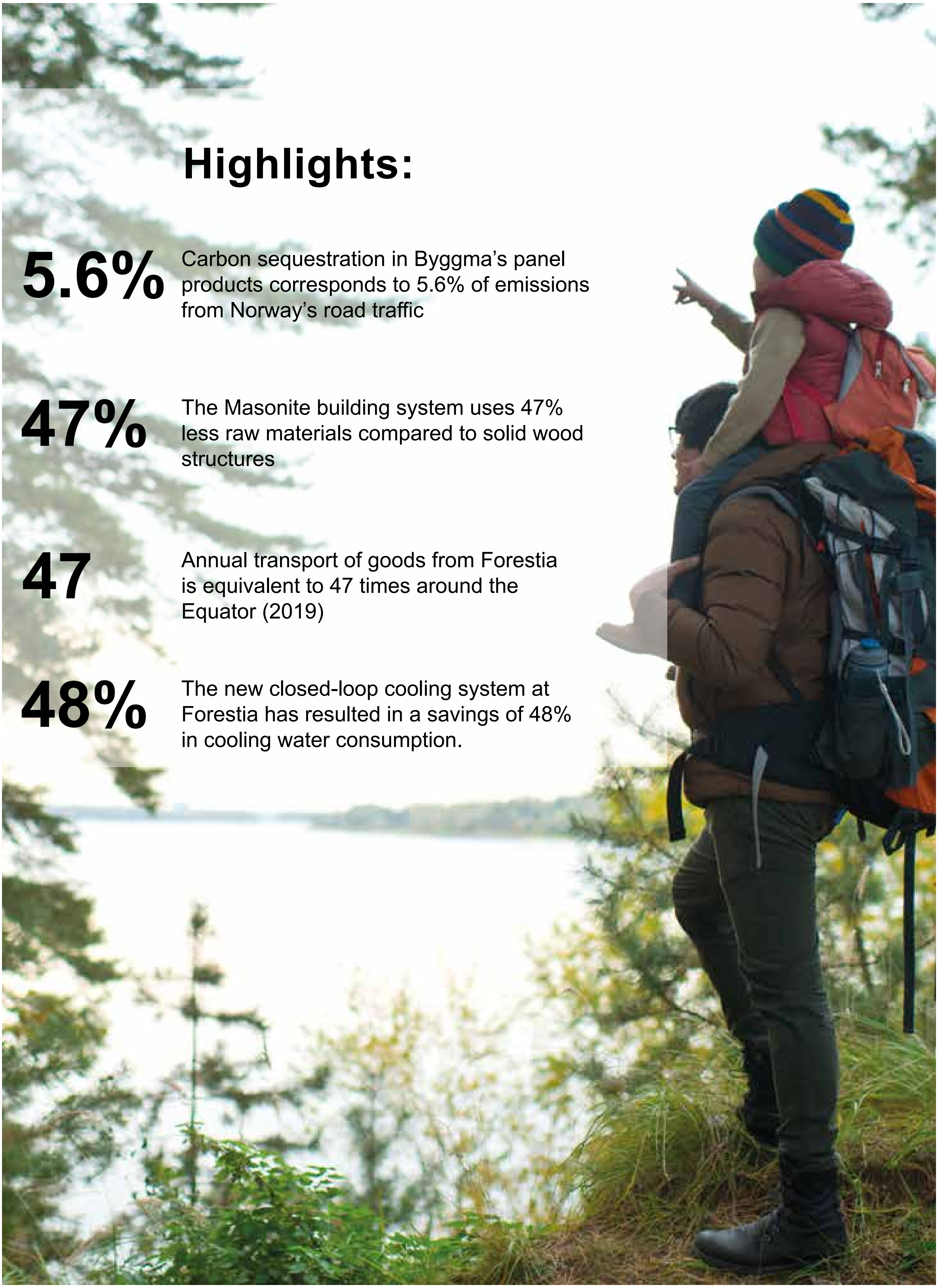
Byggma has prioritised 7 of the 17 sustainability goals set out in the UN's 2030 Sustainable Development Agenda. These priorities were set based on the global challenges the world is facing as well as the solutions that Byggma can provide.

The 7 prioritised sustainability goals are:
Responsible consumption and production (12), stopping climate change (13), life on land (15), good education (4), sustainable cities and communities (11), decent work and economic growth (8), and industry, innovation and infrastructure (9).

Byggma has a major ongoing project, which may be of national significance for carbon capture, in connection with circular fibre flow for recycling wood. Byggma's management and the board have both given the project a high priority going forward.

The seven sustainability goals we have defined as Byggma's focus goals will be worked on separately. In relation to the sustainability goals, we will give high priority to the environmental factors with emissions to water and emissions to air and the atmosphere.

Best regards,
Geir Drangsland
Chief Executive Officer



Highlights:

5.6% Carbon sequestration in Byggma's panel products corresponds to 5.6% of emissions from Norway's road traffic

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

47 Annual transport of goods from Forestia is equivalent to 47 times around the Equator (2019)

48% The new closed-loop cooling system at Forestia has resulted in a savings of 48% in cooling water consumption.

Sustainability and responsible business:

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 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 7 UN sustainable development goals:**

Climate and the environment

* Efficient utilisation 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 transporting goods to customers
* The wood we use comes from certified sources or sustainable forestry
* Resource-efficient construction methods contribute to good raw material utilisation

Individuals and society

* Employees are given opportunities for continued development
* Collaboration with schools
* Professional education
* Continuing education
* Factories located near raw materials
* Our presence contributes to sustainable cities and communities
* Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain

Business model

* 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
* Greater efficiency through continuous improvements and industrial investments

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

Climate and the environment:

Highlights:

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

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

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 with 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 sequestration in forests and wood-based products.

If we add up all of the carbon sequestered in an annual production cycle of Byggma's products, it would be equivalent to sequestering around 450,000 tonnes of CO_2. This corresponds to 5.6% of CO_2 emissions from road traffic in Norway.

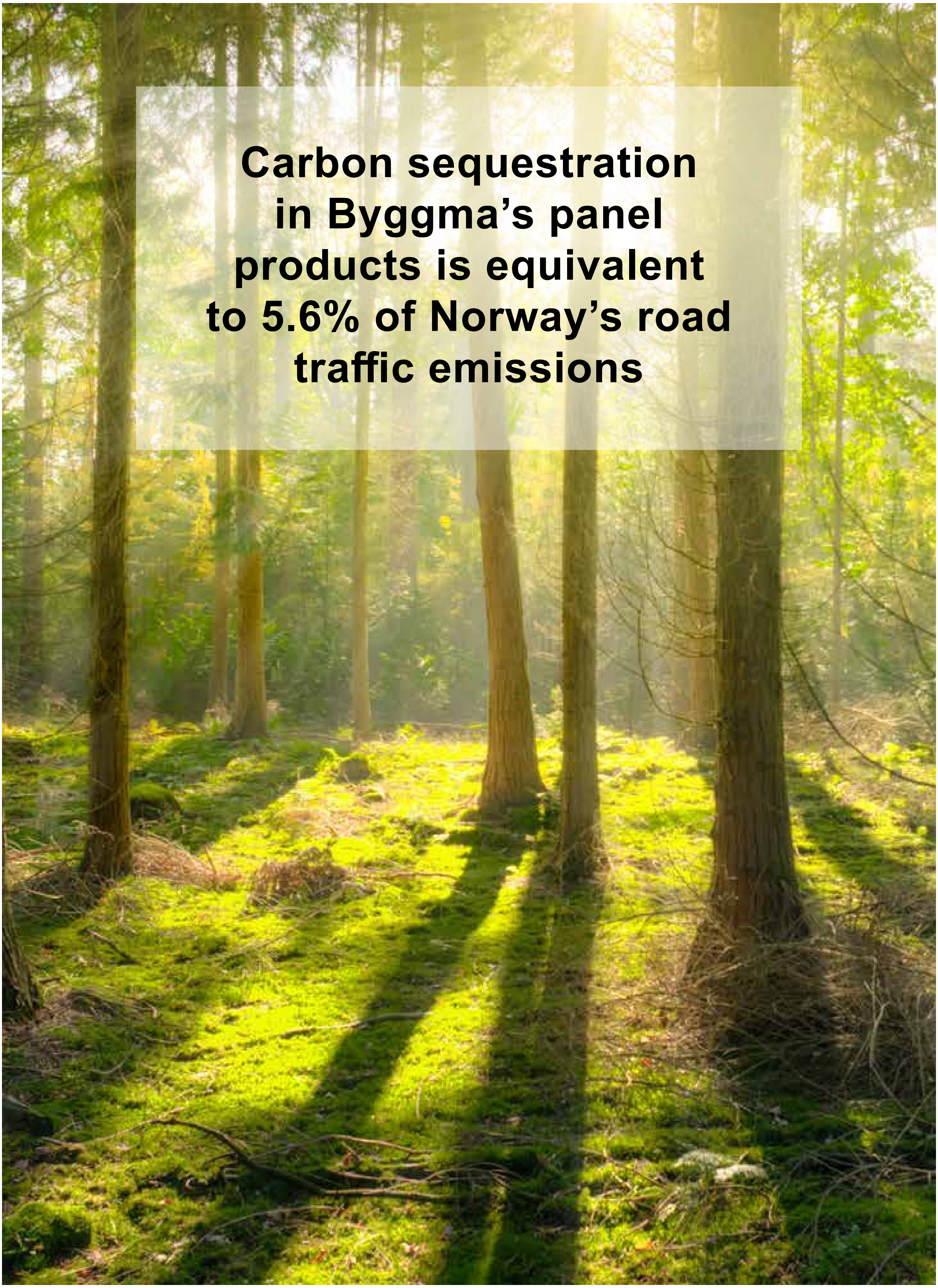
Certified wood

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.

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 contribute for increased progress on the construction site, which is of great benefit to society.


Carbon sequestration
in Byggma’s panel
products is equivalent
to 5.6% of Norway’s road
traffic emissions

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 a reduction of other inputs.

Example:

In 2019, Forestia invested in a new adhesive system with high-pressure nozzles to distribute adhesive in the wood chips. The traditional mixers that mix the wood chips and adhesive were also replaced with new ones. After an optimisation period, full savings were achieved in the spring of 2020. The new adhesive system significantly improves the distribution of the adhesive while reducing the consumption of adhesive and wood and increasing the quality of the panel products.

An adhesive mixing system for producing chipboard requires large quantities of cooling water. A closed-loop cooling system was installed in connection with the project, which has resulted in a 48% reduction in the consumption of cooling water, measured against the average consumption rate before it was installed. This means that we have reduced water consumption by more than 70,000 m^3.

Energy

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

Example:

Huntonit, the largest consumer of energy in the Group, is certified in accordance with ISO 50001, energy management. Work aimed at reducing energy consumption is ongoing. Over the past five years, specific energy consumption at Huntonit has been reduced by 12%. The biggest contributing factor has been the commissioning of a new energy-efficient wood fibre pulp factory. The project had a total investment framework of NOK 65 million, with ENOVA providing financial support.
Equipment will be installed over the next two years to help with heat recovery from our floor presses; it will recover an equivalent of 3 GWh. This project is also supported by ENOVA.

Huntonit also has the option of switching between LNG (natural gas) and electricity for up to 70% of its energy consumption. This could free up valuable capacity for the regional electric grid, which is currently heavily loaded as a result of increased electrification in the automotive and shipping industries.

The LNG system was installed in 2011 and is a significantly more environmentally friendly alternative than the previous system which used heavy oil as an energy carrier.


Climate-smart:
Did you know that the
Masonite building system uses
47% less
raw materials
than solid wood construction?

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.

Some examples of the solutions we use include:
- Packing our panel pallets without using any side packing plates.
- Replacing hardboard with cardboard, which reduces transport weight and gives easier disposal at the construction site
- Using pallet runners instead of pallets
- Using plastic provides effective moisture protection for the products. In situations where we are currently unable to find good alternatives to plastic, we try to use thinner plastic film instead.

Example:
Forestia changed much of its side packaging from particle board to cardboard in the spring of 2020. This has reduced transport weight by approximately 200 tonnes annually and at the same time, it contributes a corresponding reduction in waste on construction sites.

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 the same delivery area ensures that capacity is utilised well 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. Stakeholder analyses have been carried out to determine the scope. 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.

The stakeholders here are the employees and neighbours, as well as authorities on various levels.

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.

For several years, Smartpanel has looked at the possibility of turning production waste into spin-off products. When the project started in 2018, we discarded wood chips from production as residual waste. By making this into briquettes, we convert about 800 tonnes of waste into energy every year.

Future opportunities – returned wood – reusing wood waste

The Norwegian forest and timber industry provides important job opportunities in the districts. We also make construction products that sequester significant amounts of carbon and keep that carbon sequestered for the entire service life of the building.

Approximately 1 million tonnes of timber from demolitions is sent to Norwegian landfills every year. This is equivalent to about 2 million m³ of wood, which in turn is equivalent to 15% of the Norwegian felling of forest. This is a resource that can be recycled into new construction products.
We have national targets for material recycling that can only be met by setting up new circular systems in Norway that also include wood.
However, it will take a significant amount of processing to clean timber from demolitions and turn it into new, clean, industrial wood chips.

Over the past several years, Forestia has been working on a project where, by investing in new cleaning technologies, we can use wood from demolitions as an input for chipboard production.

This will, however, require a major investment of approximately NOK 250 million. From an economic point of view, this has not yet proved profitable for the company in isolation, but the outlook will be different with investment support from the authorities.

For this reason, we hope to get support in the form of a government investment so we can make the project a reality – for the benefit of the environment, industrial workplaces, the wood industry, and society in general.

Consumption of wood (1000 m³)

	2019	2020
Forestia	416	441
Huntonit	85	94
Smartpanel	25	26
Masonite	31	28
	557	589

Certified Raw Material (%)

	2019	2020
Byggma	83.6	90.1

Carbon sequestration (equivalent to 1000 tonnes of CO_2)

	2019	2020
Forestia	341.1	361.6
Huntonit	69.6	77.3
Smartpanel	20.3	21.2
Masonite	25.3	22.8
	456.3	482.9

Water consumption (1000 m³)

	2019	2020
Forestia	149	87.0
Huntonit	69.6	77.3

Energy consumption (Gwh)

	2019	2020
Forestia	38.2*	39.6*
Huntonit	91.7*	99.0*
Smartpanel	3.38^	3.48^
Masonite	1.8^	1.6^

* Fossil fuels and electricity. Huntonit can switch 70% of its volume between LNG and electricity
^ Electricity only

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 arrangements may be relevant if/when the right candidate shows up.
- 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 very important companies in their local communities. We have to take into account and facilitate good neighbourhoods, good cooperation with neighbours and local authorities, and contribute to an active local community.

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

Communication and information

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

Integration work

One goal for the Byggma Group is to contribute to both good education and good local communities. In this context, it is important for us to also take care of some of our fellow human beings who might otherwise easily fall out of working life.
We have a separate VTA department (Special workplaces for diabled) connected to Scan Lamps where we have 4 supervisors who facilitate a developing working day for 20 users. This department is, among other things, very helpful in producing marketing materials og various kind for the Byggma group and the users have also many tasks associated with Scan Lamps.

Equal opportunity

The Byggma Group aims to be a workplace with 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, religion or sexual orientation.

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.

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.

Share of women (%)

	2019	2020
Byggma total	14.3	13.6

F-value

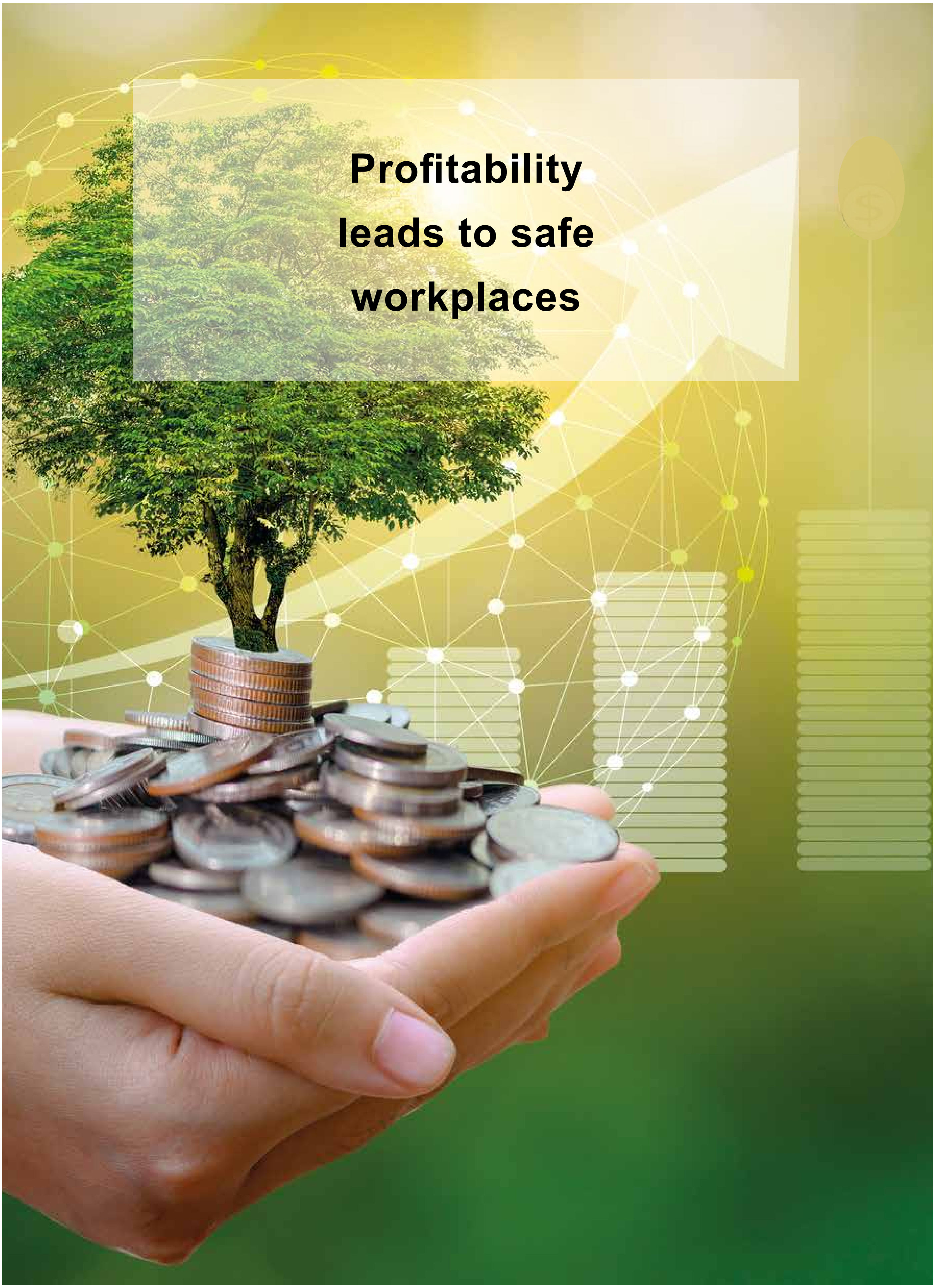
	2019	2020
Byggma	560.7	441.3

H-value

	2019	2020
Byggma	19.6	17.2

HSE	FORESTIA		HUNTONIT		SMARTPANEL		MASONITE		ULDAL		SCAN LAMPS AS		SCAN LAMPS VTA AS		ANETA		BYGGFORM		BYGGMA TOTAL		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	Change
Absence [%]	5.26	6.0	5.4	4.8	12.8	3.26	3.06	4.32	7.76	8.3	9.36	5.2	2.2	0.3	1.0	2.0	4.0	0.2	5.86	5.34	-0.5
Number of employees [number]	211	218	181	178	45	43	75	75	123	119	17	16	24	24	16	17	9	7	701	697	-4.0
Proportion of women [%]	9.0	9.0	7.2	6.7	22.2	18.6	24.0	28.0	13.0	10.9	47.1	43.8	29.2	29.2	37.5	35.3	33.3	42.9	14.3	13.6	-0.7
Injuries resulting absence [number]	12	7	5	6	0	1	0	1	5	4	0	0	0	0	0	0	0	0	22	19	-3.0
Days of absence due to injury [number]	384	182	205	164	212	102	0	37	11	7	0	0	0	0	0	0	0	0	812	492	-320.0


FORESTIA


Profitability
leads to safe
workplaces

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 gives satisfied customers who provides further opportunities for future-oriented and sustainable investments.

Some examples of our innovation projects

- Forestia launched Walls2Paint in 2014, and this has become one of the company's most important products as well as a mainstay in terms of financial sustainability for the company and the Group.
- Forestia launched the Premium Ceiling product in the autumn of 2020, which is similar to the Walls2Paint product but designed for ceiling. This product has been very well received in the market and we are hoping it becomes another success story. The product is patent pending.
- Masonite Beams heads up various development projects within the framework of the MFB Academy. A life cycle analysis was initiated based on increased environmental requirements and the increased demand for multi-family houses made of wood. Masonite Flexibla Byggsystem was compared with 6 other well-known systems. The report was released on 4 November 2020 and shows that, of the building systems analysed in Sweden so far, Masonite Flexibla Byggssystem achieved the lowest carbon footprint for multi-family houses. The LCA report shows that the total emissions (A1-A5) amount to 176 kg CO_2e/m^2 ATEMP.
- Moisture resistant core: In 2020, Huntonit developed its own core based on wood fibre with moisture-resistant properties. This core has proved to be exceptionally well suited for use in humid environments and will give us an advantage when we launch our Smartpanel bathroom panels soon. Huntonit Pro Wall was launched in the autumn of 2020 and will benefit from a similar core. This product has also been approved by the Norwegian Asthma and Allergy Association, just as many other Huntonit products are.

Product components

We must strive for the most environmentally friendly production procedures possible. We have to stay on track with 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.

Forestia laboratory equipment for gas analysis

Forestia is required to control and monitor the formaldehyde content in the panels it produces. Forestia has until 2020 checked this according to the perforator method, but that method can at low values be somewhat unstable. Increasingly stringent requirements from regulatory authorities and customers resulted in Forestia investing in laboratory equipment in spring 2020, which tests the formaldehyde content using the gas analysis method in ISO 12460-3. A decision from the EU Commission on lower formaldehyde limits is expected sometime in 2021 and it will be important to have modern and accurate laboratory equipment to be able to meet this requirement.


We develop our companies through efficient use of resources and professional collaboration – that is how we create innovative products that provide increased value to our customers

Certificates in the companies:

Certificates	Companies
ISO 9001	Forestia, Huntonit, Masonite
ISO 14001	Forestia, Huntonit, Masonite
ISO 50001	Huntonit
EPD	Forestia, Huntonit, Masonite
PEFC CoC	Forestia, Huntonit, Smartpanel, Masonite
FSC® CoC	Forestia, Masonite
ECOproduct	Forestia, Huntonit
Swan ecolabel	Forestia
M1	Forestia, Huntonit
CARB Phase II / US EPA	Forestia
Asthma and Allergy Association approval	Huntonit
Danish Indoor Climate Labelling	Huntonit
BASTA	Forestia, Huntonit, Smartpanel, Masonite
Construction product assessment	Forestia, Huntonit, Masonite
Nordic Ecolabel House Product Portal	Forestia, Huntonit, Masonite
Sundahus Environmental Database	Forestia, Huntonit, Masonite

Case Forestia

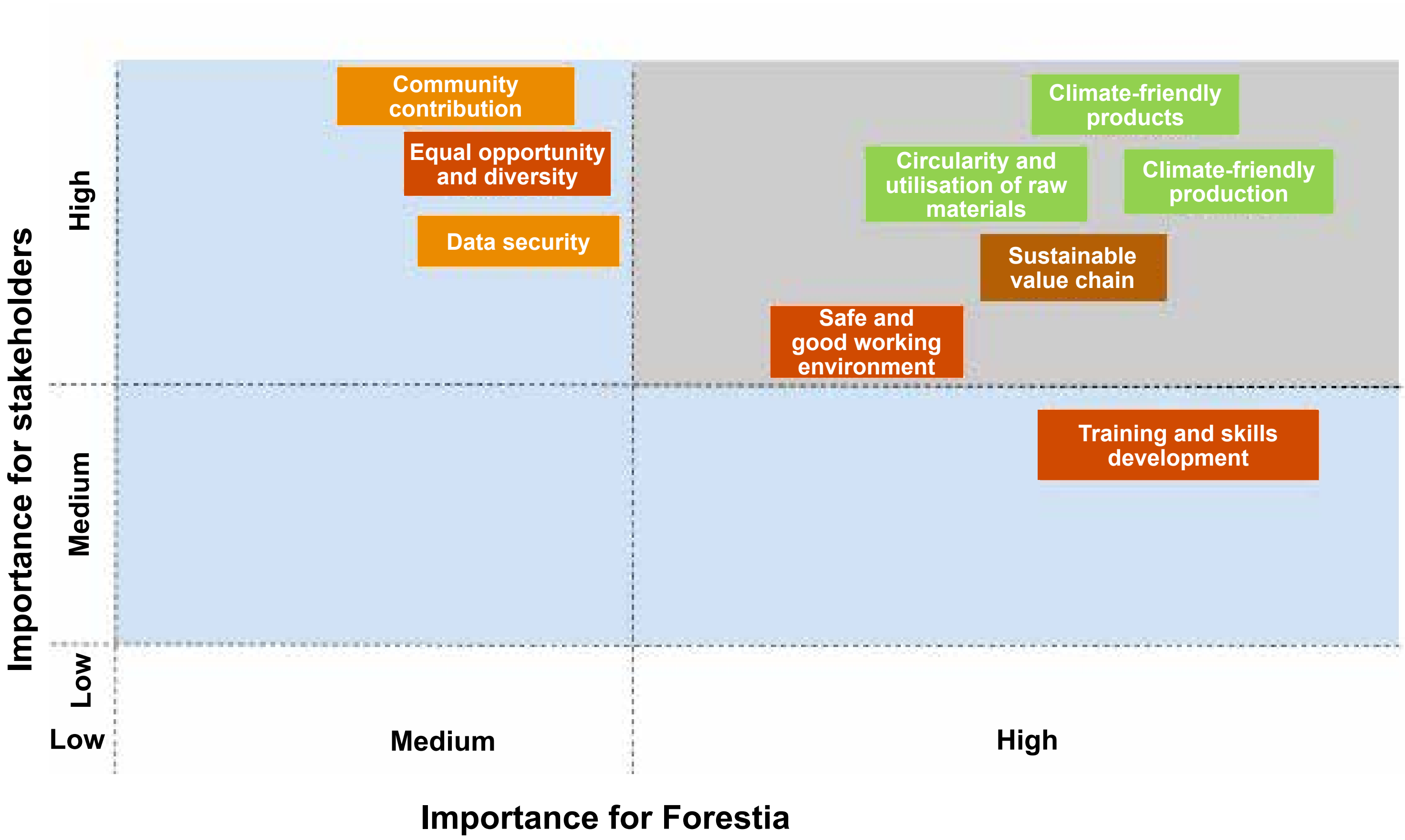
Byggma would like to highlight the work related to sustainability in each individual company. When we started on this job, we decided to implement this process in Forestia first. A start-up meeting was held on 24 November 2020 to sort out the details and a progress plan with activities scheduled well into 2021 was drawn up. The PwC group within sustainability provided four employees to support this work. Forestia participants included the management group, union representative, product manager, and marketing coordinator.

Stakeholder interviews were conducted, and SWOT and materiality analyses were prepared at the end of 2020. Below are five areas that were selected, based on the work above, as areas to continue focusing our attention on after the initial project was completed.

Stakeholder analysis

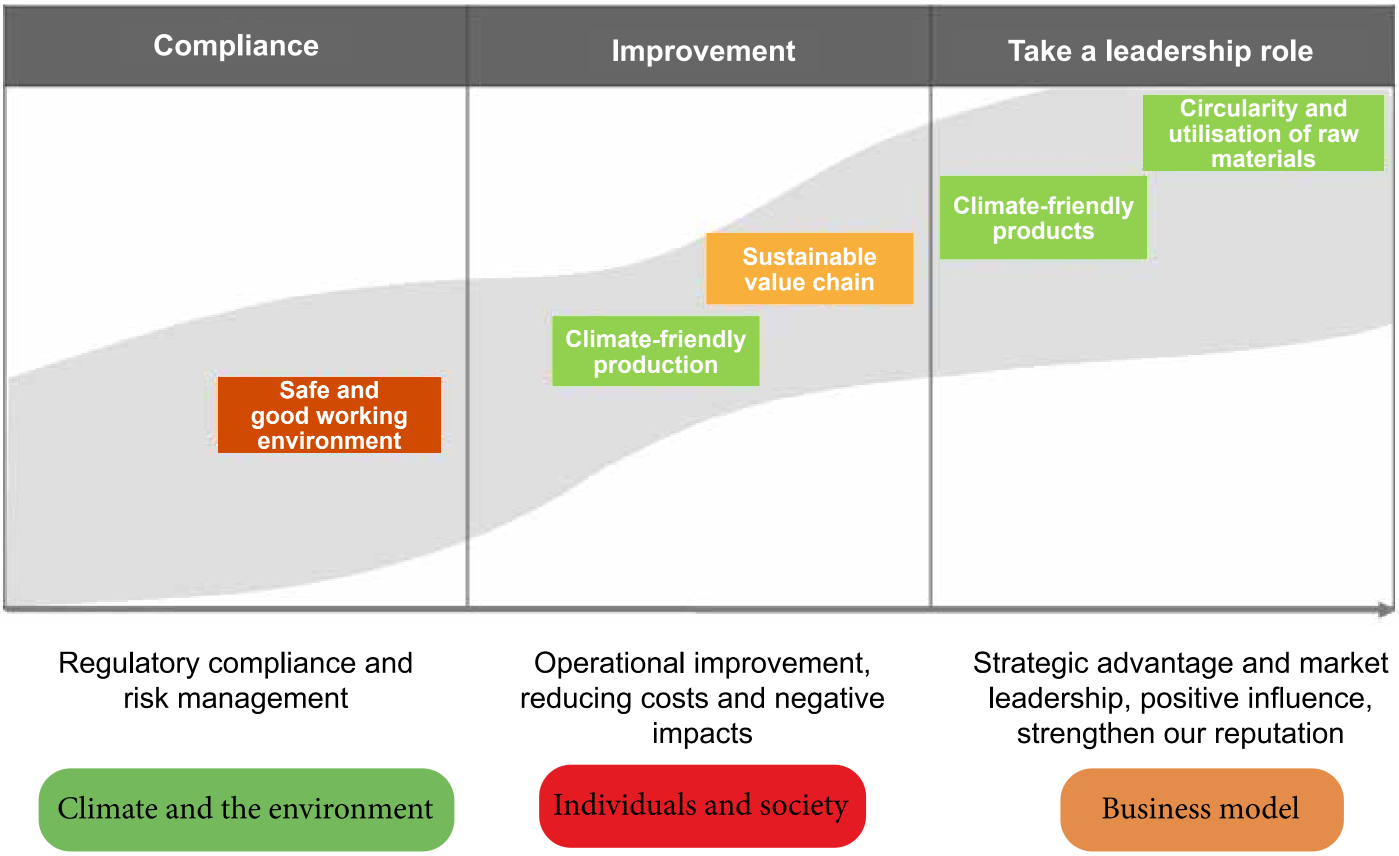
The work began with interviewing 25-30 of Forestia's stakeholders. Based on the results of these interviews, we drew up a SWOT analysis which then ended up with the materiality analysis below.

Materiality analysis:



Based on this materiality analysis, the five topics that were rated as having 'high' importance for both the stakeholders and Forestia were entered into a priority matrix.

Priority matrix:



Further work:

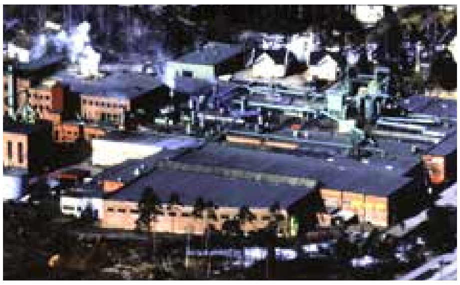
Further work in Forestia will include drawing up action plans with measurable and good KPIs, and going forward, reporting in accordance with the principles of the GRI standards. At the same time, we will draw up a communication plan related to sustainability.

Implementation of the ESG work will continue in Forestia and this work will also be started in the remaining Byggma companies.

BUILDINGS AND PROPERTIES
owned by Byggma ASA

Byggma ASA currently owns approximately 120,000 sqm 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 to maintain the values the buildings represent and to keep them in the best possible condition.

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



HUNTONIT AS

PRODUCTION FACILITIES:	19,664 m²
STORAGE CAPACITY:	8,100 m²
OFFICES:	1,430 m²
SITE AREA OWNED:	78,112 m²
FLOOR AREA:	30,171 m²
YEAR OF CONSTRUCTION:	1948–1988

MUNICIPALITY: Vennesla, Norway

FORESTIA AS KVAM

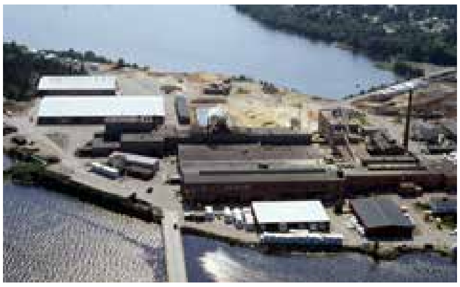
PRODUCTION FACILITIES:	7,205 m²
STORAGE CAPACITY:	1,714 m²
OFFICES:	207 m²
SITE AREA – OWNED:	32,728 m²
FLOOR AREA:	9,126 m²
YEAR OF CONSTRUCTION:	1967

MUNICIPALITY: Nord-Fron, Norway

FORESTIA AS BRASKEREIDFOSS

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



MASONITE FASTIGHET AB

PRODUCTION FACILITIES:	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

BIRKELAND EIENDOM AS

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 AS

PRODUCTION AND WAREHOUSE SITE	14,751 m²
OFFICES:	1,600 m²
SITE AREA – OWNED:	37,377 m²
FLOOR AREA:	16,351 m²
YEAR OF CONSTRUCTION:	2007 and 2017

MUNICIPALITY: Lyngdal, Norway

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