



People  
Green Innovation  
Technology

INTERIM REPORT Q3 2022

# BYGGMA

group



Introduction .....	3
Highlights .....	4
A word from the CEO .....	6
Group key figures .....	8
Segment information .....	10
Sustainability ESG .....	15
Outlook.....	17
Consolidated financial statements .....	18
Notes to the consolidated financial statements .....	22
Real estate overview .....	26
Contact details and subsidiaries .....	27

**Byggma ASA** consists of the production and trading companies Forestia AS, Huntonit AS, Uldal AS, Masonite Beams AB, Smartpanel AS, Masonite Beams AS, AS Byggform, Aneta Lighting AS and Aneta Lighting AB. In addition, the real estate companies Byggma Eiendom AS, Forestia Eiendom AS, Huntonit Eiendom AS, Birkeland Eiendom AS, Byggma Eiendom Lyngdal AS and Masonite Fastighet AB, which own industrial property, are included.

Byggma is listed on Oslo Børs - with the ticker BMA.

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

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

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

Expected turnover in 2022 is NOK 2.700 million and the Group has around 740 employees.

The Group will seek to realise its vision through its fundamental 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 solutionoriented 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 concern for the environment, health and sustainable development in the execution of our activities.

PLEASE SEE OUR GROUP PRESENTATION:





### Sales revenue and profit

Sales revenue in Q3 2022 increased from NOK 546.0 million in Q3 2021 to NOK 565.2 million, corresponding to an increase of 3.5%. Year to date, sales revenue increased from NOK 1,712.4 million in 2021 to NOK 1,948.7 million in 2022. Profit before tax increased from NOK 53.4 million in Q3 2021 to NOK 134.7 million in Q3 2022. Year to date, profit before tax increased from NOK 156.0 million in 2021 to NOK 305.0 million in 2022. The profit for 2022 contains a non-recurring gain on a forward contract related to the investment in shares in Norske Skog ASA of NOK 76.5 million.

### Norske Skog ASA

As per 3 November 2022, Byggma ASA and its related party Drangslund Kapital AS have invested ca. NOK 1,200.0 million in Norske Skog ASA, corresponding to ca. 20.6% of the share capital. We will be a long-term owner in Norske Skog. There are several synergy effects between Norske Skog and Byggma regarding process equipment, raw materials, logistics, product development and environment.

### Sale of industrial property

Byggma has sold the two real estate companies, Birkeland Eiendom AS and Masonite Fastighet AB. The property value was NOK 234.0 million. Handover and settlement were completed in in October 2022 and has no impact on Byggma's financial statements as per Q3 2022.

### Solid sales and profit growth in the Windows segment

The Windows segment increased its sales from NOK 51.9 million in Q3 2021 to NOK 66.3 million in Q3 2022, corresponding to a growth of 27.7%. Operating profit increased from NOK 2.3 million in Q3 2021 to NOK 5.5 million in Q3 2022.

### Solid sales and profit growth in the Beams segment

The Beams segment increased its sales from

NOK 108.4 million in Q3 2021 to NOK 126.7 million in Q3 2022, corresponding to a growth of 16.7%. Operating profit increased from NOK 25.9 million in Q3 2021 to NOK 27.6 million in Q3 2022.

### New distribution hub in Forestia

Forestia has invested NOK 40.0 million in a 4,000 m<sup>2</sup> distribution hub in Braskereidfoss. Parallely, the merger between AS Byggform and Forestia AS has been decided and Byggforms inventory will be transferred to the hub. We believe it will be value enhancing for Forestia and its customers that both Byggform and Forestia products can be ordered simultaneously and that chipboard, OSB- and plywood boards can be delivered together.



4,000 square meter logistics center at Braskereidfoss

### Product innovation

Our product launches Premium Ceiling, Smartpanel Wetwall and Huntonit Pro Wall are still experiencing increasing sales in the market. These decorative interior products have high unit prices, and the increasing sale of these products are consequently increasing the profitability for the group.

### Sustainability

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

### Smartpanel Wetwall

Smartpanel has in H1 2022 achieved cooperation agreements with several building materials chains for Smartpanel Wetwall. Exhibitions in stores will be built and the sale is expected to increase going forward. Byggma has received approval to use Huntonit panels as core in Smartpanel Wetwall. This very environmentally friendly,

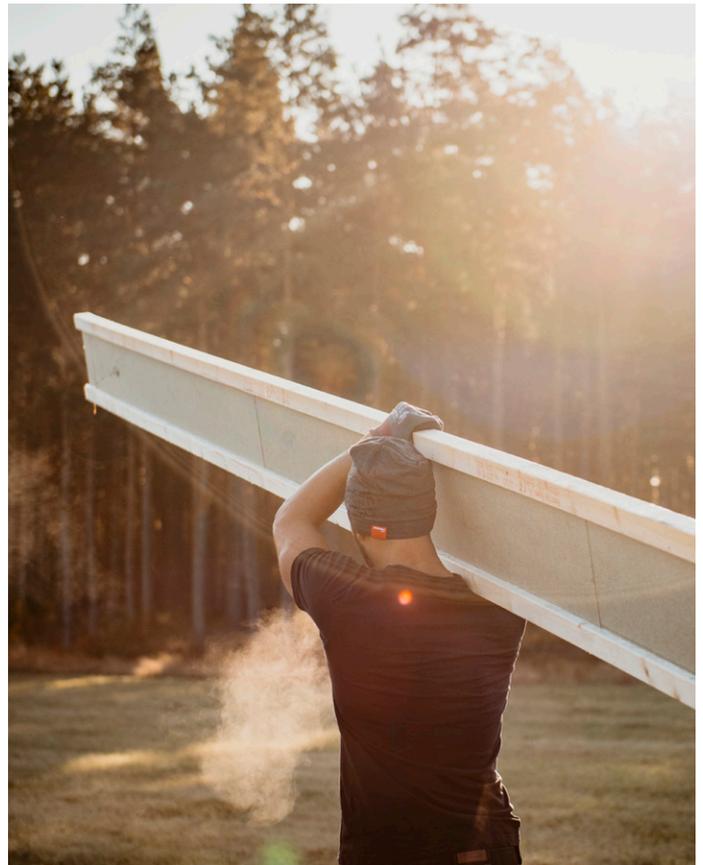
moist resistant and strong Huntonit core gives Smartpanel cost leadership, price leadership and will be more environmentally friendly compared to other suppliers of wet room wall panels. Byggma's ambition is to achieve a 30% market share in the years to come.

### Forestia Carbon Sink

Forestia has for a period been in dialogue with Innovasjon Norge to receive grants to support the building of a plant for reception and cleaning of wood waste to be reused in new woodchip boards. On 8 April 2022, Forestia was informed by the Minister of Finance, Trygve Slagsvold Vedum, and Minister of Trade and Industry, Jan Christian Vestre, that the Board of Directors of Innovasjon Norge had resolved to grant Forestia NOK 80.0 million for this project. This project will be value enhancing for Forestia. It will also make the woodchip boards from Forestia even more circular because the wood waste will be material recycled into new boards and sequester CO<sub>2</sub> instead of energy recovered and release CO<sub>2</sub> into the atmosphere through combustion.



ULDAL SLIDING DOOR



MASONITE I-BJELKE

## Results

The Byggma Group continued to advance in Q3 2022. Year to date, sales have increased from NOK 1,712.4 million in 2021 to NOK 1,948.7 million in 2022. Profit before tax increased from NOK 156.0 million in Q3 2021 to NOK 305.0 million in the same period for 2022. The profit for 2022 contains a non-recurring gain on a forward contract related to the investment in shares in Norske Skog ASA of NOK 76.5 million.

Demand is still good for our wood-based building products. Naturally, this boosts growth for the company in the quarter. After the quarter, we register that interest rate hikes, inflation and increased energy prices reduces the demand for building materials somewhat. We are continuously monitoring how this may affect the demand for building materials.

This quarter I am especially happy for the development in the segments Beams and Windows which have experienced vast growth in both sales and profitability. For Masonite Beams, this confirms that more customers recognise the I-Beams advantages compared to traditional massive beams regarding weight, strength, stability and the environment. Two important drivers for Uldal windows is that we can operate with very short lead times to our customers and that we can offer and deliver our in-house produced sliding doors together with the windows.

I am absolutely delighted with the results achieved. We are lucky to have many skilled, competent, and motivated people who are performing at levels that far exceed my expectations. My heartfelt thanks to you all! Your dedication to the job is greatly appreciated.

## Brand building and positioning

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

Our overall position as one of the leading suppliers of building materials solutions has strengthened throughout the year. A situation that I find heartening to say the least, but also testifies to that our jobs are secure. The invigorative

trend we are seeing also confirms that we are doing things right in all areas of the company.

## Innovation

Every product has a life cycle. Byggma currently has many products that are well-established in the market. In order to ensure a stable product portfolio, we are constantly focused on product development and innovation. Product improvements and new launches have enabled us to achieve increased revenue and profitability in recent years. An achievement we have also repeated this year. Innovation and product development are high priorities in our strategy and will continue to be so in the future.

## Sustainability/ESG

Forests sequesters significant amounts of carbon and through wise management of this resource, we are responsibly creating worthy products that store carbon for many decades. In several instances, the contributions we make to carbon storage in our operations significantly outweigh the effect from the operations' carbon footprint.

At Byggma, we have a tradition of focusing our work on productivity and continuous improvement. Sustainability is in many ways a further development of this work. In terms of sustainability and through the involvement of our committed team of employees and partners, we will exploit resources efficiently, while also securing jobs and the future of a company that is a source of value creation for society in general.

I would like to take this opportunity to mention a couple of vital ESG projects that we have worked with in Q3 2022.

## Forestia Carbon Sink

As described before, Forestia has established a project for cleansing of wood waste into industry quality raw material for particle boards. The project being dependent on grants, we have for a period suggested for the politicians how the state aid apparatus can be utilised for the establishment of climate smart solutions in the same manner we see in our neighbour countries. In April 2022, Innovasjon Norge resolved to grant Forestia



NOK 80.0 million to the Forestia Carbon Sink project. This investment is very environmentally friendly and will make the particle boards from Forestia even more circular. The project will support material recycling in the whole value chain, from raw material – product – waste – and then again as new raw material in the circular particle boards. The investment is also risk mitigating for Forestia as it makes us less dependent upon raw material supplies from the sawmills.

### Packaging

The factories are constantly working to improve sustainability of our products' packaging/wrapping in

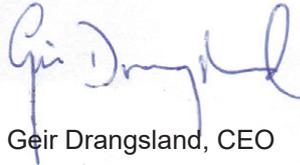
order to reduce weight transported and waste on construction sites. In Q3 Forestia has tested transportation of products with reduced use of packaging material of particle boards. The results are positive and a conclusion and implementation of a permanent solution is expected to be reached in Q4 2022.

### Reduction of chemicals

The factories are continuously working on reducing/substituting chemicals. Forestia has for example reduced the use of ammonia by over 40% in the first half of 2022 compared to the same period of 2021.

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

Best regards,



Geir Drangslund, CEO



## GROUP KEY FIGURES

Million NOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	565,2	546,0	1 948,7	1 712,4	2 344,3
EBITDA *)	156,8	76,2	368,5	221,7	320,1
Operating profit	135,9	55,6	304,5	160,9	230,2
Net financials	(1,2)	(2,1)	0,4	(4,8)	(9,0)
Profit/loss before tax	134,7	53,4	305,0	156,0	221,2
Taxes	(12,5)	(11,6)	(49,7)	(34,0)	(47,1)
Profit/loss after tax	122,2	41,8	255,3	122,0	174,1

The Group's sales revenues in Q3 2022 amounted to NOK 565.2 million, which is NOK 19.2 million higher than for the same period in 2021. The trend in sales revenue in Q3 2022 is positive in all segments compared to the same period in 2021, except from the Panel and the Lighting segment which has somewhat lower sales revenues. Year to date, the sales revenues were NOK 1,712.4 million compared to NOK 1,948.7 million in 2021.

The Group achieved and EBITDA in Q3 2022 of NOK 156.8 million, compared to NOK 76.2 million in Q3 2021. In the EBITDA for Q3 2022 there is booked a non-recurring gain of NOK 76.5 million on a forward contract related to the investment in shares in Norske Skog ASA.

The operating profit for Q3 2022 was NOK 135.9 million, compared to NOK 55.6 million in Q2 2021. Year to date, the operating profit was NOK 304.5 million in 2022 compared to NOK 160.9 million in 2021. The operating profit in Q3 2022 is higher for all segments, except for the Lighting segment which have lower operating profit compared to the same period in 2021.

The Group achieved a profit before tax in Q3 2022 of NOK 134.7 million, compared to NOK 53.4 million for the same period in 2021. Year to date, profit before tax amounted to NOK 305.0 million in 2022, compared to NOK 156.0 million in 2021.

Year to date, net financials amounted to an income of NOK 0.4 million in 2022, which is an improvement of NOK 5.2 million compared to the same period in 2021. The main reason for the reduction in net financial expenses is the gain on the market value of the interest rate swap in year-to-date 2022 of NOK 19.6 million, compared with the gain of NOK 10.5 million in the same period in 2021. Year to date, net interest expenses (incl. payment for interest rate swaps) amounted to NOK 17.2 million in 2022, which is NOK 2.7 million higher than in the same period in 2021.

Of the interest expenses of NOK 17.2 million, interest on lease obligations amounted to NOK 2.7 million, which is NOK 0.3 million lower than for the same period in 2021.

The liquidity reserve\*) as at 30 September 2022 amounted to NOK 123.9 million, a reduction of NOK 192.2 million from 1 January 2022 and a reduction of NOK 122.8 million from 30 September 2021. As per 30 September 2022, the group has invested NOK 763.2 million in Norske Skog ASA. This investment largely explains the change in liquidity reserve. The Board of Directors will maintain its focus on capital and cost-efficiency.

Interest-bearing debt\*) increased from NOK 611.4 million as of 1 January 2022 to NOK 1,287.3 million as at 30 September 2022. Year to date 2022, long-term borrowings of NOK 445.2 million was carried out, of which NOK 3.4 million are due to new lease agreements. The main reason for this increase is the investment in Norske Skog ASA.

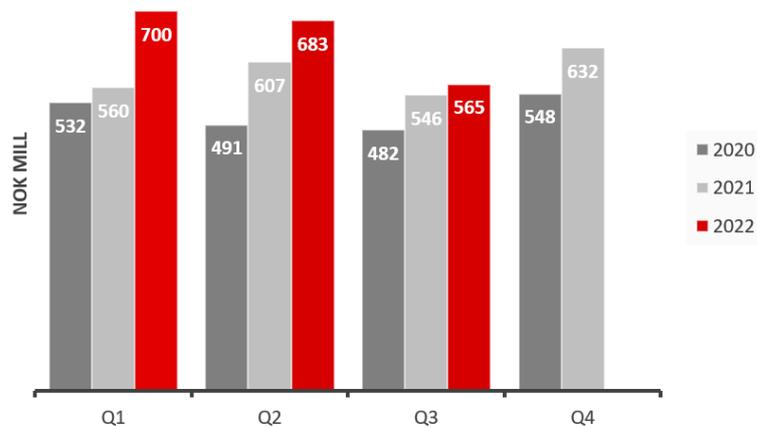
Investments in tangible fixed assets and intangible assets year to date 2022 totalled NOK 98.4 million, which is NOK 28.2 million higher than in 2021. Of the investments made, capitalised lease agreements amounted to NOK 3.4 million.

Total assets increased from NOK 1,828.2 million as of 1 January 2022 to NOK 2,529.0 million as of 30 September 2022.

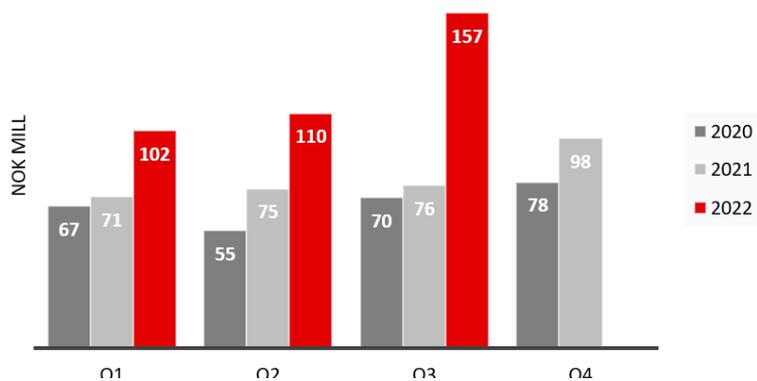
Booked equity as of 30 September 2022 was NOK 603.6 million (23.9%), which is an increase of NOK 5.3 million compared to 1 January 2022 (32.7%). The reasons for the change in equity are due to the profit of the year of NOK 255.3 million, a currency translation difference of NOK 0.2 million, loss on financial investment of NOK 180.0 million and payment of dividend of NOK 69.8 million.

\*) *Definition of EBITDA, liquidity reserve and interest-bearing debt are added after the notes.*

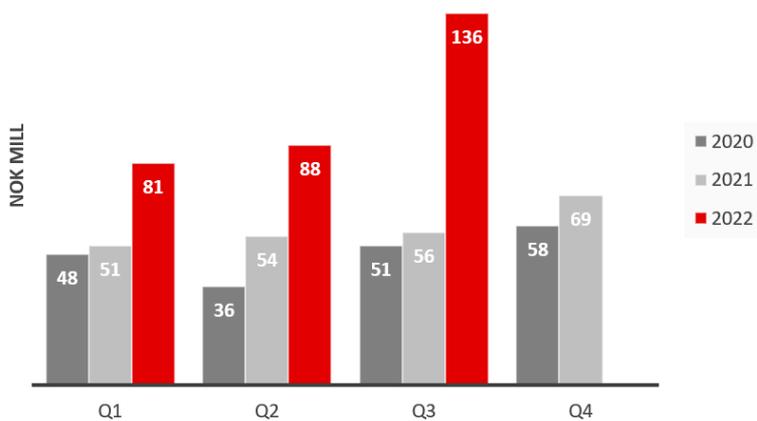
### SALES REVENUES



### EBITDA



### OPERATING PROFIT



Byggma aims to make a clearer distinction between its industrial activities and its real estate portfolio, and consequently the real estate division is now organised and reported as a separate segment. Consequently, the comparison numbers for 2021 have been adjusted.



## PLATER

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	348,3	358,5	1 317,8	1 189,4	1 588,3
Operating profit	19,3	18,6	144,2	95,0	140,1

**THE PANELS SEGMENT** consists of the companies Huntonit AS, Forestia AS, AS Byggform and Smartpanel AS with subsidiaries. The Masonite part of Huntonit AS has been included in the Beams segment. Huntonit Eiendom AS and Forestia Eiendom AS have been reclassified to the Real Estate segment. Huntonit Eiendom AS and Forestia Eiendom AS was demerged from Huntonit AS and Forestia AS, and consequently, comparison numbers for 2021 in the Panels segment have been adjusted.

In Q3 2022, the Panels segment achieved lower sales revenues and higher operating profit compared with the same period in 2021. The segment is experiencing increased raw material- and energy costs and price

increases have been implemented on our products with effect from 1 October 2022. Demand for products in the panels segment is good, with some variations between the various product groups.

The Board of Directors is satisfied with the development in sales and profitability in Q3 2022. Management has a continuous focus on improvements, including trends in sales and costs.



HUNTONIT PRO WALL



FORESTIA WALLS4YOU



## BEAMS

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	126,7	108,5	351,9	293,4	417,5
Operating profit	27,6	25,9	58,6	43,0	54,6

**THE BEAMS SEGMENT** consists of the company Masonite Beams AB. In addition, the segment consists of Masonite Beams AS and the Masonite part of Huntonit AS. Masonite Fastighet AB and Grammarholmen Fastighets AB have been moved to the Real Estate segment, and consequently, comparison numbers for 2021 in the Beams segment have been adjusted.

Beams have grown in most markets, and we are experiencing greater acceptance for I-Beams as a construction material. In 2022, Masonite Beams have gotten a new significant customer in Australia.

Sales revenues and operating profit for Q3 2022 are higher than for the corresponding period in 2021.

The Board of Directors is very satisfied with the sales and results for the segment in Q3 2022. The Management and Board of Directors are firmly focused on boosting sales and enhancing levels of profitability.



MASONITE HOVEDKONTOR I SVERIGE



MASONITE I-BJELKE



## WINDOW

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	66,3	51,9	210,9	159,4	228,9
Operating profit	5,5	2,3	13,4	7,1	10,7

**THE WINDOWS SEGMENT** consists of the company Uldal AS. Birkeland Eiendom AS have been moved to the Real Estate segment, and consequently, comparison numbers for 2021 in the Windows segment have been adjusted.

In Q3 2022, the Windows segment achieved higher sales revenues and operating profit compared with the corresponding period in 2021. Year to date, both sales revenues and operating profit are higher compared to 2021. The Windows segment is still facing intense competition and pricing pressure in the market.

Investments previously made with regards to the factory are now having a major effect on ensuring shorter delivery

times, and we are experiencing heavy demand for windows.

Investments in production equipment for sliding doors enables the company to produce sliding doors in-house cost-efficiently, instead of buying them at high prices as goods for resale.

Through the year, Uldal AS has increased its market share in the Norwegian window market significantly.

The Board of Directors is satisfied with the sales and operating profit in Q3 2022. Management will continue to focus on sales and cost trends.



CABIN WITH ULDAL SLIDING DOOR AND WOODEN WINDOWS



THE FAIRYTALE CASTLE WITH ULDAL WINDOWS



## LIGHTING

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	24,0	27,1	68,1	70,1	109,5
Operating profit	(1,1)	2,6	(5,8)	0,9	4,6

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

In Q3 2022 Lighting achieved lower sales revenues and operating profit compared with the corresponding period in 2021.

The Board of Directors is not satisfied with the sales and operating profit in Q3 2022. Management is firmly focused on implementing measures to improve profitability.



LIGHTING FROM ANETA



LIGHTING FROM ANETA



## REAL ESTATE

	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sales revenues	15,1	13,7	45,4	41,6	55,6
Operating profit	10,8	9,9	31,7	28,9	38,4

**REAL ESTATE SEGMENT** consists of the companies Byggma Eiendom AS, Huntonit Eiendom AS, Forestia Eiendom AS, Birkeland Eiendom AS, Byggma Eiendom Lyngdal AS, Masonite Fastighet AB and Grammarholmen Fastighets AB. Huntonit Eiendom AS and Forestia Eiendom AS was demerged from Huntonit AS and Forestia AS, and consequently, comparison numbers for 2021 in the Real Estate segment have been adjusted.

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

Please see the Real Estate overview on page 26.



HUNTONIT, VENNESSLA



ULDAL, BIRKELAND



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

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

The following are some of the projects developed in Q3 2022.

## FORESTIA

### Packaging

Our products must be packaged in a way that secures that they arrive undamaged at our customers sites with normal handling. Packaging is at the same time a problem in the form of waste at building sites and extra weight to be transported. Forestia also use particle boards as packaging on some of the products, which means high transportation weight and more waste.

In Q3, we have tested transportation of products with reduced use of particle boards as packaging. Three different packaging materials are tested, and the results this far are good. Before we can implement the project in full on our products, we have to perform more tests to secure that the packaging is good enough. We deliver products all over Northern Europe and it is therefore important to consider the different strain from transportation due to e.g. different standards on roads. Handling by the customers must also be considered. More trial shipments will be performed in Q4 with the goal of concluding on new packaging solutions by year end.



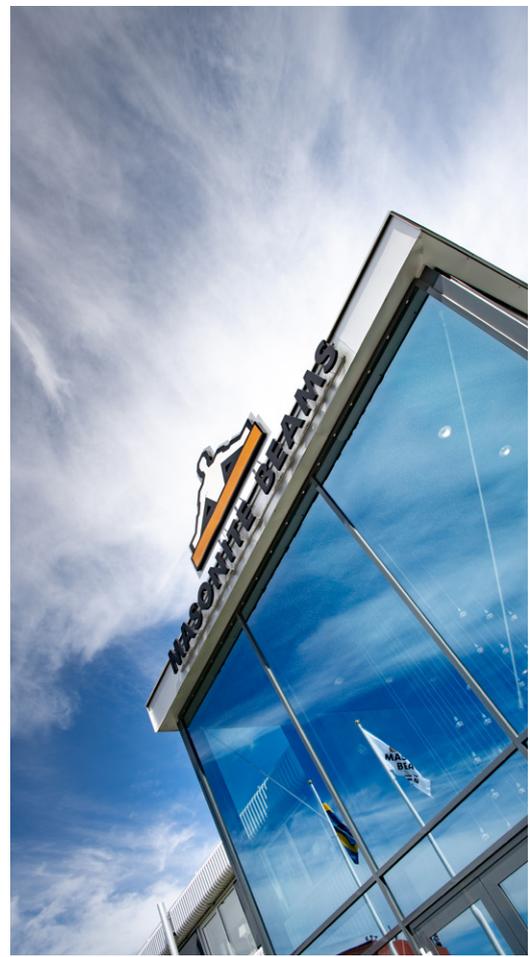
HANDLING AT GEITANGER  
BYGG, BERGEN



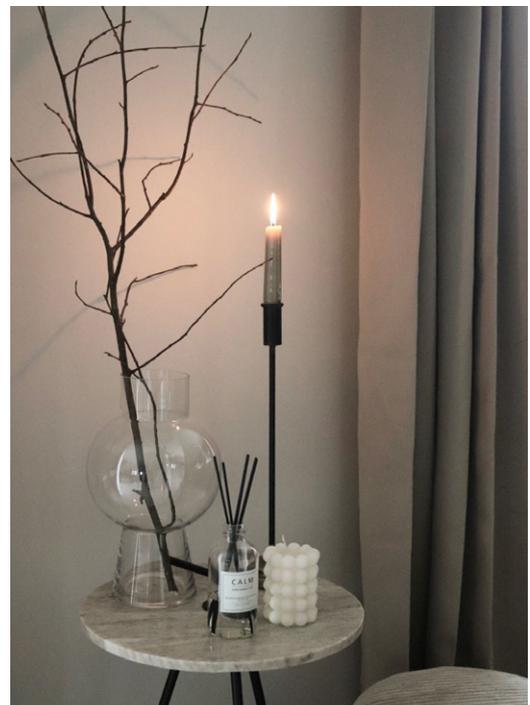
PANELS RETURNED TO FORESTIA. FIRST TEST WITH GOOD  
RESULTS AND NO DAMAGE ON THE PRODUCTS.

## MASONITE BEAMS

Together with several parties, Masonite Beams AB has started a EU project called "BioGlue-Centre: Competence for Bio-based Adhesives" where the goal is to develop and test bio based glue which is more sustainable and recyclable. This is a cooperative project together with manufacturers of furniture, building materials and packaging materials.



**BYGGMA**  
group



Bilder av våre produkter og ansatte.

Byggma monitors the housing market continuously, as this is important for the company. We see somewhat lower activity in some areas of the market, but are experiencing increased sale of new product launches introduced to the market. The variation in the sale in the market in Q3 and the trend in September may affect lower activity in Q4 2022 and into 2023. The number of produced units is expected to be on 24-25 000 in 2022, compared to the 26 000 expected in Q1. However, the need for housing units have been increased to 29 000 which can lead to serious consequences for the housing supply if the trend continues in Q4. Meanwhile, we are still experiencing high activity in commercial buildings and public buildings. The renovation and extension market is expected to be stable and on the same level as 2021.

There is uncertainty regarding how the market will react to the steep price increases previously seen on timber, building materials, and electricity. Additionally, the interest rate development may affect the activity in the newbuild and the renovation and extension market. However, we see a price decrease on timber going forward, which may increase the demand for building materials. The conflict in Ukraine may also affect markets and factors as access to raw materials, energy and increased prices on imported goods.

Despite lower commissioning in Q3, Byggma ASA booked increased sales revenues compared to the same period in 2021. This is mainly explained by price increased due to increased raw material prices. The vast increase in raw material prices is the most important explanation factor for the lower commissioning and sales of new housing units. Several commodities now show signs of lower prices going forward, among these sawn wood. With lower raw material costs, commissioning and sales of new housing units may increase again. This is supported by the increased need for new housing, adjusted up to 29 000 units per year. This may increase the demand for Byggma ASAs products in the medium and long term.

We are still experiencing stable demand for Byggma's products outside Norway.

The market development has meant that the input factors for several of the segments are considerably more expensive. Byggma has implemented price increases with effect from 1 October 2022.

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

In order to ensure further growth, investment in the sale of the Group's products outside Norway is an important part of Byggma's strategy.

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

Byggma is well positioned for implementing its enhancement processes for maintaining its position as a leading, efficient producer of building products. Several major investments have been made to streamline our processes. New investments in equipment have also been decided and this will enable greater efficiency. In principle, Byggma will be directing its investments toward digitisation and automation of the production processes, including the environment and sustainability.

As per 3 November 2022 Byggma ASA owns ca 14.8% of the share capital in Norske Skog ASA. Together with related party Drangslund Kapital AS, Byggma ASA controls over 20.6% of the shares in Norske Skog ASA.

It is an important part of Byggma's strategy to strengthen its position as a leading original brand manufacturer of environmentally friendly and sustainable products in the Nordic building materials market.

Byggma Group aims to be an attractive employer. We will continue to focus on ensuring that all employees in the Group can realise their human potential through their employment at Byggma.

Vennesla 3 November 2022  
The Board of Directors of BYGGMA ASA

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS – GROUP (NOK million)**

	Note no.	IFRS Q3 2022	IFRS Q3 2021	IFRS YTD 2022	IFRS YTD 2021	IFRS 2021
<b>Sales revenues</b>	11	<b>565,2</b>	<b>546,0</b>	<b>1 948,7</b>	<b>1712,4</b>	<b>2344,3</b>
Other operating revenues		8,4	5,1	22,9	16,7	43,5
Cost of goods and manufacturing costs		-288,4	-297,4	-1 009,8	-901,0	-1133,2
Payroll expenses		-102,7	-95,8	-367,2	-347,6	-487,6
Depreciation and write-downs	2	-20,9	-20,6	-63,9	-60,9	-89,9
Freight and complaints costs		-47,5	-38,4	-139,7	-127,1	-171,2
Marketing costs		-18,7	-16,2	-61,3	-51,2	-96,0
Other losses/gains	12	73,1	0,0	72,6	0,7	-0,4
Other operating costs		-32,7	-27,1	-97,8	-81,1	-179,3
<b>Operating profit/loss</b>	11	<b>135,9</b>	<b>55,6</b>	<b>304,5</b>	<b>160,9</b>	<b>230,2</b>
Net financials (income "+" - expenses "-")	3	-1,2	-2,1	0,4	-4,8	-9,0
<b>Profit/loss before tax</b>		<b>134,7</b>	<b>53,4</b>	<b>305,0</b>	<b>156,0</b>	<b>221,2</b>
Tax expenses	5	-12,5	-11,6	-49,7	-34,0	-47,1
<b>Profit/loss</b>		<b>122,2</b>	<b>41,8</b>	<b>255,3</b>	<b>122,0</b>	<b>174,1</b>
<b>TOTAL COMPREHENSIVE INCOME</b>						
Profit/loss		122,2	41,8	255,3	122,0	174,1
Currency translation difference		0,1	-2,2	-0,3	-4,9	-7,5
Gain (+) / loss (-) on financial investments	12	-180,0	0,0	-180,0	0,0	0,0
<b>Total profit for the period/year</b>		<b>-57,7</b>	<b>39,6</b>	<b>75,0</b>	<b>117,2</b>	<b>166,6</b>
<b>Allocated to</b>						
Shareholders		-57,7	39,6	75,0	117,2	166,6
Minority interests		0,0	0,0	0,0	0,0	0,0
		-57,7	39,6	75,0	117,2	166,6
<b>Earnings per share (NOK per share):</b>						
Earnings per share allocated to the company's shareholders		1,75	0,60	3,66	1,75	2,49
Diluted earnings per share allocated to the company's shareholders		1,75	0,60	3,66	1,75	2,49
EBITDA per share		2,25	1,09	5,28	3,18	4,59

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK million)

	Note no.	IFRS 30.09.2022	IFRS 30.09.2021	IFRS 31.12.2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible fixed assets	2	947,8	937,9	926,5
Intangible assets	2	21,3	22,5	21,9
Deferred tax assets	5	5,0	4,4	4,7
Long-term financial derivatives	6	18,4	0,0	1,3
Long-term financial investments	12	660,9	0,0	0,0
Other long-term receivables		0,3	0,5	0,2
<b>Total non-current assets</b>		<b>1 653,7</b>	<b>965,3</b>	<b>954,5</b>
<b>Current assets</b>				
Inventories		394,9	322,0	357,1
Customer and other short-term receivables		428,1	436,3	445,6
Short-term financial derivatives	6	1,8	0,0	0,0
Cash and cash equivalents		50,6	34,3	71,0
<b>Total current assets</b>		<b>875,3</b>	<b>792,6</b>	<b>873,7</b>
<b>Total assets</b>		<b>2 529,0</b>	<b>1757,9</b>	<b>1828,2</b>
<b>EQUITY</b>				
<b>Shareholder's equity</b>				
Share capital and share premium	4	52,7	52,7	52,7
Other equity not recognised in P&L		-170,8	12,0	9,4
Retained earnings		721,7	484,1	536,2
<b>Total equity</b>		<b>603,6</b>	<b>548,8</b>	<b>598,3</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term loans	10	509,6	445,1	466,2
Long-term financial derivatives	6	0,0	0,7	0,3
Deferred tax	5	93,2	90,5	92,0
<b>Total non-current liabilities</b>		<b>602,8</b>	<b>536,3</b>	<b>558,5</b>
<b>Current liabilities</b>				
Trade payables and other current liabilities		521,9	472,8	483,0
Tax payable	5	23,1	0,0	42,7
Short-term loans	10	777,7	199,4	145,2
Short-term financial derivatives	6	0,0	0,6	0,5
<b>Total current liabilities</b>		<b>1 322,7</b>	<b>672,9</b>	<b>671,4</b>
<b>Total liabilities</b>		<b>1 925,5</b>	<b>1209,1</b>	<b>1230,0</b>
<b>Total equity and liabilities</b>		<b>2 529,0</b>	<b>1757,9</b>	<b>1828,2</b>
Of which interest-bearing debt (long-term and short-term)		1287,3	644,6	611,4

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (NOK million)

	Equity allocated to the company's shareholders			
	Share capital and share premium	Other equity not recognised in P&L	Retained earnings	Total
<b>At 31 December 2020</b>	<b>52,7</b>	<b>16,9</b>	<b>920,7</b>	<b>990,2</b>
Currency translation difference	0,0	-4,9	0,0	-4,9
Profit of the period	0,0	0,0	122,0	122,0
Dividend	0,0	0,0	-558,6	-558,6
<b>At 30 September 2021</b>	<b>52,7</b>	<b>12,0</b>	<b>484,1</b>	<b>548,8</b>
Currency translation difference	0,0	-2,6	0,0	-2,6
Profit of the period	0,0	0,0	52,0	52,0
Dividend	0,0	0,0	0,0	0,0
<b>At 31 December 2021</b>	<b>52,7</b>	<b>9,4</b>	<b>536,2</b>	<b>598,3</b>
Currency translation difference	0,0	-0,2	0,0	-0,2
Profit of the period	0,0	0,0	255,3	255,3
Dividend	0,0	0,0	-69,8	-69,8
Reversering minoritetsinteresse v/oppkjøp	0,0	-180,0	0,0	-180,0
<b>At 30 September 2022</b>	<b>52,7</b>	<b>-170,8</b>	<b>721,7</b>	<b>603,6</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (NOK million)**

	Note no.	30.09.2022	30.09.2021	31.12.2021
<b>Cash flow from operations</b>				
Cash flow from operations		262,9	69,1	192,9
Interest paid		-23,0	-16,4	-22,6
Interest received		2,4	2,1	2,5
Taxes paid		-21,4	-4,8	-33,8
<b>Net cash flow from operations</b>		<b>221,0</b>	<b>50,0</b>	<b>139,1</b>
<b>Cash flow from investment activities</b>				
Purchase of tangible fixed assets	2	-96,4	-69,0	-88,6
Sale of tangible fixed assets		15,2	0,1	0,1
Purchase of intangible assets	2	-2,0	-1,3	-1,8
Purchase of financial investments	12	-764,4	0,0	0,0
Loans granted to related parties		-0,1	39,0	38,8
<b>Net cash flow used for investment activities</b>		<b>-847,7</b>	<b>-31,2</b>	<b>-51,5</b>
<b>Cash flow from financing activities</b>				
Adjustment of overdraft facility		278,1	55,4	15,9
Uptake of loans		445,2	45,7	71,7
Repayment of loans		-47,3	-49,6	-67,2
Dividends paid to the company's shareholders		-69,8	-558,6	-558,6
<b>Net cash flow used for financing activities</b>		<b>606,2</b>	<b>-507,1</b>	<b>-538,1</b>
Adjustment to cash, cash equivalents		-20,5	-488,2	-450,5
Cash and cash equivalents as per 1 January		71,0	525,2	525,2
Effect of exchange rate gain/(loss) on cash and cash equivalents		0,1	-2,7	-3,7
<b>Cash and cash equivalents at the end of the period</b>		<b>50,6</b>	<b>34,3</b>	<b>71,0</b>
This consists of:				
Bank deposits and similar		39,2	23,1	53,3
Restricted bank deposits		11,3	11,2	17,7
<b>Cash and cash equivalents at the end of the period</b>		<b>50,6</b>	<b>34,3</b>	<b>71,0</b>
Unused overdraft facility/drawing rights		84,7	223,7	262,8

**CONSOLIDATED PROFIT/LOSS BEFORE TAX PER QUARTER (NOK million)**

	IFRS 2022	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018
Profit/loss for Q1	86,1	53,6	26,2	31,9	5,9
Profit/loss for Q3	84,1	49,0	28,0	-7,9	-0,3
Profit/loss for Q3	134,7	53,4	46,2	20,3	18,5
Profit/loss for Q4		65,1	59,4	17,7	31,9
<b>SUM</b>	<b>305,0</b>	<b>221,2</b>	<b>159,7</b>	<b>62,0</b>	<b>55,9</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1

### GENERAL INFORMATION

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

Byggma Group reports in accordance with International Financial Reporting Standards (IFRS). This quarterly report has been prepared in accordance with IFRS Standard for interim reporting (IAS34). The report should be viewed in conjunction with the annual report for 2021 and with reference to the accounting policies specified therein. The quarterly figures have not been audited.

## NOTE 2

### TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS (NOK million)

	YTD 2022	YTD 2021	2021
Investments	98,4	70,2	90,4
Depreciations and write downs	63,9	60,9	89,9

## NOTE 3

### NET FINANCIAL ITEMS (NOK million)

	IFRS Q3 2022	IFRS Q3 2021	IFRS YTD 2022	IFRS YTD 2021	IFRS 2021
Change in market value, derivatives	7,1	3,4	19,6	10,5	12,3
Paid interest rate swap	-0,5	-1,1	-1,5	-3,4	-4,5
Interest expenses leasing agreements	-0,9	-1,0	-2,7	-3,0	-4,0
Net interest income/interest expenses	-6,1	-3,2	-13,0	-8,1	-11,8
Other financial expenses	-0,9	-0,2	-2,0	-0,8	-1,1
<b>Net financials (income "+" - expenses "-")</b>	<b>-1,2</b>	<b>-2,1</b>	<b>0,4</b>	<b>-4,8</b>	<b>-9,0</b>

## NOTE 4

### SHARE CAPITAL (NOK million)

	Number of shares (in thousands)	Ordinary shares	Share premium	Own shares	Sum
<b>At 31 December 2020</b>	<b>6 982</b>	<b>18,2</b>	<b>34,5</b>	<b>0,0</b>	<b>52,7</b>
Share split 1 to 10	62 837	0,0	0,0	0,0	0,0
<b>At 30 September 2021</b>	<b>69 819</b>	<b>18,2</b>	<b>34,5</b>	<b>0,0</b>	<b>52,7</b>
<b>At 31 December 2021</b>	<b>69 819</b>	<b>18,2</b>	<b>34,5</b>	<b>0,0</b>	<b>52,7</b>
<b>At 30 September 2022</b>	<b>69 819</b>	<b>18,2</b>	<b>34,5</b>	<b>0,0</b>	<b>52,7</b>

## NOTE 5

### TAX DESCRIPTION

For the full year, we refer to the tax note and accounting principles in the annual accounts, while for the interim accounts we use nominal tax rates per company per country. Deferred tax/deferred tax assets are based on the tax rate in the relevant countries.

## NOTE 6

### DERIVATIVE FINANCIAL INSTRUMENTS (NOK million)

	30.09.2022	30.09.2021	31.12.2021
<b>Assets</b>			
Interest rate swaps - (long-term)	18,4	0,0	1,3
Interest rate swaps - (short-term)	1,8	0,0	0,0
Forward exchange contracts - (short-term)	0,0	0,0	0,0
<b>Total financial derivatives - assets</b>	<b>20,2</b>	<b>0,0</b>	<b>1,3</b>
<b>Liabilities</b>			
Interest rate swaps - (long-term)	0,0	0,7	0,3
Interest rate swaps - (short-term)	0,0	0,6	0,5
Forward exchange contracts - (short-term)	0,0	0,0	0,0
<b>Total derivative financial instruments - liabilities</b>	<b>0,0</b>	<b>1,3</b>	<b>0,8</b>

## NOTE 7

### CONTINGENCIES

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

## NOTE 8

### RELATED PARTIES

CEO Geir Drangland and related parties as at 3 November 2022 control 88.70% of the share capital in Byggma ASA. The agreement that the Group CEO has entered into with Scanel AS is controlled by Geir Drangland.

## NOTE 9

### SUBSEQUENT EVENTS

Byggma ASA has between 30 September 2022 and 3 November 2022 purchased 1,961,260 shares in Norske Skog ASA. As per 2 November 2022 Byggma ASA owns 14.8% of the outstanding shares in Norske Skog ASA. Please also see the stock exchange announcement dated 25 August 2022.

A share of the financial investments is purchased through a forward contract. The gain on the forward contract is booked on the financial statement line "Other losses/gains". The change in fair value of the financial investments is booked in Other Comprehensive Income (OCI). The financial investments is valued at fair value in the balance sheet.

As at 30 September 2022 change in fair value of financial investments impacted the group's equity by NOK -180.0 million, booked in OCI. This effect must be viewed together with the gain on the forward contract of NOK 76.5 million related to the investment in Norske Skog ASA. The net effect as at 30 September 2022 is NOK -103.5. As at 2 November 2022 this effect is largely reversed, and the effect on the group's equity is ca. NOK -28.7 million.

See note 12.

Byggma ASA has sold two of its real estate vehicles, Birkeland Eiendom AS and Masonite Fastighet AB. The handover and settlement of the properties was completed in October 2022 and the transactions have no impact of Byggmas financial statements as per Q3 2022. Please also see the stock exchange announcement dated 30 September 2022.

## NOTE 10

## LOANS (NOK million)

	30.09.2022	30.09.2021	31.12.2021
<b>Long-term loans</b>			
Bank loans	441,5	361,5	387,0
Lease liabilities	68,1	83,6	79,2
Total long-term loans	509,6	445,1	466,2
<b>Short-term loans</b>			
Overdraft facility	295,0	56,3	16,9
Bank loans	463,7	123,9	109,1
Lease liabilities	19,0	19,1	19,1
Total short-term loans	777,7	199,4	145,2
<b>Total loans</b>	<b>1287,3</b>	<b>644,5</b>	<b>611,4</b>

## NOTE 11

## SEGMENT INFORMATION (NOK million)

## NET SALES REVENUES

	IFRS Q3 2022	IFRS Q3 2021	IFRS YTD 2022	IFRS YTD 2021	IFRS 2021
Panel sales to external customers	348,3	358,5	1317,8	1189,4	1588,3
Beams sales to external customers	126,7	108,5	351,9	293,4	417,5
Window sales to external customers	66,3	51,9	210,9	159,4	228,9
Lighting sales to external customers	24,0	27,1	68,1	70,1	109,5
<b>NET SALES REVENUES FOR THE GROUP</b>	<b>565,2</b>	<b>546,0</b>	<b>1948,7</b>	<b>1712,4</b>	<b>2344,3</b>

## OPERATING PROFIT

	IFRS Q3 2022	IFRS Q3 2021	IFRS YTD 2022	IFRS YTD 2021	IFRS 2021
Panels	19,3	18,6	144,2	95,0	140,1
Beams	27,6	25,9	58,6	43,0	54,6
Windows	5,5	2,3	13,4	7,1	10,7
Lighting	-1,1	2,6	-5,8	0,9	4,6
Real Estate	10,8	9,9	31,7	28,9	38,4
Byggma joint/eliminations	73,9	-3,8	62,5	-13,9	-18,2
<b>OPERATING PROFIT FOR THE GROUP</b>	<b>135,9</b>	<b>55,6</b>	<b>304,5</b>	<b>160,9</b>	<b>230,2</b>

In relation to the establishment of the Real Estate segment, the real estate companies have been moved to the Real Estate segment. Huntonit Eiendom AS and Forestia Eiendom AS was demerged in 2021 and the comparison numbers have been adjusted. In the comparison numbers, it is assumed the same lease level for the whole 2021 equal to the lease the companies had from the demerger as of 15 September 2021.

## NOTE 11 - CONTINUED

### NET SALES REVENUES BY COUNTRY

	IFRS Q3 2022	IFRS Q3 2021	IFRS YTD 2022	IFRS YTD 2021	IFRS 2021
Norway	324,1	334,5	1239,8	1123,9	1535,1
United Kingdom	21,1	11,9	39,9	34,4	44,7
Sweden	109,3	134,9	381,5	329,3	456,5
Finland	4,7	0,7	13,5	11,3	16,4
Denmark	19,1	20,4	72,4	66,4	91,9
The Netherlands	16,8	19,0	68,1	64,0	87,1
Other	70,1	24,8	133,3	83,0	112,6
<b>NET SALES REVENUES FOR THE GROUP</b>	<b>565,2</b>	<b>546,0</b>	<b>1948,7</b>	<b>1712,4</b>	<b>2344,3</b>

## NOTE 12

### FINANCIAL INVESTMENTS

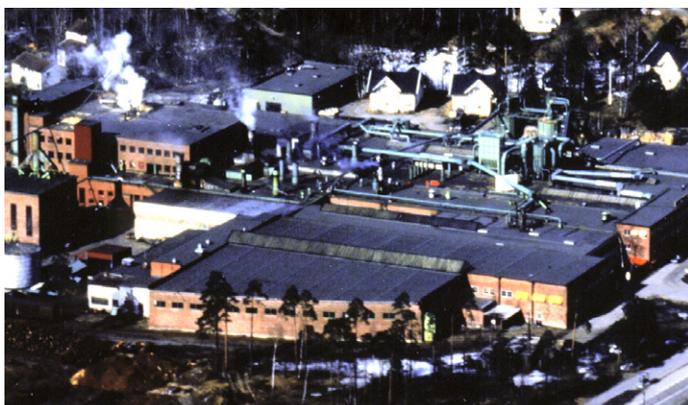
A share of the financial investments is purchased through a forward contract. The gain on the forward contract is booked on the financial statement line "Other losses/gains". The change in fair value of the financial investments is booked in Other Comprehensive Income (OCI). The financial investments is valued at fair value in the balance sheet.

As at 30 September 2022 change in fair value of financial investments impacted the group's equity by NOK -180.0 million, booked in OCI. This effect must be viewed together with the gain on the forward contract of NOK 76.5 million related to the investment in Norske Skog ASA. The net effect as at 30 September 2022 is NOK -103.5. As at 2 November 2022 this effect is largely reversed, and the effect on the group's equity is ca. NOK -28.7 million.

See note 9 for more information.

## DEFINITIONS

Key figures	Definition
EBITDA	Operating profit/loss + depreciation + write downs
Liquidity reserve	Bank deposits (ex. Restricted cash deposits) + unused overdraft facilities
Interest bearing debt	Interest bearing loans + leasing obligations + bank overdrafts



#### HUNTONIT EIENDOM AS

PRODUCTION FACILITIES:	19,664 m <sup>2</sup>
STORAGE CAPACITY:	8,100 m <sup>2</sup>
OFFICES:	1,430 m <sup>2</sup>
SITE AREA OWNED:	78,112 m <sup>2</sup>
FLOOR AREA:	30,171 m <sup>2</sup>
YEAR OF CONSTRUCTION:	1948–1988
MUNICIPALITY:	Vennesla, Norway

**Byggma ASA** currently owns approximately 115,000 m<sup>2</sup> of building stock. A significant portion of Byggma's assets consists of buildings and factories. Ownership entails accountability. We place strict demands on ourselves when it comes to managing buildings - both in maintaining the values the buildings represent and to preserving in the best possible condition.

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



#### FORESTIA EIENDOM AS

PRODUCTION FACILITIES:	21,079 m <sup>2</sup>
STORAGE CAPACITY:	18,655 m <sup>2</sup>
OFFICES:	3,961 m <sup>2</sup>
SITE AREA - OWNED:	321,460 m <sup>2</sup>
FLOOR AREA:	43,695 m <sup>2</sup>
YEAR OF CONSTRUCTION:	1969 - 1987 and 1997

MUNICIPALITY: Våler, Norway



#### BYGGMA EIENDOM LYNGDAL AS

PRODUCTION AND WAREHOUSE SITE	16,397 m <sup>2</sup>
OFFICES:	1,666 m <sup>2</sup>
SITE AREA - OWNED:	37,377 m <sup>2</sup>
FLOOR AREA:	18,063 m <sup>2</sup>
YEAR OF CONSTRUCTION:	2007 and 2017
MUNICIPALITY:	Lyngdal, Norway

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