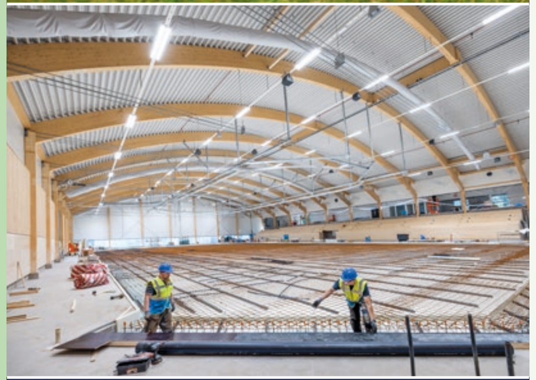
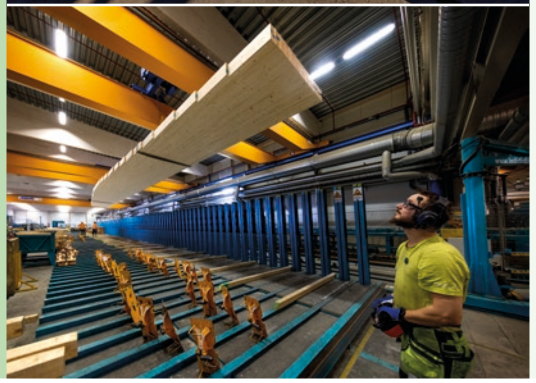
Annual Report 2023

Elgiganten's new warehouse and logistics facility in Jönköping will be one of the largest in the Nordic region. The load bearing structure of the 86,000 square meter building consists entirely of glulam from Moelven Töreboda AB and Moelven Limtre AS.





Introduction

Navigating the challenges	4
This is Moelven	6
Environmentally focused value creation	10
Focus areas, results and objectives	12
Key figures for last five years	14

Report of the Board of Directors 15

2023 in brief	15
Events in 2023	16
Our strategic framework	18
Corporate governance	20
This is the Moelven Group	20
Corporate social responsibility	22
Operating revenues and profits/losses	22
Investments, balance sheet and financing	23
Risk	24
Employees, health, safety and the environment	26
Responsible business operations and transparency in the supply chain	26
Effect on the external environment	26
Innovation and creativity	26
Allocation of the net profit for the year	31
Events after the balance sheet date	31
Going concern assumption	31
Outlook	31

Corporate governance 34

Report on corporate governance	34
Business	35
Share capital and dividends	36
Equal treatment of shareholders	36
Shares and negotiability	36
Annual General Meeting	37
Nomination Committee	37
Board of Directors, composition and independence	38
The work of the board	39
Risk management and internal control	40
Remuneration to the board	41
Salary and other remuneration of senior executives	41
Information and communication	41
Company takeover	42
Auditor	42

Group 44

Financial key figures	46
Income statement	49
Statement of financial position	50
Notes	54

Moelven Industrier ASA 86

Income statement	88
Balance sheet	89
Cash flow statement	90
Notes	91
Auditor's report	104
Corporate Assembly's Recommendation	108

Navigating the challenges

Morten Kristiansen
Remarks from the CEO

2023 was a year that put Moelven to test. We had seen signs that the storm was approaching, with rising interest rates, increased costs and an abrupt halt in the building industry. But although we're navigating rough seas, there are some bright points.

One of the most heartening developments is that we at Moelven have become better at caring for each other. We have improved and strengthened the Group's safety culture and have far fewer people who are injured at work than before, which is a positive development. These are the results of a lengthy and targeted effort, where we strive to become slightly better every day. I will admit that I have been impatient and have solicited this development. There is still work to be done, but we must be allowed to celebrate that we are constantly taking steps in the right direction. Our employees are our most valuable resource, and they deserve a safe working day. We have had more success with this in 2023, and we must continue to succeed with this every single day.

In the last year, Moelven has implemented several measures in HSE work. We have had two major fires in recent years, which is obviously disappointing. That's why we've initiated a comprehensive process to identify potential fire risks across all of our companies. We have already implemented several measures to reduce the fire risk at Moelven. It's inspiring to see the vigour we have in the Moelven Group when we set defined targets. This is also a clear sign that we are strengthening our culture of improvement, for the benefit of our people and our business.

Looking at the financial results for 2023, the short version is that we are satisfied with what we managed to deliver during the year – based on the reality in which we operate. Unfortunately, we have had to resort to layoffs and terminations, and we have a sense of increased uncertainty in terms of the future.

We are now in a period where our competitiveness is really being tested. When the construction industry almost comes to a complete halt, as it did in 2023, this naturally affects the demand for our products and solutions. For the timber processing part of the group, we have the opportunity to team up with the world market to a much greater extent. This has been useful and important, and will probably remain a decisive factor for Moelven to develop further through changing economic cycles. Our exports increased in 2023, and this ability to adapt to changing market assumptions has been an important part of our DNA. In 2024, Moelven celebrates 125 years, and we had not been able to do so without making the changes and adjustments required to reach such a milestone.

The year we have put behind us will be important for the Group's future history. We have invested heavily in several projects to strengthen our competitiveness for the coming decades. A new pellet factory is about to be completed in Karlskoga, the comprehensive modernisation projects at Moelven Valåsen and Moelven Edanesågen are well underway, and several of our sawmills are building new dryers. This will enable us to grow further and strengthen our position in the industry.

Although we are experiencing a challenging period, we are convinced that our products and solutions will be in high demand going forward. Our mission now is to further develop our competitiveness, get through the rough patch and be ready and strengthened when the market turns. Because we are certain that it will.

CEO Morten Kristiansen.

This is Moelven

Moelven is one of Europe's largest industrial wood processing groups. We have 34 production companies spread across 40 production locations in Norway and Sweden. In addition, we have sales offices in Norway, Sweden, Denmark, the UK, Germany and China.

We harvest raw materials from the forest and create sustainable products and solutions that the world needs. Moelven produces everything you need in terms of wood products for your home, timber for industry, glulam products, building modules and flexible office solutions, as well as woodchip products and bioenergy. Moelven is founded on the principle that all development, construction and operations must be sustainable, and that stringent requirements apply regarding health, safety and the environment for all of our employees, and those involved in our operations. Moelven's vision, mission, values and personnel concept provide the foundations for all of our employees and the strategic choices that are taken. Sustainability permeates this from the top down.

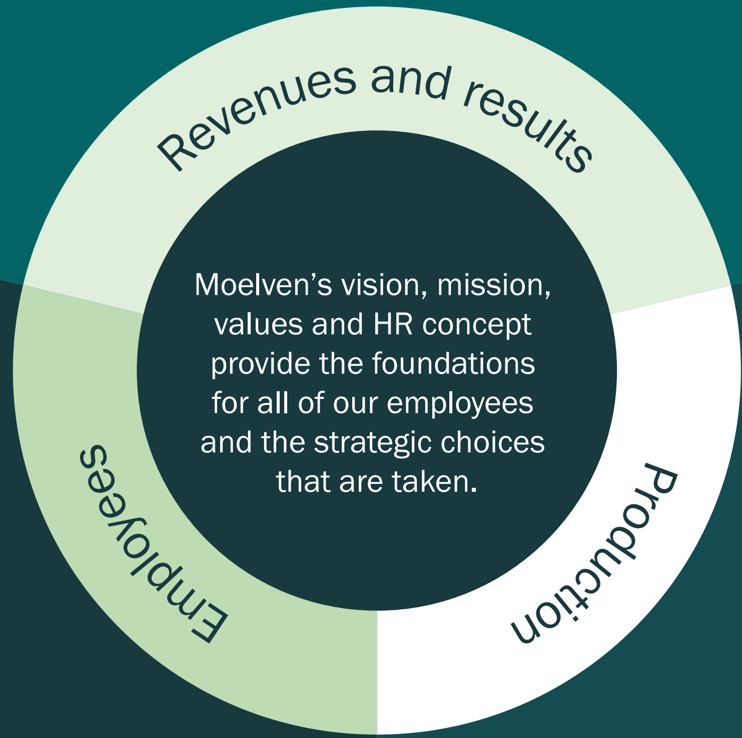
Moelven

OPERATING REVENUES

12,936,000,000

OPERATING PROFIT

381,000,000



LTI1
Number of injuries with absence per million worked hours, past 12 months.

6.0

TRI
Number of injuries with and without absence per million worked hours, past 12 months.

17.3

EMPLOYEES

3,256

458
WOMEN

2,798
MEN

CUSTOMERS IN A NUMBER OF COUNTRIES

46

PRODUCTION

40
LOCATIONS

34
COMPANIES

2
COUNTRIES

Vision

Opportunities grow on trees
– we grow with opportunities.

Mission

We harvest raw materials from the forest and create products and solutions that the world needs.

HR concept

You make the difference! Moelven is the result of all the smaller and larger choices we make every day. Together we create a workplace based on trust, well-being and a sense of belonging. Since 1899, Moelven has seen opportunities, developed new ideas and built better climate-smart solutions for the future. We're going to keep on doing that. We are Moelven – you make the difference!

We make use of our opportunities

We reach for the opportunities that surround us, just like the branches of a tree. We think out of the box and adapt to our environment, so that we can grow and remain viable under all conditions.

We deliver

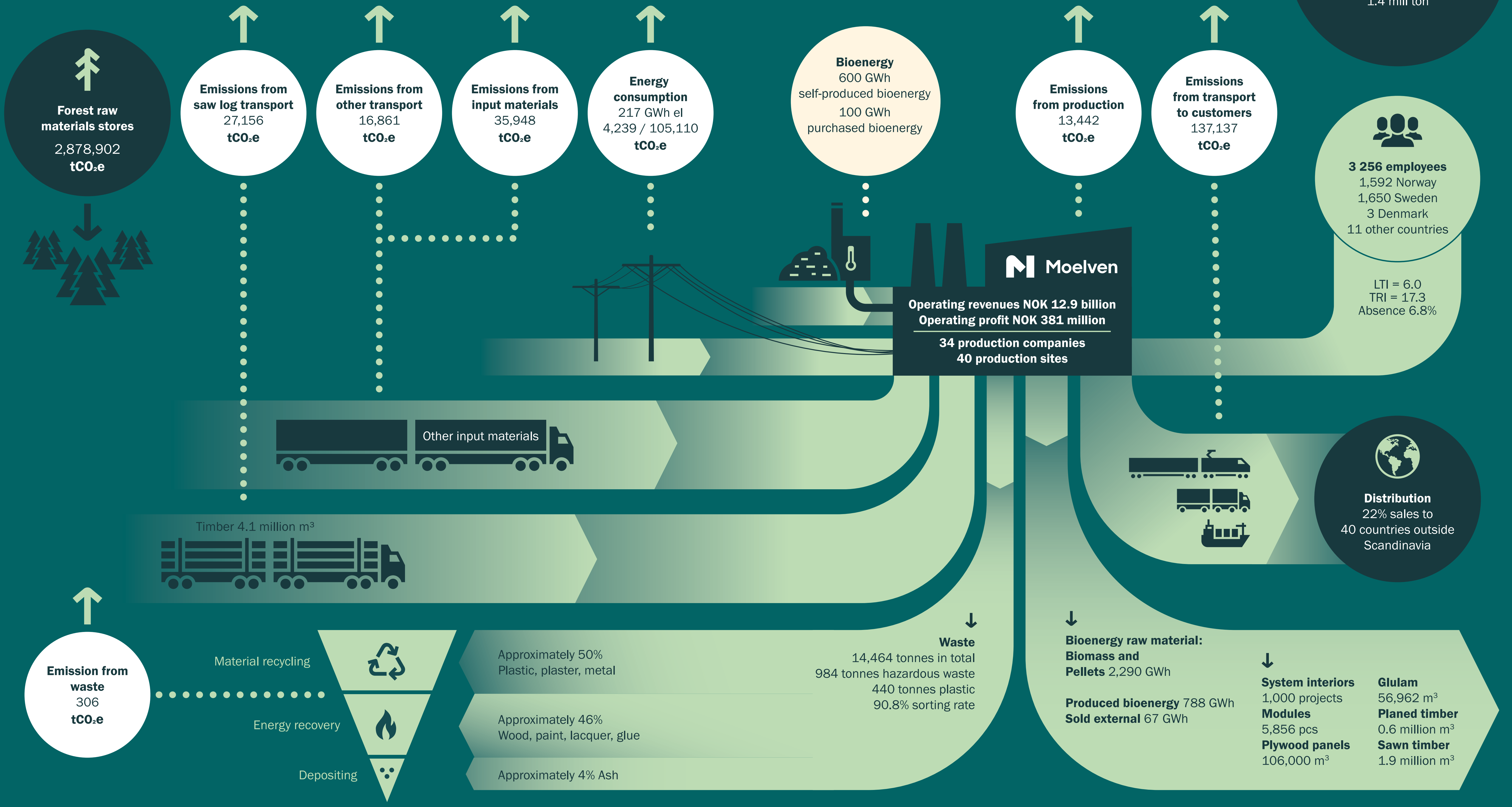
Moelven is reliable, and we keep to our promises. We build trust by co-operating and communicating with everyone around us. This means that we stand steady in both calm and stormy weather.

We take responsibility

We manage the renewable resources we live off with respect and care. We all take responsibility for creating a safe workplace where we take care of people and the environment. These are our fundamental values.

Environmentally focused value creation

CO_2 emissions from Moelven
0.3 mill ton
CO_2 emissions from bioenergy
0.4 mill ton
CO_2 stored in finished goods
1.4 mill ton



Focus areas, results and objectives

Basic premise
– we are a reliable partner

Four priority areas	Important topics	Results	2023	2022	2021	Objectives and remarks
Climate action throughout the value chain Our activities, products and value chain will make a difference in our climate action efforts	1. Energy consumption in own production 2. Goods transport 3. Production of bioenergy 4. Climate benefits from the forest 5. Climate-smart design	Electricity consumption (GWh)	217	226	235	2% annual reduction in energy consumption per unit produced.
		Self-produced Thermal Bioenergy (GWh)	788	836	835	95% of needs for thermal energy covered by self-produced bioenergy.
		Carbon footprint (tCO$_2$e) incl. location based Scope 2	236,424	231,379	192,842	7% annual reduction in carbon intensity.
		Carbon footprint (tCO$_2$e) incl. market-based Scope 2	337,295	315,759	280,570	
		Carbon stored in finished goods (tCO$_2$)	1,421,181	1,510,706	1,484,288	
		Share of transport to customers by modular vehicle combinations in Norway	13.8%	6.5%		Digitalised logistics planning to optimise driving routes and minimise driving when empty. Trialling of transport methods based on renewable energy sources. Electrification of internal transport. Requirement of EURO 6 from 2022. Increased use of modular vehicle combinations, sea and rail.
		Internal transport, lorries EURO-6	62	59	72	
		Internal transport, lorries EURO-5	173	179	180	
		Internal transportation, electric trucks	171	166	185	
Safeguarding natural resources We will use renewable and sustainably managed resources, and utilise them in full	1. Sustainable materials 2. Resource optimisation 3. Resource-efficient design and packaging 4. Waste management in production 5. Water consumption	Controlled raw material	100%	100%	100%	Certified raw materials from sustainable forestry. 100 percent controlled raw materials throughout the value chain.
		Recycled plastic (tonnes)	440	418	581	Plastic is included as a separate fraction in waste sorting.
		Plastic consumed (tons)	1,574	1,807	2,049	Share of recycled plastic > 30%. Collaborate with customers and suppliers on concepts to minimise the need for packaging. Development and testing of alternative packaging materials.
		Share of recycled plastic	33%	35%		
		Sorting ratio	90.8%	92.9%	92.6%	90% sorting rate for the Group and all units over time.
People in focus We will be an attractive and safe workplace	1. HSE 2. Engaged and competent employees 3. Safe chemical use	LTI	6.0	8.0	6.9	2024: LTI<4 2025: LTI rate <3
		LTI2	17.3	19.6	21.2	2024: LTI2<16 2025: LTI2 rate <14
		Rate of absence due to injury	111	113	185	F-value = Number of work injury-related absence days per million hours worked
		Risk reports per employee	1.3	1.3	2.2	> 1.2 per employee
		Absence due to illness	6.8%	6.7%	5.6%	< 4.0%.
		Employees	3,256	3,332	3,312	
Local values We will contribute to local value creation	1. Creating economic value in local communities 2. The local environment	Total tax contributions in Norway and Sweden (MNOK)	1,031	1,553	1,450	Sustainability is one of the four cornerstones of the Moelven strategy and will be included as a decision-making criterion in connection with investments and the development of the Group.
		Value creation (MNOK)	4,889	6,183	7,308	
		Violation of the Pollution Control Act or equivalent	None	None	None	Moelven shall not be responsible for any violation of pollution control legislation or equivalent. Moelven shall continuously work to improve its environmental footprint in the local community
		Social sustainability				Moelven will work to ensure responsible business practices and transparency related to human and employee rights, society and the environment throughout the value chain.

Key figures for last 5 years

Amounts in NOK million	2023	2022	2021	2020	2019
THE GROUP					
Operating revenue	12,936	14,439	14,872	11,665	10,297
EBITDA	708	2,106	3,389	1,011	630
Depreciation	324	331	351	344	296
Impairment	3	18	52	4	-2
Operating profit	381	1,756	2,986	662	335
Financial items	-52	-3	5	-59	-96
Result before tax	329	1,754	2,991	604	240
Total capital	7,710	7,904	8,269	5,833	5,518
Equity in per cent	58.2	59.9	55.5	49.1	42.9
Operating margin in per cent	2.9	12.2	20.1	5.7	3.3
Investments	1,085	501	420	272	479
Number of employees	3,256	3,332	3,312	3,391	3,399
TIMBER					
Operating revenue	4,075	4,944	5,046	3,445	3,119
EBITDA	265	1,239	1,794	366	243
Depreciation	106	106	103	103	97
Impairment	-	-	-	4	-
Operating profit	159	1,132	1,691	259	146
Financial items	16	1	-9	1	-5
Result before tax	175	1,133	1,682	260	141
Total capital	2,497	2,907	3,079	1,743	1,513
Operating margin in per cent	3.9	22.9	33.5	7.5	4.7
Investments	289	177	194	88	116
Number of employees	664	653	630	636	629
WOOD					
Operating revenue	4,757	5,528	6,164	4,730	4,018
EBITDA	197	757	1,504	482	265
Depreciation	117	112	117	111	102
Impairment	-	0	3	-	-2
Operating profit	80	645	1,384	372	165
Financial items	-16	13	-20	-19	-29
Result before tax	64	658	1,364	353	136
Total capital	3,908	3,392	3,866	2,802	2,514
Operating margin in per cent	1.7	11.7	22.5	7.9	4.1
Investments	514	234	155	130	117
Number of employees	1,078	1,084	1,108	1,099	1,114
BUILDING SYSTEMS					
Operating revenue	3,570	3,833	3,913	3,347	3,003
EBITDA	236	84	160	166	135
Depreciation	64	69	140	90	78
Impairment	3	-	49	-	-
Operating profit	172	15	19	76	57
Financial items	8	-2	4	-5	-4
Result before tax	179	13	23	71	53
Total capital	1,795	1,775	1,694	1,909	1,751
Operating margin in per cent	4.8	0.4	0.5	2.3	1.9
Investments	65	36	54	22	56
Number of employees	1,310	1,408	1,383	1,490	1,494
OTHER ACTIVITIES					
Operating revenue	5,484	4,741	4,553	3,802	3,728
EBITDA	5	-31	-6	-4	-14
Depreciation and impairment	40	43	41	41	19
Impairment	-	18	-	-	-
Operating profit	-35	-93	-47	-45	-32
Financial items	-60	-14	31	-36	-58
Result before tax	-95	-107	-16	-81	-90
Investments	219	54	18	32	190
Number of employees	204	187	191	166	162

Moelven is a partner of SOS Children's Villages in the field of humanitarian work. SOS Children's Villages is dependent on long-term partners in order to reach more children who are without satisfactory care. Our partner takes care of children who are left to themselves, who don't have the opportunity to go to school, who go to bed hungry and who may experience violence and abuse. The partnership agreement with Moelven has an annual framework of NOK 500,000 as the base amount.
Photo: SOS Children's Villages

Report of the Board of Directors 2023

2023 in brief

2023 saw further market decline after a difficult second half of 2022 for the majority of our units. Framework conditions that have had a negative impact include inflation, rising interest rates and persistent uncertainty related to the wars in Ukraine and Israel/Middle East, turmoil related to transport through the Red Sea and economic developments in general. The building products trade in Scandinavia has slowed in 2023 as a result of very low commissioning of new homes and other construction projects, as well as dampened private consumption. Throughout 2023, activity in the international sawn timber market has largely been as expected, while the home market in Scandinavia has been weaker. Although the sawn timber prices are at a good level in historical terms, a generally increased cost level is putting considerable pressure on margins. Revenues for 2023 were NOK 12,936 million and the operating profit was NOK 381 million. Compared to 2022, which was Moelven's second best of all times, this resulted in a decrease in revenue of NOK 1,503 million and in operating profit of NOK 1,375 million. Operating profit for the first half of 2023 was NOK 343 million, while the second half of the year yielded an operating profit of NOK 38 million.

Despite a more demanding 2023, the Group emerges as very robust at the end of the year. After a very good 2022, Moelven distributed a dividend of NOK 694 million in May 2023. At the end of the year, the Group had an equity share of 58.2 per cent and a solid financial situation that forms the basis for approved investment projects. For 2023, the board proposes a dividend of NOK 126 million.

The main objectives in the strategy plans are focused on developing a business with international competitiveness and a resilience that limits volatility in results and cash flow. This entails both prioritising investment funds and cultivating concepts, but also selling or phasing out certain units where it is not possible to achieve satisfactory value creation over time. The work has produced results and this will continue in the years ahead.

Mari Slaatsveen, Hege Sagstuen Larsen and Stine Therese Hagen team leaders at Moelven Byggmodul AS.

Left: In April 2023, it was 100 years since the first board passed through the saw at Langmoen. Celebrations were therefore in order. Moelven Langmoen AS came up with cake, balloons, champagne flutes, music and speeches. The birthday gift for the company was a new plane and upgraded planing line. The old plane deserves thanks, as it actually holds the Norwegian record in production volume. It has planed lumber corresponding to a distance of 12 times around the globe.

Below: In 2023, the head office at Moelv has been given a significant upgrade. When renovating the office facilities on the third floor, it was Moelven Modus AS who was responsible for the design and delivery of a forward-looking office solution.

Events in 2023

HSE

In order to build on the solid foundations developed in the HSE area through the action plan "HSE towards 2023," a new action plan, "HSE towards 2025," was adopted in the first quarter.

It should be safe to work at Moelven. HSE work has been given high priority for many years, and the efforts laid down have yielded results. In the course of 2023 the Group has made some headway in reaching the long-term goal of zero injuries. Through the action plan for "HSE towards 2025," both the safety culture and the psychosocial working environment will be strengthened. In addition to improving the safety culture, resources will be provided for measures to improve the fire prevention work in the companies. Measures are also included that ensure the safety of the employee and fixed assets for ongoing predictable operations.

The key points of HSE towards 2025 are to:

- Close completed safety inspections from 'HSE towards 2023'.
- Formalise and further develop safety measures related to fire prevention work.
- Promote health and the working environment, including focus on presence work.
- Ensure good skills development within HSE in all parts of the organisation.
- Proactive work on risk and undesirable incidents.
- Ensure compliance with and support of HSE work throughout the organisation.

The strong emphasis on the HSE area has yielded results. In 2023, the absence injury rate H1 (the number of injuries with subsequent absences measured per million hours worked) decreased from 8.0 to 6.0. This is a historically low level for Moelven, but nevertheless higher than our goals and the vision that our employees must not be injured at work. At the same time, the injury absence rate H2 (total number of injuries measured per million worked hours) was reduced from 19.6 to 17.3 and the severity of the injuries was lower than previously. These are clear signs that the work is yielding results and that developments are on the right track.

In the second quarter of 2023, the internal project "Fire prevention programme" was initiated. The measures include an reinforced effort to reduce the risk of fire. A Group standard related to order, cleaning and tidiness has been implemented. In addition, we have engaged external assistance to highlight fire risks and compliance with applicable requirements. The work methodology is based on the experiences from"HSE towards 2023."

Investments

Throughout 2023, there has been considerable activity related to ongoing investment projects at Moelven's sawmills approved in 2021 and 2022. These are strategic investments that will improve the safety, capacity, efficiency and, not least, the climate footprint of the future wood industry. The investments will be made at Moelven Mjøsbruket AS, Moelven Våler AS, Moelven Soknabruket AS, Moelven Notnäs Ransby AB, Moelven Valåsen AB, and Moelven Edanesågen AB, among others.

The rebuilding and relocation with the associated upgrade of the timber sorting facility at Moelven Soknabruket AS has followed the plan for commissioning. Strategic investments such as these contribute to modernise and strengthen the competitiveness of the companies. In addition, modern production equipment results in safer workplaces and lower energy consumption. In the Timber division, an investment programme to replace timber dryers is ongoing. In the event of unchanged production volume for the dryers included in this investment package, this constitutes reduced annual energy consumption of approximately 6 GWh, which is 2.5% of the Group's total annual consumption.

There is also considerable activity in connection with the establishment of a new pellet factory and plant for bioenergy production in Karlskoga. The investment, that was approved in 2022, will take place in the newly-established company Moelven Pellets AB on Moelven Valåsen AB's industrial site. The investment is a consequence of the capacity increases at Moelven's sawmills in the region. The pellet factory, which according to plan will start operation in the autumn of 2024, will be integrated in the sawmill concept at Moelven Valåsen AB. Ordinarily, just less than half of the saw timber will become fibre products. Integrating the pellet factory with the sawmill is thus a sustainable and competitive way of managing the residual raw material from the sawmill.

In June 2023, Moelven entered into an agreement with IFS on the implementation, operation and management of the IFS Cloud ERP system for the majority of the group's companies. This means that we will have a more contemporary business solution and a technological boost that enables continuous improvement, digitisation and increased IT security. The decision to implement IFS Cloud is the result of a comprehensive pilot project to assess processes and system adaptations based on a standard solution. The implementation project was started with a kick-off in September 2023. A large number of employees from all divisions are involved in the process towards a successful "go live" in November 2024.

Events

Tretten bridge collapsed on 15 August 2022. The Norwegian Public Roads Administration was the principal, and Moelven Limtre AS was subcontractor with responsibility for the production of glulam and assembly of the superstructure, i.e. everything above the bridge's foundations. The design and project planning of the bridge were conducted by a consulting company on behalf of the principal. One year after the incident, in August 2023, the Accident Investigation Board publicly released its findings. The AIB points out that the truss bridge was scaled according to a previous Norwegian standard, where block shear failure was not taken into account. The consequence of this is that a connection to a diagonal was only scaled to withstand half of what it was supposed to. Had the truss bridge been designed according to the European standard for wooden structures that was published in 2004, one would have checked for block shear failure, and scaled differently. The AIB concluded that there were no faults or defects in the delivery from Moelven Limtre AS.

As a result of a weak market in the building and construction industry in Sweden, both Moelven Byggmodul AB and Moelven Töreboda AB have had to give notice of and implement terminations in 2023. A total of 195 employees received notice of termination at Moelven Byggmodul AB, but only 25 of these were effected in 2023. At Moelven Töreboda AB, 24 employees were terminated. Due to high interest rates

Moelven

EMPLOYEESHIP	CREATIVITY	SUSTAINABILITY	COMPETITIVENESS
WE WILL			
– Have a safety culture that ensures that everyone goes home safe and sound. – Be active employees and leaders. – Promote diversity. – Have a culture of improvement.	– Be the best at creating innovative products and solutions in wood. – Be the best at using the technology of today and tomorrow. – Take advantage of the strengths and opportunities offered by our value chain. – Streamline our industrial processes and business operations.	– Offer customers the most sustainable solutions. – Use certified raw materials sourced from sustainable forestry. – Make the best use of resources. – Ensure our business has a low carbon footprint.	– Deliver the quality expected by the customer and on time. – Develop and invest for the future. – Industrialise our value chain through optimal utilisation of our facilities.
OUR GOALS			
– Sickness absences < 4%. – Injuries: Vision zero. – LTI < 4. – TRI < 16.	– 10 new products / concepts / solutions to market per year. – Increased digitalisation of the value chain. – 100% of employees to have access to and knowledge of digital solutions.	– 100% oversight of raw materials throughout the value chain. – Annual improvement of energy efficiency > 2%. – Annual reduction of carbon intensity > 7%. – Percentage of recycled plastic > 30%. – Percentage of waste sorted > 90%.	– ROCE 13%. – EBITDA 7%. – Equity ratio: 40%. – Dividends 50%.

ONE MOELVEN

Our strategic framework

Vision
Opportunities grow on trees – we grow with opportunities.

Mission
We harvest raw materials from the forest and create products and solutions that the world needs.

Values
We make use of our opportunities.
We deliver.
We take responsibility.

HR Concept
We are Moelven – you make the difference!

Our strategic framework summarises our corporate strategy and is a useful tool for clarifying what we need to do and how we prioritise in order to achieve our goals.

and inflation, the housing market in particular has taken a hit, but the market for modular buildings in the rental and construction sector has also been affected. Production capacity is now adjusted to demand, but the companies are ready to ramp up production as soon as the market improves. We are also actively working on measures to find alternative sources of income and new product opportunities.

Corporate structure

In January 2023, sustainability was established as a separate staff function in the group. The department's main objective is to bring together Moelven's efforts for a sustainable future in wood in a joint action plan. The plan will ensure that we deliver on the requirements set by authorities, customers, our employees and other stakeholder groups for our sustainability work.

Based on the lack of incoming orders, in December 2022 it was decided to discontinue operations at Moelven Byggmodul AS's production line at Hjellum. The closure of production at Hjellum meant that 44 employees lost their jobs, while 21 employees were offered work at our factory in Moelv. In March 2023, an agreement was concluded for the sale of the plant.

For the glulam business in Norway, the demand for certain types of glulam beams for both the building materials trade and industrial customers dropped significantly through 2022, partly as a result of reduced start-ups of new projects in the housing and holiday home markets. At the beginning of January 2023, the employees at Moelven Limtre AS's factory at Vatnestrøm in Agder were therefore notified of layoffs for three months. As the challenging market situation persisted and increased, it was decided to close the factory on 10 May 2023. 15 employees lost their jobs.

On 13 December 2023, Moelven Are AS was split into two companies to prepare for the sale of property at Spydebergveien 143. An agreement for the sale of the company Spydebergveien 143 AS was concluded on 21 December 2023. The transaction was completed in January 2024.

Strategy – Employee participation, Creativity, Sustainability and Competitiveness

The Board's annual wheel includes work on various strategic topics at each board meeting throughout the year as well as an annual strategy gathering over two days where the strategy for the upcoming three-year period is discussed. The Group's strategy plan for the period 2024 to 2026 was laid down in October 2023. The strategy adheres to main lines, goals and ambitions from the last year's board work and decisions.

In connection with this year's strategy work, a new dimension has been added to the work methodology through theme collections where the strategy ideas have been ten years into the future. The main theme has been to challenge each other to develop the Group's overall competitiveness through "Coordinated and interdisciplinary measures to establish and retain robust competitive advantages" that strengthen "One Moelven". The ideas behind a 10-year plan are based on the fact that several of Moelven's strategic investments within the "development and cost-effectiveness" category have a project period beyond a three-year period. The future work process is set out in "Moelven's strategic roadmap towards 2034".

Moelven's vision, mission, values and personnel concept is a result of extensive discussions, where a large number of the Group's employees are different levels have been involved. The work formed the basis for the modernisation of the Moelven brand, which was carried out in 2021. "Moelven's strategic framework" is made to clarify what we MUST do and which overall parameters that measure progress. It should be guiding for all the strategic and operational choices made.

The people who work at Moelven are the Group's most important resource. Developments in the industry are in the direction of increased automation and mechanical processing of the products and the use of constantly more technologically advanced equipment. At Moelven we believe that the greatest potential for increased value creation is in optimising interaction between man and machine. To achieve this, we depend on the commitment, expertise and diversity of our employees who will manage and operate the technology in a workplace where the risk of injury has been eliminated. Active employee participation requires active leadership, and in 2023 we have launched Moelven's own management development programme. 4 classes comprising a total of 125 managers in Moelven have completed the basic module in active leadership in 2023. In addition, courses in management communication have been conducted digitally three times with a total of 240 participants. The modules combine theory and training on active leadership that creates the conditions for active employee participation.

It should be safe to work at Moelven. HSE work has been given high priority for many years, and the efforts laid down have yielded results. In the course of 2023 the Group has made some headway in reaching the long-term goal of zero injuries. Through the action plan for "HSE towards 2025," both the safety culture and the psychosocial working environment will be strengthened. In addition to improving the safety culture, resources will be provided for measures to improve the fire prevention work in the companies. Measures are also included that ensure the safety of the employee and fixed assets for ongoing predictable operations.

Sustainability is an important part of both Moelven's identity and business strategy. Responsible business operations and transparency are a prerequisite in all aspects, from the forest to finished buildings. The business must be based on 100% controlled raw materials with relevant certifications where applicable. Moelven's activities are largely based on forests and wood as a natural renewable raw material. In order to continue with this in the future, it is crucial that Moelven takes responsibility for ensuring that the raw materials harvested from the forest are from sustainable forestry.

The climate footprint from the value chain that processes forest raw materials is far lower than the amount of CO_2 stored in the tree, but it

	2021 Realised	2022 Realised	2023 Realised	2024	2025
LTI rate	6.9	8.0	6.0	< 4	< 3
TRI rate	21.1	19.6	17.3	< 16	< 14
Reports per employee	2.2	1.3	1.3	> 1.2	> 1.2
Absence due to illness	5.7 %	6.7 %	6.8 %	< 4.0 %	< 4.0 %

can still improve. Moelven focuses in its overall strategy on the topics where the group can make the greatest difference, whether it is in the form of increasing a positive or reducing a negative impact. The Group's biggest single causes of negative environmental impact are transportation and energy consumption. These areas are therefore a high priority. The biggest positive impact is that wood as a building material both has low greenhouse gas emissions compared to many other building materials, and that the wood stores carbon until it rots or is burned. In other words, a wooden building or wooden structure acts as a carbon sink.

In business terms, the Group can look back at a year with very varied market conditions for most of the Group's units. Economic developments were negative throughout the second half of 2022 and through 2023. Due to high inflation, high interest rates and cost of living, as well as war in Europe, the future is more uncertain than in a long time. However, the demand for renewable and sustainable wood building materials contributes positively to the demand for Moelven's products and services.

There are still parts of the business that during normal economic conditions fail to meet the profitability and return requirements laid down. It is thus important that the right priorities and choices are made, to have the best possible foundation for sustained profitability. The shareholder values in Moelven are best ensured and developed by the organization focusing on developing the units the company currently possesses, which in all likelihood will reach profitability targets in the course of an economic cycle. Investments and further growth in the strategy period shall be adjusted to the strategic choices that are made and take place within the applicable financial framework based on existing business areas.

Corporate governance

On May 4, 2023, Olav Fjell resigned from the board and Finn Ivar Marum (55) was elected as new chairman. The Board has since comprised Finn Ivar Marum (chairman), Gudmund Nordtun (deputy chairman), Hege Kverneland, Wenche Ravlo, Olav Breivik, Martin Fauchald and Oscar Östlund.

As part of the Group's commitment to sustainability, Rune F. Andersen (53) was appointed Chief Sustainability Officer at Moelven on 1 January 2023. He has been employed at Moelven since 1999 in various financial capacities, most recently as Director – Group Finance and Sustainability.

Corporate governance at the Moelven Group is based on the current Norwegian recommendation for corporate governance of October 2021. The Board's report on the Group's policies and practice for corporate governance in accordance with section 3-3b of the Norwegian Accounting Act has been incorporated into the board's account of corporate governance. Information on the Group's governing bodies is published at www.moelven.no and in note 26.

This is the Moelven Group

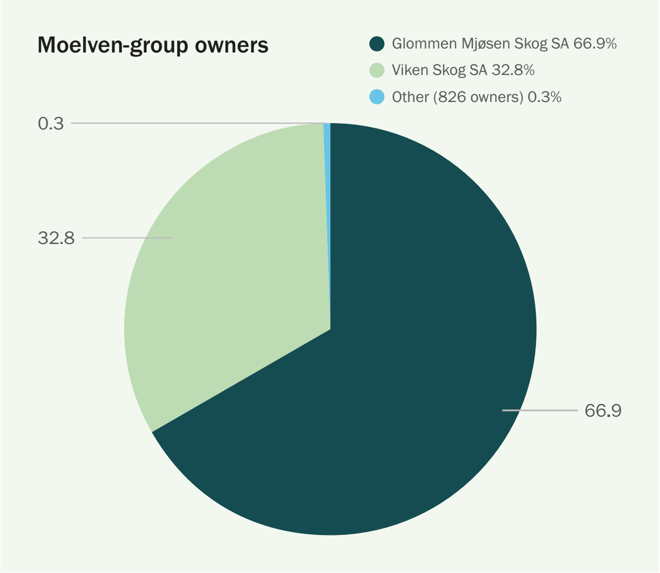
Ownership structure

The Moelven Group's main shareholders at the turn of the year were Glommen Mjøsen Skog SA (66.9%) and Viken Skog SA (32.8%). The remaining 0.3 per cent is shared among 826 smaller shareholders.

Vision

Moelven's vision is **opportunities grow on trees – we grow with opportunities,** and shall guide how the Group shall lead the way in developing buildings based on Scandinavian building traditions with climate-smart solutions. On the basis of the vision, the Group will continue to take responsibility for the management of the renewable resource, wood, which is our raw material. Wood and other natural materials are essential parts of what Moelven makes and are dominant in the greater part of the product range. We will create a safe workplace that cares for people and the environment. We shall think along new lines and use the opportunities to continue to provide good climate-smart products and solutions tailored to our customers' needs.

With 1,500 square meters, Kronoteket in Karlstad is home to everything from library to a DJ corner. Moelven Töreboda AB has supplied the glulam load-bearing system. Photo: Sören Håkanlind



Location

All production units are located in Scandinavia, which is also the primary market. The Group has its headquarters in Moelv in Norway and consists of 34 production companies in 40 production locations, and a number of offices for sales, service and fitting. Most of the production units are workplaces with a strong local presence in rural communities in South East Norway and the western part of Central Sweden. The offices for sales, service and fitting are located in larger population centres around Norway, Sweden, Denmark, the United Kingdom, Germany and China. Production in Norway and Sweden is of approximately the same volume, but the Swedish units export a greater proportion of their production than the Norwegian ones. Out of a total of 3,256 (3,332) employees at the end of 2023, 1,592 (1,700) work in Norway, 1,650 (1,620) in Sweden and 14 (12) in other countries.

Divisions

Moelven offers a broad range of natural and climate-smart products and solutions with associated services related to homes and holiday homes, module-based buildings, building interiors and load bearing structures. The Scandinavian market accounts for about 78 per cent of sales revenue. Around 85 per cent of the Group's products and services are used for new building or renovation, conversion and extension of holiday homes, homes and commercial property. A large part of the remaining operation consists of sales of wood pellets, chip products and biomass for bioenergy purposes and for pulp, paper and particle board production. The Group also supplies wood products to the furniture, interior and packaging sectors.

The Group is divided into three divisions: Timber, Wood and Building Systems, each of which focuses on one of the main segments of industry, trade and project. In addition there is the Other reporting area, which comprises the owner companies with group functions, timber supplies, production and sales of wood pellets and bioenergy and the sales of chip and fibre products from the Group's timber processing industry.

Timber

The Timber division consists of 10 production companies and 3 sales offices, supplying sawn timber, components and chip products made from local spruce and pine. The customers are mainly industrial companies that buy intermediate products for their own production of construction timber, glulam, panels, flooring, mouldings, windows, packaging, board and paper products and for bioenergy.
In 2023, approximately 23 per cent of external operating revenue came from Scandinavian customers, while the rest of Europe accounted for approximately 60%. At the end of 2023, there were 664 (653) employees, 250 (252) of them in Norway, 403 (392) in Sweden and 11 (9) in other countries.

Wood

The Wood division consists of 16 production units and 2 customer centres. The main products are white and impregnated building wood, external cladding, plywood, length-adapted products and chip products, as well as interior products such as mouldings, flooring and interior panels. Wood also trades in purchased products. The Wood division mainly sells its processed wood products on the industrial and building materials markets in Scandinavia. The division also has six combined units that use saw timber as a raw material in their processing activities. Depending on the quality and dimensions of raw materials, this results in a certain volume of sawn timber that is not ordinarily processed at the unit but sold externally. Wood is one of the leading suppliers to the Scandinavian market and about 89 per cent of its operating revenues come from Scandinavian customers. At the end of 2023, there were 1,078 (1,084) employees, 581 (587) of them in Norway, 494 (494) in Sweden and 3 (3) in Denmark.

Building Systems

The Building Systems division consists of 5 production companies at 7 production locations and a number of sales, service and fitting offices. The companies in the Building Systems division mainly operate in building and construction in Scandinavia. Building Systems is divided into the business areas Glulam, Building Modules and System Interiors. The division's building and contracting customers buy customised building modules, flexible interior solutions systems and associated services and advanced glulam structures. In addition to bridges and load-bearing structures, the glulam unit also has considerable sales of standard laminated timber beams through the building products trade, as well as components for the prefabricated house industry. Operating revenues are primarily from Scandinavian customers. At the end of 2023, there were 1,310 (1,408) employees, 672 (773) of them in Norway and 638 (635) in Sweden. In order to ensure adequate flexibility in production capacity to meet seasonal and economic fluctuations in the market, the divisions use hired workers to some extent. Hired workers are not included in the employee figures. Hiring takes place from reputable, serious staffing companies to ensure proper pay and working conditions.

Other Businesses

Other businesses include Moelven Industrier ASA, with shared services for sustainability, economy/finance, accounting, insurance, communications, HR and IT. Timber supply and sales of wood chips and energy products are organised as a common function for the Group's timber processing industry and are included with the timber sales companies Moelven Skog AB, Moelven Virke AS, Vänerbränsle AB, and the production companies Moelven Bioenergi AS, Moelven Pellets AS and Moelven Pellets AB. At the end of 2023, there were 204 (187) employees, 89 (88) of them in Norway and 115 (99) in Sweden.

Corporate social responsibility

The Board has processed and approved the Group's general strategy and guidelines relating to HSE, equality and non-discrimination, social responsibility, the environment and competition law. The discussion of these areas is included in the Board's explanation of principles and practice concerning social responsibility pursuant to the Accounting Act Section 3-3c that is published in the group's Sustainability Report.

Information about the Group's work for responsible business operations and transparency in the value chain is published and updated on an ongoing basis at www.moelven.no/apenhetsloven.

Operating revenues and profits/losses

Amounts in NOK millions	2023	2022
Operating revenue	12,936	14,439
EBITDA	708	2,106
Depreciation and impairment	327	350
Operating profit	381	1,756
Result before tax	329	1,754

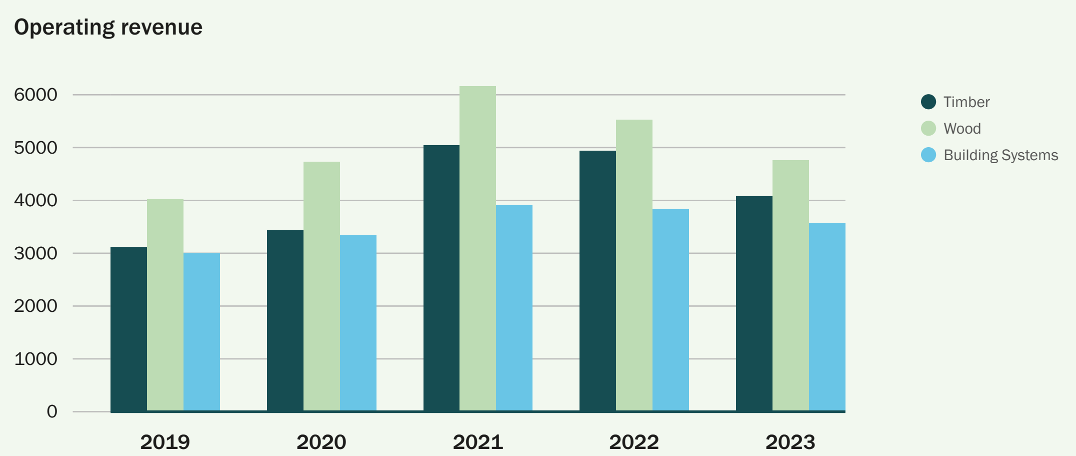
Revenues for 2023 were NOK 12,936 million and the operating profit was NOK 381 million. Compared to 2022, which was Moelven's second best of all times, this resulted in a decrease in revenue of NOK 1,503 million and in operating profit of NOK 1,375 million. For most of the Group's businesses, 2023 extended the negative trend from the second half of 2022 with falling demand and finished goods prices, while cost levels rose.

The Timber division saw a significant decline in performance compared to a very strong 2022. Operating income came in at NOK 4,075 million (4,944) and operating profit at NOK 159 million. (1,132). Overall, prices have been significantly lower in 2023. At the same time, the cost side is impacted by a generally higher cost level. Overall throughout the year, Europe outside Scandinavia has been the relatively strongest market, but with a negative trend in the second half of the year.

For processed goods in the Wood division, reduced demand has resulted in a drop in delivery volumes and price levels. Operating income came in at NOK 4,757 million (5,528) and operating profit at NOK 80 million. (645). The division primarily supplies the building materials trade in Scandinavia. Rising interest rates, inflation and uncertainty related to the war in Ukraine have contributed to reducing demand for building products. This applies to both the private and professional markets that were characterised by historically low commissioning of new homes, but also other construction projects.

The Building Systems division reported a relatively strong result after two challenging years. Operating income came in at NOK 3,570 million (3,833) and operating profit at NOK 172 million. (15). The module business accounts for the majority of the division's increased profitability. There was a good, yet declining activity level in Sweden coupled with better profitability in Norway following reduced focus on the apartment segment through the discontinuation of the production line at Hjellum in the fourth quarter of 2022. The glulam business also reported significantly improved results driven by good deliveries in the project market. Both the module and glulam operations experience a decreasing order intake and a need to reduce capacity into 2024. The system interiors business saw reduced revenue and profitability in 2023. The market is perceived as demanding, but to a different extent between the regions.

Operating revenues in the area of Other Businesses are largely due to activities within the "Forest Area" with timber supply and sales of wood chip and energy products. Overall, we have seen a sharp increase in the prices of spruce and pine from 2022. There has also been an increase in the realised prices for cellulose chips and other by-products. A major part of this turnover is intercompany. The Group's timber-consuming units had more than sufficient raw material to cover production throughout the year. Operating income came in at NOK 5,484 million (4,741) and operating profit at NOK -35 million. (-93). The common functions of Moelven Industrier ASA are part of Other businesses.



The Group utilises financial instruments in order to reduce the impact of short-term fluctuations in foreign exchange rates, interest rates and energy prices. Realised and unrealised results from value developments of hedging instruments amounted to minus NOK 40 million for 2023 overall (plus 43).

Pre-tax profit for the year was NOK 329 million. (1,754).

Investments, balance sheet and financing

In 2023 investments totalling NOK 1,085 million were activated. (501). The increase in investment activity is supported by the Group's long-term strategic plan. In addition to realised basic investments for ordinary upgrades and maintenance, NOK 703 million is included in realised investments for safety measures, rationalisation and strategic development projects. In addition, there is activated beneficial use leasing at NOK 100 million (23) and activated ERP licenses at NOK 72 million.

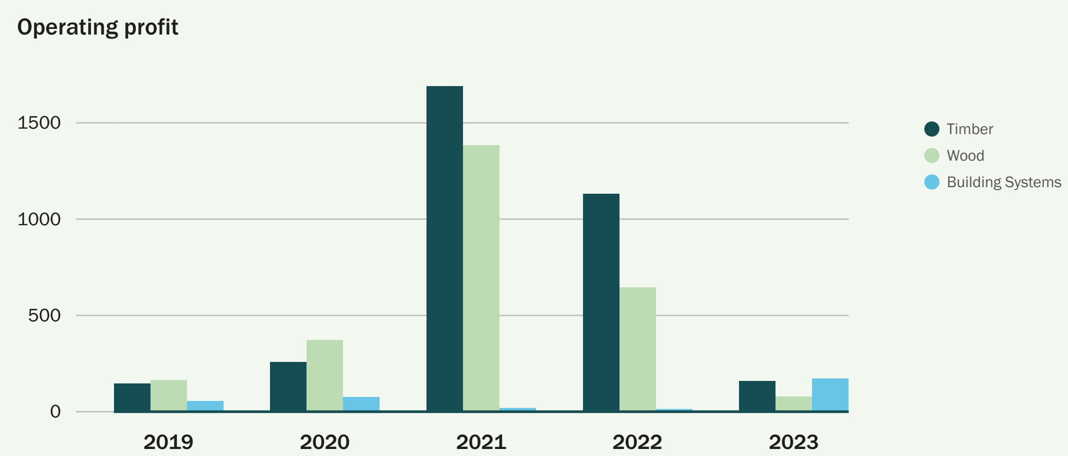
Depreciations and impairments in 2023 were NOK 327 million. (350). At the end of the year, the book value of the Group's total assets was NOK 7,710 million. (7,904). The reduction in total assets is mainly due to reduced bank deposits after investments and payment of dividends for 2022.

Total cash flow from operating activities was NOK 604 million (NOK 1,441 million), corresponding to NOK 4.66 per share (NOK 11.12). This decline compared to the previous year is due to lower earnings in 2023. Cash flow from working capital items was NOK 129 million. (42).

At the end of 2023 the Group had net interest-bearing liabilities of NOK 181 million (investment 1,079). The increase in net interest-bearing debt is mainly due to investments and dividend payments for 2022. Liquidity reserves including unused credit facilities were NOK 1,843 million. (3,199).

Equity at the end of 2023 amounted to NOK 4,490 million (NOK 4,737 million), equivalent to NOK 34.64 (NOK 36.55) per share. The equity ratio was 58.2 per cent (59.9).

The dividend for 2022 of NOK 5.36 per share (9,06), totalling NOK 694 million (1,174) was approved at the Annual General Meeting on 4 May 2023, and charged to equity with payment in May.



Parts of the Group's equity are linked to ownership interests in foreign subsidiaries, principally in Sweden, and are thereby exposed to exchange rate fluctuations. The scope and consequences of probable exchange rate fluctuations are within acceptable risk limits. In 2023 exchange rate fluctuations resulted in an unrealised increase in equity of NOK 194 million (minus 62). Approximately half of the Group's assets are recognised in SEK. The total assets thus also change based on the exchange rate. The equity ratio in percent is therefore less impacted by exchange rate fluctuations than the nominal equity.

Risk

The Group's activities are exposed to several factors that can be influenced to varying degrees by Moelven. For some of the risk areas that affect the Group, there are functioning markets where the risk of fluctuations can be reduced. This applies, for example, to interest rates, exchange rates and electricity. The Group's financial policy is that it is the industrial activities rather than financial transactions that shall create the conditions necessary for profitability. The main aim of the guidelines for the use of financial instruments is to reduce fluctuations and create more predictability. In other areas, such as raw materials, finished goods and projects, other methods of hedging risk must be used. As far as possible, fixed price contracts or index linking of contracts is used, for example. The Group's composition of units directed at different primary markets also has the effect of reducing risk. The primary markets are seldom affected by economic fluctuations at the same time, while the cost side can still benefit from economies of scale.

The Group's risk is assessed by Group Management and the Board of Directors, and forms part of the basis for strategic and operational discussions. In 2021 Moelven established a new risk policy for the Group, which will strengthen efforts to work systematically on managing the Group's key risks and opportunities. In August 2023, a new emergency response plan was adopted for the group. The new emergency response plan is the result of multidisciplinary work and is adapted to the current framework conditions. The project has also focused on clarifying roles across the group and training for adverse events.

Sensitivity analysis

Estimated change in operating Profit and profit per Share for one per cent change in price

Factor	NOK million 1% change +/-	NOK per share
Operating profit		
Price of log raw material	39	0.30
Timber price – spruce and pine	37	0.29
Price for chips, pulp/paper	6	0.05
Planed goods Scandinavia	36	0.28
Price of std. dimension laminated timber	3	0.03
Change in electricity price by 1 EUR/ MWh (before hedging)	2	0.02
Financial result		
Permanent weakening of NOK and SEK against the main currencies	15	0.12
Interest rate change +/- 100 bp	-13	-0.10

Finished good prices
The units of the Moelven Group operate in markets with free competition and many players. The creation of prices therefore occurs freely in the marketplace, and assuming unchanged volumes a change in process will affect the Group as shown on the sensitivity table to the left.

Saw timber prices
The Moelven Group's units annually use around 4.3 million cubic metres sawn spruce and pine in production. Moelven does not own any forest, but buys timber from external suppliers. These suppliers are in turn dependent on functioning markets within an acceptable transport distance, as well as satisfactory price levels for both sawn timber and pulpwood. The cost of timber is by far the biggest single cost for the Group, and changes in timber prices have an immediate and substantial impact on margins. This involves both a price risk and a volume risk. The Group therefore focuses on entering into price agreements that as far as possible correlate timber prices with expected changes in the price of finished goods. Natural events or pest outbreaks can affect the available volume and price. If the EU, in a sustainability perspective, chooses to regulate harvesting of forests, it may affect the available volume and price of forestry products in the long term.

Prices of chip and fibre products
The price of chip and fibre products, which come from by-products from saw and planing production in Timber and Wood, is of great significance for the Group's revenues. Continuous efforts are being made to optimise raw material utilisation, but only slightly more than half the log becomes sawn timber once it has passed through a sawmill. The remaining half becomes different types of chip and fibre products. Part of this is used for our own energy or pellets production, while the rest is sold to the bioenergy, particle board and fibre industries. A change in the profit margin for these products has a direct impact on the Group's result. Because by-products constitute such large volumes of the production from a sawmill, continuous sales of these products are required to avoid production shutdowns. Proximity to customers and access to efficient logistics solutions for road, sea or rail transport are of great importance to trade these products.

Electricity prices
Energy and electrical power are a significant input factor for the Group. Price changes for electrical power affect the Group’s profitability. Through the Group's electricity suppliers approximately 220 GWh of electric power is purchased annually. According to the Group's finance policy, the need for electric power shall be secured against price fluctuations so as to ensure stability and predictability. The anticipated power requirement is hedged within stated maximum and minimum levels through bilateral agreements with electricity suppliers with a 5 year maximum horizon.

Interest rate risk
Net interest-bearing debt is subject to interest rate risk. The Group has limited net interest-bearing debt (NOK 181 million). The loan facilities are divided approximately equally between Swedish and Norwegian kroner, and the interest rate level in Sweden and Norway has a positive correlation on the Group's interest costs. The Group companies will be financed with loans from the parent company. All external borrowing is done by the parent company, which also undertakes hedging in accordance with the financial policy. The hedging instruments that can be used are ordinary interest rate swaps, FRAs and composite swaps of types that are normally used for such purposes. The extent of hedging is measured in terms of the combined duration of outstanding debt and hedging arrangements. The combined duration shall be between 12 and 60 months. No interest rate hedging agreements shall be entered into over more than 10 years.

Exchange rate risk
With some variation from year to year, around 22 per cent of the Group's operating revenues come from markets outside Scandinavia and carry exchange rate risks. Additionally, there is significant internal and external trade within the Group with both raw materials and finished products between Sweden and Norway. The most important currency crosses are EUR/SEK, GBP/SEK, SEK/NOK and EUR/NOK. Moelven uses forward contracts to counteract large cash flow fluctuations as a result of variations in exchange rates. Because of the hedging strategy that has been chosen, changes must be long-term so as to have the full effect on the Group's profitability, and during the hedging period operational adaptations may be made to compensate for the external changes. During the hedging period, operational adaptations may be made to compensate for currency fluctuations. Of the Group's total balance sheet, around half is connected to activities in Sweden, and is posted in SEK. The exchange rate ratio between Swedish and Norwegian kroner will therefore affect the total balance sheet and nominal equity, but the equity ratio is only affected to a limited extent.

Maintaining the parent company's dividend capacity sometimes requires that parts of the earned equity in Sweden be converted from SEK to NOK. The Group's financial policy includes frameworks for this purpose. Based on the long-term ownership perspective, earned equity is not hedged in foreign currency.

Credit risk
It is the Group's policy that credit sales as a main rule shall be secured in the form of either guarantees or credit insurance. In practice, credit insurance is used most. There are internal guidelines and follow-up routines for unsecured sales, which only occur under specific circumstances when no other security is appropriate.

Liquidity risk
The Group’s financing includes a long-term credit facility from May 2020 with credit ceilings of NOK 700 million and SEK 900 million respectively. Maturity is in May 2025. The loan agreements include normal default clauses with regard to dividends, equity, net equity value and debt ratio. In addition to a margin matrix based on the Group’s gearing ratio, the pricing of the financing is linked to key sustainability targets in the Group’s strategy plan. As at 31 December 2023, the Group's key figures were significantly better than the levels at which the default clauses are triggered.

As of 31 December 2023, the Group also has a loan agreement for NOK 133 million with the Nordic Investment Bank. The loan matures in 2027.

The Group also has a short-term credit facility linked to the Group account system amounting to NOK 300 million that is renewed annually.

Damage and production interruptions
The Group has a policy for industrial insurance that is centrally managed and which is followed by all companies. This policy gives guidelines for insurance cover, risk review, preventive measures and preparation of continuity plans. Periodic safety reviews are carried out at all of our facilities. The continuity plans are key plans if fire/damage should occur with a subsequent halt in production. The plans cover the immediate efforts to limit damage, and the subsequent handling of the situation and the ability to maintain deliveries to customers. The Group has insurance schemes tailored to Moelven’s activities that provide security against significant financial loss.

Information technology
In an increasingly connected world with an increasing technological and digital rate of development, ongoing assessments and management of IT risk is increasingly important. Interconnected value chains increase efficiency, productivity and quality, but also increase vulnerability to digital service outages. With increasing threats both domestically and internationally, Moelven has reinforced its work on IT security and risk in recent years. Moelven follows established basic principles of IT security, and constantly works to identify and monitor risks, protect systems and data, maintain IT security and prepare and manage any incidents and recover from these.

Transport and logistics
Moelven's activities entail a significant transport requirement for raw materials into the production units, and finished goods and by-products out from the production units and to the markets and customers. Moelven has for a long time built up and streamlined a significant logistics operation to handle this, via road, sea or rail. It is a sustained effort to streamline and ensure the maintenance of this logistics operation, and to be at the forefront with sustainable development. Environmental requirements may nevertheless pressure parts of this business, both in the form of orders and restrictions, as well as price changes/taxes. The transport industry is affected by international conditions. Geopolitical unrest or changes in international framework conditions for the transport industry may also have an impact on Moelven's logistics operations.

Risk of loss of reputation
Moelven strongly emphasises maintaining a good reputation, and this is closely monitored by corporate management. Transparency characterises the way the Group relates outwardly to society and the media and inwardly to employees of the Group. This applies whether it concerns positive or negative circumstances for Moelven, in line with Moelven's brand platform. There is financial risk linked to any loss of Moelven's reputation. The reputation risk is not quantified.

Investment activities
In recent years Moelven has approved several significant investments to renew and develop production capacity. Moelven's financial capacity is good after several years of good results and cash flow. The investment projects, which will take place over several years, will nevertheless expose the Group to both financial and operational risk. Among other things, we are seeing a sharp increase in prices for production equipment. Compliance with the Group's financial guidelines and close operational follow-up of the projects will mitigate the risk.

Sustainability and climate risk
Sustainability is one of the foundations of Moelven's strategic and operational objectives. The Group's sustainability policy sets the direction and objectives for the Group's work on climate, HSE and corporate social responsibility, while also seeking to reduce the risk of undesirable incidents in these areas.

Moelven has conducted a climate risk and opportunity survey to better understand how the company will be affected by these global trends and how the company shall ensure long-term value-creation ahead in time. The analysis is based on the reporting recommendations of the “Task Force on Climate-related Financial Disclosures” (TCFD). TCFD was initiated by the G20 countries’ “Financial Stability Board” to help companies and owners better understand how climate changes are affecting management, strategy, risk and objectives. See the Group's sustainability report for supplementary information on sustainability and climate risk.

Board responsibilities

The Moelven Group has taken out liability insurance that applies to Moelven Industrier ASA and subsidiaries where we own more than 50 percent, and covers all directors, general managers and other persons in the Group who may incur an independent management responsibility, and other employees of the Group who are accused together with a member of the Board or management of the Group, for claims to which they are alleged to have assisted or contributed. The insurance applies to claims made around the world, albeit with some restrictions related to the United States, Canada, Russia and Belarus. Within specified limits, the insurance covers liability for loss of wealth as a result of formally justified claims for compensation made during the insurance period as a result of a liable action or omission by the insured in the capacity of general manager, board member, executive management member or similar governing body in the Group. By loss of wealth it is meant financial loss that does not derive from physical injury to a person or object. The insurance does not cover:

- Claims due to the insured achieving personal gain, or
- Claims due to the insured intentionally causing loss or intentionally committing an unlawful act.
- Claims based on recognition of liability or agreement on liability/compensation, including pledge, warranty, abandonment or waiver of a right, provided that this liability is more extensive than what follows from the applicable legal rules

Employees, health, safety and the environment

For a detailed description of the HSE area, please refer to the Board's explanation of principles and practice concerning social responsibility pursuant to the Accounting Act Section 3-3c published in the Group's Sustainability Report.

Responsible business operations and transparency in the supply chain

Moelven's value platform, on which the entire business is based, entails a responsibility for both people and the environment. It is also a fundamental value for us to keep our promises, and to build trust through collaboration and communication with everyone around us. Our Code of Conduct and Sustainability Policy states that Moelven shall work to ensure responsible business practices by safeguarding human and employee rights, society and the environment. We support and recognise internationally acknowledged human rights and employer rights, including the freedom to form unions and the right to collective negotiations.

Information about the Group's work to ensure responsible business operations and transparency in the supply chain is updated on an ongoing basis at www.moelven.no/apenhetsloven.

Effect on the external environment

For a detailed description of how the Group's activities impact the external environment, please refer to the Board's explanation of principles and practice concerning social responsibility pursuant to the Accounting Act Section 3-3c published in the Group's Sustainability Report.

Innovation and creativity

The Group's 2023-2025 Strategy Plan includes creativity as one of four pillars, with the following clear ambitions:

- Moelven shall be the best at creating innovative products and services using wood.
- Moelven shall be the best at leveraging current and future technology.
- Moelven shall exploit the potential of the value chain.
- Moelven shall streamline industry and business processes.

Responsibility for innovation is with corporate management. The Group shall facilitate innovation and provide resources, support and co-ordination, while the innovation processes are owned by the division or individual companies where the expertise is greatest. Where there are larger parts of the Moelven Group that will benefit from the innovation area, joint projects are carried out. Innovation is not only about finding new products, for Moelven it is equally important to find new and better ways to operate our industrial business. In other words, process innovation is of equal importance as product innovation. Digital tools are an important support in both contexts. The interaction between man and machine requires digital aids to function optimally. For investment projects, the use of digital twins for virtual testing of new equipment has become a more and more common concept in recent years.

Moelven's innovation focus is mainly on development and innovation linked to a specific application of a product or in a production process. The Group does not itself engage in basic research, but participates in projects where this is deemed appropriate. Projects must contribute to strengthen the various business areas in the Group and reduce business risk. This may also entail participation in innovation projects outside of our own value chain, but then in projects that support Moelven's operations and opportunities for growth.

Business clusters and academic environments

Although it is not Moelven's strategy to engage in basic research, the Group nevertheless emphasises maintaining and strengthening affiliation and cooperation with academic research communities and business clusters where this can contribute to value creation for both parties.

Product development and product innovation

Glulam

Glulam was the first choice when Elgiganten designed its new central warehouse in Jönköping in 2022. Through 2023, Moelven Töreboda AB and Moelven Limtre AS have partnered to supply glulam to what will be one of the largest warehouse and logistics facilities in the Nordic region. The facility has an area of 77,000 m2, equivalent to 11 football fields, and 6,700 m3 of glulam has been supplied. The project has high sustainability requirements with the goal of being environmentally certified according to BREEAM Excellent. The certification places high demands on the entire manufacturing stage, not least in choice of materials, which is why the frame is built from glulam.

With the new Vatnahalsen bridge along Rallarvegen, Bane NOR, Mesta and Moelven Limtre are doing something that has never been done before in Northern Europe. This is the first bridge Moelven has made that is double cambered. That is, it is arched vertically while turning horizontally. There is no road to the bridge, so all materials were transported by special carriages on the Flåm Railway at night.

"Since glulam is a lightweight material, material transport was cheaper than it would have been with other materials. Glulam emerged as the best solution in terms of costs, feasibility, function and climate footprint," says Håkon Berge, Construction Manager for Bane NOR.

The laminated timber area has been at the forefront of developing new products and technical solutions for many years.

The joint technology used in the joints of the large load bearing structures in Mjøstårnet, among others, was developed at Moelven Limtre AS. This was one of the topics of the World Conference on Timber Engineering (WCTE) held in Oslo in June 2023. The event takes place every two years and brings together expertise from all continents. Moelven Limtre's project developer Åge Holmestad was one of the keynote speakers selected by the WCTE's jury.

"The fact that Norway has been given the event is a recognition of us as a wood nation. The conference gathers the world's best wood engineers. They are coming to us to share and learn. That means something," says Rune Abrahamsen, CEO of Moelven Limtre AS.

WE SUPPORT UN GLOBAL COMPACT

PAPER PROVINCE

NORWEGIAN WOOD CLUSTER

WOOD WORKS! NORWEGIAN FOREST & WOOD CLUSTER

Construction City Cluster

Moelven is a member of the UN Global Compact, which is the UN's organisation for sustainable business and the world's largest business initiative for sustainability. The initiative has more than 22,000 member companies in 160 countries. Today, local UN Global Compact networks can be found in around 70 countries and on every continent, including in Norway.

Moelven is a member and in some cases part owner of several different business clusters within the forest, wood industry and building value chain. The cluster cooperation aims to give the participants, within the limitations set by competition legislation, access to important production factors, ideas and impulses for innovation through interaction and cooperation, increase the value creation and profitability of the Cluster Participants as well as safeguarding their common interests vis-à-vis public authorities.

Office interiors

When Statsbygg announced an idea competition in 2020 to create a new type of wooden modular wall with good sound absorption for the new government quarter, Moelven Modus took on the challenge. The result was the Loop Wall system.

"We didn't quite make the cut at the time, but we had huge confidence in our concept and promised to further develop the Loop Wall and take it to market. Now, three years later, we are incredibly proud and pleased to announce that we will deliver Loop Wall to HENT in the new government quarter, and that we have received a patent for the wall system," says Eystein Sandvik, regional manager for Moelven Modus AS's Oslo division.

The new government quarter will have flexible solutions so that spaces can be changed according to the number of employees, tasks and different ways of working. The Loop Wall system is designed for re-use and is now part of our standard range. The wall is produced in Norway and the components are made of renewable materials. The wall is designed so that it can easily be dismantled and reinstalled in new places, almost without downtime, over and over again. The fronts can also be easily replaced if a different aesthetic is preferred in the office.

Modular buildings

Module building is an effective method of building where several processes take place in parallel, making the construction period considerably shorter than traditional on-site building. The modules can be produced in the factory at the same time as the ground works are ongoing at the construction site. In order to further streamline the process, it is also crucial that the modules are designed so that they are suitable for quick installation at the building site, and that all requirements for fire safety, load-bearing and anchoring are met. Moelven's engineers have for many years worked on further development of the modular concept, and today the Group provides modern solutions for everything from modules for construction purposes to permanent modular buildings with a high standard. In recent years, sustainability has become more and more important to developers, and innovation related to sustainability has become increasingly important. Moelven's modules have a high content of certified wood products, which makes a positive contribution when the finished building is to be environmentally assessed. Moelven Byggmodul AB has a Nordic Swan license, which means that the company has an established structure for documentation of input factors in production, processes for measuring and monitoring e.g. energy and water consumption, noise levels etc. In 2023 Moelven Byggmodul AS gained Eco Lighthouse certification.

Since Moelven Byggmodul AS's current factory in Moelv was built in 1975, the company has produced and delivered 100,000 Norwegian quality wooden modules, which have become everything from schools, student housing, accommodation, hotels, offices and construction rigs, to name a few. If the "houses on wheels" produced in the old factory at Moelv are included, and the residential modules manufactured at the former factory at Hjellum, the company has produced more than 150,000 modules in total.

In September 2023, module number 100,000 left the Moelven Byggmodul AS factory.

The Loop Wall reusable wall from Moelven Modus AS saw the light of day after an idea competition.
Now the patented wall system will become part of the new government quarter.

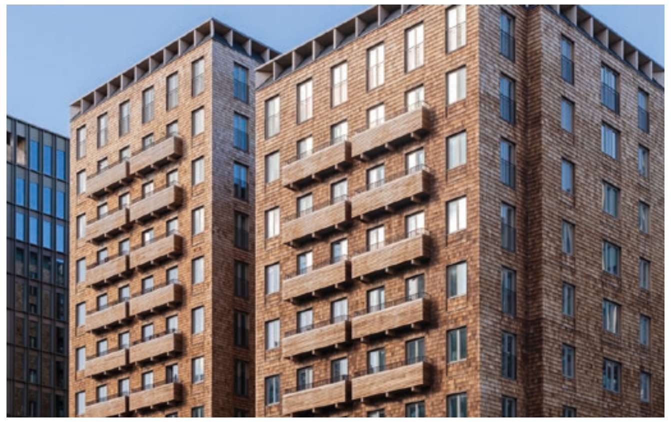
Planed timber and wood-based building materials

In the Wood division product development is of great importance in order for the choice of products to both follow the shifting market trends and satisfy requirements toward quality and functionality. The competition is tough and it is important to be able to provide contemporary and sustainable products that the end user wants.

Moelven's goal is to offer customers the market's best, most diverse and most modern product range in wood. The properties of the products must also be documented through product declarations and certifications. In this way, Moelven also contributes to its customers' value creation by making it easier for them both to highlight the sustainability benefits of wood as a building material and to achieve their own certifications and approvals.

The innovation work aims to both develop modern products that help create inspiration and new trends at the end user, and to identify products with features that provide increased value for customers. Development may focus both on design, use of material, environmental properties and degree of processing. One example is surface-treated cladding where demand has increased rapidly. Because surface treatment takes place industrially and in a controlled environment, the production process becomes more environmentally sustainable while also providing more added value for the end user.

The second main direction aims to identify products that create increased value for customers. Examples of such solutions are preprocessed internal panels with concealed nails, various floor solutions, sheet products with reduced widths to ease handling, ready cut lengths, etc.



"Cederhusen in Hagastaden" has been named Stockholm Building of the Year 2023. It is one of the world's largest wooden building projects. The façades consist of fire-impregnated cedar wood chips and the balconies are framed by cedar wood sheets. All from Moelven. Building multi-storey buildings with wooden facades has become increasingly common in recent years. A contributing factor to this is the awareness and desire to build more sustainable buildings. At the same time, cities are growing and we are moving further from the forest and nature. It then becomes desirable to build using wood and to create urban environments where buildings blend into the surroundings in a natural way.

In November 2023, in collaboration with Isola, we launched a unique system solution for wet room walls. In the new wet room wall system solution, Moelven Vänerply Konstruksjonsfiner K20/70 acts as a substrate for Isola MEMBRA membrane sheets and ceramic tiles. The solution has been rigorously tested and has, as the only supplier, the Technical Approval of SINTEF (TG 20867).

The Moelven Kompakt K20/70 is a narrow and locally sourced construction board made from Swedish and Norwegian pine that is easy to

Moelven Wood has its own concept for craftsmen around the country, called the Heftig Ambassador Program. Craftsmen who are certified by Moelven Wood after completing training, can install Moelven's prepainted spruce cladding Heftig PRO+ with a 10-year guarantee. Certified carpenters then have a unique guarantee advantage in the market with Moelven's cladding. In May 2023, we reached our preliminary target of training 300 ambassadors.

“The wet room system has been developed as a partnership between Moelven and Isola. At the ‘Bygg Reis Deg’ trade fair two years ago, we looked for opportunities to take advantage of the great flexibility of Membra. When we talked to Moelven, both of us saw that we could develop something together,” says David Gusland, Product Manager at Isola. To the left in the photo: Category Manager Arnstein Rivenes of Moelven Wood AS.

On 24 February 2023, the newly developed lignin-based adhesive for plywood production was tested at Moelven Vänerply AB. Both handling, application and pressing in the hot press went well. With this type of innovation project, Moelven is at the forefront in the development of plywood production. The new adhesive is fossil-free and therefore has the potential to significantly reduce the CO2 footprint and thus help make plywood an even more sustainable and environmentally friendly product. Photo: Stora Enso.

carry and install in small spaces. It has technical approval to be mounted directly on studs, joined between studs and along with Isola MEMBRA the wall is ready for tiling. This means you save more board layers and waterproofing membrane. Compared to traditional solutions in a bathroom with a 24m2 wall surface, you can save over 200 kilograms of materials with our system solution for wet room walls.

In October 2021, the project group in the “100% fossil free” project met for the first time. Moelven is participating together with RISE, Stora Enso and IsoTimber to develop, test and assess the possibility of using a fossil-free adhesive in plywood. As Scandinavia’s only plywood manufacturer, Moelven Vänerply AB is in a unique position to test the concept in practice. In the fossil-free adhesive NeoLigno®, which has been developed by Stora Enso, oil-based components have been replaced with components made from lignin from wood. Tests of the lignin-based adhesive have achieved good results. In 2023, the project tested the upscaling of fossil-free plywood production from pilot scale to industrial scale. Fossil-free plywood is still under development and we hope to soon be able to present a plan for when production can start.

Transport
Both procurements of raw materials for Moelven’s production activities, internal transport and the distribution of products to customers create an extensive need for transport. Transport is therefore a significant cost element for Moelven. Transport is also a significant source of greenhouse gas emissions. Rationalisation of transport provides reduced costs and environmental impact, while the customer is ensured access to a broad product range with short delivery times.

In addition to work to rationalise transport, Moelven is also working on finding alternatives to traditional means of transport based on fossil fuels. For this reason, in 2019 Moelven in cooperation with LBC Logistik AB took the initiative for the first biogas lorry in the Swedish forestry industry. Through the use of such vehicles in operations, experience and expertise are developed on how biogas lorries can be used on a larger scale to reduce the climate footprint from the transport industry. Experiences so far are very good, but access to filling stations in Moelven's geography is limited and developments are slow. In 2024, Moelven will put a modular vehicle combination running on biogas into operation in the interior in Norway.

An electric lorry has been brought into use for the transport of pellets between Sokna and Drammen harbour. In the course of 2024, Moelven in Norway will also use an electric lorry for local distribution in urban areas. A lot of internal transport also takes place inside Moelven’s industrial sites. It is usually forklifts of various sizes that are used. Replacing diesel-powered forklifts with electric forklifts will therefore be a good contribution to reducing CO_2 emissions from operations. However, this not only requires investment in new forklifts, it is also necessary to invest in charging infrastructure and review manufacturing processes to adapt operations so that the required charging does not impact productivity. For the smaller classes, there have been good

New trucks with modern engines that provide low emissions combined with high load capacity are important to reduce the climate footprint from distribution. The picture shows a modular vehicle combination that the company Woodtrans AS uses for the transport of chips and finished goods for Moelven.

electric models for many years, but for heavier equipment, such as forklifts for handling timber, electrically powered models have not been available. In 2021 it was decided that in the event of all procurements of forklifts for the company, electric solutions must be studied and considered wherever possible.

Allocation of the net profit for the year

The Board of Directors' dividend policy is based on Moelven's shareholders receiving a predictable and satisfactory cash return on their share investment. The policy provides guidelines for how much of the profit, or of distributable equity in years with a loss, shall be distributed as a dividend. The Group's net profit for 2023 was NOK 253.6 million. (1,388.8). The equity ratio was 58.2 per cent (59.9). The Group has adequate equity to disburse a dividend in accordance with the board’s proposal. Based on the results for 2023 and taking into account the Group’s healthy financial position, the Board proposes a dividend of NOK 0.97 (5.36) per share to the annual general meeting. This totals NOK 125,655,045 (694,341,282).

The parent company Moelven Industrier ASA, which distributes a dividend for the Group, had a net profit of NOK 152.4 million (726.3) for the year in 2023 after the receipt of group contributions and share dividends from subsidiaries. The company has sufficient distributable equity and liquidity for the distribution of the dividend.

Events after the balance sheet date

In January 2024, Moelven was affected by a computer attack at Tietoevry who operates one of our central systems. No viruses were detected in our systems, but data communication to the supplier was shut down when Tietoevry discovered the attack. The attack at Tietoevry affected the majority of Moelven’s companies. After just over a week, the affected system was back to normal operation.

Going concern assumption

In accordance with the requirements in the Norwegian accounting legislation, the Board of Directors confirms that the prerequisites have been met for preparation of the accounts under the assumption that the Company will continue as a going concern and that the annual accounts have been prepared under this assumption.

Outlook

In the January 2024 edition of the “World Economic Outlook” report, the IMF estimates that the world economy will grow by 3.1 per cent in 2024. The estimate for 2024 has thus been increased by 0.2 percentage points from October 2023, but remains low compared to historical figures.

In 2023, increased uncertainty in the banking sector has come in addition to high inflation, rising interest rates, the energy situation in Europe and the wars in Ukraine and Israel/the Middle East as the main reasons for their expectations about current economic growth declining to one of its lowest levels in nearly 30 years, with the exception of the financial crisis of 2009 and the pandemic year of 2020. Inflation peaked in 2023, but is unlikely to reach the desired levels for a few years to come. The greatest uncertainties are related to the consequences of the wars in Ukraine and Israel/the Middle East. The turmoil surrounding transport through the Red Sea creates challenges that are closely monitored. Against this background, it is more difficult than ever to predict further macroeconomic developments.

Demand for sawn timber has been better than expected in Europe in 2023, but there is considerable uncertainty about further developments ahead. I Scandinavia, demand has been weaker than what was assumed. Based on market assumptions going forward, together with the order backlog, the assumptions are present for production at the budgeted level. However, a considerable increase in the overall cost level has led to significantly reduced margins.

For both NOK and SEK the exchange rates compared to the Group's key export currencies are at levels that ensure good competitiveness in our export markets. A significantly increased general cost level means that margins have nevertheless been significantly reduced.

As regards the market for processed timber in Scandinavia, it is expected that activities relating to new builds will continue to fall when compared to the two previous years. Developments in consumer demand will depend to a greater extent on changes in disposable income. Sales of new homes and holiday homes have been falling for some time and the commencement of new building projects is at a very low level.

The Group has a long-term goal of achieving a return on average capital employed of 13 per cent over the course of an economic cycle. At the end of 2023, the rate of return was 8.4 per cent. The Board considers the Group's solvency and long-term access to liquidity to be good, and sufficient to implement planned improvement measures in accordance with the Group's strategy. A number of projects and development plans are underway to equip the Group for the future, not only in terms of international economic competitiveness, but also in terms of security, information technology, climate and the environment.

Timber inventories at the end of 2023 are at a satisfactory level both in Norway and Sweden. Satisfactory access to raw materials is expected to continue and be in line with our current production plans.

The Building Systems division has implemented measures to align production capacity with prevailing market conditions. For the division as a whole, high interest rates and high construction costs are expected to lead to lower start-ups, but somewhat greater activity in the renovation, conversion and extension market.

Moelv, 18 March 2024
Moelven Industrier ASA

Morten Kristiansen Group CEO	Finn Ivar Marum Chairman of the Board	Gudmund Nordtun Deputy Chair
Olav Breivik	Wenche Ravlo	Hege Kverneland
Martin Fauchald		Oscar Östlund

Corporate governance

Corporate governance at the Moelven Group is based on the current Norwegian recommendation for corporate governance of October 14 2021. The recommendation is available in its entirety at www.nues.no

The list below gives references to where the points required by section 3-3b of the Norwegian Accounting Act may be found.

Requirements in accordance with section 3-3b of the Norwegian Accounting Act	Reference to Report on corporate governance at Moelven
1. A statement of the recommendation and regulations on corporate governance that the company is comprised of or otherwise chooses to follow.	Introduction to the report Point 1 Report on corporate governance
2. Information about where the recommendations and regulations mentioned in No. 1 are publicly available.	Point 1 Report on corporate governance.
3. Reasons for any deviations from the recommendations and regulations mentioned in No. 1.	There are three deviations from the recommendations. This is described in 8, 9 and 14.
4. A description of the main elements in the company's, and for accountants who prepare consolidated accounts also the Group's, systems for internal control and risk management connected to the accounts reporting process.	Point 10 Risk management and internal control.
5. Clauses in the articles of association that wholly or partly extend or deviate from the provisions of chapter 5 of the Public Limited Company Act.	No such clauses exist. The articles of association are published on www.moelven.com and are also included in the notice of the annual general meeting as an attachment.
6. Composition of the board, Corporate Assembly, supervisory council and audit committee, any working groups for these bodies, as well as a description of the main elements of prevailing instructions and guidelines for the work of these bodies and any working groups.	Section 8 Board of Directors, composition and independence. Point 9 The work of the board.
7. Clauses that regulate the appointment and replacement of board members.	Section 8 Board of Directors, composition and independence.
8. Clauses and authorities that enable the board to decide that the company shall buy back or issue own shares or capital certificates.	Point 3 Share capital and dividends.
9. A description of the company's guidelines for gender equality and diversity with regard to, for example, age, gender and educational and professional background for the composition of boards, management and control bodies and their possible subcommittees. Goals for the guidelines, how they have been implemented and their effect during the reporting period must be stated. If the enterprise does not have such guidelines, this must be justified.	Point 2 Activities

1. Report on corporate governance

The Board of Directors shall ensure that the company has good corporate governance.

In its report or in a document referred to in its report, the Board of Directors must provide an overall account of the company's corporate governance. The account must include each individual item in the recommendation.

If the recommendation is not followed, deviations must be justified, and it must be explained how the company has acted.

The recommendation is followed in its entirety, with the following statement:
In accordance with the Public Limited Company Act it is the board of the company that is responsible for ensuring the proper organisation of the business and administration of the company. Moelven has a number of independent legal entities that are organised as limited companies in several countries. In accordance with company law in the respective companies, the boards of these companies have a corresponding responsibility for the individual entity as the board of directors has for the parent company and the Group as a whole. The Group's activities are based on Scandinavian values. The fundamental values "We take advantage of our opportunities, we deliver and we take responsibility" are firmly supported in corporate culture. They also form the basis for the company's guidelines on corporate social responsibility, ethics, anti-corruption, HSE, employee relations, etc. A complete overview of guidelines adopted by the Board of Directors is given under point 10.

2. Business

The company's articles of association should clearly state the business the company is to conduct.

The Board of Directors should develop clear objectives, strategies and risk profiles for the business, so that the company creates value for shareholders in a sustainable way. In this work, the Board should therefore take into account economic, social and environmental factors.

The Board of Directors should evaluate goals, strategies and risk profile at least annually.

The recommendation is followed in its entirety, with the following statement:
In accordance with the company's articles of association, the company's purpose is fabrication and activities that are associated with this, trade and other financial activities, as well as participation in other companies by means of share subscription and other means. The board emphasises long-term, sustainable development and lays down in the Group's strategic plan that the main focus in future shall be the improvement and further development of existing activities. The Group has passed the critical size that is necessary to assert itself in competition. Quality shall be prioritised ahead of size and is an essential basis for both profitability and further growth. Both solidity and financing are satisfactory and give the necessary room for manoeuvre. The company's activities, objectives, main strategies and risk profile are evaluated annually and are described in detail in the Board's annual report. A corporate policy has been established for how sustainability should be integrated in value creation. This is described in the company's sustainability report. The corporate policy and sustainability report include gender equality and diversity.

3. Share capital and dividends

The Board of Directors should ensure that the company has a capital structure that is adapted to the company's objectives, strategy and risk profile.

The Board of Directors should prepare and publish a clear and predictable dividend policy.

A proposal that the Board of Directors should be authorised to distribute dividends should be justified.

A board authorization to increase the share capital or acquire own shares should apply to a defined purpose. Such a board authorization should not extend beyond the next annual general meeting.

The recommendation is followed in its entirety, with the following statement:
The board's goal is an equity ratio of at least 40 per cent. This is a level that in the opinion of the board is appropriate in light of the economic fluctuations that have been seen in recent years. The goal has been met since 2017. The board has adopted a dividend policy that is in line with the provisions of the shareholders' agreement between the company's two largest owners, who together represent 99.6 per cent of all shares. Given that considerations of the company's overall capital structure, financial position and other sources of capital are satisfactorily safeguarded, the main rule of dividend policy is a cash dividend corresponding to 50 per cent of profit after tax, although a minimum of NOK 0.40 per share. The excess share of the result after distributed dividends is retained in the company to invest in and develop the company's operations within the limits set by the Board through strategy plans and budgets. Information on company capital and dividends is stated in the company's annual report and annual accounts. The board is not authorised to perform capital increases or buy own shares.

4. Equal treatment of shareholders

If existing shareholders' preferential rights in the event of capital increases are waived, this should be justified. If the Board of Directors approves the share capital increase with the waiver of preferential rights on the basis of authorisation, the rationale should be published in a stock exchange announcement in connection with the share capital increase.

The company's transactions in own shares should be carried out on the stock exchange or otherwise at a stock exchange price. If there is limited liquidity in the share, the requirement for equal treatment should be ensured in other ways.

The recommendation is followed in its entirety, with the following statement:
The share capital of Moelven Industrier ASA consists of 129,542,384 shares with a face value of NOK 5. The company owns 1,100 of its own shares. The company is not listed on the stock exchange. In total, the shares are distributed among 828 shareholders. At year-end, 99.6 per cent of the shares were owned by two shareholders: Glommen Mjøsen Skog SA (66.8 per cent) and Viken Skog SA (32.8 per cent). Most of the remaining 0.4 per cent is owned by private individuals. Shareholder agreements exist between the two largest shareholders, which, among other things, stipulate that the Group shall be operated as an independent entity with a long-term perspective and with continued focus on Scandinavia as the main market. The agreements also contain clauses regarding the composition of the board, dividend policy, strategic focus areas and share transfer.

5. Shares and negotiability

The company should not restrict the right to own, trade or vote for shares in the company.

The company should explain restrictions in the right to own, trade or vote for shares in the company.

The recommendation is followed in its entirety, with the following statement:
The articles of association do not place any form of limitation on trading in the company's shares. The shares may be freely traded to the extent that individual shareholders have not made undertakings to other shareholders. The shareholder's agreements contain clauses regarding first option and tag-along rights. Since the company is not listed and the two largest shareholders together own 99.6 per cent of the shares, there has been little trading in shares.

6. Annual General Meeting

The Board of Directors should enable shareholders to participate in the company's Annual General Meeting. The Board of Directors should ensure that:

- *case documents are sufficiently detailed and accurate for shareholders to decide on all matters to be dealt with*
- *the registration deadline is set as close to the meeting as possible*
- *the Board of Directors and the Chairman of the Nomination Committee can participate in the Annual General Meeting*
- *the Annual General Meeting can elect a chairman of the meeting who is independent*

Shareholders should be able to vote on each individual matter, including voting for individual candidates in elections. Shareholders who cannot be present at the Annual General Meeting should be given the opportunity to vote. The company should prepare a proxy form and appoint a person who can act as a proxy for shareholders.

The recommendation is followed in its entirety, with the following statement:
The notice of the general meeting, the content of the notification and accessibility of documentation follow the requirements set by the Public Limited Company Act and the regulations on general meetings. Facilitation is made for shareholders to participate, and that the general meeting be able to vote for every single candidate to be elected by the shareholders to the Corporate Assembly. The employees of the Group hold their own election of employee representatives on the Corporate Assembly. The chairman of the board, the chairman of the Corporate Assembly and the auditor attend the general meeting. Traditionally, the chairman of the Corporate Assembly has been elected to chair the general meeting. The procedures for attending and voting by proxy are described in the notification. Since 99.6 per cent of the shares are controlled by the two largest shareholders, there has not been a need to facilitate the election of an independent chair of the annual general meeting or to appoint a person who can vote for the shareholders as a proxy.

7. Nomination Committee

The company should have a nomination committee, and the nomination committee should stipulated in the articles of association. The Annual General Meeting should lay down further guidelines for the nomination committee, elect the chairman and members of the committee and determine the committee's remuneration.

The nomination committee should have contact with shareholders, board members and the general manager in the work to propose candidates for the board.

The nomination committee should be composed such that considerations to the interests of the shareholder community are taken into account. The majority of the nomination committee should be independent of the board and other senior employees. Board members or senior employees of the company should not be members of the nomination committee.

The task of the nomination committee should be to propose candidates to the board of directors and the nomination committee (or the corporate assembly) and remuneration to the members of these bodies.

The Nomination Committee should justify each proposal of candidates.

The company should provide information on who are members of the committee and deadlines for proposing candidates.

The recommendation is followed in its entirety, with the following statement:
Pursuant to the articles of association, the company must have an nomination committee. The nomination committee is elected annually by the Annual General Meeting, and shall consist of up to five representatives from the shareholders. The Annual General Meeting also adopts the guidelines for the work of the Nomination Committee. The annual general meeting has adopted guidelines for the nomination committee that regulate the committee's composition and period of service. The members of the nomination committee shall be independent of the company's board of directors and senior executives. The nomination committee keeps the corporate assembly informed of its work on a regular basis. It is thereby considered that sufficient facilitation is in place to allow shareholders to propose candidates to the nominating committee.

The nominating committee submits the following proposals:

- Proposal to the annual general meeting regarding the election of shareholder-elected members and deputy members to the Corporate Assembly and remuneration to the members and deputy members of the Corporate Assembly.
- Proposal to the Corporate Assembly regarding the election of the chairman and deputy of the Corporate Assembly.
- Recommendation to the Corporate Assembly regarding the election of the chairman and deputy of the Board of Directors.
- Proposal to shareholder-elected members of the Corporate Assembly regarding election of shareholder-elected members and deputy members to the Board of Directors.

The proposals must include information about the candidates' expertise, capacity and impartiality. The guidelines for the nominating committee specify that the governing bodies must be composed based on an overall assessment of the company's need for expertise, capacity and balanced decisions that safeguard the interests of shareholders.

The remuneration committee consists of the nominating committee, complemented by a representative designated by the employee-elected members of the Corporate Assembly. The remuneration committee submits a proposal to the annual general meeting on determining remuneration for the members of the Corporate Assembly and to the Corporate Assembly on determining remuneration for the Board of Directors. Remuneration to the Board and Corporate Assembly shall not be performance-based.

8. Board of Directors, composition and independence

The Board of Directors should be composed so that it can ensure the interests of the shareholder community and the company's need for expertise, capacity and diversity. It should be taken into account that the board can function well as a collegial body.

The Board should be composed so that it can act independently of special interests. The majority of shareholder-elected members should be independent of senior executives and significant business contacts. At least two of the shareholder-elected members should be independent of the company's main shareholders.

Senior executives should not be members of the board of directors. If senior employees are board members, this should be justified and have consequences for the organisation of the board's work, including the use of board committees to contribute to a more independent preparation of board matters, cf. Chapter 9 of the recommendation.

The Annual General Meeting (or Corporate Assembly) should elect the chairman of the Board of Directors.

Board members should not be elected for more than two years at a time.

In the annual report, the board should provide information on participation in board meetings and on matters that may shed light on the board members' competence. In addition, it should be stated which members are considered independent.

Board members should be encouraged to own shares in the company.

The recommendation is followed in its entirety, with the following statement and exceptions:
Pursuant to the company's articles of association, the company shall have a corporate assembly with 12 members. The General Meeting elects eight members and eight personal alternates for these members. Four members and personal deputies, as well as two additional deputies are elected by the employees.

The company's two largest shareholders, who together control 99.6 per cent of the shares, are both represented in the Corporate Assembly. The members of the board of Moelven Industrier ASA are elected by the Corporate Assembly, normally for 2 year at a time. Three Corporate Assembly meetings are held annually. The board has seven members, five of them shareholder-elected and two representatives of the employees. The employees also elect one deputy representative, who attends board meetings. The chair of the board is independent of the company's main shareholders and is appointed by the Corporate Assembly. The deputy chair and one of the other three shareholder-elected board members are connected with the company's main shareholders. The shareholder's agreements include provisions relating to the election of the chair and shareholder-elected board members. The representatives of the employees are independent of the company's general management. No senior executives are members of the board. Two of the five shareholder-elected board members are women. The proportion of female employees in the Group is below 20 per cent. The rules on gender representation therefore do not apply to the employees' representatives, and the composition of the board of directors satisfies the requirements for gender representation on the board. For information on gender equality and diversity in the Group, see the Group's sustainability report. Only the employees' representatives receive remuneration from the company other than directors' fees. From experience, non-attendance at board meetings is exceptional.

There has been a deviation from the recommendation on the following issue:
Through the guidelines for the work of the nominating committee, which are described under point 7, the main shareholders are assured good knowledge of the board members' background and general competence. With the existing ownership structure, therefore, no further information is given.

9. The work of the board

The Board of Directors should determine instructions for the Board and for the day-to-day management with particular emphasis on clear internal division of responsibilities and tasks.

The instructions should state how the board and the day-to-day management shall manage agreements with affiliated parties, including whether an independent valuation shall be obtained. In its annual report, the Board of Directors should account for such agreements.

The Board of Directors should ensure that board members and senior executives familiarise the company with significant interests they may have in matters to be considered by the Board.

In order to ensure a more independent consideration of matters of a significant nature where the chairman himself is or has been actively engaged, another board member should lead the discussion.

According to the Public Limited Liability Companies Act, large companies must have an audit committee. The board should not act as the company's audit committee. Smaller companies should consider establishing an audit committee. In addition to the requirements of the Act relating to the composition of the audit committee, etc., the majority of the members of the committee should be independent of the business.

The Board of Directors should also consider a remuneration committee to contribute to thorough and independent consideration of matters relating to remuneration to senior executives. Such a committee should consist of board members who are independent of senior executives.

The Board of Directors should provide information on any use of board committees in the annual report.

The Board of Directors should evaluate its work and expertise annually.

The recommendation is followed in its entirety, with the following statement and exceptions:
The board's administration of the company follows the provisions of the Public Limited Company Act. Instructions have been determined for the board of Moelven Industrier ASA that give guidelines for the board's work. Every meeting reviews the monthly reporting of operational developments, financial data and HSE statistics for the Group. There is also the following schedule of work for every calendar year:

- January: Report for fourth quarter of preceding year. Review and evaluation of Group guidelines and policies, including risk management and internal control.
- March: Annual accounts with notes and annual report for preceding year, and sustainability report.
- April: Report for first quarter and preparation for ordinary general meeting.
- June: Status reporting and strategic discussions.
- August: Report for first six months.
- September: Recapitulation of strategic discussions with summary of ongoing strategic discussions throughout the year.
- October: Report for third quarter and strategy plan as finished document.
- December: Business plan and budget for the coming year.

Transactions with the owners are performed in some areas of the ordinary activities. Among other things, this relates to purchase of timber, where the Norwegian forest owner cooperatives are suppliers. Of Moelven's total purchasing requirement of approximately 4.3 million m³ measured under bark, approximately 41 per cent comes from the Norwegian forest owner cooperatives that are also shareholders. All transactions are performed in areas where there are observable market prices and the arm's length principle is applied. Where other suppliers can offer better prices or terms, these will be chosen.

Moelven has a long tradition of running its operations in accordance with the laws and ethical guidelines of the industry with the opinion that competition is positive for all parties in industry. In order to ensure that this culture is maintained, ethical guidelines and guidelines for complying with legislation on competition have been devised. Instructions for the Board of Directors and the general manager of Moelven Industrier ASA also state that agreements with shareholders or their close associates with a duration of more than 12 months shall be approved by the Board of Directors. The provision applies to all group companies.

The chair of the board is independent of the company's main shareholders. The board has not addressed issues of a material nature in which the chair is or has been a party. According to the rules of procedure that are reviewed annually, the board members must not participate in the consideration or decision of issues that are of particular importance to themselves or to any related parties that must be considered to have major personal or financialinterest in the matter. The same applies to the CEO. By related parties it is also understood companies in which the board member represents ownership interests.

Self-evaluation of the work of the board is performed annually. The board only determines remuneration for the President and CEO. Remuneration for the remainder of management is determined by the President and CEO in line with guidelines adopted by the board. There are no option programmes or share-based payments for senior executives. The task of the board in respect of compensation is therefore limited and no separate compensation committee has been set up in the board. In addition to board members, the CEO, CFO and board secretary normally also attend normal board meetings. Other representatives of the administration, the divisions or auditor attend as needed.

The board has determined instructions for the work of the CEO. The Group Executive Board consists of the CEO and division manager for each division. Group management and the directors of the Group's shared services attend Group management meetings. For more information about governing bodies and Group management, refer to the notes to the annual accounts.

There has been a deviation from the recommendation on the following issue:
The board uses committees as needed. Based on an assessment of risk conditions and the need for control, as well as ownership structure, it has been decided to deviate from the NUES recommendation and allow the complete board function as an audit committee.

10. Risk management and internal control

The Board of Directors must ensure that the company has good internal control and appropriate systems for risk management in relation to the scope and nature of the company's activities.

The Board of Directors should conduct an annual review of the company's most important risk areas and internal control.

The recommendation is followed in its entirety, with the following statement:
All units within the Group have individual, local profit responsibility and operate as independent parts of a coordinated network that is characterised by openness and cooperation. Risk management and internal control are tailored for the organisational model. The local company management and the boards of the individual companies follow up on risk management and internal control in accordance with prevailing laws and regulations, as well as Moelven's risk policy. There are also control functions at divisional level, as well as in individual companies where the nature of the business leads to increased risk of faults, non-compliance or irregularities. The Group has a central Risk Management function that shall be a driving force and facilitator for the use of the risk policy in the Group.

Because of the scope of activities, it has been decided to limit reporting to the board to a focus on group, divisions and competitive arenas, as well as selected key figures and non-compliance reporting by unit. In connection with annual strategy and budget activities, the board reviews the Group's most important risk areas. If needed, and based on the annual risk assessment, the Group's reporting and control routines are adapted so that identified risks can be satisfactorily covered. In addition to established internal rules and routines, the internal control is largely based on the internal control environment. This environment includes people at all levels of the company. It covers integrity, ethical values, competence, management philosophy, form of operation, organisational structure, distribution of responsibility and authority and personnel policy. The board and management place great emphasis on communicating the established basic position to risk management out in the organisation.

All units close their accounts monthly and report to the parent company on the third working day of the following month. Reporting occurs in accordance with standardised systems and common guidelines so as to ensure consistency and the greatest possible comparability right across all units. The Group's sustainability policy and ethical guidelines also provide guidelines for how consideration for the outside world is integrated in value creation.

An important control measure that follows naturally from the management and organisational model is the monthly benchmark and consolidated data report from the Group to the reporting units. The same monthly report that is sent to the board is also sent back to company management in each individual company. In this way, many are involved in control and follow-up of management and governing data. The reporting cycle supports the feeling of responsibility, not just for the results of one's own unit, but also for the divisions and group as a whole. The board considers that this reporting and control environment gives satisfactory control of the business.

The board has reviewed and approved the following general guidelines:

- Instructions to the board and general manager of Moelven Industrier ASA
- Moelven's finance policy
- Moelven's dividend policy
- Moelven's risk policy
- Moelven's guidelines for compliance with competition law
- Moelven's insurance and risk strategy - general insurance
- Moelven's sustainability policy
- Moelven's Code of Conduct
- Policy for open corporate culture (including procedures for notifying of blameworthy conditions)
- Moelven's guidelines and procedures for compliance with the EU General Data Protection Regulation (GDPR)

11. Remuneration to the board

The remuneration to the board should reflect the board's responsibilities, expertise, time spent and the complexity of the business.

Remuneration to the Board shall not be performance-based. Options should not be issued to board members.

Board members, or companies to which they are affiliated, should not undertake special duties for the company in addition to the directorship. If they nevertheless do, the entire board should be informed. Remuneration for such tasks should be approved by the Board of Directors.

If remuneration has been granted beyond the usual board remuneration, it should be specified in the annual report.

The recommendation is followed in its entirety, with the following statement:
Remuneration to the board is decided annually by the Corporate Assembly. The remuneration to board members is a fixed amount that is determined in advance and is independent of profits. No option or share based remuneration is used and neither are there any other incentive schemes.

For further information about directors' fees and any remuneration other than fees to board members, refer to the notes to the accounts.

12. Salary and other remuneration of senior executives

The guidelines on salary and other remuneration shall be clear and understandable, and contribute to the company's business strategy, long-term interests and financial sustainability.

The scheme for salary and other remuneration should contribute to concurrent interests between shareholders and senior executives, and be simple.

A cap should be placed on performance-dependent remuneration.

The recommendation is followed in its entirety, with the following statement:
The board determines the CEO's salary. There are no option or share based payments. Principles and ceilings have been determined for profits-related payment within the Group. Among other things, it has been determined that agreements of profits-related remuneration shall have a duration of a maximum of one year at a time and that such remuneration shall have an upper ceiling. The board's declaration on management salaries, including guidelines for determining remuneration to senior executives, is presented to the annual general meeting. For further information about remuneration to Group management, refer to the notes to the annual accounts.

13. Information and communication

The Board of Directors should establish guidelines for the company's reporting of financial and other information based on transparency and in respect of the requirement for equal treatment of securities market participants.

The Board of Directors should establish guidelines for the company's contact with shareholders outside the Annual General Meeting.

The recommendation is followed in its entirety, with the following statement:
The board determines the Group's financial calendar annually; this is published in the annual report and on the company's website. The Group's quarterly and annual reports are primarily published on the internet, but are also sent by post on request. The board has established a practice of organising annual owners' meetings so as to create an arena for the exchange of information and discussion between the owners. It has not been found necessary to establish guidelines for these.

14. Company takeover

The Board of Directors should draw up the main principles for how it will act in the event of a takeover bid.

In an offer situation, the board and management should have an independent responsibility to contribute to ensuring that the shareholders are treated equally, and that business is not unnecessarily disrupted. The Board of Directors has a special responsibility to ensure that the shareholders have information and time to be able to decide on the bid.

The Board of Directors should not prevent or impede anyone from making an offer for the company's business or shares.

Agreements with the bidder to limit the company's ability to obtain other offers for the company's shares should only be entered into when it can clearly be justified by the common interest of the company and shareholders. The same applies to compensation agreements to the bidder if the purchase is not completed. Any compensation should be limited to the costs of the bidder in the preparation of the bid.

Agreements between the company and the bidder of significance for the market's assessment of the offer should be made public at the latest at the same time as notification that the offer will be made.

If an offer is made for the company's shares, the company's board of directors should not exploit share issue authorisations or take other measures for the purpose of preventing the execution of the offer, without this being approved by the Annual General Meeting after the offer is known.

If a bid is made for the company's shares, the Board of Directors should issue a statement with a recommendation on whether the shareholders should accept or not. In the board's statement on the offer, it should be stated whether the assessment is unanimous, and otherwise on what basis some board members have made reservations regarding the board's statement. The Board of Directors should obtain a valuation from an independent expert. The valuation should be justified and published no later than at the same time as the board's statement.

Transactions that actually involve divestment of the business should be decided by the Annual General Meeting (or the corporate assembly).

There has been a deviation from the recommendation on the following issue:
The company is not listed and there is a shareholders' agreement between the two largest shareholders, who together own 99.6 per cent of the shares, that regulates the transfer of shares, among other things. No guidelines have therefore been prepared for the board in connection with any takeover bid.

15. Auditor

The Board of Directors should ensure that the auditor presents the main features of a plan for carrying out the audit work every year.

The Board of Directors should summon the auditor to meetings where they process the annual accounts. At the meetings, the auditor should review any significant changes in the company's accounting principles, key aspects of the audit, assessment of material accounting estimates and all significant matters where there has been disagreement between the auditor and the administration.

The Board of Directors should review the company's internal control with the auditor at least once a year, as well as weaknesses identified by the auditor and proposed improvements.

The Board of Directors should establish guidelines for the day-to-day management's right to use the auditor for services other than auditing.

The recommendation is followed in its entirety, with the following statement:
The auditor has annual meetings with the board without administration being present. The auditor also participates in board meetings when the annual accounts are discussed. The auditor also presents the audit plan, summaries following interim audits of the subsidiaries and central risk areas and the Group's handling of these.

Remuneration to the auditor, expressed as statutory audit and other services, appears in a separate note to the annual accounts.

Moelv, 18 Mars 2024
Moelven Industrier ASA

Morten Kristiansen Group CEO	Finn Ivar Marum Chairman of the Board	Gudmund Nordtun Deputy Chair
Olav Breivik	Wenche Ravlo	Hege Kverneland
Martin Fauchald		Oscar Östlund

Annual Accounts 2023

GROUP

Moelven Töreboda AB (above) and Moelven Byggmodul AS (below) are both part of Moelven's Building Systems division. The division is strongly focused on developing concepts and systems in collaboration with customers and experts within architecture, design and construction. Photo: Sören Håkanlind and Moelven

Financial key figures

Amounts in NOK million	Explanations*	2023	2022	2021	2020	2019
RESULTS						
Operating revenues		12,936	14,439	14,872	11,665	10,297
Gross operating profit (EBITDA)	A	708	2,106	3,389	1,011	630
Depreciation and impairment		327	350	403	348	294
Operating profit		381	1,756	2,986	662	335
Net interest and financial items		-52	-3	5	-59	-96
Profit before tax		329	1,754	2,991	604	240
Net profit		254	1,389	2,349	471	189
BALANCE SHEET						
Investments in production equipment	B	1,085	501	420	272	479
Total assets		7,710	7,904	8,269	5,833	5,518
Equity		4,490	4,737	4,588	2,865	2,368
Net interest-bearing liabilities	C	181	-1,079	-1,312	536	1,136
Capital employed	D	4,899	4,998	4,890	3,500	3,524
EARNINGS/RETURN						
Net operating margin	E	2.9 %	12.2 %	20.1 %	5.7 %	3.3 %
Gross operating margin	F	5.5 %	14.6 %	22.8 %	8.7 %	6.1 %
Return on equity	G	5.5 %	29.8 %	63.0 %	18.0 %	7.9 %
Return on capital employed, 12 months rolling	H	8.4 %	35.6 %	73.5 %	17.9 %	9.4 %
Return on total assets	I	4.9 %	21.7 %	42.3 %	11.7 %	6.2 %
Interest cover	J	7.8	23.8	81.1	8.3	2.9
CAPITAL STRUCTURE						
Equity ratio	K	58.2 %	59.9 %	55.5 %	49.1 %	42.9 %
Asset turnover	L	1.7	1.8	2.1	2.1	1.9
Debt-equity ratio	M	0.04	-0.23	-0.29	0.19	0.48
Net interest bearing debt / EBITDA		0.26	-0.51	-0.39	0.53	1.80
LIQUIDITY						
Liquid ratio I	N	1.73	2.15	1.95	1.68	1.82
Liquid ratio II	O	0.76	1.22	1.04	0.81	0.73
Cash flow from operational activities	P	604	1,441	2,719	1,070	504
SHARES						
Profit per share in NOK	Q	1.96	10.72	18.13	3.47	2.26
Average number of shares (mill)		129.5	129.5	129.5	129.5	129.5
Cash flow from operational activities, in NOK per share	R	4.66	11.13	20.99	8.26	3.89
Equity per share	S	34.64	36.55	35.39	22.03	18.18
Assessment value in NOK as at 01.01		32.10	32.42	21.15	19.44	20.06
Dividend per share in NOK	T	0.97	5.36	9.06	3.64	0.72
PERSONNEL						
Number of employees as at 31.12		3,256	3,332	3,312	3,391	3,399
Sick leave percentage	U	6.8 %	6.7 %	5.7 %	6.2 %	5.4 %
Frequency of accidents with absence, H1 value	V	6.0	8.0	6.9	11.7	11.3

* Explanations of key figures are presented on the following page

Formulas for the key figures

A:	Operating profit + depreciation
B:	Capitalized investments - goodwill
C:	Interest bearing debt - (bank deposits + money maket funds)
D:	Equity + interest bearing debt
E:	Operating profit / Operating revenues
F:	Operating profit + depreciation and impairments / Operating revenues
G:	Net profit / Average equity
H:	Operating profit + interest income / Average capital employed, 12 months
I:	Operating profit + interest income / Average total capital
J:	Profit before tax + finance cost / Finance cost
K:	Equity / Total capital
L:	Operating revenues / Average total capital
M:	Net interest bearing debt / Equity
N:	Current assets / Short term debt
O:	Liquid funds + financial assets + receivables / Short term debt
P:	Profit after tax payable + depreciation - non controlling interest and correction regarding non liquid items from result and working capital
Q:	Earnings assigned to Moelven's shareholders / Average number of shares
R:	Cash flow from operations / Average number of shares
S:	Total equity assigned to Moelven's shareholders / Average number of shares
T:	Dividend proposal
U:	Sickness absence / Available hours - overtime
V:	Number of injuries absence per million working hours, 12 months rolling

Table of contents
Annual Accounts 2023 Group

Financial key figures

Income statement and statement of comprehensive income

Statement of financial position

Statement of changes in equity

Cash flow statement

Noter

1 General information
2 Basis for preparing the annual accounts
3 Significant accounting principles
4 Critical accounting estimates and judgements
5 Financial risk management
6 Operating segments
7 Sales income
8 Fixed assets
9 Leases
10 Intangible assets
11 Payroll expenses, employees and remuneration to auditor
12 Financial income and expenses
13 Tax expense
14 Deferred tax
15 Investments in associated companies
16 Inventory
17 Accounts receivable and other receivables
18 Earnings per share and equity per share
19 Group companies
20 Pension costs and pension commitments
21 Provisions
22 Other short-term liabilities
23 Breakdown of changes in long term debt
24 Financial instruments
25 Share capital and share premium reserve
26 Remuneration to group management, board and corporate assembly
27 Related parties
28 Assets and debt held for sale
29 Events after the date of balance

Income statement for the group

Amounts in NOK million	Note	2023	2022
Sales revenue	6,7	12,731	14,324
Other operating revenues	28	204	114
Operating revenues	**6**	**12,936**	**14,439**
Product expenses		8,187	8,296
Payroll expenses	11, 20, 26	2,451	2,395
Depreciation of tangible and intangible assets	8, 9, 10	324	331
Impairment of tangible assets and intangible assets	8, 10, 28	3	18
Other operating expenses	11	1,589	1,642
Operating expenses		**12,555**	**12,683**
Operating profit		**381**	**1,756**
Financial income	12	37	74
Financial expenses	12	89	77
Net financial items		**-52**	**-3**
Profit before tax		**329**	**1,754**
Income tax	13	75	365
Net profit		**254**	**1,389**
Profit assigned to:			
Non-controlling interests		0.3	0.2
Owners of parent company		253	1,389
Annual profit transferred to/from other equity		254	1,389
Total allocation		**254**	**1,389**
Earnings per share (in NOK)			
Earnings per share assigned to Moelven's shareholders	18	1.96	10.72

Statement of comprehensive income

Amounts in NOK million	Note	2023	2022
Net profit		**254**	**1,389**
Other comprehensive income			
Items that are not reclassified subsequently to profit or loss			
Actuarial gains (losses) on defined-benefit pension schemes	20	-1	-0.4
Reclassification of realised translation differences to profit and loss	28	0	-3
Income tax on items that are not reclassified to profit or loss	13	0.2	0.1
		-0.8	-3
Items that may be reclassified subsequently to profit or loss			
Translation differences		194	-62
Other comprehensive income, net of tax		**193**	**-65**
Total comprehensive income for the period		**447**	**1,324**
Comprehensive income assigned to:			
Owners of parent company		446	1,323
Non-controlling interests		0.5	0.2

Consolidated statement of financial position 31.12

Amounts in NOK million	Note	2023	2022
ASSETS			
Deferred tax assets	14	60	45
Goodwill	10	16	16
Other intangible assets	10	72	0.7
Total intangible assets		**149**	**62**
Land	8	152	149
Buildings and other property	8	1,044	638
Machinery and plant	8	1,908	1,436
Fixtures and fittings, tools, office machines etc.	8	29	35
Right of use assets	9	137	85
Total fixed assets		**3,270**	**2,343**
Investments in associated companies	15	4	3
Investments in other shares		0.4	0.4
Bonds and other receivables		0.2	0.2
Total financial fixed assets		**4**	**3**
Total non-current assets		**3,423**	**2,408**
Inventories	16	**1,985**	**2,166**
Accounts receivable	17	1,474	1,593
Contract asset	7, 17	145	132
Other receivables	17	427	235
Total receivables		**2,046**	**1,960**
Financial derivatives	24	27	30
Bank deposits, cash etc.		229	1,340
Total current assets		**4,287**	**5,495**
Total assets		**7,710**	**7,904**

Consolidated statement of financial position 31.12

Amounts in NOK million	Note	2023	2022
LIABILITIES AND EQUITY			
Share capital	25	648	648
Share premium reserve		131	131
Retained earnings		3,708	3,956
Total equity assigned to owners of parent company		**4,487**	**4,735**
Non-controlling interests		3	3
Total equity		**4,490**	**4,737**
Pension liabilities	20	21	21
Deferred tax	14	294	257
Other provisions	21	148	73
Total provisions		**463**	**350**
Liabilities to credit institutions	5	133	169
Lease liabilities	5, 9	140	89
Total long term liabilities		**273**	**258**
Financial derivatives	24	14	17
Accounts payable	24	1,048	968
Public duties payable		150	166
Tax payable	13	160	261
Contract liability	7,24	94	115
Other short term liabilities	22	1,020	1,031
Total short term liabilities		**2,485**	**2,559**
Total liabilities		**3,220**	**3,166**
Total equity and liabilities		**7,710**	**7,904**
Number of shares (Face value per share NOK 5.-)	25	129,541,284	129,541,284

Moelv, 18. March 2024
Moelven Industrier ASA

Morten Kristiansen
Group CEO

Finn Ivar Marum
Chairman of the Board

Gudmund Nordtun
Deputy chair

Olav Breivik

Wenche Ravlo

Hege Kverneland

Martin Fauchald

Oscar Östlund

Consolidated statement of changes in equity

Amounts in NOK million	Share capital	Share premium	Other equity	Total	Non-controlling interests	Total equity
	Equity assigned to owners of parent company					
Total as at 1.1.2022	**648**	**131**	**3,806**	**4,585**	**2**	**4,588**
Comprehensive income for the period						
Net profit	**0**	**0**	**1,389**	**1,389**	**0.2**	**1,389**
Other comprehensive income						
Translation differences	0	0	-62	-62	-0.1	-62
Reclassification of realised translation differences to profit and loss	0	0	-3	-3	0	-3
Actuarial gains (losses) on defined-benefit pension schemes	0	0	-0.4	-0.4	0	-0.4
Income tax on other comprehensive income	0	0	0.1	0.1	0	0.1
Other comprehensive income (net of tax)	**0**	**0**	**-65**	**-65**	**-0.1**	**-65**
Other changes						
Transactions with owners, entered directly against equity						
Dividend to owners	0	0	-1,174	-1,174	-0.1	-1,174
Total transactions with owners	**0**	**0**	**-1,174**	**-1,174**	**-0.1**	**-1,174**
Total as at 31.12.2022	**648**	**131**	**3,956**	**4,735**	**3**	**4,737**

	Share capital	Share premium	Other equity	Total	Non-controlling interests	Total equity
Total as at 1.1.2023	**648**	**131**	**3,956**	**4,735**	**3**	**4,737**
Comprehensive income for the period						
Net profit	**0**	**0**	**253**	**253**	**0.3**	**254**
Other comprehensive income						
Translation differences	0	0	194	194	0.2	194
Actuarial gains (losses) on defined-benefit pension schemes	0	0	-1.0	-1.0	0	-1.0
Income tax on other comprehensive income	0	0	0.2	0.2	0	0.2
Other comprehensive income (net of tax)	**0**	**0**	**193**	**193**	**0.2**	**193**
Transactions with owners, recognized directly against equity						
Dividend to owners	0	0	-694	-694	0	-694
Total transactions with owners	**0**	**0**	**-694**	**-694**	**0**	**-694**
Total as at 31.12.2023	**648**	**131**	**3,708**	**4,487**	**3**	**4,490**

Consolidated cash flow statement

Amounts in NOK million	Note	2023	2022
CASH FLOW FROM OPERATIONAL ACTIVITIES:			
Net profit		254	1,389
Adjustments to reconcile net profit with net cash flow from operations:			
Depreciation and impairment	8, 9, 10	327	350
Income from associated companies	15	-4	-0.5
Tax paid	13	-155	-662
Unpaid pension costs entered as costs and unreceived pension funds entered as income		2	-0.6
(Profit) / loss on sale of fixed assets		-56	-3
Net value change of financial instruments to fair value		40	-43
Interest income / expenses		-9	0.6
(Agio) / disagio on leng term loans		0	0
Income tax	13	75	365
Other items		2	5
Changes in operating assets and liabilities:			
Changes in inventory		168	28
Changes in accounts receivable and other receivables		-73	101
Changes in trade accounts payable		71	80
Changes in provisions and benefits to employees		75	-3
Hereof counterpart to capitalized intangible assets		-72	0
Changes in short-term liabilities excluding borrowing		-40	-164
Hereof related to reclassification to held for sale		0	0
Cash flow from operational activities		**604**	**1,441**
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Investment in fixed assets and immaterial assets excl. goodwill	8,10	-1,085	-501
Investment in money market fund		0	400
Receipts from sale of fixed assets		67	4
Purchase of subsidiaries, reduced by cash in company	4	0	0
Sale of subsidiaries, reduced by cash in company	28	0	69
Cash flow from investment activities	**8**	**-1,018**	**-28**
CASH FLOW FROM FINANCING ACTIVITIES:			
Change in long term debt facility - loan payments	23	-38	-29
Change in long term debt facility - new loans	23	0	0
Interests paid	12	-13	-17
Interest income cash pool		26	19
Principal payments - leases		-43	-39
Interest payments - leases	12	-4	-3
Realization of financial instruments		-40	0
Payment of dividend		-694	-1,174
Cash flow from financial activities		**-807**	**-1,242**
Net increase (reduction) in liquid assets during year		**-1,222**	**172**
Liquid assets 1.1		1,340	1,214
Effect of exchange rate changes on liquid assets		110	-46
Liquid assets 31.12		**229**	**1,340**
Hereof restricted bank deposits		0	0

Note 1 | General information

Moelven Industrier ASA is a public limited liability company, registered in Norway. The company's headquarters are located at Industriveien 2, 2390 Moelv, Norway.
The group's activities are described in the board's annual report.

Note 2 | Basis for preparing the annual accounts

The consolidated accounts of the Moelven group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS interpretations committee (IFRIC), as determined by the EU.

The consolidated accounts were presented by the board on 18/3/2024 and the ordinary general meeting to discuss the annual accounts has been fixed for 29/4/2024. The consolidated accounts are based on the principles of historic cost accounting with the exception of the following items:

- Defined-benefit pension schemes are valued at present value of the future pension benefits that have been earned on the date of balance. Pension funds are valued at fair value.
- Financial instruments at fair value through profit or loss. These include equity based instruments, derivatives for hedging interest rates and foreign exchange.

The consolidated accounts have been prepared with uniform accounting principles for similar transactions and events under otherwise similar conditions. The consolidated accounts have been prepared under the going concern assumption.

Note 3 | Significant accounting principles

Presented below are the most important accounting principles that have been used in preparing the consolidated accounts. These principles have been used in the same way for the comparison figures in the consolidated accounts unless stated otherwise.

3.1 Consolidation principles

The consolidated accounts include Moelven Industrier ASA and companies over which Moelven Industrier ASA has control. Control is ordinarily achieved when the Group owns more than 50% of the shares in the company, but annual assessments are carried out of whether the Group also has control of companies where the stake is less than 50%. An investor controls an undertaking in which an investment is made when the investor is exposed to or has rights to variable returns from its involvement in that undertaking, and has the opportunity to influence these returns through its power over the undertaking in which the investment is made. Non-controlling interest are included in group equity.

The acquisition method is used for recognising company mergers on the income statement. Companies which are bought or sold during the course of the year are included in the group accounts from the date on which control is achieved until the date on which it ceases.

Changes in holdings in the subsidiaries that do not lead to loss of control are entered as an equity transaction. The remuneration is entered at fair value and the difference between remuneration and the value of the holding entered on the balance sheet is entered against the majority owner's equity.

With changes in holdings that lead to loss of control, remuneration is measured at fair value. The balance sheet value of holdings and obligations in the subsidiary and the non-controlling interest are deducted on the date of loss of control. The difference between the remuneration and the balance sheet value of the holding is included on the income statement as a gain or loss. Any remaining holding is measured at fair value and any gain or loss included on the income statement as part of the gain/loss on the sale of the subsidiary. Amounts included in other income and costs are entered on the income statement.

Associated companies are enterprises in which the group has significant influence, but not control, over the financial and operational management. We have holdings between 20% and 50% in our associated companies. The Group accounts include the Group's share of profits from associated companies entered by equity method from the time significant control was achieved and until such control ceases.

When the group's losses exceed the investment in an associated company, the group's balance sheet value is reduced to zero and further loss is not entered unless the group has an obligation to cover this loss.

All other investments are entered in accordance with IFRS 9, Financial instruments, where detailed information is provided in note 24.

Internal group transactions and intra group balances, including internal earnings and unrealised gains and losses are eliminated. Unrealised earnings in respect of transactions with associated companies and jointly controlled enterprises are eliminated with the group's share of the company/enterprise. Unrealised losses are eliminated in the same way, but only to the extent that there are indications of depreciation of value of assets that are sold internally.

3.2 New standards and interpretations

During 2021 there has been no updates of IFRS that have materially affected the consolidated accounts.

3.3 Currency

The Group's presentation currency is NOK. This is also the functional currency of the parent company. Subsidiaries with other functional currencies are converted to the day rate for balance items and to the average rate for income statement items. Translation differences are entered against other income and expenses ("OCI"). In any future sale of investments in foreign subsidiaries, accumulated translation differences that are referred to the majority owners will be entered on the income statement.

Transactions in foreign currencies

Foreign exchange transactions are calculated at the exchange rate prevailing at the time of the transaction. Monetary items in foreign currency are converted to the functional currency using the rate of exchange on the balance date. Non-monetary items which are measured at historical exchange rates expressed in foreign currency are converted to functional currency by using the exchange rate at the time of transaction. Non-monetary items which are measured at fair value expressed in foreign currency are converted to the exchange rate determined at the time of the balance. Foreign currency fluctuations are recognised on the income statement continuously over the accounting period.

3.4 Use of estimates in preparing the annual accounts

Management has used estimates and assumptions which have affected assets, liabilities, income, costs and information regarding potential obligations. This applies in particular to depreciation of fixed assets, assessment of added value and goodwill in connection with acquisitions, inventory, project assessments and pension commitments. Future events may cause the estimates to change. Estimates and the underlying assumptions are continually assessed. Changes in accounting estimates are entered into the accounts during the period in which the changes occur. Where changes also affect future periods, the effect is distributed across the current and future periods. Also see note 4.

3.5 Principles for income recognition

The group's contracts with customers are entered in the accounts to the extent the contractual parties have approved the contract, each parties rights and terms of payment may be identified, the contract has a business like content and it is likely that the group will receive the remuneration it is entitled to. Sales income is presented after deduction of value added tax and discounts. Internal sales within the group are eliminated.

The sale of goods is recognised as income at the time the group fulfils its delivery obligation to the customer. Moelven will ordinarily fulfil its delivery obligation when the product is transferred to the customer and the customer gains control of the product. A product is considered to be transferred when it is transported to or picked up at the place defined by the delivery terms of the contract.

For the Building operations segment a contract will be recognised as income over time if the asset produced does not have an alternative use for Moelven without this leading to significant financial loss, but only to the extent that Moelven is entitled to payment for the services provided to date. Alternative use is not deemed to exist if the project to a significant extent is tailored to the customer's needs and the asset being produced is difficult to sell to others without major adjustments.

Examples are:

- Moelven enters into contracts with customers on the sale of modules for housing purposes, schools, office premises, service buildings or other commercial purposes. The contract includes factory production of modules, delivery to the customer's building site and installation of the modules. The contract comprises a project and has a total price for the delivery, payment from the customer is made on an ongoing basis according to the contract's payment plan.
- Moelven enters into agreements with a small number of larger customers that include custom manufactured modules, e.g. rental modules, that have been produced in accordance with the customer's needs and specifications. The difference from the previous example is that the contract includes only production and no installation. The modules are unique for the recipient customer and cannot be sold to others without significant adjustments.
- Moelven enters into a contract for the sale and installation of walls or a complete system of interior walls. The module walls are factory-produced and installed at the customer. The walls are adapted for the customer's floor plan and the requirements specified in the contract.
- Moelven custom-produces load-bearing glulam elements designed according to the customer's needs and order. Examples of such deliveries are custom straight or curved glulam beams for bridges and buildings. It is common that assembly is included for custom-produced solutions. Without significant adjustments, it is not possible to sell these customised units to other customers as they have been designed, constructed and produced to meet a function in a building or for a bridge. A special delivery usually comprises several elements that are to be installed and fit the structure they are produced for.

Moelven will have enforceable right to payment for services that are provided to date if this is agreed with the buyer, or if such settlement is custom or practice established over time in the construction industry. Where it is recognised over time, the customer has no right of cancellation. When considering whether the group has met it's delivery obligation over time, one will use the method that is best suited to measure the actual progression. In some group companies operating revenues are recognised based on an "input method," in that accrued costs are considered in relation to total estimated costs, while other group companies perform recognition based on an "output method" in that progression in the delivery obligation is measured in relation to the overall contract price. If the progression in the delivery obligation cannot be measures to a reasonable degree, only operating revenue that correspond to accrued contract costs are recognised in the result. For contracts that are expected to result in losses, the estimated loss is recognised as a whole.

Additional claims and disputed amounts are not normally entered until agreement has been reached or there is a court judgement. However part of the claim is entered if there is an overwhelming probability of the anticipated outcome. Provision is made for claims activities based on historical experience and identified risks. Guarantee periods are normally from three to five years.

For projects that are directed by outside companies, invoicing is performed monthly with 30 day payment terms. Invoicing is normally done in line with the completion of the work, but there are also payment schedules that do not correspond to progress in the delivery obligation.

For contracts that are recorded as income over time, both income and expenses are deferred. Earned income that is not invoiced is recognised in the balance sheet as a contractual asset. Invoiced income that has not yet been earned (forward payment plans) is entered as a contractual obligation.

The group produces and sells energy to end customers. The sales is entered as income when the energy has been delivered and is read off at the customer's premises. Sales are entered based on the prices achieved, which are contract prices, but which can also be subject to price guarantee for the delivery period. Not including the financing element in sales is being considered. Otherwise, payment terms correspond to those that are normal in the market.

3.6 Segment

For management purposes the group is organised into four different divisions according to products and range of services. The divisions represent the basis for the primary report segments. In segment reporting, internal earnings on sales between the segments are eliminated. Financial information regarding segments and geographical distribution is presented in note 6.

3.7 Income tax

Tax costs consist of payable tax and changes in deferred tax. Deferred tax/tax benefits are calculated on all differences between book and taxable values of assets and liabilities, with the exception of:

- group goodwill
- temporary differences related to subsidiaries the Group controls when the temporary differences will be reversed and it is not assumed to occur in the foreseeable future.

Deferred tax asset is recognised on the balance sheet when it is probable that the company will have sufficient tax surplus in later periods to utilise the tax advantage. This assessment is updated on each balance sheet day.

Deferred tax and deferred tax asset are measured based on anticipated future tax rates for the companies in the group where temporary differences have previously arisen. Deferred tax and deferred tax advantages are recognised at nominal value and are classified as financial capital expenditure (long-term liability) on the balance sheet. Payable tax and deferred tax are entered directly against equity to the extent that the tax entries relate to equity transactions.

3.8 Research & Development

Expenses associated with research activities are recognised on the income statement when they arise. Costs relating to development activities are entered on the balance sheet to the extent to which the product or process is technically and commercially realisable and the group has sufficient resources to complete the development. The costs that are entered include material costs, direct payroll costs and a proportion of directly attributable joint expenses. Development costs entered on the balance sheet are entered as acquisition costs minus accumulated depreciation and write-down.

Development costs entered on the balance sheet are depreciated on a straight line basis over the estimated lifetime of the asset.

3.9 Tangible fixed assets

Tangible fixed assets are measured at acquisition cost, less accumulated depreciations and write downs. When assets are sold or disposed of, the value on the balance sheet is deducted and any profit or loss is entered on the income statement.

Acquisition price for fixed assets is the purchase price including duties/taxes and costs directly associated with preparing the fixed assets for use. Borrowing costs are recognized as part of the acquisition cost to the extent it is directly linked to the purchase of a fixed asset and the manufacturing process is more than 12 months. Costs after the fixed asset has been taken into use, such as continuous maintenance, are entered on the income statement, while other costs that are expected to provide future financial benefit are entered on the balance sheet.

The depreciation plans are based on remaining useful lifetime and scrap value of the fixed assets. These are reassessed at the end of each reporting period.

Plants under construction are classified as fixed assets and are recorded at cost until manufacture or development is completed. Plant under manufacture is not depreciated until the asset is taken into use.

An impairment of fixed assets are recognized if book value is below estimated recoverable amount. The fixed assets are tested for impairment only if there exist indications of impairment. The assessment is carried out at cash generating unit (CGU) level.

Depreciation is calculated on a straight-line basis with the following decomposition and depreciation period:

Type of asset	Significant components	Depreciation period
Office buildings	Building Sprinkling Fire alarm Technical installations	15 - 20 years 10 years 10 years 7 - 10 years
Warehouse	Building only	15 - 20 years
Dryer	Dryers are structured that should be viewed as a whole. Depreciation should be the same for all dryer elements: Building Machine Control Culvert	 10 - 15 years 10 - 15 years 10 - 15 years 10 - 15 years
Machines	Machine Control systems Foundation	10 - 12 years 10 - 12 years 10 - 12 years
Production premises	Building Technical installation Water and drainage Sprinkler system	10 - 15 years Approx. 10 years Approx. 10 years Approx. 10 years
Boiler house	Building Culvert Boiler unit	15 - 20 years 10 - 15 years 10 - 15 years
Fixtures and fittings, tools, office machinery, etc.	No decomposition	4 - 7 years
Vehicles	No decomposition	4 - 7 years
Plots		No depreciation

3.10 Leasing

IFRS 16 requires recognition of right of use assets and leasing obligations on almost all lease agreements, and one no longer distinguishes between financial and operational leases. Initial recognition of both right of use assets and lease obligations are based on the calculation of net present value of the future lease obligation. Right of use assets are accrued linearly over the useful lifetime (normally the same as the leasing period), while the lease obligation in subsequent periods are measured at amortized cost. Hence, the leasing contracts are recognized in the income statement as accruals and interest expenses. Moelven largely owns all buildings and associated machinery used in operations, with a limited exception at individual units. Other than these, the groups lease contracts mainly consists of cars and forklifts. Certain contracts include several lease components, including options for purchases. Recognition of options are assessed according to the probability requirements in IFRS 16 27 d).

Moelven applies the practical solutions cf. IFRS 16 clause 5 a) and b). This concerns contracts of low value, as well as agreements with a shorter term than 12 months. This entails that no balance entry is made of lease agreements that are ended within twelve months after the time of initial application or where the underlying asset is of low value. These contracts are recognized as other administrative expenses.

The simplification rules related to contractual changes due to COVID-19 has not been relevant for Moelven.

3.11 Intangible assets

Intangible assets acquired separately are entered on the balance sheet at cost. The cost of intangible assets acquired through acquisitions are recognized in the consolidated financial statements at fair value at the acquisition date. Intangible assets entered on the balance sheet are entered in the accounts at cost less any depreciation or write down.

Internally generated intangible assets, with the exception of recognised development costs, are not entered on the balance sheet but are entered as costs on an ongoing basis.

Useful lifetime is either predetermined or non-predetermined. Intangible assets with a predetermined limited economic useful life are depreciated over this period and tested for write down if there are indications of impairment. Depreciation method and period are assessed at least annually. Changes in depreciation method and/or period are treated as estimate changes.

Intangible assets with indefinite useful lives are tested for impairment at least yearly.

Intangible assets with indefinite useful life are not depreciated. The useful life is assessed annually to determine whether the assumption of indefinite useful life is reasonable. If not, a change is made to predetermined useful life prospectively.

Software

Costs relating to the purchase of new software are entered on the balance sheet as an intangible asset as long as these costs are not part of the acquisition cost of hardware. Software is normally depreciated on a straight line basis over 3 years. Costs arising as a result of maintaining the future usefulness of software are entered as costs if the changes to the software do not increase the future financial benefit of the software.

3.12 Business combinations, goodwill and non-controlling interests

Business combinations are entered in accordance with the acquisition method. Transaction costs are entered on the income statement as they occur.

Remuneration for the purchase of a company is measured at fair value on the date of acquisition.

When a company is purchased, all assets and obligations taken over are assessed for classification and assignment in accordance with contract conditions, economic circumstances and relevant conditions on the date of acquisition. Assets and debts taken over are recognised on the balance sheet at fair value on the consolidated opening balance unless IFRS 3 indicates that other measurement rules shall be used.

Allocation of added value in business combinations is amended if new information arises regarding fair value on the date of taking control. Allocation can be changed up to 12 months after the date of acquisition if this is specified at the time of acquisition. The non-controlling interest are calculated as the minorities' percentage of identifiable assets and debts.

In the case of step by step acquisition, earlier assets are measured at fair value on the date of acquisition. Changes in the value of earlier assets are entered on the income statement.

Goodwill is calculated as the sum of the remuneration and book value of the non-controlling interest and fair value of previously owned assets, less the net value of identifiable assets and obligations calculated on the date of acquisition. Goodwill is not depreciated but tested at least annually for loss in value.

If the net value of identifiable assets and obligations calculated on the date of acquisition exceeds the remuneration (negative goodwill), the difference will be recognized at the acquisition date.

Minority interests in the consolidated financial statements represent the minority's share of the carrying value of equity. In a business combination, non-controlling interest are measured according to their proportionate share of identified assets and debt.

The subsidiary company's results, as well as the individual components of other income and costs, are attributable to owners of the parent company and the non-controlling interest. The total result is attributed to the parent company's owners and to the non-controlling interest, even if this leads to a negative minority interest.

3.13 Public grants

Public grants are entered in the accounts when there is reasonable certainty that the company will fulfil the conditions associated with the grants. Recognition of operational grants is calculated systematically over the grant period. Grants are recognised as deductions from the cost that the grant is intended to cover. Investment subsidy is entered on the balance sheet in a systematic way over the life cycle of the asset. Investment subsidy is entered either as deferred income or as a deduction when determining the value of the asset on the balance sheet.

3.14 Financial instruments

In accordance with IFRS 9 Financial Instruments, financial assets are classified as measured at amortised cost, measured to fair value over other income and expenses or to fair value through profit or loss. Financial liabilities are classified as measured at amortised cost or fair value through profit or loss.

Financial assets

The main principles in IFRS 9 for classification of financial assets are:

- Equity based instruments are always measured at fair value through profit and loss unless the company designates any such instruments as fair value through OCI. Moelven does not use this option.
- Derivatives are measured at fair value through profit and loss. However derivatives could be designated as hedging instruments if

certain requirements are fulfilled. Moelven has not designated any derivatives as hedging instruments during 2023 or 2022.
- Classification of debt based instruments depends on two tests. Whether the related cash flows are solely payments of interest and principal. And whether Moelven holds these instruments solely to receive contractual cash flows or also intends to sell. Debt based instruments held by Moelven per 2023 and 2022 are held to receive contractual cash flows of interest and principal payments only. Hence they are classified as measured at amortised cost.

Financial liabilities
Financial liabilities are measured at amortised cost except for financial liabilities held for trading purposes (not applicable for Moelven per 2023 or 2022), or financial liabilities designated as fair value through profit and loss (not applicable for Moelven per 2023 or 2022).

Fair value measurement
The fair value of financial instruments that are traded in active markets is determined at the end of the reporting period by referring to the listed market price from traders of financial instruments (buying rate for long positions and selling rate for short positions), without deduction for transaction costs.

For financial instruments that are not traded in an active market, the fair value is determined with the aid of a suitable valuation method. Such valuation methods involve the use of recent market transactions at arm's length between well-informed and voluntary parties, if such are available, referral to the current fair value of another instrument that is practically the same, discounted cash flow calculation or other valuation model.

An analysis of fair value of financial instruments and other details regarding the measurement of these is given in the note 24.

3.15 Derivatives, hedging and accounting
The group performs financial hedging transactions using financial derivatives. On the basis of an assessment of cost and benefit of hedge accounting in accordance with IFRS 9, it has been decided that the group does not perform hedge accounting.

Financial derivatives that are not recognised as hedging instruments are classified and assessed at fair value through profit or loss. Changes in fair value are entered on the income statement on an ongoing basis.

An inbuilt derivative is separated from the host contract and recognised as a derivative if and only if all the following conditions are fulfilled:

- The financial characteristics and the financial risk of an inbuilt derivative are not closely related to the financial characteristics and the financial risk of the host contract.
- A separate instrument with the same conditions as the inbuilt derivative would have satisfied the definition of a derivative.
- The combined instrument (main contract and inbuilt derivative) is not measured at fair value through profit or loss.

3.16 Impairment of financial assets
For financial assets assessed at amortised cost, a loan loss provision is recognised based on expected credit loss. The loan loss provision is subsequently measured at each reporting time at an amount corresponding to expected credit loss in the lifetime, if the credit risk for the financial instrument has significantly increased since initial recognition. If the credit risk has not increased significantly since initial recognition, the loan loss provision is measured at an amount that corresponds to the expected credit loss over twelve months. Accounts receivable or contractual assets arising from transactions that are subject to IFRS 15, must always be measured on the basis of expected credit loss in the lifetime. The cumulative changes to expected credit loss in the lifetime is recognised in the result at each reporting time as profit or loss in the event of loss in value.

3.17 Inventory
Inventory is recognised on the income statement at the lower of acquisition cost or net sales price. Net sales price is an estimated sales price for ordinary operations minus estimated costs for completion, marketing and distribution. Acquisition cost is allocated by use of the FIFO method and includes expenses accrued when acquiring the goods and the costs of bringing the goods to their current condition and location. Proprietary goods include variable and fixed costs that can be allocated based on normal capacity utilisation.

3.18 Cash and cash equivalents
Cash includes cash holdings and bank deposits. Cash equivalents are short term liquid investments that can be immediately converted into a known amount of cash and that have a maximum of 3 months to maturity.

In the cash flow statement, the bank overdraft has been subtracted from the balance of cash and cash equivalents.

3.19 Equity
Own shares
On repurchase of own shares, the purchase price including immediate costs is entered as a change in equity. The nominal value of treasury shares is presented on a separate line below share capital, while payment in excess of nominal value reduces other equity. Losses or gains on own share transactions are not entered on the income statement, but are offset against equity.

Costs of equity transactions
Transaction costs directly associated with equity transactions are entered directly to equity after deduction for tax.

Other equity
Translation differences Translation differences arise in conjunction with currency differences on consolidation of foreign units.

Currency differences on monetary items (liability or receivable) that are in reality part of a company's net investment in a foreign unit are also entered as translation differences.

For disposal of foreign units the accumulated translation difference associated with the unit is reversed and entered on the income statement for the same period as the profit or loss on the disposal is entered on the income statement.

3.20 Pensions
The Group's Norwegian companies:
All Norwegian companies have collective, contribution-based pension schemes. The contribution-based scheme provides coverage for disability. Pension premiums are entered as costs as they occur. The company's collective defined benefit scheme was terminated in 2015 by issuing paid-up policies. All new employees are included in the defined contribution scheme. A few defined benefit schemes remain for a limited number of individuals. The closed schemes are defined benefit plans that give the employees entitlement to agreed future pension benefits. The benefits are based on the number of years of earning and pay level on retirement.

The Group's foreign companies:
Many of the group's foreign companies offer their employees pensions based on agreed individual contribution-based pension schemes. In Sweden, most employees are covered by a collective occupational pension agreement. The scheme is defined as a multi-employer plan. Salaried staff born before 1979 are included in an individual occupational pension scheme that is also defined as a defined benefit plan. Because of the difficulty of reliably measuring the benefit level of these plans, there is insufficient information on an individual basis to enter the plans in the accounts as defined benefit schemes. The plans are entered as if they were contribution-based schemes. Salaried staff born after 1979 are included in an occupational pension scheme that is premium based and is therefore treated in the accounts as contribution-based.

Defined contribution pension scheme
In 2015 defined contribution schemes were converted to defined benefit schemes for all Norwegian employees of Moelven. The contribution to the pension scheme comprises from 4.2 % to 21.7% of salary. Pension premiums are entered as costs as they occur.

Defined-benefit pension schemes
Defined-benefit pension schemes are valued at present value of the future pension benefits that have been earned on the date of balance. Pension funds are valued at fair value.

Changes in defined-benefit pension commitments that are due to changes in pension plans are distributed over the estimated average remaining earnings period. Pension funds are valued at fair value. Changes in defined-benefit pension commitments that are due to changes in pension plans are distributed over the estimated average remaining earnings period. The period's net pension costs are classified as payroll and personnel costs.

Gains and losses on the curtailment or settlement of a defined-benefit pension scheme are recognised on the income statement on the date the curtailment or settlement occurs.

Curtailment occurs when the group decides on a significant reduction in the number of employees covered by a scheme or changes the conditions for a defined-benefit pension scheme so that a considerable part of the present employees' future earning no longer qualifies for benefits or only qualifies for reduced benefits.

3.21 Provisions
A provision is recognised when the group has an obligation (legal or self-imposed) as a result of an earlier event, it is probable (more probable than not) that a financial settlement will take place as a result of this obligation and the amount can be reliably measured. If the effect is considerable, the provision is limited by discounting anticipated future cash flow by using a discount rate before tax that reflects the market price of the monetary value and, if relevant, the risk associated with the specific provision.

A provision for guarantees is included when the underlying products or services are sold. Calculation of the provision is based on historical information on guarantees and a probability weighting of possible outcomes.

Provisions for restructuring costs are included when the group has approved a detailed and formal restructuring plan.

3.22 Conditional liabilities and assets
Conditional liabilities are not recognised in the annual accounts. Significant conditional liabilities are noted, with the exception of conditional liabilities where the probability of the liability is low.

A conditional asset is not recognised in the annual accounts, but is reported where it is probable that a benefit will accrue to the group.

3.23 Events after the balance sheet date
New information about the company's financial position on the balance date that arises after the balance date is taken in to consideration in the annual accounts. Events after the balance date that do not affect the company's financial position on the balance date, but which will influence the company's financial position in the future, are reported if they are significant.

3.24 Currency exchange rates
The following exchange rates against the Norwegian kroner (NOK) have been used in consolidating the accounts.

	2023	2022
Swedish krone (SEK)		
Income statement rate	0.9960	0.9506
Balance sheet rate	1.0130	0.9453
Danish krone (DKK)		
Income statement rate	1.5332	1.3579
Balance sheet rate	1.5082	1.4138
Euro (EUR)		
Income statement rate	11.4242	10.1021
Balance sheet rate	11.2405	10.5138
British pound (GBP)		
Income statement rate	13.1361	11.8471
Balance sheet rate	12.9342	11.8541

Income statement rate is an average rate for the year.
Balance sheet rate is the closing rate as of 31.12.

Note 4 | Critical accounting estimates and judgements

In preparing the annual accounts in accordance with IFRS, the company's management have used estimates based on good faith and assumptions which are believed to be realistic. Situations or changes may arise which may mean that such estimates require adjustment and thereby affect the company's assets, debt, equity or profit and loss.

The company's most important accounting estimates relate to the following:

- **Remaining useful lifetime and depreciation on tangible fixed assets**
  Anticipated useful life of the company's production equipment is affected by the technological development and profitability of the plant. Choice of depreciation period is an estimate based on judgement.

- **Fair value of tangible assets when indications of impairment are present**
  Management performs an annual assessment of indications of impairment on tangible assets. The assessment is made per cash flow generating unit (CGU). If indications of impairment are present management prepares an impairment test to assess book values against the higher of value in use and sales value after sales expenses. The calculation is based on several assumptions made by management.

- **Valuation of inventory**
  If there are indications of a fall in value, the inventory in the subsidiaries must be tested for value loss. Book value is then compared with estimated net sales value. Management must take many things into account when making this estimate.

- **Project valuations**
  Project assessment is dependent on estimates of degree of completion, anticipated final status, any loss projects, guarantee obligations and claims. The managements of the subsidiaries within Building Systems use figures based on experience, among others, in preparing the estimates.

Note 5 | Financial risk management

Risk management principles and processes
The Moelven Group's operations entail various forms of financial risk. The group has designed a financial policy whose main purpose is to reduce risk and establish predictable financial framework for the industrial operations. Financial risk is managed by the finance department of Moelven Industrier ASA in collaboration with the various operational unit, in a cost-effective manner. The adopted policy should minimize the potentially negative effects the financial markets may have on the group's cash flow. The financial guidelines are primarily based on the concept that it is the industrial operations, rather than financial transactions, that should ensure profitability. The most important financial risks and the principles for the finance department are described below.

5.1 – Market risk

The market risk is the risk that a financial instrument's fair value or future cash flow will fluctuate as a result of changes in market prices. Market risk includes three types of risk: currency exchange rate risk, interest rate risk and other price risk.

5.1.1 – Foreign currency - transaction risk

Transaction risk means the exchange rate risk that is caused by the possibility of exchange rate changes in the period between the time a transaction in foreign currency is agreed and the time of settlement. The Group's operating revenues from markets outside Scandinavia vary somewhat from year to year. Over the past three years, the proportion of sales outside Scandinavia has increased from a level of 15 - 16 percent to 26 percent in 2023. The companies import raw materials and finished goods to both Sweden and Norway. There is also significant trade both within the group and externally between Sweden and Norway. The key currencies are EUR, GBP and SEK, but the Moelven Group is also exposed to DKK, USD and CHF.

In accordance with the group's financial policy, cash flow fluctuations as a result of variation in exchange rates must be kept within a defined outcome area through the use of hedging instruments. Currency terms are primarily used. All hedging in the group shall be done by the group's central financial department in Moelv, both internally for the group companies and net exposure externally. Norwegian subsidiaries hedge against NOK, Swedish subsidiaries against SEK. Results from Swedish subsidiaries are included as part of net investment in foreign subsidiaries and are not hedged for exchange rate fluctuations in compliance with the current finance policy.

Sensitivity - foreign currency
The table below shows the transaction volume for the main currencies in 2023 and 2022. The group does not use hedge accounting, and the equity effect of changed market values for currency hedges therefore corresponds to the ordinary result after taxes. The effects of changed competitiveness due to exchange rate changes are not included in the sensitivity analysis.

Transaction risk and hedges in the main currencies in 2023

NOK mill	EUR	GBP	DKK	USD	Andre
Operating revenues	1,670	715	162	277	2
Operating expenses	804	36	174	52	0
Net exposure	**865**	**679**	**-12**	**225**	**2**
Hedging volume as at 31.12.2023 maturing <12 months	122	65	22	42	0
Hedging ratio as at 31.12.2023 for the next 12 Months	**14%**	**10%**	**100%**	**19%**	**0%**

Transaction risk and hedges in the main currencies in 2022

NOK mill	EUR	GBP	DKK	USD	Andre
Operating revenues	1,873	874	135	285	4
Operating expenses	814	21	135	65	0
Net exposure	**1,059**	**854**	**0**	**221**	**4**
Hedging volume as at 31.12.2022 maturing <12 months	243	141	9	77	0
Hedging ratio as at 31.12.2022 for the next 12 months	**23%**	**16%**	**-4%**	**35%**	**0%**

5.1.1 – Currency - transaction risk (cont.)

In addition to the exposure shown in the above tables, the group has an annual exposure in SEKNOK corresponding to approximately NOK 280 million. The exposure is due to net export from Swedish group companies to Norway, and is currency hedged in the usual manner at the company level. Since a large proportion of the group's total production takes place in Sweden, the group also has significant costs in Sweden. Net profit from the Swedish subsidiaries are included in retained earnings, and the currency risk arising in connection with these units' operating income and expenses are taken into account the risk related with the risk of conversion to equity.

The table below shows sensitivity in the results before tax to exchange rate changes when all other conditions remain unchanged. The calculations are on the basis of rate changes being constant for the whole year. The effects of currency hedging, changes in the market value of financial hedging instruments and revaluing of balance sheet items have not been taken into account.

Profit before tax: estimated effects from FX changes

			NOK decrease 1 %		NOK decrease 10 %		NOK increase 1 %		NOK increase 10 %	
	Avrage FX rate 2023	Net exposure in NOK	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)
Movement EURNOK	11.42	865	11.54	8.65	12.57	86.51	11.31	-8.65	10.28	-86.51
Movement GBPNOK	13.14	679	13.27	6.79	14.45	67.90	13.00	-6.79	11.82	-67.90
Movement DKKNOK	1.53	-12	1.55	-0.12	1.69	-1.17	1.52	0.12	1.38	1.17
Movement SEKNOK	1.00		1.01	0.00	1.10	0.00	0.99	0.00	0.90	0.00

The market value of financial derivatives used for currency hedging depends on the balance sheet exchange rate in relation to the hedging rates that have been achieved. Changes in market value will result in an unrealized gain or loss and be recognized as financial cost. The table below shows how the ordinary result before taxes would have been affected by a change in the balance sheet date. The calculation is made on the basis of actual hedging volumes in the specified currencies per 31.12.2023.

Fair value of financial instruments per 31.12: Estimatet effects from FX rate movements

			NOK decrease 1 %		NOK decrease 10 %		NOK increase 1 %		NOK increase 10 %	
	FX rate per 31.12	Hedge volume 31.12	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)	FX rate after movement	Net gain (losses)
Movement EURNOK	11.42	94	11.54	-129.21	12.57	-117.46	11.31	129.21	10.28	117.46
Movement GBPNOK	13.14	65	13.27	-148.57	14.45	-135.06	13.00	148.57	11.82	135.06
Movement DKKNOK	1.53	22	1.55	-17.34	1.69	-15.76	1.52	17.34	1.38	15.76
Movement SEKNOK	1.00	280	1.01	11.26	1.10	10.24	0.99	-11.26	0.90	-10.24

5.1.2 – Currency translation risk

In this context, translation risk means exchange rate risk due to the balance sheet including items that are denominated in a foreign currency. For the group companies, this translation risk is eliminated in that financing shall occur in the same currency as the asset is entered in the accounts.

About half of the group's total balance sheet is connected to activities in Sweden. The balance sheet figures will therefore be affected by the prevailing exchange rate between the Swedish and Norwegian kroner. A large part of equity is secured against fluctuations as the share investment in most of the group's Swedish subsidiaries is financed in Swedish kroner.

The table below shows the effect on consolidated equity by a change in the exchange rate of +/- 10 percent:

Amounts in NOK million	2023	2022
10 % movement SEK/NOK	254	245
10 % movement EUR/NOK	15	12
10 % movement DKK/NOK	1	1
10 % movement GBP/NOK	30	23
Total effect	**300**	**281**

5.1.3 – Interest rate risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market interest rates. The Group's net interest-bearing debt is subject to interest rate risk. The group companies are to be funded with internal loans from the parent company in the currency that is the subsidiary's local currency. This essentially means either NOK or SEK. All external borrowing is done by the parent company, which also makes hedging in accordance with financial policy. Hedging instruments that can be used is interest rate swaps, FRAs and complex basis swap. The extent of hedging is measured in terms of the combined duration of outstanding debt and hedging activities. The total duration should be minimum of 12 months and maximum 60 months. Interest rate hedging agreements with a maturity of more than 10 years shall not be entered.

In 2023, the Group maintained solid liquidity. Pursuant to the financial policy, part of the debt is secured against interest rate fluctuations through the use of financial hedging instruments. Interest rate swaps are the main instrument. Unrealized market value changes of interest rate instruments are recognized in the profit and loss account, but do not affect the cash flow. The unrealized market value of interest rate instruments is tied to the remaining term of the instrument, which according to the group's finance policy may be up to 10 years.

5.1.4 - Other price risk

Other price risk is the risk that a financial instrument's fair value or future cash flow will fluctuate because of changes in market prices (apart from changes that are due to interest rate risk or exchange rate risk), regardless of whether these changes are caused by factors that are specific for the individual financial instrument or the instrument's issuer, or by factors that affect all corresponding financial instruments that are traded in the market.

The price of electric power is an important factor that affects the group's profitability. The group's total consumption of electrical power in 2023 was ca. 219 GWh. According to the group's financial policy, the need for electric power shall be secured against price fluctuations to ensure stability and predictability. The anticipated power requirement is hedged within stated maximum and minimum levels by forward buying on Nasdaq OMX with a 5 year maximum horizon.

The price of electric power is denominated in EUR. The group's power costs are therefore affected by both price changes and exchange rate changes. The market value change for energy hedges that can be attributed to exchange rate changes is treated as an embedded currency derivative. The value is included in the group accounts, while the actual supply contracts are kept outside pursuant to IFRS 9 (own use exemption). The value (including off-balance) as at 31.12.2023 amounted to NOK 18 million (247 million) The group's annual electricity consumption has been relatively stable, apart from increases caused by business combinations.

The table below illustrates the effects on profit before tax of a change in the electricity price of +/- 1 EUR per MWh at different exchange rate levels for EURNOK.

	Consumption	Residual effect	Effect on profit before tax provided EURNOK		
Amount in NOK million	**Consumption**	**in EUR 1000**	**11,00**	**11,25**	**11,50**
Increase in the price of 1 EUR / MWh	219	-218.9	-2.4	-2.5	-2.5
Hedged share of consumption upcoming year	81%	177.3	2.0	2.0	2.0
Sensitivity taking into account hedging		**-41.6**	**-0.5**	**-0.5**	**-0.5**

The effect on ordinary profit before tax of exchange rate changes on the total consumption per year is shown in the table below:

	Consumption	Price		EURNOK	
Amount in NOK million	**Consumption**	**EUR/MWh**	**11,00**	**11,25**	**11,50**
Yearly consumption	219	60	144.5	147.8	151.1
Changes in the cost of currency change EURNOK from 11				**3.3**	**6.6**

The table below shows the sensitivity to changes in the price level for elctricity forward contracts at Nasdaq OMX. The starting point is hedged volume per 31.12.2023 and provided that the price curve for futures contracts changed with 1 EUR / MWh.

	Hedged vol.	Value in		EURNOK	
Amount in NOK million	**i GWh**	**in EUR 1000**	**11,00**	**11,25**	**11,50**
Hedging according to IFRS 9 relating to own use (consumption in Norway and Seden)	445	26.7	4.9	5.0	5.1

* Assuming EUR 60/MWh

5.1.5 – Liquidity risk

Liquidity risk means risk that the company will have difficulties in fulfilling financial obligations that are settled with cash or another financial asset.

The group's external capital funding consists of a long-term credit facility maturing in May 2025, a loan of NOK 133.3 mill maturing in June 2027 and short-term credit facilities of NOK 300 million.

The agreements include general default clauses on minimum equity ratio of 30 per cent, net equity value of NOK 1.1 billion and debt ratio of a maximum 1.0. As at 31 December 2023, the Group's key figures were significantly above the agreed levels. Long-term cash flow forecasts are prepared in connection with the strategy and budget process. The finance department monitors the utilisation of the credit facilities against the long-term liquidity needs, to ensure that the group has sufficient long-term financing to carry out operation and development of the group in accordance with the current strategy plan.

Short-term cash flow forecasts are prepared at the company level and reported weekly to the group's finance department, which aggregates the forecasts and monitors the group's total liquidity requirements. Based on these forecasts, the finance department ensures that the group has sufficient and reasonable cash equivalents available to meet operational obligations. Surplus liquidity is used for amortization of long-term debt. Short-term investments are made exceptionally.

Due to the annual seasonal variation in raw material access and market activity, the group's net working capital varies by apprx. NOK 1,000 million from its highest level in May/June to its lowest in December.

Maturity structure

	Book value	Cash flows per year					
NOK mill	**31.12.2023**	**0-2 md**	**3-12 md**	**2025**	**2026**	**2027**	**2028 +**
Debt to credit institutions	133	10	29	38	38	19	-
Leases*	140	7	37	33	28	19	16
Long-term contracts	**273**	**17**	**65**	**71**	**66**	**38**	**16**
Liabilities to suppliers	1,048	1,048					
Financial derivatives*	14						
Total contracts with annual renewal	**1,062**	**1,048**	**-**	**-**	**-**	**-**	**-**

*See maturity structure of nominal values in note 24.2.

Long-term interest-bearing debt by currency

NOK million	2023	2022
NOK	133	169
Total	**133**	**169**

5.1.6 – Refinancing risk

Refinancing risk is the risk of difficulties arising in refinancing the group's long-term liabilities. In accordance with the group's financial policy, the remaining time to maturity of the group's main financing shall be a minimum of 1 year. Therefore, the Group started the refinancing process in the fall of 2023. The group's long-term financing is syndicated loans from a few selected financial institutions which the group has cooperated closely with for an extended period. The background for this is the significance of these financial institutions' focus on the mechanised wood industry, combined with industry competence and knowledge of risk profiles and seasonal and other fluctuations. The present financing has been taken up with negative pledge declaration and default clauses linked with key figures on the balance sheet. The loan agreements do not contain any profit-related default clauses.

5.1.7 – Credit risk

Credit risk arises in transactions with settlements ahead in time. For the Moelven Group this mainly concerns transactions with customers and suppliers, in addition to trading in financial derivatives and deposits in banks and financial institutions.

As a general rule, the group only enters into financial transactions with financial institutions that participate in the long-term financing of the group. None of these has a credit rating poorer than A with the major credit rating agencies. The group has corresponding principles in relation to bank deposits and purchasing of financial services.

In accordance with the group's financial policy, credit is only given against satisfactory security. This mainly means credit insurance or warranties, but letter of credit, advance payments and offsetting are also used. The group's framework agreements for credit insurance and guarantees are with counterparties recognized in the market and with an A credit rating.

In certain cases it is not possible to obtain satisfactory security for credit sales. A function has therefore been established for determining internal credit limits and follow-up of credit sales.

The group has consideres accounts receivable and contractual assets on the basis of an "expected credit loss model" in accordance with IFRS 9. Refer to note 3 and 17 for a further description and effect on the consolidated accounts.

Of the group's total capitalized receivable, the use of the various forms of hedging against credit risk are distributed as follows:

Credit insuranc	approx. 75%
Guarantees	approx. 10%
Cash advances, offset agreements,etc.	approx. 5%
Letters of credit, etc.	< 1%
Unsecured acc, credit policy	< 1%
Other	approx. 9%

5.2 – Risk related to asset management

The rule of thumb in the group's dividend policy indicates that a cash dividend corresponding to 50 per cent of net profit, albeit a minimum of 40 øre per share. Considerations to the company's financial position and other capital sources must always be satisfactorily maintained.

The equity ratio goal is a minimum of 40 per cent, a level that is appropriate in light of the economic fluctuations that have been seen in recent years. In addition, Moelven's operations have a seasonal requirement for working capital that cause great variations in the equity ratio.

The group has an objective of a debt ratio of 0.50 for a normal seasonal balance. In accordance with the current loan agreement, the debt ration cannot exceed 1.00. The debt ratio is calculated by dividing net interest-bearing debt by equity.

NOK million	2023	2022
Interest-bearing debt	410	260
Interest-bearing assets	229	1,340
Net interest-bearing liabilities	**181**	**-1,079**
Total equity	4,490	4,737
Liabilities/equity	0.04	-0.23

Note 6 | Operating segments

6.1 – Main figures for the group and operating segments

Criteria for division

The divisions are divided in accordance with Moelven's three core activities: Timber (industrial goods), Wood (construction materials) and Building Systems (projects). There is also a division named "Other" in which the remaining units are placed. The divisions are built up around independent subsidiaries with activities clearly defined within the divisions. All transactions between the divisions are conducted on normal commercial terms. The split into divisions differs from the formal legal ownership structure.

Group management represents the group's decision maker. The operating segments are managed by their peculiarity.

The segments are divided in accordance with who the customers are. Timber has mainly industrial customers, Wood has mainly end users and building product chains as customers and Building Systems has customers in the contracting sector. The others are the remaining companies, mainly the parent company, timber supply and bioenergy.

In Timber and Wood especially, there is a great deal of collaboration between segments, but there are internal transactions between all four segments. Transactions between the segments are agreed on the arm's length principle. Income from customers outside the segment is reported to group management according to the same principles as the consolidated income statement.

Group management is mostly focused on the following key figures: Sales income, profit margins, net operating capital, employed capital and returns on employed capital, interest-bearing debt and investments. In addition, the development of sickness absence and injury statistics is carefully monitored.

The accounting principles that form the basis for segment reporting are the same as those used for consolidated accounting and are described in note 3.

Principal figures	The Group		Timber		Wood		Building Systems		Other	
Amounts in NOK million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Sales to external customers	12,936	14,439	3,136	4,121	4,452	5,248	3,561	3,829	1,787	1,241
Sales to internal customers	0	0	940	824	305	280	9	3	3,697	3,501
Operating revenues	12,936	14,439	4,075	4,944	4,757	5,528	3,570	3,833	5,484	4,741
Gross operating profit (EBITDA)	708	2,106	265	1,239	197	757	236	84	5	-31
Depreciation and impairment	327	350	106	106	117	112	64	69	40	62
Operating profit	381	1,756	159	1,132	80	645	172	15	-35	-93
Financial income	-3	74	25	15	58	45	19	6	-68	14
Financial costs	-50	-77	-9	-14	-74	-33	-11	-9	8	-28
Profit before tax	329	1,754	175	1,133	64	658	179	13	-95	-107
Operating margin in per cent	2.9 %	12.2 %	3.9 %	22.9 %	1.7 %	11.7 %	4.8 %	0.4 %	-0.6 %	-2.0 %
Cash flow from operating profit	708	2,106	265	1,239	197	757	236	84	5	-31
Fixed assets	3,270	2,343	1,026	755	1,369	932	357	337	514	318
Inventory	1,945	2,111	538	523	1,176	1,267	211	241	31	96
Accounts receivable	1,474	1,593	256	270	534	564	450	577	235	181
Accounts payable	986	915	334	237	320	346	223	250	599	363
Projects net	52	16	0	0	0	0	52	16	0	0
Net operating capital (% of operating revenues)	19.0 %	19.4 %	14.7 %	12.1 %	30.3 %	27.4 %	13.1 %	15.3 %	-0.6 %	2.5 %
Total assets	7,710	7,904	2,497	2,907	3,908	3,392	1,795	1,775	3,199	3,344
Interest bearing liabilities	410	260	141	38	1,124	355	141	199	46.7	-21
Interest free liabilities	2,811	2,906	736	1,361	982	1,387	950	898	1,198	923
Capital employed	4,899	4,998	1,761	1,545	2,926	2,005	845	877	2,001	2,421
Return on capital employed	8.4 %	35.6 %	10.8 %	56.4 %	3.9 %	28.7 %	21.0 %	2.2 %	-1.9 %	-5.5 %
Equity	4,490	4,737	1,620	1,508	1,803	1,650	704	678	1,954	2,443
Equity ratio	58.2 %	59.9 %	64.9 %	51.9 %	46.1 %	48.6 %	39.2 %	38.2 %	61.1 %	73.0 %
Investments	1,085	501	289	177	514	234	65	36	219	54
Number of full-time equivalents	3,256	3,332	664	653	1,078	1,084	1,310	1,408	204	187
Sick leave in %	6.8 %	6.7 %	6.1 %	6.2 %	6.1 %	6.7 %	8.2 %	7.4 %	2.4 %	2.8 %
LTI1 value	6.0	8.0	3.8	11.6	4.1	4.7	9.1	9.8	3.3	0.0

Reconciliation between reported segments operating revenues, profit before tax, assets and liabilities and other significant conditions

	2023	2022
Operating revenues		
Operating revenues for reported segments	17,887	19,047
Elimination of internal transactions	-4,951	-4,608
Consolidated operating revenues	12,936	14,439
Profit before tax		
Annual profit from reported segments	324	1,697
Elimination of internal transactions	5	57
Consolidated profit before tax	329	1,754
Assets		
Total assets from reported segments	11,399	11,418
Elimination of internal transactions	-3,689	-3,515
Consolidated total assets	7,710	7,904
Liabilities		
Total liabilities from reported segments	5,319	5,140
Elimination of internal transactions	-2,098	-1,974
Consolidated total liabilities	3,220	3,166

6.2 – Geographical segments

The presentation of geographical segments shows operating revenues based on the geographical location of the customers.

Amounts in NOK million	2023	2022
Norway	4,208	5,445
Sweden	5,328	5,300
Denmark	537	610
United Kingdom	720	859
Germany	381	387
Other Europe	999	976
Asia	335	534
Africa	286	288
Other countries	142	39
Total	**12,936**	**14,439**

No customers represents more than 10 % of income.

Presentation of number of employees, fixed assets, employed capital and investments is shown based on geographical location of the assets.

	Number of employees		Fixed Assets		Capital employed		Investments	
Amounts in NOK million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Norway	1,592	1,700	1,353	1,177	2,368	2,539	347	215
Sweden	1,650	1,620	1,913	1,165	3,634	3,123	739	286
Denmark	3	3	0	0	5	4	0	0
England	7	5	0.1	0.1	23	19	0	0
Germany	4	4	0	0	14	12	0	0
Internal					-1,146	-700		
Total	**3,256**	**3,332**	**3,270**	**2,343**	**4,899**	**4,998**	**1,085**	**501**

Note 7 | Sales income

Revenue from contracts with customers is discussed in note 3, section 3.5. In the following table the group's operating revenue is divided into geographic markets, customer types and times of recognition.

The table further shows a reconciliation towards the group's operating segments, as they emerge in note 6.

	Reporting segment									
	Timber		Wood		Building Systems		Other		The Group	
Amounts in NOK million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Geographic market										
Norway	359	567	1,912	2,559	1,490	1,745	359	509	4,142	5,402
Sweden	351	739	1,672	1,937	1,871	1,887	1,359	693	5,244	5,258
Other European countries	1,879	2,034	544	601	183	189	0	-	2,594	2,809
Rest of the world	526	775	227	88	-	-	-0	0	751	855
Total	**3,114**	**4,116**	**4,355**	**5,185**	**3,544**	**3,822**	**1,718**	**1,202**	**12,731**	**14,324**
Customer type										
Industrial customers	3,114	4,115	807	1,480	144	169	1,427	921	5,491	6,684
Building products chains / Retailers	0	0	3,199	3,422	218	231	0	-	3,417	3,653
Contractors/Developers	-	-	194	189	1,878	2,120	-	-	2,073	2,309
Other customers	0	-0	155	94	1,305	1,302	291	282	1,751	1,677
Total	**3,114**	**4,116**	**4,355**	**5,185**	**3,544**	**3,822**	**1,718**	**1,202**	**12,731**	**14,324**
Fulfilment of delivery obligation										
A specific time	3,114	4,116	4,355	5,185	361	400	1,718	1,202	9,549	10,902
Over time					3,183	3,422			3,183	3,422
Total	**3,114**	**4,116**	**4,355**	**5,185**	**3,544**	**3,822**	**1,718**	**1,202**	**12,731**	**14,324**
Other operating revenue (outside IFRS 15), external	21	5	96	63	17	8	69	38	204	114
External operating revenue as stated in Note 6	**3,136**	**4,121**	**4,452**	**5,248**	**3,561**	**3,829**	**1,787**	**1,241**	**12,936**	**14,439**

Recognised operating revenue and costs where the delivery obligation is met over time *

Amounts in NOK million	**Note**	**2023**	**2022**
Consolidated operating revenues		1,794	2,229
Accumulated accured expenses		1,434	1,981
Accumulated contributions		**347**	**248**
Recognised loss from loss of value on contractual assets		-	-
Contractual asset (Earned, not invoiced income)	17, 24	145	132
Contractual obligation (Advance payment from customer)	24	94	115
Other accruals related to contracts with customers (+ obligation / - asset)		22	-2

* Projects in production, not handed over to customer

For projects that are directed by outside companies, invoicing is performed monthly with payment terms from the contract. Invoicing is normally done in line with the completion of the work, but there are also payment schedules that do not correspond to progress in the delivery obligation.

For projects, income are scheduled. Income that has been earned but not yet invoiced is entered under the contractual assets item. Invoiced income that has not yet been earned (forward payment plans) is entered under the contractual obligation item. Only one of these items is used per contract. Thus each contract shows either net receivable for the customer or net liability to the customer. The entire opening balance for contractual obligations is recognised as operating revenue in the reporting period. Operating revenue in the reporting period based on fulfilled delivery obligations in earlier periods is not recognised.

Note 8 | Fixed assets

Amounts in NOK million	**Plots**	**Buildings and other property**	**Machinery and plant**	**Fixtures and fittings, tools etc.**	**Total**
Acquisiton value as at 31.12.2021	**139**	**1,556**	**5,219**	**338**	**7,251**
Acquisitions	11	120	335	36	501
Disposals	0	0	0	-6	-6
Transfers	0	15	-19	2	-2
Translation differences	-1	-16	-67	-3	-87
Acquisiton value as at 31.12.2022	**149**	**1,675**	**5,467**	**367**	**7,657**
Accumulated ordinary depreciations 31.12.2021	0	990	3,854	309	5,152
Disposals accumulated depreciations	0	0	0	-6	-6
Depreciations for the year	0	55	217	19	291
Impairment for the year	0	0	6	12	18
Translation differences	0	-8	-45	-3	-56
Accumulated ordinary depreciations 31.12.2022	**0**	**1,037**	**4,031**	**332**	**5,400**
Book value 31.12.2021	139	566	1,365	29	2,099
Book value 31.12.2022	**149**	**638**	**1,436**	**35**	**2,257**
Acquisiton value as at 31.12.2022	**149**	**1,675**	**5,467**	**367**	**7,657**
Acquisitions	0	438	636	11	1,085
Disposals	0	-2	-6	-3	-11
Transfers	0	-1	-2	3	1
Translation differences	3	48	169	8	228
Acquisiton value as at 31.12.2023	**152**	**2,158**	**6,265**	**386**	**8,961**
Accumulated ordinary depreciations 31.12.2022	0	1,037	4,031	332	5,400
Disposals accumulated depreciations	0	0	4	0	4
Depreciations for the year	0	57	212	15	284
Impairment for the year	0	0	0	3	3
Translation differences	0	21	110	7	137
Accumulated ordinary depreciations 31.12.2023	**0**	**1,115**	**4,357**	**357**	**5,829**
Book value 31.12.2022	149	638	1,436	35	2,257
Book value 31.12.2023	**152**	**1,044**	**1,908**	**28**	**3,132**

Ordinary depreciation rates are given in note 3.11

8.2. – Impairment

No significant write-downs were made in 2023.

On the night of 22 December 2022, a fire broke out in the chip dryer at Moelven Pellets AS (Division Other Business) pellet factory at Sokna. In connection with the fire, a write-down of NOK 6 million has been recognized in machinery and plant. As of 2022, an expected insurance settlement of NOK 3 million has also been recognized as other operating income.

The accounts for 2022 are charged with a write-down of NOK 12 million related to reduced expected economic lifetime of the ERP system at some of the subsidiaries. This is in connection with a project to upgrade to a common ERP solution for the majority of the companies in the group. The write-down has been carried out in the Other business division.

Note 9 | Leases

The majority of Moelven's production facilities and machines are purchased. Leases are mainly related to buildings, cars and fork trucks.

Some leases includes option to extend the lease period and / or purchase of property.

The table below shows Moelven's booked right of use assets.

Right of use assets

Amounts in NOK million	Buildings and other property	Machines, transport and operating equipment	Total
Per 1.1.2022	40	61	101
Additions	0	23	23
Derecognition closed leases	0	0	0
Depreciation	-15	-25	-40
Indexregulation	3	0	3
Translation difference	-0.4	-1	-2
Book value per 31.12.2022	**28**	**58**	**85**
Additions	13	87	100
Derecognition closed leases	-0.6	-16	-17
Depreciation	-10	-30	-40
Indexregulation	0.6	3	4
Translation difference	0.9	3	4
Book value per 31.12.2023	**32**	**105**	**137**

The table below shows booked lease liabilities.

Lease liabilities

Amounts in NOK million	2023	2022
Per 1.1.	89	102
Additions	100	23
Accrued interests	4	3
Payments	-45	-42
Derecognition closed leases	-17	0
Derecognition due to reassesment of option	0	0
Indexregulation	4	3
Translation difference	4	-2
Book value per 31.12.	**140**	**89**

See note 5.1.5 for maturity structure on future lease obligations.

The table below shows a summary of profit and loss from leases.

Leases - Profit and loss

Amounts in NOK million	2023	2022
Depreciation	40	40
Interest expenses	4	3
Expenses on leases with low value	3	3
Expenses on short term leases	13	6
Total expenses	**59**	**52**

Note 10 a | Intangible assets

Amounts in NOK million	Goodwill	Other intangible assets	Total
Acquisiton value as at 31.12.2021	**17**	**76**	**93**
Translation differences	0	-0.7	-0.7
Acquisiton value as at 31.12.2022	**17**	**76**	**92**
Accumulated depreciation and impairment 31.12.2021	0.2	75	76
Depreciation and impairment for the year	0	0.3	0.3
Translation differences	0.1	-0.7	-0.6
Accumulated ordinary depreciations 31.12.2022	**0.3**	**75**	**75**
Book value 31.12.2021	16	1	17
Book value 31.12.2022	**16**	**0.7**	**17**
Acquisiton value as at 31.12.2022	**17**	**76**	**92**
Acquisitions	0	72	72
Translation differences	0	2	2
Acquisiton value as at 31.12.2023	**17**	**149**	**166**
Accumulated ordinary depreciations 31.12.2022	0.3	75	75
Depreciation and impairment for the year	0	0.3	0
Translation differences	-0.2	2	1.4
Accumulated ordinary depreciations 31.12.2023	**0.1**	**77**	**76**
Book value 31.12.2022	16	1	17
Book value 31.12.2023	**16**	**72**	**89**
Ordinary depreciation rates in percent	0%	20%	

Note 10 b | Impairment test of goodwill

As of 31 December 2023 book value of goodwill amounted to NOK 16 million. This is linked to the acquisitions of Sør-Tre Bruk AS, Granvin Bruk AS and Eco Timber AS within segment Wood and Broberg Skogs AB within segment Other. Goodwill is tested for impariment on the lowest level monitored by management, which means groups of cash generating units. In Moelven the segments are assessed to be the groups of cash generating units which is subject to impairment testing on goodwill. There were no impairments of goodwill in 2023 or 2022.

Book value of goodwill

Amounts in NOK million	2023	2022
Wood	13	13
Other units	3	3
Total	**16**	**16**

Note 11 | Payroll expenses, employees and remuneration to auditor

11.1 - Payroll expenses

Amounts in NOK million	2023	2022
Payroll cost	1,841	1,849
Social security cost	371	325
Other personnel expenses	91	85
Pension costs - contribution-based pension schemes	147	137
Pension costs - defined-benefit pension schemes	1	0
Total	**2,451**	**2,395**

11.2 - Number of employees

Average number of employees in 2023 was 3,289 and in 2022 3,334.
Moelven had 3,256 employees at the end of 2023 compared to 3,332 employees at the end of 2022.

11.3 - Remuneration to auditor

Amounts in NOK million, paid during the financial year	2023	2022
Legally required audit	6.0	5.9
Other attestation services	0.5	0.0
Tax consultancy	0.1	0.0
Other, non auditing services	0.6	0.2
Total	**7.2**	**6.2**

Note 12 | Financial income and expenses

Amounts in NOK million	Note	2023	2022
Financial income			
Income from investment in associated companies		4	0.5
Interest income from financial assets		26	19
Foreign currency gains	28	6	9
Other financial income		1	2
Value increase of financial instruments to fair value*	24	-	43
Total financial income		**37**	**74**
Financial expenses			
Interest costs of financial liabilities		-5	-11
Interest costs on long term financial liabilities	9, 23	-12	-9
Foreign currency losses		-22	-46
Other financial costs		-11	-12
Value reduction of financial instruments to fair value*		-40	0
Sum finanskostnader		**-89**	**-77**
Net financial items		**-52**	**3**

*Presented as net financial income or financial expense

Note 13 | Tax expence

Amounts in NOK million	2023	2022
Tax payable	69	294
Deferred tax changes	6	71
Total tax expences	**75**	**365**
Tax payable in the balance sheet*	**160**	**261**

*Tax payable in the balance sheet includes settlement of tax payable in Sweden for previous years.

Reconciliation of tax calculated against the group's weighted average tax rate and tax expense as it appears in the Income Statement:

Amounts in NOK million	2023	2022
Profit before tax	329	1,754
Tax calculated with the group's tax rate 22 per cent (22 per cent)	72	386
Tax effects of:		
Difference due to different tax rates	-4	-16
Contribution from associated companies	-0.9	-0.1
Permanent differences	6	-5
Other	2	0.0
Tax cost on the income statement	**75**	**365**
Weighted average tax rate	22.9 %	20.8 %

Tax on items entered against other income and expenses	Before tax	Tax costs	After tax	Before tax	Tax costs	After tax
Amounts in NOK million		2023			2022	
Elements not later reclassified to earnings						
Actuarial gains (losses) on defined-benefit pension schemes	**-1.0**	**0.2**	**-0.8**	**-0.4**	**0.1**	**-0.3**

Note 14 | Deferred tax

Deferred tax benefits and deferred tax are netted when there is a legal right to give and receive group contribution between the entities.

The table below shows the basis that has resulted in recognised deferred tax benefits and deferred tax.

14.1 – Assets and obligations with deferred tax consist of:

Amounts in NOK million	2023	2022
Temporary differences		
Asset reserves	-14	-5
Inventory	28	17
Cost provisions	-103	-66
Other short-term temporary differences	927	765
Sub-total short-term differences	**838**	**710**
Fixed assets	176	-12
Profit and loss account	3	4
Pension commitments	-21	-21
Other long-term items	243	336
Sub-total long-term items	**401**	**307**
Tax-assessed loss carry-forward.	-122	-7
Net temporary differences	**1,118**	**1,010**
Deferred tax asset	60	45
Deferred tax	294	257
Net deferred tax	**233**	**211**

14.2 – Analysis of deferred tax through the year

Amounts in NOK million	2023	2022
Net deferred tax obligation 1 January	211	146
Included on income statement	6	71
Other comprehensive income (OCI) pensions	-0.2	-0.1
Translation differences and other	16	-5
Net deferred tax obligation 31 December	**233**	**211**

Note 15 | Investments in associated companies

Amounts in NOK million	Holding % *		The company's share capital in SEK/NOK	The company's total equity	The company's net profit in 2023	Number of shares in Moelven's ownership	Total face value	Book value 31.12
Owned by Moelven Industrier ASA:								
WoodTrans AS, Norway	34.0 %	NOK	1.3	10.7	2.7	445	0.4	3.7

* Voting rights is equal to ownership share
Weda Skog AB, in which Moelven Industrier ASA had a 30% stake, was liquidated in 2023.
The liquidation resulted in an accounting gain of NOK 3.0 million, which is recognized under financial income.

Note 16 | Inventory

Amounts in NOK million	2023	2022
Raw materials and purchased semi finished goods	645	641
Goods in processing	240	247
Finished own products	1,055	1,160
Prepayments to supplier	44	119
Total inventory	**1,985**	**2,166**
Inventory valued at acquisition cost	1,454	1,564
Inventory valued at fair value	531	602
Total inventory	**1,985**	**2,166**

Write down of inventory to fair value in 2023 is included in profit and loss with NOK 36 million. The equivalent value in 2022 was NOK 78 million.

Note 17 | Accounts receivable and other receivables

Amounts in NOK million	Note	2023	2022
Accounts receivable			
Accounts receivable gross		1,483	1,596
Provision for loss on accounts receivable		-9	-3
Earned not invoiced	7	145	132
Accounts receivable entered on the balance sheet		**1,620**	**1,724**
Overdue receivables without hedging		61	37
in % of gross receivables		4.1 %	2.3 %
LGD (Loss given default) of gross accounts receivables*		0.0	0.0
The year's confirmed losses on receivables		0.0	-0.0
Changes in provision for loss		5.8	-0.3
Losses on receivables on income statement		**5.8**	**-0.3**
POD is calculated on the basis of the last three years' loss on claims			
Other receivables			
VAT in credit		49	42
Other receivables		377	193
Total other receivables		**427**	**235**

A major part of the outstanding receivables is secured in the form of credit insurance, bank guarantees or other forms of security. There is not considered to be any credit risk associated with public sector customers. Refer to note 5 on financial risk.

Other receivables consist of other deferred income, prepayments and operations-related items.

Currency breakdown of accounts receivable before provision for loss

Amounts in NOK million	2023	2022
NOK	715	698
SEK	566	726
EUR	86	83
DKK	10	10
GBP	64	45
Other currencies	33	31
Total	**1,474**	**1,593**

Age distribution of outstanding accounts receivable

Amounts in NOK million	2023	2022
Accounts receivable within credit terms	1,170	1,300
Under 30 days beyond due date	243	231
31 to 60 days beyond due date	9	16
61 to 90 days beyond due date	7	5
91 to 180 days beyond due date	5	7
Over 180 days beyond due date	40	34
Total	**1,474**	**1,593**

Note 18 | Earnings per share and equity per share

Earnings per share
Earnings per share is calculated by dividing the share of the annual profits allocated to the company's shareholders by a weighted average of the number of ordinary shares issued over the year, less own shares.

	2023	2022
Annual profit assigned to Moelven's shareholders	253	1,389
Average number of shares	129.5	129.5
Earnings per share	**1.96**	**10.72**

Equity per share
Equity per share is calculated by dividing the share of equity assigned to the company's shareholders by a weighted average of the number of ordinary shares issued over the year, less own shares.

	2023	2022
Total equity assigned to owners of parent company	4,487	4,735
Average number of shares	129.5	129.5
Equity per share	**34.64**	**36.55**

Note 19 | Group companies

The following companies are included in the group. The list is group according to division structure. Book value shows the book value in the separate financial statement of the owner of the company.

	Holding %	The company's share capital		Number of shares in Moelven's ownership		Organization number
Timber						
Moelven Våler AS	100%	48,000		4,800	*	982 793 076
Moelven Numedal AS	100%	10,000		1,000	*	982 792 991
Moelven Løten AS	100%	12,000		1,200	*	982 792 932
Moelven Mjøsbruket AS	100%	12,000		12,000	*	935 944 562
Moelven Valåsen AB	100%	50,000	SEK	500,000	**	556310-4206
Moelven Dalaträ AB	100%	20,000	SEK	200,000	**	556118-4614
Moelven Årjäng Såg AB	100%	300	SEK	3,000	**	556215-9177
Moelven Notnäs Ransby AB	100%	3,250	SEK	650,000	**	556217-1636
Moelven Component AB	100%	2,580	SEK	25,800	**	556217-2543
Moelven Profil AS	100%	15,000		15,000	*	997 404 165
UJ-Trading AB	100%	1,500	SEK	15,000	**	556227-4547
Moelven U.K. Ltd	100%	950	GBP	950,000	*	1775490
Moelven Deutschland GmbH	100%	110	EUR	11	*	2920400496
Moelven Export Sales AB	100%	5,000	SEK	50,000	**	559158-0211
Wood						
Moelven Wood AS	100%	5,500		5,500	*	941 809 030
Moelven Wood AB	100%	9,000	SEK	90,000	**	556201-9785
Moelven Van Severen AS	100%	35,000		3,500	*	982 793 068
Moelven Østerdalsbruket AS	100%	20,000		2,000	*	982 793 041
Moelven Soknabruket AS	100%	30,000		3,000	*	982 793 017
Moelven Langmoen AS	100%	18,000		1,800	*	882 792 862
Moelven Eidsvoll AS	100%	8,500		850	*	951 278 017
Moelven Treinteriør AS	100%	3,500		3,500	*	910 888 471
Moelven Danmark Sales A/S	100%	400	DKK	4,000	*	43 115 693
Moelven Are AS	100%	106		100	*	839 265 832
Moelven Eidsvold Værk AS	100%	32,500		32,500	*	937 577 087
Moelven Trysil AS	100%	15,600		15,600	*	984 029 497
Moelven Sør Tre AS	100%	8,487		8,487	*	835 259 072
Moelven Granvin Bruk AS	99.3 %	1,490		2,959	*	881 146 312
Moelven List AB	100%	5,500	SEK	55,000	**	556297-9129
Moelven Wood Interiör AB	100%	3,800	SEK	38,000	**	556148-6803
Moelven Valåsen Wood AB	100%	20,100	SEK	201,000	**	556343-2839
Moelven Edanesågen AB	100%	4,000	SEK	4,000	**	556061-4462
Moelven Lovene AB	100%	5,000	SEK	50,000	**	556851-8517
Moelven Vänerply AB	100%	20,000	SEK	200,000	**	556851-5026
Moelven Wood Prosjekt AS	100%	300		3,000	*	982 680 913
Moelven Wood Fastighet AB	100%	2,580	SEK	2,580	**	556451-0278
Spydebergveien 143 AS	100%	194		100	*	932 609 215
Building Systems						
Moelven Limtre AS	100%	11,000		11,000	*	913 711 300
Moelven Töreboda AB	100%	12,000	SEK	120,000	**	556023-8023
Moelven ByggModul AS	100%	31,688		158,440	*	941 809 219
Moelven Byggmodul AB	100%	5,000	SEK	50,000	**	556310-7134
Moelven Modus AS	100%	22,000		2,200	*	951 269 778
KB Sannerud 2:95	100%	I/A		I/A	**	916913-1787
Others						
Moelven Industrier AB	100%	197,046	SEK	19,704,581	*	556064-4170
Moelven Skog AB	100%	5,000	SEK	400	**	556624-0957
Broberg Skogs AB	100%	300	SEK	3,000	**	556466-8563
Moelven Virke AS	100%	5,000		50,000	*	975 924 955
Moelven Bioenergi AS	100%	6,000		6,000,000	*	990 041 881
Vänerbränsle AB	82.3 %	336	SEK	2,613	**	556432-9851
Skåre Kontorshotell AB	100%	100	SEK	1,000	**	556550-1664
Moelven Pellets AS	100%	37,500		37,500	*	921 244 665
Moelven Pellets AB	100%	37,500	SEK	375,000	**	559374-9251
Moelven Elprosjekt AS	100%	10,000		50,000	*	980 342 182
Trettentretti AS	100%	38		510	*	826 808 772

* Company owned by Moelven Industrier ASA
** Company owned by Moelven Industrier AB

Note 20 | Pension costs and pension commitments

Pension schemes
The pension funds and commitments on the balance sheet mainly relate to the group's Norwegian companies.

Secured schemes
The group's defined benefit scheme regarding the Norwegian companies was ended in 2015. New employees will be affiliated a contributions based pension scheme. The contribution scheme include a risk coverage in case of disability.

The group is required to have an occupational scheme by legislation on compulsory occupational pensions. The pension schemes fulfil the requirements of this legislation.

Unsecured schemes
Unsecured schemes relate to guaranteed pension liabilities. These are calculated in accordance to IFRS pension costs. There are no unsecured pension commitments that have not been included in the calculation mentioned above. The remaining pension commitments in balance sheet, are related to agreed arrangements for a small number of previous and current employees.

The group's foreign companies
Many of the group's foreign companies offer their employees pensions based on agreed individual contribution-based pension schemes.

In Sweden, most employees are covered by a collective occupational pension agreement. The scheme is defined as a multi-employer plan. Salaried staff born before 1979 are included in an individual occupational pension scheme that is also defined as a defined benefit plan. Because of the difficulty of reliably measuring the benefit level of these plans, there is insufficient information on an individual basis to enter the plans in the accounts as defined benefit schemes. The plans are accounted for as if they were contribution-based, in accordance with good accounting practice. Salaried staff born after 1979 are included in an occupational pension scheme that is premium based and is therefore treated in the accounts as contribution-based.

20.1 – Economic and actuarial assumptions
The following economic assumptions have been made:

Amounts in NOK million	2023	2022
Discount rate	3.10%	3.00%
Annual pay increase	3.50%	3.50%
Annual G adjustment (National Insurance Scheme's amount)	3.25%	3.25%
Annual adjustment of pensions being paid	3.25%	3.25%

20.2 - Breakdown of net pension obligation

Amounts in NOK million	2023	2022
Present value of funded pension obligations	0	0
Present value of unfunded pension obligations	21	21
Total present value of pension obligations	21	21
Net pension obligation outside Norway	0	0
Net pension obligation	**21**	**21**

20.3 – Pension costs

Amounts in NOK million	2023	2022
Pension entitlements accrued in the year	0	0
Net financial costs/income	0.6	0.4
Pension costs secured and unsecured defined benefit schemes	0.6	0.4
Contribution pension costs and other pension costs	147	136
Pension cost (net) entered on the income statement	**148**	**137**

Note 21 | Provisions

Guarantee liability on projects

Guarantee provisions	2023	2022
Guarantee provisions as at 1.1	61	49
Used during the year	-9	-5
New provisions during the year	26	18
Translation difference	3	-1
Guarantee provisions 31.12	**81**	**61**

In the balance sheet the guarantee obligation is entered with the following amount:

Amounts in NOK million	2023		2022	
	Amount in the balance sheet	Guarantee	Amount in the balance sheet	Guarantee
Other provisions	148	73	73	54
Other short term liabilities	1,175	8	1,199	7
		81		61

Warranty on the group's delivered projects are nromally between 2 - 5 years.

Other guarantee liability

Amounts in NOK million	2023	2022
Loan guarantees/financial guarantees	**0**	**0**

Note 22 | Other short-term liabilities

Other short term liabilities

Amounts in NOK million	2023	2022
Accrued holiday pay	212	207
Accrued payroll	77	87
Bonus provisions (customer related)	205	182
Accued lumber cost	152	120
Accrued costs	138	204
Other short term liabilities	236	230
Total other short term liabilities	**1,020**	**1,031**

Note 23 | Breakdown of changes in long term debt

Amounts in NOK million	01/01/2023	Cash flow	Fx changes	Other	31/12/2023
Liabilities to credit institutions	169				
Repayment of debt facility		-38			
Interest cost				8	
Paid interests		-8			
Other				2	
Total - Liabilities to credit institutions	**169**	**-46**	**-**	**10**	**133**

Amounts in NOK million	01/01/2022	Cash flow	Fx changes	Other	31/12/2022
Liabilities to credit institutions	195				
Repayment of debt facility		-29			
Interest cost				6	
Paid interests		-6			
Other				2	
Total - Liabilities to credit institutions	**195**	**-34**	**-**	**8**	**169**

Note 24 | Financial instruments

24.1 – Book value of financial assets and obligations by category

Financial assets 31.12.2023

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1*	Level 2*	Level 3*	Total fair value
Accounts receivable	1,474		1,474				
Contract asset	145		145				
Other receivables	427		427				
Financial instruments - currency derivative		20	20		20		20
Financial instruments - interest derivative		7	7		7		7
Bank deposits etc.	229		229				
Investments in equities		0.4	0.4			0.4	0.4
Total	**2,275**	**28**	**2,303**				

*Description is presented on the next page

Financial obligations 31.12.2023

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1	Level 2	Level 3	Total fair value
Liabilities to credit institutions	133		133				
Leases	140		140				
Financial instruments - currency derivative		6	6		6		6
Fin. instr. - emb. cur. derivative in hedg. of el.power		7	7		7		7
Financial instruments - interest derivative		0.2	0.2		0.2		0.2
Payables	1,048		1,048				
Contract asset	94		94				
Total	**1,415**	**14**	**1,428**				

Financial assets 31.12.2022

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1	Level 2	Level 3	Total fair value
Accounts receivable	1,593		1,593				
Contract asset	132		132				
Other receivables	235		235				
Financial instruments - currency derivative		16	16		16		16
Financial instruments - power derivative		14	14		14		14
Bank deposits etc.	1,340		1,340				
Investments in equities		0.4	0.4			0.4	0.4
Total	**3,299**	**30**	**3,330**				

Financial obligations 31.12.2022

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1	Level 2	Level 3	Total fair value
Liabilities to credit institutions	169		169				
Financial leases	89		89				
Financial instruments - currency derivative		8	8		8		8
Financial instruments - interest derivative		9	9		9		9
Payables	968		968				
Contract asset	115		115				
Total	**1,341**	**17**	**1,358**				

Level 1:
Listed price in an active market for an identical asset or liability.

Level 2:
Valuation based on observable factors other than listed price (used in level 1) either directly or indirectly derived from prices for the asset or liability. Assets and liabilities valued according to this method are mainly financial instruments for hedging future cash flows in foreign currency, interest and electricity. Market value is the difference between the financial instrument's value according to the signed contract and how a similar financial instrument is priced at the balance sheet date. The balance sheet market prices are based on market data from Norges Bank, the ECB, Nasdaq OMX and the financial contract counterparty.

Level 3:
Valuation based on factors not obtained from observable markets (non-observable assumptions). The valuation method is used to a very small extent and only for unlisted shares. Since market value is not available, the expected future cash flow from the shares is used as an estimate.

24.2 – Nominal value of financial derivatives

Amounts in NOK million	2023	2022
Interest rate derivatives		
Maturing under 1 year	0	0
Maturing 2 - 5 years	220	163
Maturing 6 - 10 years	51	95
Total	**271**	**257**
Currency derivatives, forward contracts for sale of foreign currency		
Maturing 0-6 months	454	637
Maturing 7-12 months	169	227
Maturing >12 months	0	16
Total	**623**	**879**
Currency derivatives, forward contracts for purchase of foreign currency		
Maturing 0-6 months	86	106
Maturing 7-12 months	82	25
Maturing >12 months	28	96
Total	**196**	**227**
Forward contracts for purchase of forreign currency consistst of contracts to purchase forreign currency against NOK and SEK. Nominal value in NOK is calculated through nominal value in SEK and SEKNOK rate per the balance sheet date.		
Power derivatives accounted according to IFRS 9 as purchase for own use*		
Maturing less than 1 year	129	82
Maturing 1-2 years	81	84
Maturing 3-4 years	20	21
Total	**230**	**187**

*The market value of power derivatives for own consumption was NOK 18 million per 2023 and NOK 247 million per 2022.

Note 25 | Share capital and share premium reserve

Shareholders		Number of shares	Ownership of voting shares in per cent
Glommen Mjøsen Skog SA	Norge	86,619,028	66.87%
Viken Skog SA	Norge	42,484,334	32.80%
2 largest owners		**129,103,362**	**99.66%**
Other 826 shareholders		437,922	0.34%
Total 828 shareholders		**129,541,284**	**100%**

Summary of shareholders as at 31.12.2023		Summary of shareholders as at 31.12.2022	
Number of shares	129,542,384	Number of shares	129,542,384
Number of own shares	1,100	Number of own shares	1,100
Number of voting shares	129,541,284	**Number of voting shares**	129,541,284
Face value	NOK 5,-	**Face value**	NOK 5,-
Share capital	647,711,920	**Share capital**	647,711,920
Number of shares on average	129,541,284	**Number of shares on average**	129,541,284

25.2 Shareholders' agreement

There is a shareholders' agreements between the two largest shareholders. Among other things, this shareholders' agreement has clauses that determine that the company shall be run as an independent unit with a long-term perspective and with continued focus on Scandinavia as the main market. The agreement also contains clauses regarding the composition of the board, dividend policy, strategic focus areas and share transfer.

Note 26 | Remuneration to group management, board and corporate assembly

26.1 – Shares in Moelven Industrier ASA owned by members of the group management, board and corporate assembly

The Corporate assembly	
Rolf Th. Holm	888
Heidi Hemstad	0
Kristiane Haug Berg	0
Sigrid Bergseng	0
Even Ifarness	0
Anne Mæhlum	0
Jens Naas-Bibow	0
Vibeke Tronrud Teslo-Andersen	0
Trond Sønes *	0
Andreas Liedberg *	0
Leif Bjarne Undem *	0
Jan Larsson *	0

Deputy members	
Gunnar Gundersen	0
Peer Jacob Svenkerud	0
Espen Carlsen	0
True Strand Schildmann	0
Torgrim Fjellstad	0
Yngve Holth	0
Sverre Lang-Ree	0
Tor Henrik Kristiansen	0
Frank Bakken *	0
Marcus Olsson *	0
John Inge Lorentsen *	0
Camilla Nilsson *	0

Group Executive Board	
Morten Kristiansen	1,000
Anders Lindh	2,695
Bjarne Hønningstad	5,650
Vera Flatebø	1,000
Lars Storslett	0
Eldrid Mona Furuhovde	1,068

The board of Directors	
Finn Ivar Marum	0
Gudmund Nordtun	0
Olav Peder Breivik	0
Wenche Ravlo	0
Hege Kverneland	0
Martin Fauchald *	0
Oscar Östlund *	0

Deputy members	
Einar Skaarseth Enger	0
Astrid Lier Rømuld	0
Jarl Kurud *	0
Leif Eneblom *	0
Jan Erik Østby *	0
Marcus Sörensson *	0

Group shared services	
Stefan Djupvik	0
Magne Vikøren	1,289
Yngve Andreassen	1,243
Rune Filseth Andersen	1,367

* Employee's representatives

26.2 – Declaration of determination of remuneration for the Group Executive Board

Background
The board of Moelven Industrier ASA has prepared a declaration on the fixing of pay and other remuneration for senior executives within the group. The declaration, which was adopted by the general meeting 2nd of May 2023, has been the guideline for the 2023 financial year. An identical declaration, which will be presented to the general meeting of 29th of April 2024, will be the guideline for the 2024 financial year.

The following persons are covered
The declaration covers the group management of Moelven Industrier ASA. Group management means the CEO, Division Managing Directors, Managing Director of business area Forest and CFO.

General
Moelven shall have a level of pay and other terms of employment that is necessary in order to be able to keep and recruit managers with good competence and the capacity to achieve the objectives that are set.

Salary
Moelven's main principle is that senior executives shall have fixed salary. Salary is adjusted annually, normally with effect from 1 July.

Other benefits in kind
Moelven shall have other benefits, in the form of free car, free newspapers and free telephony for example, where this makes work easier and is deemed to be reasonable in relation to general practice in the market.

Bonuses and other variable elements of the remuneration
Group management is included in the group's scheme for profit sharing and has the same right to profit sharing as other employees. The scheme means that everyone with more than 6 months of employment during the year is entitled to an equal share (adjusted for absence) of the company's total profit sharing. The individual subsidiary's total profit sharing is calculated on the basis of operating profit and a fixed multiplier on the condition that the company has achieved the group's profitability target. Employees in supporting entities (such as Moelven Industrier ASA) receive profit sharing based on an average of the companies they have a support function towards. The scheme is new from 2022 and has been adopted up to 2024. Group management has no other bonus agreements or variable remuneration.

Remuneration linked to shares etc.
Moelven has no form of remuneration for companies within the group that is linked to shares or the development of the share price, including shares, subscription rights and options. In the event of the establishment of such a scheme, it shall cover a large number of employees and such remuneration shall represent a smaller proportion than the fixed pay.

Pension schemes
Moelven shall have pension conditions that are on a level with the general market in the home country. New employees shall join contributory pension schemes.

Pay after termination of employment
In the event of immediate termination of employment by the company, management shall as a standard be entitled to pay for 18 months, less pay earned by any new employer during this period.

Previous financial years
Management pay policy in previous financial years has been in line with the content of this declaration.

The board reserves the right to deviate from these guidelines if there are serious grounds for doing so in individual cases. If the board should deviate from these guidelines, their reasons for doing so must appear in the minutes of the meeting.

26.3 – Remuneration to senior executives etc.

Amounts in NOK 1,000 paid during the financial year	2023 Salary	2023 Pension costs	2023 Other benefits	2022 Salary	2022 Pension costs	2022 Other benefits
Remuneration to:						
CEO Morten Kristiansen	5,616	161	324	5,376	155	305
Managing Director Timber, Anders Lindh	2,933	168	329	2,718	158	312
Managing Director Wood, Bjarne Hønningstad	2,956	166	293	2,780	158	363
Managing Director Building Systems, Vera Flatebø	2,622	169	264	2,236	158	235
Managing Director of business area Forest, Lars Storslett	2,898	164	319	2,680	155	219
CFO Eldrid Mona Furuhovde from 08.08.2022	2,213	176	170	880	67	63
Total	**19,237**	**1,005**	**1,699**	**16,670**	**851**	**1,497**

On termination of employment, the President and CEO and the Managing Directors have 18 month's pay after termination, less pay from new position/employer.

26.4 – Remuneration to the board and corporate assembly

Amounts in NOK 1000 paid during the financial year	2023	2022
Remuneration to the board of Directors	1,726	1,655
Remuneration to the corporate assembly	478	477

The chairman of the board of directors receives NOK 620,024 and the board members NOK 189,000 in annual remuneration.
Deputy members of the board receive NOK 6,927 per meeting.
The chairman of the corporate assembly receives NOK 70,838 in annual remuneration.
The members and deputy members of the corporate assembly receive NOK 6,597 per meeting.

Note 27 | Related parties

Transactions with the owners are performed in some areas of the ordinary activities. Among other things, this relates to purchase of timber, where the Norwegian forest owner cooperatives are suppliers. All these transactions have in common that the arm's length principle shall be applied. Where other suppliers can offer better prices or terms, these will be used. About 41 per cent of Moelven's total purchasing requirement for timber of 4.3 million cubic metres comes via the Norwegian forest owner cooperatives.

Moelven has in 2023 purchased timber from other companies within the Glommen Mjøsen group, which Moelven is part of, for NOK 777 million. Payables to other entities within Glommen Mjøsen group amounted to NOK 84 million per 2023.

Moelven has a long tradition of running its operations in accordance with all the laws and ethical guidelines of the industry and is of the opinion that competition is positive for all parties in industry. In order to ensure that this culture is maintained, ethical guidelines and guidelines for complying with legislation on competition have been devised.

Note 28 | Assets and debt held for sale

Sale of Spydebergveien 143 AS
On December 13, 2023, Moelven Are AS was demerged into two companies to prepare for the sale of property at Spydebergveien 143. An agreement on the sale of the demerged company Spydebergveien 143 AS was signed on December 21, 2023. The transaction was completed in January 2024.

Note 29 | Events after the date of balance

See above regarding the sale of Spydebergveien 143 AS. No other matters have been identified after the balance sheet date that should have been reflected in the income statement, balance sheet or notes for 2023.

Annual accounts 2023

MOELVEN INDUSTRIER ASA

Elgiganten's new warehouse and logistics facility in Jönköping will be one of the largest in the Nordic region. Moelven's delivery consists of over 500 gable roof beams, and they are 24 meters long and almost two meters tall. The load bearing structure of the 86,000 square meter building consists entirely of glulam from Moelven Töreboda AB and Moelven Limtre AS.
Photo: Sören Håkanlind and Jonas Ingman

Income statement

Amounts in NOK million	Note	2023	2022
Other operating revenues	2, 3	177.7	133.8
Operating revenues	3	**177.7**	**133.8**
Payroll expenses	4, 5	104.7	92.0
Depreciation on tangible and intangible fixed assets	6	11.3	26.7
Other operating expenses	4	153.3	132.4
Operating expenses		**269.3**	**251.0**
Operating profit		**-91.7**	**-117.2**
Income from investment in subsidiaries *		212.7	892.5
Value increase of financial instruments to fair value	7	6.0	56.0
Interest income from group companies	2	83.6	30.3
Other interest income		24.4	18.1
Other financial income from group companies		22.2	1.5
Other financial income		0.3	0.4
Value reduction of financial instruments to fair value	7	-15.3	0.0
Impairment of financial assets	8	0.0	0.0
Interest costs to group companies		-82.2	-24.9
Other interest costs		-6.3	-15.8
Other financial costs		-19.3	-57.9
Net financial items		**226.0**	**900.3**
Ordinary result before taxes		**134.3**	**783.1**
Tax on ordinary result	9	-18.0	56.8
Net profit		**152.4**	**726.3**
Allocated to dividend, NOK 5.36 / NOK 9.06 per share		-125.7	-694.4
To/from other equity		-26.7	-31.9
Total	10	**-152.4**	**-726.3**

* Including group contribution

Moelv, 18. March 2024
Moelven Industrier ASA

Morten Kristiansen
Group CEO

Finn Ivar Marum
Chairman of the Board

Gudmund Nordtun
Deputy Chair

Olav Breivik

Wenche Ravlo

Hege Kverneland

Martin Fauchald

Oscar Östlund

Balance as at 31.12

Amounts in NOK million	Note	2023	2022
ASSETS			
Deferred tax assets	9	23.1	4.9
Other intangible assets	6	0.0	0.0
Total intangible assets		**23.1**	**4.9**
Land		5.0	5.0
Buildings and other property		16.1	3.3
Machinery and plant		1.1	1.8
Fixtures and fittings, tools, office machinery etc.		29.0	20.6
Total tangible fixed assets	6	**51.2**	**30.7**
Investments in subsidiaries	11	1,064.7	1,064.7
Investments in associated companies	12	1.2	1.2
Loans to group companies	2	1,402.8	758.7
Investments in other shares		0.0	0.0
Other long-term recivables		0.2	0.2
Total financial fixed assets		**2,468.9**	**1,824.8**
Total fixed assets		**2,543.1**	**1,860.4**
Accounts receivable		0.2	0.0
Accounts receivable group companies	2	11.5	5.1
Receivables group contributions/dividend	2	212.7	834.0
Other receivables		39.5	24.5
Other receivables group companies	13	288.2	0
Total receivables		**552.1**	**863.6**
Money market fund		0.0	0.0
Financial derivatives		40.5	39.7
Total current investments	7	**40.5**	**39.7**
Bank deposits, cash etc.	13, 14	**228**	**352.5**
Total current assets		**820.6**	**1,255.8**
Total assets		**3,363.7**	**3,116.2**

Amounts in NOK million	Note	2023	2022
LIABILITIES AND EQUITY			
Share capital		647.7	647.7
Own shares		0.0	0.0
Share premium reserve		130.9	130.9
Other contributed equity		0.0	0.0
Total contributed equity		**778.6**	**778.6**
Retained earnings		361.6	335.7
Total equity	10	**1,140.3**	**1,114.3**
Pension liabilities	5	21.4	20.7
Total allowances for liabilities		**21.4**	**20.7**
Liabilities to credit institutions	13	132.6	168.9
Total long term liabilities		**132.6**	**168.9**
Liabilities to credit institutions	13, 14	1,852.9	998.6
Financial derivatives	7	35.1	25.0
Trade accounts payable		22.6	7.7
Trade accounts payable to group companies	2	7.2	16.3
Public duties payable		7.9	6.9
Dividends		125.7	694.4
Tax payable	9	0.0	45.7
Other short term liabilities	15	18.1	17.8
Total short term liabilities		**2,069.5**	**1,812.3**
Total liabilities		**2,223.4**	**2,001.9**
Total equity and liabilities		**3,363.7**	**3,116.2**
Guarantee liability	16	564.7	615.9
Number of shares (Face value per share NOK 5.-)	10	129,541,284	129,541,284

Cash flow statement

Amounts in NOK million	Note	2023	2022
CASH FLOW FROM OPERATIONAL ACTIVITIES:			
Ordinary result before taxes		134.3	783.1
Tax paid this year	9	-45.7	-210.9
Gain on sale of fixed tangible assets		-0.3	-1.3
Depreciation	6	11.3	26.7
Value change investments		0.0	0.0
Correction items - financial derivatives		9.3	-56.4
Unpaid pension costs entered as costs and unreceived pension funds entered as income	5	-0.3	-1.2
Changes in accounts receivable and other receivables		-21.5	13.0
Delimination of group contribution/dividend		621.2	875.0
Changes in trade accounts payable		5.7	11.1
Changes in short-term liabilities excluding borrowing		1.5	3.6
Cash flow from operational activities		**715.7**	**1,442.7**
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Change short-term receivables group companies	6	-31.5	-8.6
Investment in plant and equipment exc. acquisition		-288.2	0.0
Investment in money market fund		0.0	400.8
Net cash flow from investments in shares		0.0	11.5
Generated funds from mergers		0.0	0.0
Long-term investments, financial		-644.1	-17.9
Cash flow from investment activities		**-963.8**	**385.8**
Profit before tax			
Changes in short-term loans and overdraft		854.3	-1,196.8
Changes in long-term liabilities		-694.4	-1,173.6
Payment of dividend		-36.3	-26.3
Cash flow from financial activities		**123.6**	**-2,396.7**
CASH HOLDINGS			
Net change in liquidity through year		-124.5	-568.3
Cash holdings 1.1		352.5	920.8
Cash holdings 31.12		**228.0**	**352.5**

Note 1 | Accounting principles

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

1.1 Use of estimates

Management has used estimates and assumptions that have affected the income statement and the valuation of assets and liabilities, as well as uncertain assets and obligations on the date of balance in the preparation of the annual accounts in accordance with good accounting practice.

1.2 Foreign currency

Foreign exchange transactions are calculated at the exchange rate prevailing at the time of the transaction. Monetary items in foreign currency are converted to Norwegian kroner by using the rate of exchange on the balance date. Non-monetary items which are measured at historical exchange rates expressed in foreign currency, are converted to Norwegian kroner by using the exchange rate at the time of transaction. Non-monetary items which are measured at fair value expressed in foreign currency are converted to the exchange rate determined at the time of measurement. Exchange rate changes are entered on the income statement as they occur during the accounting period under other financial items.

1.3 Operating revenues

The operating revenues consist mainly of division of joint costs among the subsidiaries. Sales are invoiced as the services occur.

1.4 Tax

Tax costs consist of payable tax, changes in deferred tax and corrections of taxes in previous years. Deferred tax/tax benefits are calculated on all differences between the company's accounting and tax carrying values of assets and liabilities. Deferred tax is calculated at 22 per cent of the temporary differences between the book and taxable values, as well as tax losses carried forward at the end of the reporting year. Net deferred tax benefits are entered on the balance sheet to the extent that it is probable they can be utilised. Payable tax and deferred tax are entered directly against equity to the extent that the tax entries relate to equity items.

1.5 Classification and valuation of balance sheet items

Current assets and short-term debt include items which become due for payment within a year after the date of acquisition and items associated with the goods cycle. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognised on the balance sheet at the nominal amount at the time it is taken out. Fixed assets are measured at acquisition cost, less depreciations

1.6 Research & Development

Research and development expenses are entered on the balance sheet to the extent to which a future financial benefit can be identified that is linked to the development of an identifiable intangible asset, and the expenses can be reliably measured. Otherwise, such expenses are recognised as costs on an on-going basis. Development that is entered on the balance sheet is depreciated on a straight line basis over the financial lifetime. Research expenses are recognised as costs on an on-going basis.

1.7 Tangible fixed assets

Tangible fixed assets are entered on the balance sheet and depreciated on a straight line basis over the asset's expected lifetime. Major assets that consist of significant components having different lifetimes are depreciated with different depreciation times for the different components. Direct maintenance of equipment is recognised continuously as an expense under operating expenses, while increased costs or improvements are added to the equipment's price and amortised concurrently. If the recoverable value of the asset is lower than book value, it is written down to recoverable value. Recoverable value is the higher of net sales value and value in use. Value in use is the present value of the future cash flow that the asset is expected to generate.

1.8 Subsidiaries/associated companies

Subsidiary and associates are assessed by the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless write down has been necessary. Write down to fair value is been done when the decrease in value is due to causes that cannot be considered to be transitory and where this must be considered necessary according to good accounting practice. Write downs are reversed when the reason for write down no longer exists. Dividends, group contributions and other payments from subsidiaries are entered as revenue during the same year as provision is made for them in the subsidiary's accounts. If the dividend/group contribution exceeds the proportion of earned profit after the date of acquisition, the surplus represents part repayment of invested capital and is deducted from the value of the investment on the parent company's balance sheet.

1.9 Receivables

Trade accounts receivable and other receivables are recognised in the balance sheet at their nominal value after deductions for provision for expected loss. Provision for losses is made on the basis of individual assessment of each debt.

1.10 Short-term investments

Short-term investments (shares assessed as current assets) are valued at the lower of acquisition cost and fair value on the date of balance. Dividends received and other payments from the companies are entered as other financial income.

1.11 Pensions

The company has collective, contribution-based pension schemes. These are schemes with a savings portion and a risk portion with earnings right. Pension premiums are entered as costs as they occur.

Defined-benefit pension schemes

Of defined benefit plans, the company still have an on-going taxable joint annuity policy valid for a limited number of people Defined-benefit pension schemes are valued at present value of the future pension benefits that have been earned on the date of balance. Pension funds are valued at fair value.

Changes in defined-benefit pension commitments that are due to changes in pension plans are distributed over the estimated average remaining earnings period. Estimate changes and changes in financial and actuarial assumptions (actuarial gains and losses) are entered against equity (OCI). The period's net pension costs are classified as payroll and personnel costs.

1.12 Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term liquid investments.

Note 2 | Transactions with related parties

Amounts in NOK million	Holding %	Other operating revenue	Interests from group companies on loans	Loans to group companies	Receivables group contributions	Accounts receivable group companies	Trade accounts payable group companies
Moelven Industrier ASA							
Moelven Van Severen AS	100%	2.6	1.6	45.0	-	-	0.2
Moelven Østerdalsbruket AS	100%	1.9	-	-	-	-	0.1
Moelven Våler AS	100%	9.0	-	-	-	-	0.3
Moelven Soknabruket AS	100%	4.4	8.2	214.9	-	-	0.4
Moelven Numedal AS	100%	3.7	-	-	-	-	0.2
Moelven Løten AS	100%	1.8	-	-	-	-	0.1
Moelven Wood AS	100%	10.9	-	-	-	1.1	0.1
Moelven Langmoen AS	100%	2.4	1.1	18.0	-	-	0.1
Moelven Eidsvoll AS	100%	1.2	0.5	15.0	-	-	-
Moelven Treinteriør AS	100%	1.0	0.3	20.0	-	-	-
Moelven Modus AS	100%	8.2	-	-	26.0	-	0.1
Moelven ByggModul AS	100%	10.5	4.0	49.8	34.1	9.3	-
Moelven Bioenergi AS	100%	1.4	-	-	0.2	-	0.3
Moelven Elprosjekt AS	100%	-	-	-	-	-	-
Moelven Limtre AS	100%	11.5	0.8	50.0	-	0.3	-
Moelven Industrier AB	100%	0.1	18.1	162.1	152.0	-	4.2
Moelven Are AS	100%	-	-	-	0.4	-	-
Moelven Mjøsbruket AS	100%	4.3	-	-	-	-	0.2
Moelven Eidsvold Værk AS	100%	-	-	-	-	-	-
Moelven Trysil AS	100%	1.8	-	-	-	-	0.2
Moelven Virke AS	100%	1.1	-	-	-	-	-
Moelven Sør Tre AS	100%	0.7	-	-	0.1	-	-
Moelven Granvin Bruk AS	99.3 %	1.1	-	-	-	-	-
Moelven Wood Prosjekt AS	100%	1.7	1.8	31.3	-	0.2	-
Moelven Profil AS	100%	2.9	0.5	8.5	-	-	0.1
Moelven Pellets AS	100%	1.0	5.3	76.6	-	-	0.3
Trettentretti AS	100%	-	-	-	-	-	-
Spydebergvegen 143 AS	100%	-	-	-	-	-	-
Moelven Danmark Sales A/S	100%	0.2	-	-	-	-	-
Moelven UK Ltd.	100%	0.2	-	-	-	-	-
Moelven Deutschland GmbH	100%	0.2	-	-	-	-	-

Note 2 | Transactions with related parties (continues)

Amounts in NOK million	Holding %	Other operating revenue	Interests from group companies on loans	Loans to group companies	Receivables group contributions	Accounts receivable group companies	Trade accounts payable group companies
Swedish companies owned by Moelven Industrier AB							
Moelven Notnäs Ransby AB	100%	11.4	-	-	-	-	-
Moelven List AB	100%	1.7	1.2	23.5	-	-	-
Moelven ByggModul AB	100%	15.2	-	-	-	-	-
Moelven Wood Interiör AB	100%	2.8	-	-	-	-	-
Moelven Component AB	100%	2.5	-	-	-	-	-
Skåre Kontorshotell AB	100%			5.1	-	-	-
Moelven Wood AB	100%	9.6	-	-	-	0.5	-
Moelven Valåsen Wood AB	100%	1.6	2.2	42.6	-	-	-
Moelven Valåsen AB	100%	13.4	1.4	60.8	-	-	-
Moelven Dalaträ AB	100%	5.3	-	-	-	-	-
Moelven Edanesågen AB	100%	3.9	13.7	460.9	-	-	-
Moelven Årjäng Såg AB	100%	5.3	-	-	-	-	-
Moelven Skog AB	100%	4.0	-	-	-	-	-
Moelven Töreboda AB	100%	8.5	0.4	7.4	-	-	-
Vänerbränsle AB	82.3 %	0.2	-	-	-	-	-
Moelven Wood Fastighet AB	100%			-	-	-	-
Moelven Lovene AB	100%	0.1	-	-	-	-	-
Moelven Vänerply AB	100%	4.2	-	-	-	-	-
UJ Trading AB	100%	0.6	-	-	-	-	-
Moelven Export Sales AB	100%	0.1	-	-	-	-	-
Moelven Pellets AB	100%	-	2.2	111.4	-	-	-
Total 2023		**176.4**	**63.4**	**1,402.8**	**212.7**	**11.5**	**7.2**
Total 2022		**130.8**	**18.8**	**758.7**	**834.0**	**5.1**	**16.3**

Note 3 | Operating revenues

Amounts in NOK million	2023	2022
Subsidiaries' proportion of joint costs	71.4	76.6
Subsidiaries' proportion of IT services	99.8	50.1
Rent income - outside the group	0.6	0.4
Rent income - inside the group	3.9	4.1
Gain on sale of fixed tangible assets	0.3	1.3
Other	1.7	1.3
Total other operating income	**177.7**	**133.8**

In accordance with the company specification under note 2, a total of NOK 176.4 million is operating income from our subsidiaries.
Total Norwegian operating income amounts to NOK 85.3 million, Swedish NOK 90.5 million and other companies NOK 0.6 million.

Note 4 | Payroll expenses, remuneration to group management, board and auditor

4.1 – Payroll expences

Amounts in NOK million	2023	2022
Salaries	79.8	72.7
Employer contribution and social costs	15.2	11.8
Pension costs ref. defined benefit and contribution based pension schemes	7.4	5.4
Other benefits/other personnel costs inc. proportion charged to subsidiaries	2.3	2.1
Total	**104.7**	**92.0**
Number of man years	**77**	**72**

4.2 – Remuneration to group management

Amounts in NOK 1,000 paid during the financial year	2023			2022		
Amounts in NOK 1,000	Salary	Pension costs	Other benefits	Salary	Pension costs	Other benefits
Remuneration to:						
CEO Morten Kristiansen	5,616.0	161.5	323.7	5,375.7	154.6	304.9
Managing Director Timber, Anders Lindh	2,933.3	167.9	328.9	2,718.3	158.0	312.4
Managing Director Wood, Bjarne Hønningstad	2,955.5	166.4	293.0	2,779.9	157.8	362.8
Managing Director Building Systems, Vera Flatebø	2,622.0	169.4	263.7	2,235.5	158.2	234.8
Managing Director of business area Forest, Lars Storslett	2,897.8	164.0	319.1	2,680.4	155.1	218.9
CFO Eldrid Mona Furuhovde from 08.08.2022	2,212.5	175.8	170.5	880.2	66.9	62.7
Total	**19,237.2**	**1,005.0**	**1699.0**	**16,670.1**	**850.7**	**1,496.6**

Managing Director area Forest and CFO are included in the group management from 2022. On termination of employment, the President and CEO and the Managing Directors have 18 month's pay after termination, less pay from new position/employer. No loans or guarantees are granted to the company management. See note 26 to the consolidated accounts for fixing of salary and other benefits for group management.

4.3 – Remuneration to auditor

Amounts in NOK million	2023	2022
Amount ex VAT		
Legally mandated account audit	1.2	1.0
Other services related to certification	0.5	0.0
Tax advisory services	0.0	0.0
For services other than audit	0.2	0.1
Total	**1.8**	**1.1**

Note 5 | Pension costs and pension liabilities

Pension schemes
The company is obliged to have an occupational pension scheme pursuant to the Act on Mandatory Occupational Pensions. The pension scheme complies with the law requirements, and is better than the minimum requirements in the law. With regard to defined-benefit pension shemes the company is still subject to taxable collective annuity scheme liabilities for a limited number of individuals.

Unsecured schemes
All obligations related to previous AFP schemes has ceased. Remaining uncecured schemes are related to other guaranteed obligations applicable to a limited number of people.

A new AFP scheme from 01 January 2011 for the Group's Norwegian companies
The new AFP scheme which came into force in 2011 is defined as a defined-benefit multi-company scheme, but is entered as a defined-contribution scheme until reliable and sufficient information enabling the companies to account for its proportionate share of pension costs, pension obligations and pension funds in the scheme. The company's obligations related to the new AFP scheme is therefore not recorded as a liability.

5.1 – Economic and actuarial assumptions

	2023	2022
Return on pension funds	0.00%	0.00%
Discount rate	3.10%	3.00%
Annual pay increase	3.50%	3.50%
Annual G adjustment (National Insurance Scheme's basic amount)	3.25%	3.25%
Annual adjustment of pensions being paid	3.25%	3.25%

5.2 – Pension costs

Amounts in NOK million	2023	2022
Pension entitlements accrued in the year	0.0	0.0
Interest costs on the pension commitments	0.6	0.4
Pension costs secured and unsecured defined benefit schemes	**0.6**	**0.4**
Contribution pension costs and other pension costs	6.8	5.0
Profit before tax	**7.4**	**5.4**

5.3 – Pension liabilities

Amounts in NOK million	2023	2022
Balance as at 01.01.		
Accrual of future pensions	18.2	18.9
Pension commitments (gross)	**18.2**	**18.9**
Pension funds	0.0	0.0
Employer contributions	2.6	2.7
Pension commitments (net)	**20.7**	**21.6**
Balance as at 31.12		
Pension commitments (gross)	18.8	18.2
Pension funds (anticipated)	0.0	0.0
Employer contributions	2.6	2.6
Pension commitments (net)	**21.4**	**20.7**
Net pension funds, secured schemes that can be netted	**0.0**	**0.0**
Pension commitments, secured (and unsecured) schemes that cannot be netted	21.4	20.7
Pension commitments, contractual pension (AFP)	0.0	0.0
Total pension commitments	**21.4**	**20.7**

5.4 – Key figures

Amounts in NOK million	2023	2022
Number of active members secured schemes	1	1
Number of pensioners secured schemes	1	1

Note 6 | Fixed assets and intangible assets

Amounts in NOK million	Land	Buildings and other property	Machinery and plant	Fixtures and fittings, tools etc.	Other intangible assets	Total
Acquisition value as at 31.12.2021	3.7	29.6	11.6	104.1	32.0	181.0
Acquisitions	1.3	0.6	0.0	8.0	0.0	9.8
Disposal acquisition value	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition value as at 31.12.2022	**5.0**	**30.2**	**11.6**	**112.1**	**32.0**	**190.8**
Accumulated ordinary depreciations 31.12.2021	0.0	26.4	9.1	65.9	32.0	133.4
Profit before tax	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and write downs for the year	0.0	0.5	0.7	25.6	0.0	26.7
Accumulated ordinary depreciations 31.12.2022	**0.0**	**26.9**	**9.8**	**91.5**	**32.0**	**160.2**
Book value 31.12.2021	3.7	3.2	2.5	38.2	0.0	47.6
Book value 31.12.2022	**5.0**	**3.3**	**1.8**	**20.6**	**0.0**	**30.7**
Ordinary depreciation rates in per cent	0	2.5-10 %	5-10 %	10-20 %	20-33 %	

Amounts in NOK million	Land	Buildings and other property	Machinery and plant	Fixtures and fittings, tools etc.	Other intangible assets	Total
Acquisition value as at 31.12.2022	5.0	30.2	11.6	112.1	32.0	190.8
Acquisitions	0.0	13.3	0.0	18.4	0.0	31.7
Disposal acquisition value	0.0	0.0	0.0	-0.2	0.0	-0.2
Acquisition value as at 31.12.2023	**5.0**	**43.5**	**11.6**	**130.3**	**32.0**	**222.4**
Accumulated ordinary depreciations 31.12.2022	0.0	26.9	9.8	91.5	32.0	160.1
Profit before tax	0.0	0.0	0.0	-0.2	0.0	-0.2
Depreciation and write downs for the year	0.0	0.6	0.7	10.1	0.0	11.3
Accumulated ordinary depreciations 31.12.2023	**0.0**	**27.4**	**10.5**	**101.3**	**32.0**	**171.2**
Book value 31.12.2022	5.0	3.3	1.8	20.6	0.0	30.7
Book value 31.12.2023	**5.0**	**16.1**	**1.1**	**29.0**	**0.0**	**51.2**
Ordinary depreciation rates in per cent	0	2.5-10 %	5-10 %	10-20 %	20-33 %	

Note 7 | Financial instruments

The following types of hedging are used:
Interest rate swaps, currency future contracts, structured forward buying of currency and future contracts for electric power.
Currency future contracts are measured at fair value through P&L. Interest rate swaps and future contracts for electric power are measured at the lower value of acquisition cost and fair value. Hedge accounting is not used.

Financial assets reqognized at fair value	2023	2022
Interest rate derivatives	6.7	14.1
Exchange rate derivatives	33.7	25.6
Total assets presented on the financial derivatives line	**40.5**	**39.7**

Financial obligations reqognized at fair value	2023	2022
Interest rate derivatives	0.0	0.0
Exchange rate derivatives	35.1	25.0
Power derivatives *	0.0	0.0
Other financial instruments	0.0	0.0
Total obligations presented on the financial derivatives line	**35.1**	**25.0**

* Power derivatives are reqognized in accordance with the lowest value principle.

Fair value:
The Group has no hedging instruments not traded in functional markets.
Fair value is calculated based on observable market prices for similar instruments.

Presentation of nominal value and duration of financial instruments

Amounts in NOK million	2023	2022
Interest rate derivatives		
Maturing under 1 year	0.0	0.0
Maturing 2 - 5 years	220.0	162.5
Maturing 6 - 10 years	50.7	94.5
Total	**270.7**	**257.0**
Currency derivatives, forward contracts for sale of foreign currency		
Maturing 0-6 months	616.0	900.1
Maturing 7-12 months	316.8	308.7
Maturing >12 months	30.6	125.9
Total	**963.4**	**1,334.6**
Currency derivatives, forward contracts for purchase of foreign currency		
Maturing 0-6 months	713.1	859.0
Maturing 7-12 months	776.1	261.7
Maturing >12 months	32.3	109.2
Total	**1,521.5**	**1,229.8**
Power derivatives		
Maturing under 1 year	129.5	82.3
Maturing 1-2 years	80.7	83.8
Maturing 3-4 years	19.5	21.2
Total	**229.7**	**187.3**

Note 8 | Financial market risk and impairment of financial assets

8.1 - Finansiell markedsrisiko

Assets with associated financial market risk consist of loans in foreign currency to subsidiaries, mainly in SEK. Exchange rate exposure is eliminated in that the loans are financed with debts in the same currency. Interest rate risk connected with the same receivables and liabilities is reduced by using rate swaps. In order to assist subsidiaries in covering risks associated with buying and selling currency, and within limits defined by the Board, currency positions are taken for internal exchange. The company also carry out the the hedging of the Group's consumption of electricity. For the Swedish part of the Group, this is done through trading financial contracts on the Nasdaq OMX Commodities. The realized hedging income is allocated to the subsidiaries according to consumption, resulting in no net impact for Moelven Industrier ASA. Hedge accounting is not used.

8.2 - Impairment of financial assets

Shares in subsidiaries are assessed with regard to indications of impairment.

Glulam is a popular choice for agricultural buildings.
Moelven supplies good solutions with a short production time for machine halls, barns, cowsheds, stables, paddocks, tool houses, garages and workshops.

Note 9 | Tax

Amounts in NOK million	2023	2022
Tax expense for the year		
Recognized tax on ordinary income:		
Total tax payable	0.0	45.7
Changes in deferred tax from income statement	-18.0	11.1
Correction of taxes in previous years	0.0	0.0
Tax expence	**-18.0**	**56.8**
Taxable income:		
Ordinary result before taxes	134.3	783.1
Permanent differences	-206.9	-525.0
Actuarial losses entered against OCI	-1.0	-0.4
Changes in temporary differences	-4.4	-50.2
Use of tax loss carry forwards	0.0	0.0
Taxable income:	**-78.0**	**207.6**
Tax payable in the balance sheet		
Tax on income	0.0	-33.8
Tax payable on received group contribution	0.0	79.5
Tax payable in the balance sheet	**0.0**	**45.7**

Tax effect of temporary differences and carried forwards giving rise to delayed or deferred tax advantages, specified on types of temporary differences:

Amounts in NOK million	2023	2022	Change
Fixed assets	-11.7	-16.8	5.2
Gains and losses	1.3	1.3	-0.1
Provisions	0.0	0.0	0.0
Pensions commitments	-21.4	-20.7	-0.7
Other differences	-0.6	-0.6	0.0
Total	**-32.5**	**-36.9**	**4.4**
Shares and other securities	5.4	14.7	-9.3
Carry forward loss	-78.0	0.0	-78.0
Calculation base for deferred taxes	**-105.1**	**-22.2**	**-82.9**
Deferred tax assets / deferred tax (22% / 22 %)	**-23.1**	**-4.9**	**-18.2**
Effect of change in tax rate	0.0	0.0	0.0

Note 10 | Equity

Amounts in NOK million	Share capital	Share premium funds	Own shares	Other equity	Total equity
Equity 31.12.2022	**647.7**	**130.9**	**0.0**	**335.7**	**1,114.3**
Annual profit				152.4	152.4
Actuarial gains and losses, and other direct to equity				-0.8	-0.8
Allocated to dividend				-125.7	-125.7
Equity 31.12.2023	**647.7**	**130.9**	**0.0**	**361.6**	**1,140.3**

For information regarding developments in share capital, summary of shareholders, shareholder agreements and closely related parties, shares owned by members of the board of Directors, corporate assembly and group management, declaration on fixing of salary and other remuneration to group management and also remuneration to the board of directors and corporate assembly, see notes 25, 26 and 27 to the consolidated accounts.

Note 11 | Shares in subsidiaries

Amounts in NOK 1000	Office, municipality / country	Holding %	The company's share capital		The company's total equity	The company's net profit in 2023	Number of shares in Moelven's ownership	Total face value	Book value 31.12.
Moelven Industrier ASA owns									
Moelven Van Severen AS	Namsos	100%	35,000		80,161	-19,990	3,500	35,000	35,005
Moelven Østerdalsbruket AS	Stor-Elvdal	100%	20,000		84,363	-62	2,000	20,000	20,005
Moelven Våler AS	Våler	100%	48,000		229,071	33,701	4,800	48,000	48,005
Moelven Soknabruket AS	Ringerike	100%	30,000		233,984	830	3,000	30,000	32,511
Moelven Numedal AS	Flesberg	100%	10,000		101,280	6,764	1,000	10,000	10,005
Moelven Løten AS	Løten	100%	12,000		51,853	-3,548	1,200	12,000	12,005
Moelven Wood AS	Eidsvoll	100%	5,500		64,357	10,063	5,500	5,500	10,000
Moelven Langmoen AS	Ringsaker	100%	18,000		107,183	-14,668	1,800	18,000	37,156
Moelven Eidsvoll AS	Eidsvoll	100%	8,500		49,242	88	850	8,500	18,500
Moelven Treinteriør AS	Ringsaker	100%	3,500		30,543	6,044	3,500	3,500	8,482
Moelven Modus AS	Ullensaker	100%	22,000		81,566	1,917	2,200	22,000	95,000
Moelven ByggModul AS	Ringsaker	100%	31,688		122,819	24,123	158,440	31,688	131,188
Moelven Bioenergi AS	Ringsaker	100%	6,000		15,255	466	6,000,000	6,000	6,800
Moelven Limtre AS	Ringsaker	100%	11,000		73,902	-2,112	11,000	11,000	43,028
Moelven Industrier AB	Sverige	100%	197,046	SEK	872,576	-19,831	19,704,581	197,046	241,406
Moelven Danmark Sales A/S	Danmark	100%	400	DKK	5,151	717	4,000	400	2,115
Moelven U.K. Ltd	Storbritannia	100%	200	GBP	23,056	0	950,000	50	10,426
Moelven Deutschland GmbH	Tyskland	100%	110	EUR	13,739	1,373	11	110	217
Moelven Are AS	Spydeberg	100%	106		36,338	959	100	300	30,203
Moelven Mjøsbruket AS	Gjøvik	100%	12,000		112,806	34,321	12,000	12,000	15,990
Moelven Eidsvold Værk AS	Eidsvoll	100%	32,500		33,531	2,044	32,500	32,500	13,578
Moelven Trysil AS	Trysil	100%	15,600		87,865	-9,646	15,600	15,600	35,634
Moelven Virke AS	Ringsaker	100%	5,000		18,524	1,724	50,000	5,000	4,546
Moelven Sør-Tre AS	Kragerø	100%	8,487		30,113	1,966	8,487	8,487	50,000
Moelven Granvin Bruk AS	Granvin	99.3 %	1,490		39,533	-974	2,959	1,480	16,672
Moelven Wood Prosjekt AS	Ringsaker	100%	300		20,134	-4,389	3,000	300	18,192
Moelven Profil AS	Grue	100%	15,000		33,870	-288	15,000	15,000	15,030
Moelven Elprosjekt AS	Ringsaker	100%	10,000		10,103	336	50,000	10,000	12,000
Moelven Pellets AS	Ringsaker	100%	37,500		133,204	25,181	37,500	37,500	75,000
Trettentretti AS	Ringsaker	100%	38		38	0	510	38	3,048
Spydebergveien 143 AS	Spydeberg	100%	194		12,913	0	100	194	12,913
Total Moelven Industrier ASA									**1,064,664**

* Voting rights is equal to ownership share.

Note 12 | Investments in associated companies

Amounts in NOK 1000	Holding % *		The company's share capital	The company's total equity	The company's net profit in 2023	Number of shares in Moelven's ownership	Total face value	Book value 31.12.
Owned by Moelven Industrier ASA:								
Woodtrans AS, Norway	34.0 %	NOK	1,310	10,700	2,678	445	445	1,187
Total								**1,187**

* Voting rights is equal to ownership share.
Weda Skog AB, in which Moelven Industrier ASA had a 30% stake, was liquidated in 2023.
The liquidation produced an accounting gain of NOK 3.0 million which is booked under other financial income

Note 13 | Bank deposits

13.1 - Bank deposits

Amounts in NOK 1000	2023
Net deposit group account arrangement	223.7
Outside the group account arrangement	4.3
Total	**228.0**

13.2 - Group account arrangement

Amounts in NOK 1000	2023
Subsidiary's deposit in group account arrangement	1,852.9
Subsidiary's withdrawal in group account arrangement	-288.2
The parent company's withdrawal in the group account rrangement	-1,341.0
Sum	**223.7**

The group's liquidity is managed centrally by the group's central finance department in Moelven Industrier ASA

Note 14 | Liquid holdings and debt

14.1 - Interest-bearing holdings and debt

Amounts in NOK million	2023	2022
Overdraft and interest-bearing debt	1,852.9	998.6
Long-term interest-bearing liabilities in		
NOK	132.6	168.9
SEK	0.0	0.0
DKK	0.0	0.0
EUR	0.0	0.0
Total long-term interest-bearing debt	**132.6**	**168.9**
Net interest-bearing debt	**1,985.5**	**1,167.5**

14.2 - Repayment schedule long-term liabilities

Amounts in NOK million	2023	2022
Long-term liabilities that fall due for payment in		
1 year	38.1	38.1
2 years	38.1	38.1
3 years	38.1	38.1
4 years	19.0	38.1
5 years	0.0	19.0
6 years or later	0.0	0.0

14.3 - Ceilings and withdrawals in syndicated loan market

Amounts in NOK million	2023	2022
Facility	1,745.0	1,823.5
Withdrawal	133.3	171.4
Remaining term in months	17/42	29/54

The company's external capital funding consists of three long-term credit facilities maturing in May 2024, and a loan of NOK 200 mill and short-term credit facilities in the banking systems. The long-term credit facillities were entered into in May 2020, and includes credit limits of a total of NOK 700 million and SEK 900 million respectively.

The agreement has a 3 year term, with the option to request an extension of 1 year up to 2 times in the agreement's 2 first years in order to extend final maturity from May 2023 to May 2025. A one year extension was agreed during 2021.

14.4 - Future access to liquidity

Long financing

Amounts in NOK million	2023	2022
as at 31.12	1,745.0	1,823.5
in 1 year	1,706.9	1,785.4
in 2 years	57.1	1,474.3
in 3 years	19.0	57.1
in 4 years	9.5	19.0
in 5 years	0.0	9.5
in 6 years or later	0.0	0.0

Short financing
In addition to the long-term access to liquidity, the group has loan facilities that are renewed each year
As at 31.12.2023 these were NOK 300 million.

Note 15 | Other short term liabilities

Other short-term liabilities consist mainly of accrued costs not yet due for payment.

Note 16 | Guarantee liability

Amounts in NOK million	2023	2022
Unconditional guarantees	323.9	338.2
Payment and contract guarantees	160.0	207.4
Tax deduction guarantees	80.8	70.3
Total	**564.7**	**615.9**

The company has no restricted bank deposits. The company's cash credit accounts are included in the Group's account systems.
The company can thus be collectively responsible for more than the company's withdrawals.
The employees' tax deduction funds are secured with guarantees furnished by an external credit institution.

KPMG AS
Grindalsvegen 5
N-2406 Elverum

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Moelven Industrier ASA

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Moelven Industrier ASA (the Company), which comprise the balance sheet as at 31 December 2023, 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 Moelven Industrier ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements. Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hamar, 19 March 2024

KPMG AS

Stein Erik Lund
State Authorised Public Accountant

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

STATEMENT BY THE CORPORATE ASSEMBLY

Statement by the Corporate Assembly

The following items were discussed at the meeting of the Corporate Assembly held on 3 April 2023:
- Annual report and proposed Annual Financial Statements by the Board of Directors and President/CEO for the 2023 accounting year for Moelven Industrier ASA and group.
- Board's proposed allocation of net profit for year in Moelven Industrier ASA.
- Board's determination of remuneration to Group Executive Board.
- The Statement by the Corporate Assembly to the General Meeting.

The Corporate Assembly recommends that the general meeting approve the Board of Directors and CEO's annual report and accounts for Moelven Industrier ASA and group in 2023, including allocation of the net profit the year in Moelven Industrier ASA.

The Corporate Assembly also recommends that the general meeting approve the Board of Directors proposal for remuneration to corporate management.

3 April 2023

Rolf Th. Holm
Chairman of the Corporate Assembly

Moelven strives to communicate actively and transparently with the market and to provide all interested parties with equal access to financial information.
www.moelven.com includes performance reporting, financial status and information on the policies Moelven is governed by.

This report has been produced using 100 % recycled paper that is FSC® and Nordic Swan Eco-labelled.

MILJØMERKET 2041 0645 Trykkeri

FSC www.fsc.org 100% Papir fra bærekraftig skogbruk FSC® C129908

TRYKT I NORGE NO - 2940

Moelven Industrier ASA
Box 134
NO-2391 Moelv
moelven.com