

The future is built with wood



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

The result in the year where everything was different was one of the strongest for Moelven of all time. The group reported an operating profit of NOK 662.2 million – an increase of almost NOK 330 million compared to the previous year.



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The different year

2020 will be recorded in the history books as one of the most difficult and best years in Moelven's history. We have seen our people deliver like no one else, and we have experienced that which should never happen. Rarely have we known less about what would await us around the next corner, but great uncertainty soon turned into huge demand for wood products when the pandemic struck.

IN THE COURSE of March, we acquired a new vocabulary. The terms quarantine, cohort, reproduction number and infection control became a part of everyday language – and Moelven's operations. All of it shrouded in much uncertainty as to what lay ahead. Wood product inventories were larger than desirable, and demand was low. When Easter arrived we were working on specific, different scenarios. All had a recurring theme: How will we be impacted by the pandemic. Lockdowns in Europe and closed factories and markets were components of a downturn that was emerging.

But then a lot of things happened. Rather than a downturn, demand for wood products increased drastically. The consumer market took off, and rarely has more building and refurbishment been carried out. Because when people stayed at home, they literally went up the walls, roofs and terraces.

The building boom lasted throughout 2020, and this also affected activity in the glulam and module building areas. Overall, this allows Moelven to look back one of its strongest financial results of all time.

The most important explanation for our success is our people. We have succeeded financially because we have been able to meet the huge demand for wood products both domestically and internationally. So far we have been spared from major infection outbreaks,



with a few exceptions. This proves that our employees have complied with infection control rules and have remained healthy. This has been essential. We are grateful and proud of our employees, and of the way they have handled this difficult year.

WHAT NEVER SHOULD HAVE HAPPENED

If we look behind the financial aspect, there is a dark shadow. In August, what never should have happened, did happen. A colleague at Moelven Edanesågen AB died following a fall at work. 13 August will always be one of the darkest days in Moelven's history. We do not want to experience any more of these. At Moelven everyone should make it home from work, every day. But this time our colleague never made it home at all.

We have too many injuries at Moelven. We're working purposefully to change this. In the course of 2020

we have further reinforced and improved our HSE work. A number of new measures have been initiated, and we are working with everything from management, safety analyses and preventive measures, to improvements to machinery and processes. We're a long way from the finish line. Safety work and safety culture is something we can never consider done. It is continuous improvement work that has the highest priority at Moelven.

2020 really was a different year. Much of what characterised last year continues into 2021. We are slightly more skilled at managing the pandemic, but uncertainty continues to haunt us. We're working a bit smarter, more online and are travelling less. But the most important thing is to work safer. At the time of writing we don't know what lies around the next corner, but 2020 has proven that we have people who can and will manage changes.



Bjergsted Financial Park is one of the largest timber-built office blocks in Europe, and quite possibly our most beautiful timber building. Moelven supplied glulam columns, beams and diagonals to the project, as well as rib panels and system solutions to offices.

Photo: Sindre Ellingsen

This is Moelven

Moelven is one of Europe's largest industrial wood processing groups. We have 34 production companies spread across 42 production locations in Norway and Sweden. We also have sales organisations in Norway, Sweden, Denmark, the UK, Germany and China.

WE MAKE CLIMATE-SMART products and solutions. Our raw materials are sustainably sourced spruce and pine, which we sell on for further processing in other industries, and use in our own products. We produce 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.

The world's most environmentally friendly furniture factory, The Plus, is being built from wood.

Photo: Big/Vestre

OUR VISION

THE NATURAL CHOICE FOR PEOPLE WHO WISH TO BUILD AND LIVE THE SCANDINAVIAN WAY.

OUR MISSION

PROVIDE PEOPLE WITH GREAT SPACES.

OUR SET OF VALUES:

SUSTAINABLE

Moelven respects people and the environment. Our activities are based on renewable resources and turning sustainability and long-term thinking into competitive advantages. We are determined to take responsibility for our environment.

RELIABLE

You can rely on Moelven. We deliver at the agreed time and with the right quality. We focus heavily on transparency and honesty – being able to admit to weaknesses and mistakes provides a basis for progress and credibility.

EXPLOITING OPPORTUNITIES

Moelven looks for solutions. The Group has the abilities and resources to be a leader in product development and creativity. We have always been a pioneering company that takes advantage of the opportunities changing times present.



Moelven's vision, mission, values and personnel concept provide the foundations for all of our employees and the strategic choices that are taken.

**OUR PERSONNEL CONCEPT:
MOELVEN PROVIDES OPPORTUNITIES
TO THOSE WHO WISH TO TAKE THEM**

Moelven is a good and reliable workplace, but also and interesting one. At Moelven, we not only develop products and services, we also provide opportunities to people who want to develop.



OPERATING INCOME
11 665 200 000



OPERATING PROFIT
662 200 000



INJURY FREQUENCY RATE
25,1

LTI2 rate = number of injuries with and without absence per million worked hours, past 12 months.



42
production
locations

34
production
companies

EMPLOYEES
3391



WOMEN
392



MEN
2999



2
production
countries



Customers in
40
countries

Climate-smart and sustainable value creation

OUR CARBON FOOTPRINT:

0,2 mill. tonnes CO₂-emissions from operation

1,6 mill. tonnes CO₂ stored in produced volume

Timber stores

3,3 mill. tonnes
CO₂

Emissions from timber transport

29,100 tonnes
CO₂

Emissions from other transport

3,900 tonnes
CO₂

Use of energy

249 Gwh el.
3,615 tonnes
CO₂

Emissions from production

12,200 tonnes
CO₂

Operating income
11.7 bill. NOK

Operating Profit
662 mill. NOK

3,391 employees

1,707 in Sweden
1,656 in Norway
28 in other countries
LTI rate = 11.7

Steel 1,450 tonnes
Gypsum 6,150 tonnes

Chem. 10.1 mill. litres
Plastics 1 900 tonnes

Waste

15,178 tonnes total
1,063 tonnes
hazardous waste
392 tonnes plastics
85 % sorting ratio

Bio mass

Pellets
District heating

Energy

Bioenergy produced
762 GWh
Energy content
of sold biomass
1,389 GWh

System interiors

2,019 projects

Modules

6,160 units

Plywood

109,000 m³

Glulam

54,600 m³

Planed wood

0.82 mill. m³

Sawn timber

2.12 mill. m³






Distribution

16 % export
to 40 countries outside
of Skandinavia

Emissions from transport to customers

111,300 tonnes
CO₂

Focus areas, goals and priorities

Four focus areas	Important topics	Results			
			2019	2020	2023
We and the materials we produce shall be climate positive 	1. Energy consumption in own production 2. Goods transport 3. Production of bioenergy 4. Climate benefits from forests 5. Climate-smart design 6. Waste management	Electricity consumption (GWh)	229	249	Implement planned increase in operations without increasing electricity consumption and carbon footprint
		Carbon footprint (tCO ₂ e)	138,570	161,143	
		Stored in finished goods (tCO ₂)	1,469,283	1,576,605	5 % annual reduction in carbon intensity
We shall use renewable resources and utilise the entire resource 	1. Sustainable materials 2. Resource optimisation 3. Resource-efficient design and packaging 4. Waste management in production	Timber controlled	100 %	100 %	100 %
		Plastics recycled (tonnes)	387	392	Increase share of bioplastic and recycled plastics as much as possible
		Consumption of recycle plastics (tonnes)	1,231	1,371	
		Consumption of other plastics (tonnes)	420	538	Work for introduction of environmentally-friendly-alternatives til plastic
		Sorting ratio	85 %	84 %	
We shall be an attractive and safe workplace  	1. HSE 2. Engaged and competent employees 3. Safe chemical use	LTI rate	11.3	11.7	< 4
		TRI rate	34.8	25.1	< 16
		Absence due to injury rate	207.5	256	> 1,2 per employee
		Risk reports	3,208	3,843	
		Absence due to illness	5,40 %	6,20 %	< 4.0 %
		Employees	3,399	3,391	
		Apprentices	31	30	
We shall create green workplaces 	1. Economic value creation in local communities 2. Local environment	Total value creation in Norway and Sweden (MNOK)	828	931	Sustainability is one of four cornerstones in Moelven's strategy, and shall be included as a decision criterion in investments and further development of the Moelven group
		Estimated contribution to society (MNOK)	4,235	5,004	
		Direct jobs	3,399	3,391	
		Violations of the Pollution Control Act or similar legislation that have led to fines	None	None	No violation of the Pollution Control Act or similar legislation



Basic premise – We are a reliable partner

KEY FIGURES

Amounts in NOK million	2020	2019	2018	2017	2016
THE GROUP					
Operating revenues	11,665.2	10,297.5	11,020.8	10,768.4	10,309.7
Gross operating profit (EBITDA)	1,010.6	629.8	932.7	716.1	601.6
Depreciation	344.1	296.2	280.4	278.1	290.1
Impairment	4.3	-1.8	66.1	17.6	16.5
Operating profit	662.2	335.4	586.2	420.4	295.0
Financial items	-58.6	-95.8	-8.0	-46.8	-42.5
Profit before tax	603.6	239.7	578.2	373.6	252.5
Total assets	5,833.0	5,518.0	5,302.3	5,044.6	4,766.8
Equity in per cent	49.1	42.9	45.9	41.5	38.0
Operating margin in per cent	5.7	3.3	5.3	3.9	2.9
Investments	271.9	478.7	497.4	357.0	275.2
Number of employees	3,391	3,399	3,524	3,546	3,492
TIMBER					
Operating revenues	3,444.9	3,118.9	3,263.3	3,118.2	3,020.6
Gross operating profit (EBITDA)	365.9	243.1	449.4	266.9	181.1
Depreciation	102.7	97.4	98.7	102.7	111.1
Impairment	4.3	0.0	7.4	17.6	16.5
Operating profit	258.9	145.8	343.3	146.7	53.5
Financial items	1.0	-5.1	-4.1	-17.4	-13.1
Profit before tax	259.9	140.6	339.2	129.3	40.4
Total assets	1,742.9	1,513.1	1,663.4	1,545.5	1,567.1
Operating margin in per cent	7.5	4.7	10.5	4.7	1.8
Investments	88.0	115.8	136.7	99.2	64.2
Number of employees	636	629	620	650	674
WOOD					
Operating revenues	4,730.3	4,018.1	3,977.3	3,805.6	3,529.9
Gross operating profit (EBITDA)	482.3	265.4	318.5	265.7	274.5
Depreciation	110.6	102.1	108.0	110.9	113.8
Impairment	-	-1.8	58.6	0.0	0.0
Operating profit	371.7	165.1	151.9	154.8	160.6
Financial items	-18.7	-29.2	-15.6	-24.8	-24.4
Profit before tax	353.0	135.9	136.2	129.9	136.2
Total assets	2,802.3	2,514.4	2,466.9	2,413.9	2,151.6
Operating margin in per cent	7.9	4.1	3.8	4.1	4.5
Investments	130.2	117.2	198.1	119.9	114.7
Number of employees	1,099	1,114	1,108	1,079	1,039
BUILDING SYSTEMS					
Operating revenues	3,346.6	3,002.7	3,743.0	3,856.4	3,616.8
Gross operating profit (EBITDA)	166.2	135.0	189.0	206.7	166.3
Depreciation and impairment	89.9	78.1	60.6	52.8	51.2
Operating profit	76.4	56.8	128.3	153.9	115.1
Financial items	-5.2	-3.9	-1.0	-1.6	-1.7
Profit before taxes	71.2	52.9	127.4	152.3	113.4
Total assets	1,908.6	1,751.0	1,751.4	1,808.9	1,653.2
Operating margin in per cent	2.3	1.9	3.4	4.0	3.2
Investments	21.6	55.9	93.5	118.9	84.5
Number of employees	1,490	1,494	1,647	1,687	1,647
OTHER OPERATIONS					
Operating revenues	3,802.4	3,728.0	3,547.6	3,414.6	3,388.9
Gross operating profit (EBITDA)	-3.8	-13.7	-24.1	-23.2	-20.3
Depreciation and impairment	40.9	18.6	13.1	11.7	13.9
Operating profit	-44.7	-32.3	-37.2	-34.9	-34.2
Financial items	-35.8	-57.5	12.7	-2.9	-3.4
Profit before tax	-80.5	-89.8	-24.5	-37.8	-37.6
Investments	32.1	189.8	69.2	19.1	11.8
Number of employees	166	162	149	130	132

Report of the Board of Directors 2020

2020 IN BRIEF

When the impact of Covid-19 really began to affect the world at the end of February 2020, it quickly became clear that the year would be different than planned. The underlying demand for wood-based building materials has seen positive developments for several years, partly as a result of increased focus on sustainable products. This development has continued in 2020, and in addition, travel restrictions due to the Covid-19 pandemic led to a strong increase in demand from the consumer market for wood-based building products.

For the Group as a whole operating income increased by 13.3 per cent to NOK 11.7 billion (10.3) and the operating result by NOK 97.5 per cent to NOK 662.3 million (335.4). The Group's rate of return on employed capital increased from 9.4% to 17.9%. In addition to the market developments that resulted from the Covid-19 pandemic, the improvement programme in the Group's long-term strategy plans are a significant reason for the improvements. The main objectives in the strategy plans are focused on creating 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. This work has yielded results, and at the end of 2020 the Group emerges as significantly more robust than previously.

With exports to more than 40 countries and on several continents, Moelven is dependent on developments in the global economy. Combined, approx. 15 per cent of the Group's turnover is in markets beyond Scandinavia, mainly in the euro zone, the UK, Middle East, North Africa and Asia. It is mainly sawn timber that is exported. For Timber in isolation the export share outside of Scandinavia is 45 per cent, and for Wood it is 10 per cent. Both price developments on the international market for sawn timber and exchange rate developments therefore have a major impact on the business. Both directly for export revenue, but also indirectly because international price levels rapidly impact the home market in Scandinavia.

In the Timber divisions key markets, the market balance improved at the beginning of the year when supply was reduced as a result of production constraints

among several players, in addition to a strike in the Finnish wood industry. Covid-19 entailed that certain geographical areas were difficult to access at times due to the infection situation and infection control measures. Overall demand was however very good, and the division succeeded well in finding logistics solutions that made it possible to maintain delivery volumes. The good demand for timber has resulted in a significant price increase for both the Timber and Wood divisions' products throughout 2020. In addition, for the export-oriented business, weak Scandinavian currencies, in particular against the EUR, have contributed to maintaining good margins.

The UK is an important export market for Moelven. Market activity was good in 2020. In the media Brexit was of course slightly overshadowed by the Covid-19 pandemic, but it has also created a good deal of uncertainty throughout the year. Moelven has planned well to reduce risk related to Brexit in order for the UK to remain an important export market after Brexit. The transport of goods to the UK is by sea, and the short-term consequences are primarily increased administration. In the longer term uncertainty related to the UK is mainly linked to economic developments.

The Wood division mainly sells its processed wood products on the industrial and building materials markets in Scandinavia. The division also has six so-called combined units that use sawlogs as a raw material in their operations. Depending on the quality and dimensions of raw materials, this results in a certain volume of sawn timber products that is not ordinarily processed at the unit but sold externally. The share of sawn timber sold externally from the combined units was reduced in 2020 compared to the previous year, in order to supply the Group's own units with raw materials.

Access to forest raw materials has largely been good throughout 2020. The Group's timber consuming units entered the year with large sawlog inventories, and several units had up to the maximum levels. The background was largely storm fellings and greater harvesting in 2019 to counter damage to the forest as a consequence of extensive insect attacks. A good sawlog supply and an international sawn timber market with a surplus of goods in the second half of 2019 also meant that the saw log prices at the beginning of 2020 were lower than the previous year. The producti-

on units have had sufficient raw material to maintain production as planned throughout 2020, and the sawlog inventories at the end of the year were at normal levels for the season and satisfactory in relation to the existing production plans. At the end of the year prices for sawlogs for the Swedish units was somewhat lower than at the same time the previous year, while the prices for the Norwegian units was back at the same level as one year earlier. Good access to chip and fibre products, partly due to reduced demand for energy raw material as a result of the mild winter in 2020 and reduced consumption of some paper products as a result of Covid-19, led to a decline in prices to below 2019 levels in both Norway and Sweden.

The companies in the Building Systems division mainly operate in building and construction in Scandinavia. Deliveries are to professional players in both the new building and renovations, extensions and conversions markets. The glulam companies also have significant production of glulam in standard dimensions that is sold via the building products trade.

Low market activity, in particular in the housing segment for the building module companies and the building interiors segment, made it necessary to reduce production capacity for these areas as early as 2019. In building and construction, infrastructure and smaller projects, activity has been satisfactory for the year as a whole. In the housing segment demand has improved in 2020, partly as a result of the introduction of new module-based concepts. The interiors business is experiencing difficult market conditions with strong competition. Although market activity has improved, particularly in the first part of the year, uncertainty caused by the Covid-19 pandemic has meant that it takes longer from the point when development projects are put out to tender and until production actually can start. With the exception of the interiors business in Sweden, it has however been possible to maintain operations throughout the year with a prudent profitability level. At the turn of the year, the order backlog was NOK 374 million higher than at the same time in 2019. It is primarily the building module business in Norway and Sweden and the glulam business in Sweden that are responsible for the improvement.

EVENTS IN 2020

HSE

13 August 2020 was one of the darkest days in the history of Moelven as one of our employees lost his life in a work accident at Moelven Edanesågen AB. On 4 September when our colleague was laid to rest, all of Moelven stopped to remember our colleague. All machinery and work processes at all units and offices stopped, and one minute of silence was observed with subsequent local commemorations.

From 1 January 2020 the Group brought into use the first modules in a new management system for HSE, quality and the external environment. This is the result of an extensive project that started in 2019. The management system shall simplify and reduce the complexity of Moelven's improvement work. It will be a living system that to a greater extent exploits the synergies in the Group, ensures compliance and provides better opportunities for certifications.

In the course of the fourth quarter of 2020 the Group has drawn up a prioritised action plan for the further development of a good safety culture in all of Moelven – "HSE towards 2023." The initiative comes after a period where despite continuous focus on HSE improvement work, we have seen stagnation in the positive developments from 2016 to 2018 with regard to the frequency of injuries with subsequent sick leave. The overall frequency of injuries has however been significantly reduced, and was at the end of 2020 marginally higher than the intermediate goal set in the Group's strategy plan. The "HSE towards 2023" action plan includes specific and targeted measures related to both resource allocation, developing expertise, risk analysis, internal control and compliance, and not least culture building.

Business activities

Moelven Valåsen AB was among the five finalists in the enterprise competition "Smart Industri 2019" that Kungl. Ingenjörsvetenskapsakademin (IVA) organises. Around 100 undertakings took part in the competition.

Moelven Valåsen AB was one of two who received an honourable mention for implementing an internal "digitisation journey" of the entire production process, from timber to finished products, in what until now has been a traditional operation with a relatively low level of digitisation. The company has systematically sought available knowledge and combined best practices with its own solutions. So far, the work has led to reduced energy consumption and better utilisation of the raw material that maximises the product value of each log. The initiative, which involved the whole company, has also entailed a boost in expertise and greater attractiveness as an employer.

On 3 March 2020 another important milestone was reached for Moelven Pellets AS, when the first ship of premium pellets (ENplus A1) was loaded in Drammen harbour. The certification ENplus A1, which is the highest quality of pellets, has very stringent requirements in terms of length, hardness, moisture and energy content. It was thus noted that the greatest single investment in Moelven's history was successful so far and the plant was put into ordinary operation.

Both Moelven Limtre AS and Moelven Modus AS had significant deliveries of glulam structures and interior solutions in connection with the construction of Northern Europe's largest wooden commercial building – Bjergsted Financial Park in Stavanger. The building that is 22,800 square metres in size across 7 storeys is based on an industrialised building system with glulam and massive wood and customised glulam beechwood beams.

In June 2020 Bjergsted Financial Park was named both "Building of the Year 2019" and "Wooden Building of the Year 2019" for architecture, the innovative use of wood, craftsmanship and finish, in addition to lofty environmental ambitions. The building is certified as BREEAM Outstanding, which is the highest certification in the BREEAM system.

In September it was decided to invest around NOK 170 million to build Norway's largest facility for the production of royal and Cu impregnated wood products at Moelven Soknabruket AS. Startup of the project was however postponed for further investigation as it became known towards the end of 2020 that the Norwegian Building Authority had carried out a market inspection of fire-treated cladding. In connection with this, indications had emerged that royal treated cladding did perhaps not qualify for classification in fire class D, which is how both Moelven and the rest of the industry has classified the product in accordance with established practice. Moelven quickly initiated its own tests, and on the basis of these the classification for the cladding products was changed to fire class E. At the same time Moelven also halted production and sales of royal treated cladding. Procedures have also been established to inform and follow up the customers. This applies only to the cladding products, not the terrace products, which are the largest segment for Moelven's royal-treated products.

The Covid-19 pandemic has led to operational disruptions at certain units. Moelven Vänerply AB and Moelven List AB were most severely affected, where production was halted for around a week in the autumn due to several employees being infected by Covid-19. Measures to trace infection and stop further outbreaks were implemented, and the factories were disinfected in the week the closure lasted. Moelven Edanesågen AB also experienced cases of infection and needed to halt production for brief periods in order to implement measures to prevent further dispersion.

I November, Norwegian Wood Cluster (NWC), of which Moelven has been a core member since its inception, was included in Innovation Norway's cluster programme (the Arena programme). With Arena status the cluster is ensured financial and expert support for further development for at least three years to

come. This is a long-awaited boost for the cluster project, and will create new opportunities for further innovation and cooperation across the value chain. Moelven is also a member of the WoodWorks cluster in Trøndelag. Last year, WoodWorks was assigned the status of Arena Pro, which is a level above the Arena status NWC now has been assigned.

In December Moelven Vänerply AB launched its newest product WeatherPly™, a water-repellent construction plywood board for outdoor roof and wall use. WeatherPly™ is treated with a silicate on all sides including tongue and groove, which makes it weather-resistant, reduces water ingress and damage caused by sun/UV rays. The sheet well suited for Norwegian conditions, limits the need for tarpaulins in the construction period, and contributes to keeping the building dry in all types of weather for up to 6 weeks. WeatherPly™ also has good slip protection with similar friction to untreated plywood.

Strategy – People, Innovation, Sustainability and Profitability

The sustainability and climate challenges the world is facing are attracting more and more attention. For the Moelven Group sustainability and environmental impact have been central topics for a long time, and are a natural part of the culture and mindset in a business based on wood as a raw material. Starting from 2017, the Group's public reporting also includes a sustainability report in accordance with the GRI standards (Global Reporting Initiative) and climate accounts according to the GHG protocol (GreenHouse Gas). In society in general, increased knowledge and awareness of wood's properties and opportunities, both as carbon storage and as a building material, has led to greater interest in climate-smart building with wood.

Among the Moelven Group's products and services, the deliveries from Wood and Building systems are most visible to the outside world. This concerns both processed wood building materials, bridges and other load-bearing structures in glulam and module-based apartment buildings. In addition, activity in infrastructure is high. Use of wood in connection with this is also on the increase, and is an important cause of the good demand for sawn timber, which is the main product of the Timber companies.

Besides the environmental and sustainability theme, HSE has become steadily more important in the strategy work. The Group has a long-term target of zero injuries – it should be safe to work at Moelven. The developments in injury rate have been unsatisfactory, and the LTI rate increased from 11.3 in 2019 to 11.7 in 2020. In the strategy plan, intermediate objectives have been established on the path towards the long-term objective.

	2020 realised	2021	2022	2023
LTI rate	11.7	< 6	< 5	< 4
LTI2 rate	25.1	< 24	< 20	< 16
Reports per employee	1.1	> 1.1	> 1.2	> 1.2
Absence due to illness	6.2 %	< 4.0 %	< 4.0 %	< 4.0

The health, safety and environment strategy can be summarized in nine points:

- ▶ Clear goals
- ▶ Active leadership and active employee participation
- ▶ Increased use of resources
- ▶ Clear sharing of responsibility
- ▶ Increased expertise
- ▶ Underpinning systems
- ▶ Unambiguous processes and rules
- ▶ Incentives and consequences
- ▶ Frequent information

FWith regard to business, the Group is still in a phase

where large parts of operations are doing well and improving results, while other parts of operations still fail to meet the requirements to profitability and returns that have been defined. 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. Further growth in the strategy period should take place by strengthening the basic business we already have. New investments must be adjusted to the strategic choices that have been made and take place within the applicable financial framework. Investments and growth will mainly take place on the basis of existing business areas.

The focus on internal improvement work and restructuring in accordance with the action plan that was developed in the autumn of 2014 has continued with full force in 2020, although both self-imposed and public infection control measures related to Covid-19 have posed challenges to implementation. This par-

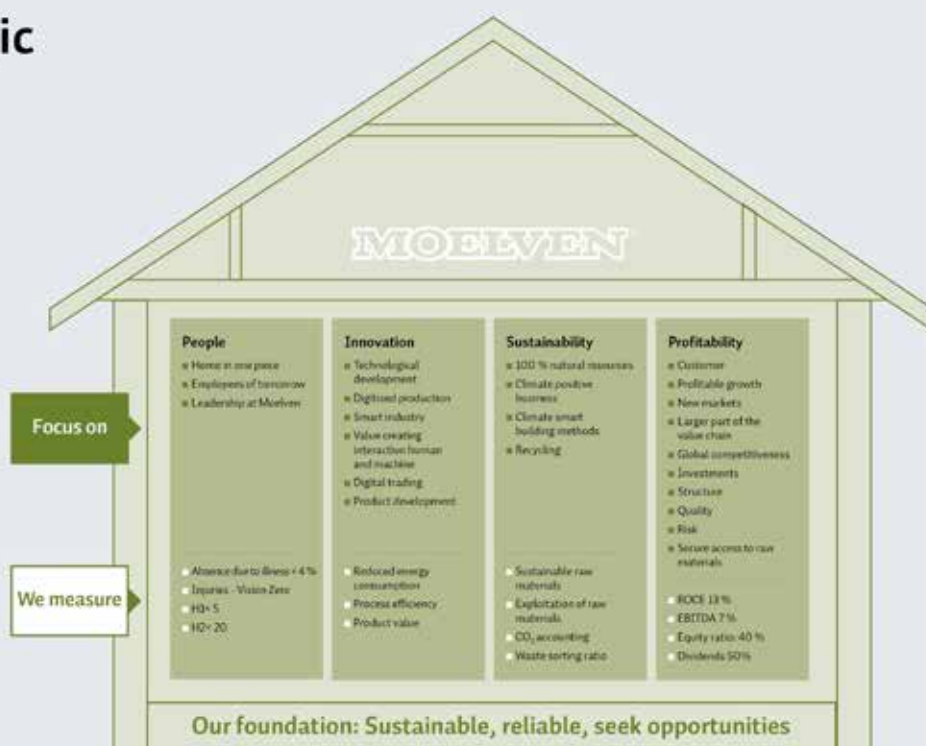
Our strategic framework

Vision
The natural choice for people building and living the Scandinavian way

Mission
Create quality rooms

Values
Sustainable
Reliable
Seek opportunities

HR Concept
Moelven creates opportunities to people who seek them



ticularly applies to projects that involve key personnel from different countries, regions and units, and where videoconference equipment is not a fully satisfactory alternative to physical meetings.

In addition, several organizational changes are being implemented, as well as major investment projects that will improve efficiency and profitability. Here too however, Covid-19 has caused challenges and postponements over the past year, particularly with regard to investment activities. In addition to challenges related to both suppliers and key personnel being prevented from travelling due to infection control measures, in April 2020 it was decided to halt contracting of major investment projects as a result of uncertainty related to the Covid-19 pandemic. On the basis of achieved results and cash flow, as well as forecasts for the remainder of 2020, at the end of August it was decided to resume investment activities in accordance with the existing plans at the start of the year. The stoppage naturally led to a certain delay compared to the original plan.

Moelven's strategic framework summarises the corporate strategy and is used to clarify what work should be done and which priorities should be made to achieve the objectives.

CORPORATE GOVERNANCE

On 27 April 2020 Trond Stangeby and Elisabeth Krokeide resigned from the board after six and twelve years as board members respectively. Kristin H. Holth and Olav Breivik were elected as new board members, and the board has since comprised Olav Fjell (chairman), Gudmund Nordtun (deputy chairman), Kristin H. Holth, Aud Ingvild Storås, Olav Breivik, Martin Fauchald and Lars Håkan Karlsson.

Corporate governance at the Moelven Group is based on the current Norwegian recommendation for corporate governance of October 2018. 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. Comprehensive information on the Group's governing bodies is published at www.moelven.no and in note 27.

Corporate structure

In December 2020 Moelven entered into an agreement with AT Skog SA to sell Moelven's 51 per cent interest in Moelven Telemarksbruket AS to AT Skog SA. The transaction, which was completed on 4 January 2021, entails that Telemarksbruket is wholly-owned by AT Skog SA from that date. All 31 employees continue work in the company under the new ownership. Telemarksbruket is in Bø in Telemark, and produces around 40,000 cubic metres sawn timber from pine per year.

The company will now have an owner with a strong local commitment who can prioritise development of the sawmill in a different manner than what has been possible as a part of Moelven's sawmill portfolio.

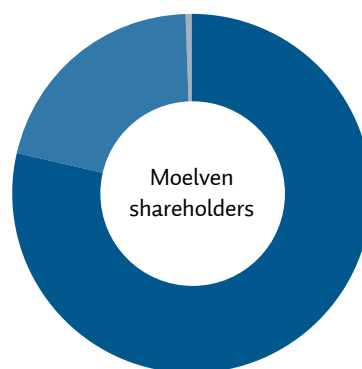
On 16 December 2020 the final timber load was loaded at Moelven Eidsvoll Værk AS, and all operations are thus completely discontinued. Industrial history dating back more than 400 years is thus over, and much thanks goes to everyone who has contributed to the smooth decommissioning.

The Group's two wholly-owned building module companies, Moelven Byggmodul AS and Moelven Byggmodul Hjellem AS, were merged in terms of organisation from the turn of the year, but with formal effect from 1 February 2021. Moelven Byggmodul AS is the acquiring company. Both companies produce wooden modules and will continue to cultivate their different market segments. The order situation in both companies is satisfactory, and no downsizing is planned in connection with the merger. A total of 315 people work in the companies, which produce more than 3,000 modules a year overall.

THIS IS THE MOELVEN GROUP

Ownership structure

- Glommen Mjøsen Skog SA 78.8 %.
- Viken Skog SA 20.8%.
- Allskog SA 0.1 %.
- Others (860 owners) 0.4 %.



The Moelven Group's main shareholders at the turn of the year were Glommen Mjøsen Skog SA (78.8%) and Viken Skog SA (20.8%). Most of the remaining 0.4 per cent is owned by private individuals.

In February 2020 Eidsiva Vekst AS and Felleskjøpet Agri SA sold their shares in Moelven Industrier ASA to Glommen Mjøsen Skog SA and Viken Skog SA. The transaction increased Glommen Mjøsen Skog SA share from 40.8 per cent to 71.5 per cent, while Viken Skog SA increased its share from 11.9 per cent to 20.8 per cent. In accordance with the shareholder agreements, Glommen Mjøsen Skog SA made a mandatory bid for all shares subject to the shareholder agreements. AT Skog SA, which at the point had a stake of 7.3 per cent, chose to accept this. Glommen Mjøsen Skog SA thus further increased its share to 78.8 per cent, while Viken Skog SA retained its 20.8 per cent share.

On 22 December 2020 it was announced that KLP has entered into an agreement with Glommen Mjøsen Skog SA to buy 12 per cent of the shares of Moelven Industrier ASA. Glommen Mjøsen Skog SA thus reduces its ownership share from 78.8 per cent to 66.8 per cent. However, in accordance with the existing shareholder agreement, Viken Skog SA, which owns 20.8 per cent of the shares, has pre-emptive rights if any of them want to sell their shares. In January 2021 Viken Skog SA announced that it would exercise its pre-emptive rights. The transaction entailed that Viken Skog SA increased its stake in Moelven to 32.8 per cent. The remaining 0.4 per cent is distributed among a number of minor blocks of shares that are primarily owned by individuals.

Vision

Moelven is a Scandinavian Group. All production units are located in Scandinavia, which is also the primary market. Moelven's vision is to be the natural choice for people who wish to build and live Scandinavian, and the Group shall take the lead in developing buildings that are based on Scandinavian building traditions. Within this framework, activities are based on a desire and an ability to contribute to creating good spaces – good environments to live and work in, and for all social functions. Good Scandinavian environments are often close to nature in their form and content. Wood and other natural materials are essential parts of what Moelven makes and are dominant in the greater part of the product range. Moelven offers a broad range of natural and climate-smart products, systems 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 85 per cent of sales revenues, and 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 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.

Location

The Group has its headquarters in Moelv in Norway and consists of 34 production companies in 42 production locations, and a number of offices for sales, service and fitting. Most of the production units are companies and 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. Out of a total of 3,391 (3,399) employees at the end of 2020, 1,656 (1,691) work in Norway, 1,707 (1,680) in Sweden, 20 (20) in Denmark and 8 (8) in other countries.

Divisions

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 products, 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. About 55 per cent of operating revenues come from Scandinavian customers. At the end of 2020, there were 636 (626) employees, 251 (249) of them in Norway, 370 (361) in Sweden and 8 (10) in other countries.

Wood

The Wood division comprises 16 production companies, 3 customer centres and one project sales company. 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. Around 75 per cent of timber and board production is sold through the building products trade and wood processing industry. Wood is one of the leading suppliers to the Scandinavian market and about 90 per cent of its operating revenues come from Scandinavian customers. At the end of 2020, there were 1,099 (1,114) employees, 608 (601) of them in Norway, 486 (486) in Sweden and 20 (21) in Denmark.

Building Systems

The Building Systems division consists of 6 production companies at 12 production locations and a number of sales, service and fitting offices. Building Systems is divided into the business areas Glulam, Building Modules and System Interiors, all three of which are market leaders in Norway and Sweden. 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 2020, there were 1 490 (1 494) employees, 765 (788) of them in Norway and 729 (859) 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 is from staffing companies who comply with the EU temporary agency work directive, and this entails that hired personnel are ensured the same terms as if they were employed by Moelven.

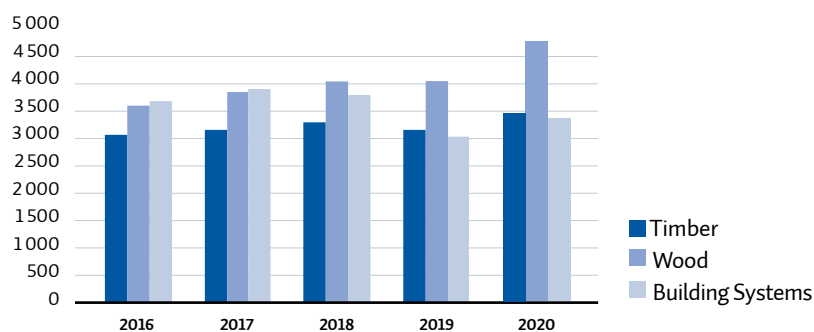
Other Businesses

Other businesses include Moelven Industrier ASA, with shared services for finance, accounting, insurance, communications, HR and ICT. 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 companies Moelven Skog AB, Moelven Virke AS, Vänerbränsle AB, Moelven Bioenergi AS and Moelven Pellets AS. In addition there is the affiliate company Weda Skog AB, which is in a liquidation phase in 2021 after the activities in the company were transferred to the respective owners with effect from September 2020. At the end of 2020, there were 166 (162) employees, 70 (67) of them in Norway and 96 (95) in Sweden.

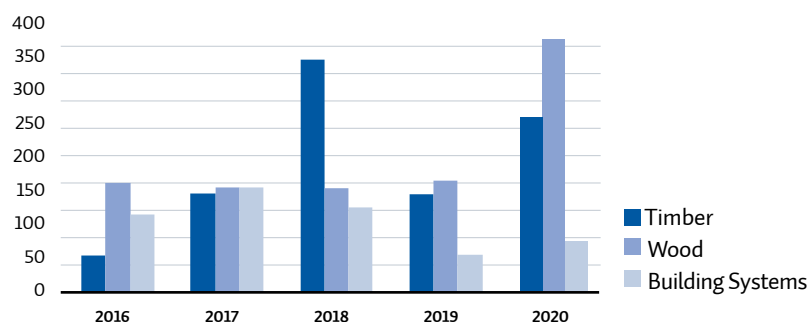
SOCIAL RESPONSIBILITY

The Board has processed and approved the Groups general strategy and guidelines relating to HSE, social responsibility, the environment and competition law. The discussion of these areas are 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.

Operating revenues



Operating results



OPERATING REVENUES AND RESULTS

The group

Amounts in NOK million	2020	2019
Operating revenue	11,665.2	10,297.5
EBITDA	1,010.6	629.8
Depreciation and impairment	348.4	294.4
Operating Profit	662.2	335.4
Profit before tax	603.6	239.7

Operating revenues increased by 13.3 per cent in 2020, after all three divisions experienced increased demand for their products and services. The Wood division saw the greatest increase, where travel restrictions related to the Covid-19 pandemic led to a large increase in the consumer market for wood-based building materials. Demand for the Timber division's products has also been very good for all of 2020. The market balance improved at the beginning of the year when supply was reduced as a result of production constraints among several players, in addition to a strike in the Finnish wood industry. Covid-19 entailed that demand from and access to the division's various export markets varied throughout the year. Overall demand was however very good, and the division succeeded well in finding logistics solutions that

made it possible to maintain delivery volumes. The good demand for sawn timber products has resulted in a significant price increase for both the Timber and Wood divisions' products throughout 2020.

The Building System division entered 2020 with reduced production capacity as a result of low market activity, particularly in the module and interiors business. Market activity and demand did however increase as the year progressed, and made it possible to increase the utilisation rate at the factories. Much of the background is related to the introduction of new concepts in the module business, but also the general increase in demand for wood-based building materials and sustainable building methods.

Raw material costs for the timber-consuming part of the Group were reduced overall in 2020 compared to the previous year. In 2019 storm fellings and greater harvesting to counter damage to the forest as a consequence of extensive insect attacks caused timber prices to fall. At the end of the year prices for sawlogs for the Swedish units were nevertheless slightly lower than at the same time the previous year, while the prices for the Norwegian units was back at the same level as one year earlier. Good access to chip and fibre products, partly due to reduced demand as a result of the mild winter in 2020, led to a decline in prices to below 2019 levels in both Norway and Sweden.

Operating conditions in 2020 were generally good, but in the timber processing part of the Group, low intermediate and finished goods inventories gradually led to logistics challenges with increased costs as a result. The Covid-19 pandemic has also impacted operations, partly because of infection outbreaks at certain units, but mainly because stringent infection control measures have complicated logistics and the implementation of improvement projects and maintenance where external assistance is required. For the Group as a whole, operating revenues nevertheless nearly doubled in 2020 to NOK 662.2 million from NOK 335.4 million the previous year.

The 2019 operating result includes impairments of NOK 17.0 million as a result of the decision in the third quarter of 2019 to discontinue operations at Moelven Eidsvold Værk AS.

Inventories are assessed monthly against developments in manufacturing costs and fair value. This has had a positive impact on the operating profit of NOK 47.8 million in 2020, while the corresponding adjustment in 2019 was NOK -32.8 million. The items have no cash flow effect.

The Group employs financial instruments as a hedge against short-term fluctuations in foreign exchange

rates, interest rates and power prices. Non-cash items connected to fair value adjustments on unrealised hedging instruments comprised NOK 6.8 million in 2020. The corresponding result for 2019 was NOK -23.7 million, including a positive effect from basis swaps of NOK 17.6 million and an adjustment of NOK -30.8 million as a result of a change in accounting for power price hedges. Basis swaps are hedging instruments that when viewed for the entire term have a market value change equal to zero, and where the accounting effect therefore is reversed over time. The Group has not used basis swaps in 2020.

Timber

Amounts in NOK million	2020	2019
Operating revenue	3,444.9	3,118.9
EBITDA	365.9	243.1
Depreciation and impairment	107.0	97.4
Operating Profit	258.9	145.8
Profit before tax	259.9	140.6

Market conditions for the timber processing industry were good throughout 2020, both internationally and in Scandinavia. Varying measures to limit the spread and consequences of Covid-19 have been ongoing across the world since February/March 2020, and have posed challenges in terms of both market access and logistics. The division has however succeeded well in finding solutions that have made it possible to serve the markets in a satisfactory manner, and the delivery volumes in 2020 for the division as a whole increased by 10 per cent compared to the previous year.

Demand in 2020 was driven by consumers who have spent more money on redecorating and maintenance, and because wood is taking market shares from other building materials such as concrete and steel. The US market in particular has been strong. This has contributed to delivery volumes being moved to the US from the European market, which regardless of this already had a low supply of goods in relation to the overall demand. As a result, prices have seen positive developments in 2020, and were higher at the end of the year than one year earlier. The markets in North Africa, the Middle East and Asia have generally been weaker than the US and Europe, but Japan and China in particular showed encouraging signs of recovery in the fourth quarter.

Through the second half of 2019, high supply of goods led to a drop in market prices on the international saw timber market. The high supply was mainly lower grades of spruce, which increased due to storm fellings and powder-post beetle attacks, but had a significant impact on the overall price levels. Coming

into 2020 several players adjusted their production volumes downwards, at the same time that the timber processing industry in Finland partly stopped for a period due to strikes. Overall this provided a gradual improvement of the market balance, which in combination with increasing demand led to rising price levels throughout the year.

The Scandinavian currencies dropped sharply in the first quarter and have remained weak throughout the year. This has contributed to maintain good competitiveness in the export markets.

Operating conditions in 2020 were generally good, and production volumes were higher than in the previous year. However, for the division as a whole, processing costs increased somewhat towards the end of the year, mainly due to increased costs for maintenance in a year with lower investment activity than normal. There are still certain units where rationalisation measures are required in order to provide satisfactory results. The sale of Moelven's 51 per cent stake in Moelven Telemarksbruket AS to AT Skog SA with effect from 4 January 2021, frees up capacity to further strengthen improvement work at the remaining production units in the division.

Access to forest raw materials has largely been good throughout 2020. The sawlog inventories at the start of the year were high, and were at several units almost at maximum levels. The background was largely storm fellings and greater harvesting in 2019 to counter damage to the forest as a consequence of extensive insect attacks. A good sawlog and an international sawn timber market with a surplus of goods in the second half of 2019 also meant that the sawlog prices at the beginning of 2019 were lower than a year previously. The production units have had sufficient raw material to maintain production as planned throughout 2020, and the sawlog inventories at the end of the year were at normal levels for the season and satisfactory in relation to the existing production plans. At the end of the year prices for sawlogs for the Swedish units was somewhat lower than at the same time the previous year, while the prices for the Norwegian units was back at the same level as one year earlier. Good access to chip and fibre products, partly due to reduced demand for energy raw material as a result of the mild winter in 2020 and reduced consumption of some paper products as a result of Covid-19, led to a decline in prices to below 2019 levels in both Norway and Sweden.

The UK is an important export market, particularly for the Swedish units in Timber. As far as possible, measures have been introduced to make the impact of Brexit as small as possible. As expected, Brexit has led to increased administrative work, but there is little

to indicate that significant market-related changes will arise in the short term, but new trade agreements will entail a need for an increased use of resources particularly in connection with customs clearance.

Inventories are assessed monthly against developments in manufacturing costs and fair value. This has had a positive impact on the operating profit to the tune of NOK 7.7 million in 2020, while the corresponding adjustment for 2019 was NOK -21.2 million. The items have no cash flow effect.

Wood

Amounts in NOK million	2020	2019
Operating revenue	4,730.3	4,018.1
EBITDA	482.3	265.4
Depreciation and impairment	110.6	100.3
Operating Profit	371.7	165.1
Profit before tax	353.0	135.9

Activity in the building products trade in Scandinavia was higher in 2020 than in the previous year. Overall the delivery volumes from the Wood division increased by around 13 per cent. The strong demand throughout the year has meant that the finished goods inventories at the end of 2020 were significantly lower than normal for the season, and measures have been implemented to build up sufficient inventories for next high season.

Developments in demand have largely been driven by the consumer market, which partly due to travel restrictions related to the Covid-19 pandemic has significantly increased activity in renovation and maintenance of homes and holiday homes. The overall price level was on a par with 2019, although certain product categories saw a slight increase in prices. The main concerns products with a high level of processing, where demand has seen a steadily increasing trend in recent years. In order to ensure adequate raw materials for the production of processed goods, the division's timber-consuming units have increased production compared to 2019.

Operating conditions throughout the year were generally good. However, for the division as a whole, processing costs increased somewhat compared to 2019. The main reasons are more demanding administration and logistics as a result of high market activity and low finished goods inventories, as well as increased costs for maintenance in a year with lower investment activities than normal. There are still certain units where rationalisation measures are required in order to provide satisfactory results.

The Covid-19 pandemic has led to operational disruptions at certain units. Moelven Väneryp AB and Moelven List AB were most severely affected, where production was closed down for around a week in the autumn due to several employees being infected by Covid-19. Measures to trace infection and stop further outbreaks were implemented, and the factories were disinfected in the week the closure lasted. Moelven Edanesågen AB also experienced cases of infection and needed to halt production for brief periods in order to implement measures to prevent further dispersion.

The planing mills in the division use mainly sawn timber as raw material. As a result of price trends for sawn timber products internationally, the raw material costs for these units have increased through the year.

For the division's sawlog-consuming units, which are the combined units with both sawmill and planing production, access to forest raw materials has largely been good throughout 2020. The sawlog inventories at the start of the year were high, and were at several units almost at maximum levels. The background was largely storm fellings and greater harvesting in 2019 to counter damage to the forest as a consequence of extensive insect attacks. A good sawlog supply and an international sawn timber market with a surplus of goods in the second half of 2019 also meant that the sawlog prices at the beginning of 2019 were lower than a year previously. However, the situation normalised as 2020 progressed. The production units have had sufficient raw material to maintain production as planned throughout 2020, and the sawlog inventories at the end of the year were at normal levels for the season and satisfactory in relation to the existing production plans. At the end of the year prices for sawlogs for the Swedish units was somewhat lower than at the same time the previous year, while the prices for the Norwegian units was back at the same level as one year earlier. Good access to chip and fibre products, partly due to reduced demand for energy raw material as a result of the mild winter in 2020 and reduced consumption of some paper products as a result of Covid-19, led to a decline in prices to below 2019 levels in both Norway and Sweden.

Inventories are assessed monthly against developments in manufacturing costs and fair value. This has had a positive impact on the operating profit to the tune of NOK 40.1 million in 2020, while the corresponding adjustment in 2019 was NOK -11.6 million. The items have no cash flow effect.

In September it was decided to invest around NOK 170 million to build Norway's largest facility for the production of royal and Cu impregnated wood products at Moelven Soknabruket AS. Startup of the project was however postponed for further investigation

as it became known towards the end of 2020 that the Norwegian Building Authority had carried out a market inspection of fire-treated cladding. In connection with this, indications had emerged that royal treated cladding did perhaps not qualify for classification in fire class D, which is how both Moelven and the rest of the industry has classified the product in accordance with established practice. Moelven quickly initiated its own tests, and on the basis of these the classification for the cladding products was changed to fire class E. At the same time Moelven also halted production and sales of royal treated cladding. Procedures have also been established to inform and follow up the customers. This applies only to the cladding products, not the terrace products, which are the largest segment for Moelven's royal-treated products.

The year-to-date operating result for 2019 has been charged with cost provisions totalling NOK 17.0 million as a result of the decision in the third quarter of 2019 to discontinue operations at Moelven Eidsvold Værk AS. Production stopped as planned at the end of the first quarter 2020, and the final goods were disbursed from the warehouse on 16 December 2020. Operations in 2019 were also impacted by the fire at Moelven Trysil AS in February 2019, which led to a reduced drying capacity until a new dryer became operational in December 2019.

Building Systems

Amounts in NOK million	2020	2019
Operating revenue	3,346.6	3,002.7
EBITDA	166.2	135.0
Depreciation and impairment	89.9	78.1
Operating Profit	76.4	56.8
Profit before tax	71.2	52.9

At the turn of the year, the order backlog was NOK 374 million higher than at the same time in 2019. It is primarily the building module business in Norway and Sweden and the glulam business in Sweden that are responsible for the improvement.

For the glulam operations in both Norway and Sweden market activity has been satisfactory in the standard segment for all of 2020, where the market has been characterised by the consumer-driven demand increase for wood-based building materials. In the project market Covid-19 has resulted in a slightly hesitant stance in certain segments to implement new projects, but overall demand has been satisfactory. Initiated rationalisation measures and concept adjustments are largely following the plan, although it has been necessary to adjust the schedule in certain areas due to travel restrictions related to Covid-19.

For the building module operations in Norway, activities in the building and construction segment have been satisfactory with good production. In the housing segment activity picked up in the course of the second half of the year, and has been at a sufficient level to maintain operations in the factories with a satisfactory profitability level.

The Group's two wholly-owned building module companies, Moelven Byggmodul AS and Moelven Byggmodul Hjøllum AS, were merged in terms of organisation from the turn of the year, but with formal effect from 1 February 2021. Moelven Byggmodul AS is the acquiring company. The order situation in both companies is satisfactory, and no downsizing is planned in connection with the merger, and the businesses will continue to cultivate their different market segments. A total of 315 people work in the companies, which produce more than 3,000 modules a year overall.

For the Swedish building module operations, demand for standard modules for building and construction and rental was weaker than normal, but saw an improvement towards the end of the year. The order intake has nevertheless been sufficient to secure the factory production. The housing segment was hesitant in the first part of the year, but with signs of improvement and an increase in order intake in the second half of the year. At the turn of the year, an increase in production nevertheless appears to be somewhat ahead in time. The capacity adjustments that were implemented in 2019 have not been fully reversed.

For system interiors market activity has been hesitant in both Norway and Sweden throughout 2020. In Norway activity in some regions has dropped to levels that may lead to a need to adjust capacity if they persist. In Sweden the situation is somewhat better in the capital region than other parts of the country, but price levels remain too low to create satisfactory profitability. The Covid-19 pandemic led to a drop in demand that required the introduction of short-term work/layoffs. Regardless of the Covid-19 pandemic, profitability in both countries has been unsatisfactory over time. In 2020 a number of measures were implemented to improve competitiveness and profitability. As a part of this work, as early as June it was decided to discontinue production at the factory in Kumla, where it would require major investments to operate at a profit. Production will be transferred to the facilities in Hülån and at Jessheim. 14 employees were affected by the closure. The other measures, which are currently being implemented, will be effective from 2021.

Other Businesses

Amounts in NOK million	2020	2019
Operating revenue	3,802.4	3,728.0
EBITDA	-3.8	-13.7
Depreciation and impairment	40.9	18.6
Operating Profit	-44.7	-32.3
Profit before tax	-80.5	-89.8

Other businesses include Moelven Industrier ASA, with shared services for finance, accounting, insurance,

communications, HR and ICT. 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 companies Moelven Skog AB, Moelven Virke AS, Vänerbränsle AB, Moelven Bioenergi AS and Moelven Pellets AS. 2020 has been the first full year of operation for Moelven Pellets AS. Break-in of the factory has gone according to plan. The manufactured pellets have premium quality and are certified as ENPlus A1. The partnership agreement with SCA for pellet delivery has ensured the delivery of the entire production volume from the factory in a year where the pellet market has been characterised by a surplus of pellets following the mild 2019/20 winter and the mild 2020 autumn with low international energy prices.

Fluctuations in operating revenues in the area of Other Businesses are largely due to the level of activity within timber supply and sales of wood chips and energy products. These are mainly internal sales, which do not materially affect the results within the business area. In order to safeguard the supply of timber and market opportunities for wood chip and energy products in regions without local demand for pulp wood and wood chips, Moelven is to a certain extent involved in the purchase and resale of this, based on established train solutions for transport, among other things. The business is based on fixed agreements on both the customer and supplier sides.

In August 2020 there was agreement between the owners of Weda Skog AB, Bergkvist-Insjön AB (70%) and Moelven Industrier ASA (30%) to divide the company among them. Since 2000 Weda has been responsible for timber supply to Bergkvist-Insjön AB in Insjön and Moelven Dalaträ AB in Mockfjärd. All of the 22 employees of Weda Skog have been offered new employment with either Moelven Skog or Bergkvist-Siljan, and 21 employees chose to accept this. The new structure took effect from 1 September, but all existing timber contracts were finalised under the auspices of Weda Skog up to the end of the year. Moelven Skog AB took on supply responsibilities for

Moelven Dalaträ AB from the turn of the year. Responsibility for the sales of Dalaträ's other by-products is handled by Vänerbränsle AB. From the turn of the year Weda Skog AB has no ordinary operative activities, and the company now enters a liquidation phase that is scheduled to conclude by the end of 2021.

INVESTMENTS, BALANCE SHEET AND FINANCING

During 2020, total investments were NOK 271.9 million (NOK 478.7 million). The investment programme in the Group's current strategy plan entails a reduction in investment levels compared to 2019. In April 2020 it was also decided to stop the contracting of larger investment projects as a result of uncertainty related to the Covid-19-pandemic. On the basis of achieved results and cash flow, as well as forecasts for the remainder of 2020, at the end of August it was decided to resume investment activities in accordance with the existing plans at the start of the year. The stoppage has naturally led to a certain delay in relation to the original plans.

Depreciations and impairments for 2020 comprised NOK 348.4 million (294.4 million). In addition to a high investment rate in 2019, the main reason for the increase in depreciation compared to 2019 is that a correction related accounting of leasing contracts was implemented in the fourth quarter of 2020. For 2019 accumulated depreciation and impairment includes NOK 17.0 million related to the decommissioning of Moelven Eidsvold Værk AS.

At the end of 2020, the book value of the Group's total assets was NOK 5,833.0 million (NOK 5,518.0 million). A weak NOK in relation to SEK and increased receivables as a result of the high level of activity are the main reasons for the increase in total capital.

Cash flow from operating activities in the 2020 was NOK 971.5 million (NOK 466.1 million), corresponding to NOK 7.50 per share (NOK 3.60). The change compared to last year is due to increased earnings and fluctuations in working capital items. Cash flow from working capital items was NOK 97.2 million in 2020 (69.2 million).

Net interest-bearing liabilities were NOK 535.6 million (NOK 1,136.4 million) at the turn of the year. Leasing is included in net interest-bearing liabilities in the amount of NOK 174.4 million (NOK 198.8 million). The liquidity reserve was NOK 1,789.7 million (NOK 951.0 million).

At the end of May the Group's long-term loan facility was refinanced. The new loan agreements have an overall scope of NOK 700 million plus SEK 900 million, and a term of three years with an option for

a two-year extension. In addition to a margin matrix based on the Group's cash flow and loans, the pricing of the financing is linked to key sustainability targets in the Group's strategy plan. This concerns reductions in energy consumption, increased sorting rates for waste and reduction in the number of personal injuries. The sustainability element in the pricing has a marginal financial consequence compared to the margin matrix, but is nevertheless an important step towards integrating sustainability efforts even closer with the operative business. As previously, the available loan facility varies in time with the natural fluctuations in the Group's tied-up capital through the year. At the end of June the Group also signed a seven-year loan agreement for NOK 200 million with the Nordic Investment Bank. The condition for the loan was the implementation of a number of investment projects where sustainability was a key objective. The investment in a new energy centre and pellet factory at Sokna comprised the main part of the basis for the loan.

Equity at year end amounted to NOK 2,865.0 million (NOK 2,368.2 million), which is equivalent to NOK 22.1 (NOK 18.3) per share. The equity ratio was 49.1 per cent (43.5 per cent). The dividend for the previous year of NOK 0.72 (1.74) per share, totalling NOK 93.3 million (225.4), was paid and charged to equity in May 2020. 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 likely exchange rate fluctuations are within acceptable risk limits. In 2020, exchange rate fluctuations resulted in

Sensitivity analysis

Estimated change in operating profit and profit per share for one per cent change in price.

Factor	Δ EBIT NOK mill.	NOK per share.
EBIT		
Sawlog price - spruce and pine	28	0.22
Sawn timber spruce	15	0.12
Sawn timber pine	14	0.11
Chip and fibre product prices	5	0.04
Planed wood prices in Scandinavia	20	0.15
Laminated timber prices, standard dimensions	3	0.02
Electricity prices, change 1€/MWh	0.7	0.01
Financial items*		
Permanent change in NOK and SEK	7	0.05
Interest rate change +/- 100 bps.	6	0.05

an unrealised change in equity of NOK 134.6 million (NOK -28.1 million). Approximately half of the Group's assets are recognised in SEK. The total assets thus also change based on the exchange rate, and the equity ratio in percent is therefore less impacted by exchange rate fluctuations than the nominal equity.

RISK

The Group's profits and balance sheet are affected by several external factors that can be influenced by Moelven to a greater or lesser extent. In 2020 the world community has been strongly affected by the Covid-19 pandemic. The pandemic as a risk has similarities with for example climate change in the sense that research communities have pointed out that it is something the world should be prepared for. One of the major differences is the speed in which the situation has evolved. Predicting both when and how a pandemic will develop and which consequences it will have is virtually impossible, and it is therefore not possible to plan specific measures if the situation should arise. Experience so far from the Covid-19 pandemic has clearly demonstrated the significance of both financial resilience and not least being able to establish crisis teams at short notice with adequate expertise and vigour to manage situations that arise.

In some of the risk areas that affect the Group, there are functioning financial 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 objective for the use of financial instruments is to reduce fluctuations and create more predictability. In areas such as raw material supply, finished goods markets and project activities, other methods for hedging 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.

Prices of finished goods

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.

Sawn timber prices

The Moelven Group's units annually use around 4.4 million cubic metres sawlogs of spruce and pine in production. The total value is approximately NOK 2,500 million, including transport costs. Spruce and pine

account for approximately equal portions of forest round timber purchases. Moelven does not own any forest, but buys all its 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.

Prices of fibre products and biomass

The price of fibre products and biomass, which come from saw and planing production in Timber and Wood, is of great significance for the Group's revenues. Even though work is constantly going on to improve the utilisation of raw material, only about half of each log becomes industrial timber after passing through a sawmill. The remaining half is cellulose chipping and sawdust, in addition to various dry fractions. Part of this is used for our own energy production, while the rest is sold to the particle board, bioenergy and fibre industries. Since a change in the profit margin for these products has a direct influence on the Group's results, the distance to the customers and access to efficient logistics solutions for road, rail and or sea transport are of great importance.

Electricity prices

The price of electric power is another important factor that affects the Group's profitability. About 249 GWh of electric power was bought via the Group's electricity suppliers in 2020. 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

The Group's net interest-bearing debt is subject to interest rate risk. The bulk of the debt in SEK, which is why interest rates in Sweden are most important for the development of the Group's interest expense. The Group companies will be financed with loans from the parent company. All external borrowing is done by the parent company, which also makes hedging in accordance with 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 total duration should be minimum of 12 months and maximum 60 months shall not be entered into hedging agreements with a maturity of more than 10 years.

Exchange rate risk

About 15 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 the external changes. 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 this in that share investment in most of the Group's Swedish subsidiaries is financed in Swedish krona. At the end of 2020, the total equity that is exposed to exchange rate risk amounted to SEK 1,515.6 million (SEK 1,302.3 million).

Credit risk

It is the Group's policy that credit sales over a certain size 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 possible.

Liquidity risk

The Group's long-term debt was refinanced in May/June 2020. The main funding consists of a long-term overdraft facility from May 2020 with a total framework of NOK 700 million and SEK 900 million and a term of three years with an option for an extension of up to 2 years. 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 cash flow and loans, the pricing of the financing is linked to key sustainability targets in the Group's strategy plan. As at 31 December 2020, the Group's key figures were significantly better than the minimum requirements in the loan agreements.

In June 2020 the Group entered into a seven-year loan agreement for NOK 200 million with the Nordic Investment Bank. The Group also has a short-term credit facility linked to the Group account system amo-

unting to NOK 300 million that is renewed annually.

Risk of damage and interruption to production

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, preventive measures, risk review and preparation of continuity plans. The continuity plans become key plans if a fire/damage should occur. The plans cover immediate efforts, disaster management and the ability to continue deliveries to customers. Through its industrial insurance, the Group is covered for financial loss exceeding NOK 3 million per individual claim.

Information technology

In an increasingly connected world with increasing digitization both in general in society but also in businesses like Moelven, an ongoing assessment of IT risk is important. Interconnected value chains increase efficiency, productivity and quality, but also increase vulnerability to digital service outages. With increasing threats both domestically and internationally and recent years' media reported incidents following IT attacks against businesses and public institutions, Moelven has devoted extra attention to IT security and risk in recent years. Moelven follows 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.

Risk of loss of reputation

Moelven strongly emphasises maintaining a good reputation, and this is closely monitored by corporate management. Openness is what 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.

Risk of loss of environmental costs

The activities of the Moelven Group follow the prevailing legislation and regulations with regard to emissions and waste management. The Group has made provisions in the accounts for all known obligations related to environmental impact. One of the purposes of the Group's sustainability policy is to minimize the risk of negative impact on the natural environment and thus the potential environmental cost as well.

CLIMATE RISK

The risk is changing both for Moelven and society at large. The climate and environmental crisis has been

a central issue for several years, and climate risk is now high on the agenda of both businesses and public authorities. The climate changes and social changes that will come to the force as a part of the work to limit it may entail severe negative consequences for players who fail to take part in the transition. At the same time, great opportunities are arising for those that are a part of the green shift. In 2020 the world has also experienced how a pandemic quickly can have huge consequences, not only for life and health, but also the world economy. Population Groups have been differently affected, often with the most severe consequences for those who initially were weakest. Industries and companies went from a boom to a virtual full stop in activity in a matter of months, while others thrived. Climate change will likely affect the world community in the same way, but over a longer period of time, which makes us more capable of limiting the impact.

Moelven is to a certain extent exposed to transition risk. In general, changes to regulations, policy and reputation will have a potentially positive effect for Moelven, as wood products are considered an important component of the green shift. There are good opportunities to expand the market and offer new products and services. At the same time it is clear that competition for climate-friendly building materials is increasing, with constantly new products, solutions and players on the market.

Moelven is also exposed to significant acute physical climate risk. Extreme weather can harm standing forest, which in turn can have a potential effect on quality, price levels and access to timber. Floods are also relevant as several of Moelven's sawmills are in close proximity to rivers and waterways. These are known problems that have been subject to strategic work for many years. Chronic physical climate risk, such as increased volatility in weather conditions, more precipitation and increased average temperatures can also affect Moelven. In the short term such harvesting can be affected by wet and warm winters, and in the longer term raw material quality can be affected.

Many claim that climate and environmental change also contribute to the increased prevalence of diseases that we are unable to effectively treat with current medicine, and which thus will develop into pandemics like the one we are currently experiencing. This is however an area that is not considered in Moelven's climate risk and opportunity assessment.

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.

Management

The Board of Directors' role

The Board of Directors' responsibilities and tasks follow current legislation and the rules of procedure for Moelven Industrier ASA. This gives the Board the overall responsibility to ensure competent control of the company's operations. The relationship to climate risk and climate opportunities falls within this. In accordance with the current rules of procedure, the Board annually reviews and adopts the company's policy for sustainable operations and code of conduct. These provide guidelines for how Moelven shall integrate considerations to the outside world in value creation. The sustainability policy also stipulates that Moelven shall publish its results and progress in the area through an annual sustainability report. The sustainability report is processed and adopted by the Board along with the company's annual accounts and the report of the Board of Directors. No separate board committees have been established with regard to climate risk and sustainability.

The role of management

The CEO is responsible for the day-to-day management of Moelven's operations and follows the guidelines provided by the Board.

Monitoring and control of climate and sustainability issues is organised under economy and finance in corporate management, where responsibility for internal control and risk management is otherwise located. In addition Group- and/or division-wide functions for control and follow-up have been established where this is appropriate. Examples are raw materials supply, the raw materials certification schemes PEFC™ and FSC®, energy follow-up and HSE.

There are also examples of climate related issues that are closely integrated in the day-to-day operational activities. This applies in particular to product certifications, operation permits, etc. Moelven has a decentralised organisational model where most of the operative units are independent legal entities. The local boards and company management have independent responsibility for the follow-up of climate and sustainability issues at the unit level.

Strategy and scenario analysis

In the risk assessment and strategy process, Moelven is considering the short-, medium- and long-term time horizons: Short-term 0-5 years, medium long-term 5-10 years and long-term 10-30 years. The definition

follows the time frame stipulated by the IEA in the World Energy Outlook. The short term viewpoint is in line with Moelven's existing strategic outlook. In the medium long-term the investments and assets are considered in terms of possible trends and risks towards 2030, with a change in global policy and markets related to climate action. The long-term view is also relevant as several European countries have existing targets of virtually zero emissions in 2050. Both Norway and Sweden have committed to emissions cuts through the 2015 Paris Agreement. In June 2017 Norway adopted the Climate Act, whose key objective is to reduce greenhouse gas emissions by at least 40 per cent by 2030 from the benchmark year of 1990. In addition, Norway shall be a low-emission society in 2050 with a reduction in greenhouse gas emissions of 80-95 per cent. Among other things, the EU has proposed a new framework, the European Green Deal, which proposes adopting an ambition that the whole of EU shall become carbon neutral by 2050.

Risks and opportunities have been identified through scenario development, where Moelven has developed two scenarios for the short, medium-long and long term. Scenario 1 describes a world that implements measures to limit global warming to well below two degrees by the end of the century, in accordance with recommendations from the IPCC. This scenario mainly uses data from the IEA's Sustainable Development Scenario and the IPCC's RCP 4.5.

Scenario 2 describes a world that wants to act, but is struggling to implement effective measures, which leads to a global warming of between 2.5 to 3.5 degrees. This scenario mainly uses data from the IEA's Stated Policies and the IPCC's RCP 8.5. In addition to the IPCC and IEA estimates, both scenarios include local factors and alternative sources, as Moelven operational areas may diverge from global perspectives. For example, Norway may implement measures in accordance with recommendations from the IPCC, while global policy and initiatives are not yet structured in accordance with a world that limits the global warming to well below two degrees.

Identified risks

Moelven is particularly exposed to physical climate risk, technology risk and reputation risk. Physical climate risk comes from changes in weather and climate, and with regard to Moelven this will mainly affect raw material access and the frequency and the severity of floods. Raw material access can be impacted through extreme weather, where a historic example is the hurricane Gudrun in 2005 that felled forest equivalent to one year's normal harvesting in Sweden. Forest fire is also a risk factor that increases in line with increased average temperatures and drought periods. Harvesting can also be affected by long, mild winters,

due to challenges related to accessibility in the forest. This risk has affected Moelven in the past, and it is assumed that the risk level will increase in time with climate changes. In 2019 we also saw how the climate created optimal conditions for certain insect species, which resulted in extensive damage to forests in Europe. This contribute to a price drop in the timber markets, which in turn affected the finished goods prices.

Today wood materials are perceived to be among the most sustainable building materials, but Moelven can risk increased competition in the area due to technology developments in other sectors. Examples are the use of carbon capture in the cement and concrete industry or the use of sustainable hydrogen in steel electrolysis. Moelven has little impact on this risk, but already has a well-established brand as a manufacturer of sustainable building materials. The risk is already present, with competing products that are clearly marketed as sustainable. The risk is expected to significantly increase if carbon capture is adopted for cement production in Norway, and that the plans for emissions-free production of steel is realised in Sweden.

Moelven also faces a potential reputation risk, where there are great expectations that the forestry industry and bio-economy shall act as an accelerator for the green shift. In order for this to materialise, it is important that the authorities' instruments assist the industry to develop further, including through facilitation of increased efficiency in transport and long-term framework conditions. At the same time, new requirements are being considered on the sustainable management of forests at the EU level, which potentially may have consequences for Moelven's operations and external stakeholders view of Moelven.

Moelven is actively working on the risks in order to reduce the consequences and likelihood that they occur as summarised in the below table:

By comparing the two scenario, Moelven will have better conditions for long-term value creation in scenario 1 (low emissions). Physical climate risk is lower in this scenario, and one may expect increased demand for the Group's products. Scenario 2 means increased unpredictability both in terms of physical and transitional risk that will impose increased requirements on Moelven's risk and opportunity management to ensure long-term value creation.

#	Risk	Risk type	Risk description	Risk level	Ability to impact	Time horizon
A	Unpredictable access to raw materials	Physical acute climate risk and Physical chronic climate risk	Increased prevalence of storms and extreme precipitation in the Nordic region. The market balance in the entire value chain is disturbed as a result of supply side shock in the raw materials market Increased risk of forest fires in the Nordic region. Unpredictable outbreaks of pests and fungus.	High	Low	Short / Long (0-30 years)
B	Extreme weather damage to industry and infrastructure	Physical acute climate risk	Larger and more frequent extreme weather incidents in the Nordics. Damage or need for preventive measures that e.h. are limited to a geographical area will impact competitiveness.	High	Medium	Short / Long (0-30 years)
C	Changed raw material quality	Physical chronic climate risk	Increased temperature contributes to better growth conditions for trees, but also poorer quality.	Medium	Low	Long (10-30 years)
D	The final product cannot withstand a more extreme climate	Physical chronic climate risk	Extreme weather requires more robust materials. Access to use effective impregnation agents may be limited to a greater extent.	Medium	Low	Long (10-30 years)
E	Changed requirements for the storage of materials	Physical chronic climate risk	More extreme weather creates challenges in storing materials outdoors.	Medium	Low	Short / Medium (0-10 years)
F	Increased electricity prices	Market	Norway sells electricity to other countries, e.g. the UK.	Medium	Low	Short / Long (0-30 years)
G	Increased prices of fossil fuels	Statutes and regulations	Norwegian authorities increase the CO2 tax to achieve goals of emission reductions in the transport sector.	Medium	Medium	Short / Medium (0-10 years)
H	Fossil fuels subject to emissions restrictions	Statutes and regulations	New regulations that impose requirements on the restructuring of operational forms or investments in new plants and equipment.	Low	Medium	Long (10-30 years)
I	Byggematerialer fra andre næringer blir klimavennlige	Technology	Other sectors adopt new technology, for example CCS in concrete production.	High	Low	Long (10-30 years)
J	Endret oppfatning av skogens rolle i det grønne skiftet	Reputation	Increased knowledge and engagement about the role of the forest in the green shift and potential new requirements to management.	High	Medium	Medium (5-10 years)

#	Risk	Description of risk-mitigating measures
A	Unpredictable access to raw materials	Centralised and competent purchasing organisation with a solid market position and a presence in a large geographical area. Ability to manage the raw material flows between units for the best possible utilisation.
B	Flood damage to industry and infrastructure	Flood embankments, contingency plans to both maintain deliveries and protection of plants and machinery. Strategic and continuous work for good quality and scaling of infrastructure (road and rail)
C	Changed raw material quality	Contact and engagement with research communities. Internal competence development and product development.
D	The final product cannot withstand a more extreme climate	Product development, development of construction methods, cooperation with e.g. paint manufacturers.
E	Changed requirements for the storage of materials	Building of climate storage, umbrella roofs, development of packaging materials.
F	Increased electricity prices	Purchasing and hedging strategy.
G	Increased prices of fossil fuels	Build expertise on and exploit alternative energy sources.
H	Fossil fuels subject to emissions restrictions	Adopt new and improved technology for the production of biomass for energy purposes.
I	Building materials from other industries become eco-friendly	Work for constant improvement of own climate footprint and documentation of the overall climate footprint. Participation in research and development of objective and good calculation methods for climate footprint over time.
J	Changed perception of the role of forests in the green shift	Contribute to research and social enlightenment, active participation in industry and stakeholder organisations.

#	Opportunity	Opportunity type	Description of opportunity	Financial impact
A	Increased energy efficiency in own production	Resource efficiency	Technology developments make it possible to increase the utilisation of resources in production processes Note! Thermal and electricity.	Lower production costs Income from sale of surplus heat
B	New regulations and improved infrastructure enable increasingly sustainable transport	Resource efficiency	Use of up to 74 ton road transport in Norway on the entire road network, including the forest truck roads will trigger a major rationalisation potential.	Reduced costs linked to transport
C	The use of renewable energy for own production	Renewable energy	technology developments make renewable energy more efficient Statutes and regulations facilitate the use of renewable energy	Lower production costs
D	Increased demand for bioenergy for heating	Market, products and services	Increased awareness among consumers about climate footprint for heating	Increased value of Moelven's products
E	Increased demand for wood-based products and materials	Market, products and services	Stricter requirements to climate-friendly buildings Increased demand for raw materials that replace fossil fuels (e.g. fuel, plastics, etc.) Forest fires in Southern Europe drive international demand	Increased market share and sale of Moelven's products Increased income from a broader portfolio
F	Restrictions on imported wood	Market	Norwegian authorities implement restrictions on imported wood due to increased risk of the introduction of foreign pests	Mindre konkurranse fra utenlandske aktører Økt markedsandel
G	Økt tilvekst av skog	Marked	A warmer climate improves the growth conditions for forest in Norway and Sweden	Less competition from foreign players Increased market share
H	Changed raw material quality	Market	Increased temperature contributes to better growth conditions for forests, but also changes in quality. Depending on geography and customer segment, this may entail development opportunities.	Increased revenues from a more diverse product portfolio and/or greater volume.
I	Increased access to expertise and labour	Reputation	Increased attractiveness as an industry	Increased competitiveness

Identified opportunities

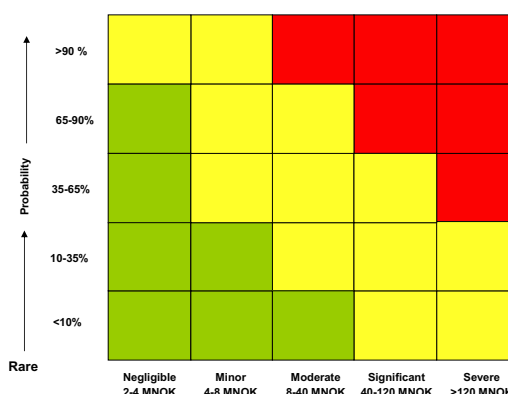
The climate changes and the green shift also afford significant new opportunities for Moelven. It is difficult to quantify the opportunities, as these must be assessed on a case-by-case basis. However, in general it is natural to believe that the opportunities exceed the potentially negative risk, if Moelven actively grasps the opportunities that climate change and the green shift will provide.

Risk management

In 2019 Moelven carried out the first climate risk and opportunity assessment. The process has been organised under finance in corporate management. In order to quantify the risk, Moelven has used its own risk framework that is based on the COSO framework, with the same risk categories that are used for other risk assessments in the company. Risk is reported with the categories High, Medium and Low.

The exact consequence and likelihood has not been reported, as the quality of the analyses is considered to be insufficiently mature for external publication. Consequence and likelihood are therefore jointly reported in the categories high, medium and low based on the following consequence categories.

The results of the assessment of climate risk and opportunities in 2019 have been evaluated by corporate management and the Board, and these assessments will form the basis for strategic discussions in the short, medium and long term. In 2020 the Group started work on a new internal control system at the Group level where the climate risk process is integrated. Work has not been completed, and will continue in 2021. This will allow climate risk and opportunities to be managed in the same manner as other risks and opportunities in the Group and play a part in the Group's strategy and budget processes.



Key figures and objectives

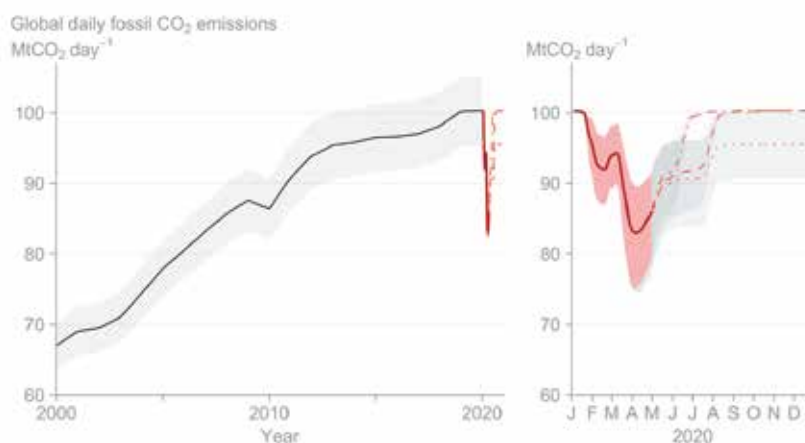
With the exception of CO₂ emissions in scope 1, i.e. direct emissions from own activities, developments have gone in the wrong direction in 2020. There are two main reasons for this. The most important one is the significant increase in activities in 2020, with both a strong increase in production volumes from the wood processing business and a strong increase in delivery volumes. The wood processing business is also the most energy-intensive part of the Group and thus the part that is responsible for the greatest emissions. Combined with the fast and strong increase in activity, the Covid-19 pandemic has created certain constraints with regard to implementing planned measures to reduce emissions. The goals do however remain in place, but in 2021 Moelven will establish adjusted goals. The most important change will apply to the goal of a reduction in electricity consumption, because many measures to reduce CO₂ emissions will lead to an increased use of electric and more environmentally friendly energy. The focus on continuous reduction in electricity consumption per produced unit will however remain in place.

GEVA (Greenhouse gas Emissions per Value Added) is an expression for the relationship between greenhouse gas emissions and value added. Calculations have been made that show an annual reduction of 5 per cent, i.e. that the greenhouse gas emissions will be less compared to value added, is required in order for it to be possible to reach the goals of the Paris Agreement. Moelven has tied its sustainability strategy to the Paris Agreement, and is thus committed to working for such a reduction. GEVA measured for a single year provides little value in terms of information, as it is the long-term development that is emphasized.

The long-term goal to reduce the carbon footprint in relation to value creation by 5 per cent annually has been continued, and by 2020 the so-called GEVA factor was reduced by 21.5 per cent. The reason is that value creation was high, while we also succeeded in reducing CO₂ emissions within scope 1 in the climate accounts through reductions in the consumption of heating oil and LPG.

The use of bioenergy instead of fossil energy is an important contribution to reducing the direct CO₂ emissions from the industrial activities. Emission from the use of heating oil are however now reduced from 6,151 tons in the peak year of 2018, when consumption was extraordinarily high due to a fire in the bioenergy plant at Moelven Valåsen AB, to 501 tons in 2020. The potential for further reductions are mainly linked to the electrification of heavier, diesel powered rolling stock.

Category	Financial impact	Reputation consequence
Very high	>NOK 120 million	Long-term international media coverage and/or serious and significant loss of market shares
High	NOK 40-120 million	Long-term international / domestic media coverage and / or loss of market shares
Medium	NOK 8-40 million	Domestic media coverage
Low	NOK 4-8 million	Local media coverage
Very low	NOK 0-4 million	Media coverage with no impact on reputation

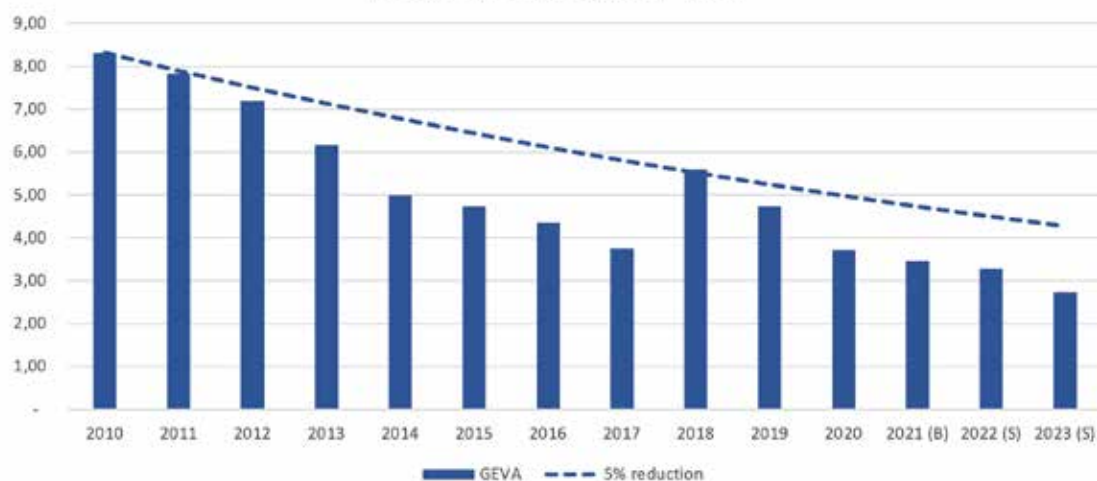


Source: La Quiré et al. Nature Climate Change (2020). Global Carbon Project

The global CO₂ emissions dropped abruptly when the Covid-19 pandemic struck in February/March 2020. For the year as a whole, emissions were approximately 7 per cent lower than in 2019. After a fast increase in emissions following the drop in the first six months, at the turn of the year we were back at the same emission rate as one year previously. Moelven has had a goal of reducing electricity consumption. In the course of 2020 it has been decided that the goal of reducing CO₂ emissions must be given priority. In many cases this will result in increased electricity consumption, but this will be a cleaner and more environmentally friendly energy source than fossil energy.

Description		2019	2019	2020	Objectives for 2023
Total CO2 emissions	tCO2-eq	243,443	254,320	280,931	214,443
Scope 1	tCO2-eq	13,053	13,334	12,235	8,000
Scope 2 (location-based)	tCO2-eq	3,348	3,380	3,615	3,013
Scope 2 (market-based)	tCO2-eq	118,270	119,141	123,406	106,443
Scope 3	tCO2-eq	112,120	121,845	145,290	101,975
GEVA	tCO2-eq / EBITDA	-17%	-15%	- 21%	-5% per year
Energy consumption of fossil fuels in Moelven	MWh	39	39	36 - 7.7%	-5% per year
Electricity consumption	GWh	229	229	249	
Load filling rate Wood Sverige		58.2	58.2	58.0	61
Load filling rate F-load Wood Norge		45.1	45.1	44.0	45

GEVA for the period 2010 - 2020
Budget and strategy 2021 - 2023



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.

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

Moelven's innovation focus is mainly to engage in development and innovation linked to a specific application of a product or in a production process. The Group does itself engage in basic research, but participates in projects where this is deemed appropriate. The R&D 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 business and growth opportunities, such as at Moelven Töreboda AB where one is investigating how sound is affected by wooden structures in partnership with researchers. This will contribute to improve Moelven Töreboda's self-devel-



The researcher Nadia Dallaji at Töreboda AB is looking for solutions to improve acoustics in tall wooden buildings without compromising sustainability or weight.

oped system Trä8 further.

The Timber on Top project, where Moelven is participating as a building systems supplier, is another example. The research in Timber on Top is being done by Linköping University, Luleå University of Technology and RISE, while the Swedish wood construction office and the Trästad Sverige association have the main responsibility for project management and the dissemination of knowledge respectively. Moelven is taking part in the project as one of the partners from trade and industry. In the first phase that lasted from December 2018 to July 2019, a feasibility study was carried out of obstacles and opportunities for extensions based on social, economic and technical sustainability. The work resulted in a number of focus areas that work is continuing on in phase 2, which lasts from August 2019 until August 2021. The goal of phase 2 is to promote new technical solutions, business models, process support, increased knowledge and cooperation. In phase 2 a guide for best practices will also be drawn up with knowledge and experience from planned, ongoing and completed addition and extension projects from a number of perspectives.

Another research project where Moelven is a participant is "BioNext." This is a research project under the direction of the Research Council of Norway and the Norwegian University of Life Sciences (NMBU) where the goal is to establish what is needed for Norway's future bioenergy production to become profitable, efficient and sustainable. The other participants in the project are Sintef Energi AS, Statkraft Varme AS, Han-

delshøyskolen BI, Avinor AS, Glommen Mjøsen Skog SA, University of Utrecht and Linneuniversitetet.

In order for the Group's mission statement to "give people good rooms" is to be upheld over time, it is essential that products and processes continuously develop in step with the outside world. Responsibility for innovation is with the corporate management. The Group must facilitate innovation and provide resources, support and coordination. The innovation processes are conducted in the individual business areas where expertise is greatest. Where there are larger parts of the Moelven Group that will benefit from the innovation area, joint projects are carried out.

Examples of this is the in the research centre FME ZEN (Zero Emission Neighbourhood), which shall develop zero emission solutions for urban areas. Over a period of 8 years, and with a budget of NOK 400 million, the centre shall find smart solutions for everything from production and distribution of heat and electricity within neighbourhoods, to finding tools for planning zero emission areas. Moelven's expertise in using wood in buildings contributes to build pilot areas with climate-smart materials and to document CO2 benefits. In 2019 it was decided to initiate a case study based on input from Moelven, among others. The goal is to find good objective and applicable methods for examining CO2 footprints for buildings in wood and concrete respectively throughout the building's lifetime, and to compare these. One of the factors that complicates such comparisons is that different building methods are used depending on the choice of



Wood is a light, flexible and strong building material that is also well-suited for extensions, because it adds relatively little extra weight compared to a number of other building materials. Moelven Töreboda AB is participating the Timber on Top project in Sweden to learn more about how its proprietary Trä8 system can be used and possibly further developed to be even better for such purposes.

material. Moelven's view is that wood's inherent good environmental properties, including carbon storage, is a positive contribution to reduce CO2 emissions, and that the use of wood in future buildings therefore is a part of the solution to the climate crisis. Moelven is also working for the research programme to investigate yet another case concerning the extension of existing buildings using wood as a topic. Preserving the buildings we already have, and resolving new needs by extending or remodelling, will be more economical and provide a smaller climate footprint than demolishing in order to build new buildings. It also is a good fit in concepts related to land use and densification. Overall both building with wood but at the same time not using no more wood than necessary, matches Moelven's sustainability strategy of being a climate positive business.

Moelven is a member and part owner of Norwegian Wood Cluster SA (NWC), which is an industry cluster in the forestry, wood industry and building value chain. NWC's objective is to develop the cluster through close cooperation into an internationally leading industrial cluster for industrial, sustainable wooden buildings. The cluster partnership aims to give participants access to key production factors, ideas and impulses for innovation through interaction and cooperation, increase added value and profitability amongst the cluster partners and promote their common interests to public authorities. In November 2020 NWC was included in Innovation Norway's cluster programme with so-called Arena status. The cluster is thus ensured financial and expert support for

further development for at least three years to come. The Arena status also created new opportunities for further innovation and cooperation across the value chain. With the Moelven Group as project owner, NWC is taking part in the project "Automatic measurement of wood moisture lumber drying," which is supported by Regionalt Forskningsfond Innlandet. Today moisture measurements in lumber kilns are often done manually with a handheld moisture meter. To do this the kilns have to be stopped in the drying process and personnel must enter the kilns, which has significant negative HSE aspects. In addition it is limited how often this can be done during the process, and the number of measuring points is very small. There are also measuring systems where meters are installed by hand at various places on the batch to log/measure moisture during the drying process. This is also limited to selected locations in the kiln.

An effective, automatic measurement system located in the dryer that can quickly measure large parts of the lumber would lead to an efficient drying process. The main challenge for advanced automatic measuring equipment for measuring wood moisture in a lumber dryer in operation is the extreme climate with high temperatures and high humidity. This is a problem for all types of electronics installed in kilns. The utility value of such a solution would however be great in the form of reduced energy consumption, increased drying capacity, better quality of wood products and better process management.

In addition, the wood industry's digitisation solutions are developing fast, and this forms the basis for exploiting such data capture during the drying process in an efficient manner.

Through its subsidiary Moelven Van Severen AS, Moelven is also a participant in Woodworks! Norwegian Forest and Wood Cluster, which is a comprehensive forestry and wood-based industry cluster originating in Trøndelag. Woodworks! Has Arena Pro status, which is the top level of Innovation Norway's Arena programme. The cluster works on sustainable solutions that replace fossil solutions, that can store CO₂ in the materials, and that will provide profitable, green industrial jobs in the future. The ambition is to make a national impression through work in the wood-based value chains and with cooperation across sectors and industries, increase value creation in existing businesses, create new jobs and resolve the climate challenges in these industries.

Product development and product innovation

The laminated timber area has been at the forefront of developing new products and technical solutions for many years. In partnership with the innovation company Modvion, Moelven Töreboda AB has developed a concept for building modular wind towers from glulam. Windpower generally becomes more profitable the higher the windmills can be built. Winds are stronger and more stable at heights, and larger rotor blades can power a larger generator. The first prototype of a glulam wind tower is 30 metres tall and was installed on Björkö in the Gothenburg archipelago in the spring of 2020. The project's objective

is to develop a concept that allows one to build 150 metre tall windpower towers from glulam. Although wind towers will not necessarily be commercialised in Moelven, participation in such projects contribute to the development of expertise and technical solutions in the group.

It would not have been possible to build the world's tallest wooden building, the 85.4 metre tall Mjøstårnet in Brumunddal, as it stands today without technical solutions developed by both Moelven Limtre AS in Moelv and Moelven Töreboda AB in Töreboda.

The Trä8 system, which is a key component of Mjøstårnet, has been under development at Moelven Töreboda AB for several years. Trä8 is a glulam-based building system for tall wooden buildings. In addition to the actual glulam structure, the system takes into account modern requirements with regard to fire safety, acoustics and engineering methods.

Fire safety is very important, and is one of the advantages of glulam. Glulam is a compact material, and in the event of a fire, external charring of the glulam will act as insulation and cause the core temperature to rise very slowly. This means that a glulam load bearing structure retains its load bearing properties very well in the event of a fire. The structures in Mjøstårnet are scaled to withstand a full fire in a fire cell without causing the building to collapse.

The products developed in the mechanised wood industry must in most cases be packed in some sort of protection against the elements. It is not practically possible



The first prototype of a glulam wind tower was installed on Björkö in the Gothenburg archipelago in the spring of 2020.

complex composition. At Moelven Valåsen AB a trial is being carried out where the sawn timber packages and covered by PE laminated liquid carton and the sides treated with wax as simple protection against humidity. The PE laminated liquid carton is recyclable when fibre is separated from the PE component. The trials are promising, but much development remains before this solution can replace current plastic packaging based on recycled plastic.

The Moelven Group also has products that require packaging with other properties. At Moelven Limtre AS large volumes of plastic foil are used annually for packaging manufactured glulam beams. Here too the packaging must protect against UV rays and moisture to prevent discolouration, among other things, but there are other requirements to elasticity than for example for top covers. In 2020 trials have been conducted with a type of oil produced from tall oil, which is a natural by-product from the production of pulp and thus an environmentally friendly alternative to fossil oil. Trials so far have been promising.

In Wood 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 goal is to offer customers the market's best, most diverse and most modern product range in wood. Innovation work is divided into two main directions. One aims to develop modern products that contribute towards inspiration and new trends at the end-user. 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 other main direction aims to simplify work with the products at the building site. 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.

In December 2020 Moelven Vänerply AB launched its newest product WeatherPly™, which is a water-repellent construction plywood board for roof and wall use. WeatherPly™ is treated with a silicate on all sides including tongue and groove, which makes it weather-resistant, reduces water ingress and damage caused by sun/UV rays. The sheet well suited for Norwegian conditions, limits the need for tarpaulins in the construction period, and contributes to keeping the building dry in all types of weather for up to 6 weeks. WeatherPly™ also has good slip protection with similar friction to untreated plywood.



Process development and process innovation

The Moelven Group continually works to rationalize and improve processes at all stages from purchasing to finished product. An area where developments have accelerated in 2020 is the use of digital tools for communication and collaboration. Travel restrictions and infection control measures as a result of the Covid-19 pandemic made it necessary to adopt new technology quickly. In 2020 business-related air travel for the Moelven Group's employees was reduced by 70 per cent, while transport by car was reduced by 13 per cent. With the technology and expertise that has come into place in 2020, it is expected that even when the infection control measures are lifted, travel activity will remain at a lower level than earlier. This saves costs and contributes to lower greenhouse gas emissions.

The joint technology used in the joints of the large load bearing structures in Mjøstårnet, among others, was developed at Moelven Limtre AS in connection with construction of the skating rinks for the Olympic Games in Lillehammer.

Traditionally, plastic products have often been used for protection against the elements before a building is sealed. By using WeatherPly™, the use of plastic can be reduced.

Both procurements of raw materials for Moelven's production activities and the distribution of products to customers create an extensive need for transport. Transport is therefore a significant cost element for Moelven, and today one also knows that transport is responsible for a third of greenhouse gas emissions in Sweden and Norway. 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 truck in the Swedish forestry industry. The biogas truck was delivered in the spring of 2020 and operates in the area Värmland-Stockholm-Gothenburg. Through the procurement and use of the vehicle in operations, Moelven develops experience and expertise on how biogas trucks can be used on a larger scale to reduce the climate footprint from the transport industry. Experience so far is very good, and work is now ongoing to accelerate the development of filling stations in Moelven's geography so that biogas powered trucks can also be used in other regions.



Wood pellets are no longer a particularly innovative product, but both process development and innovation were key when Moelven Pellets AS built the pellet factory and energy centre that was completed at Sokna outside Hønefoss in the autumn of 2019. The project integrated the pellet factory and energy centre in the sawmill concept at Moelven Soknabruket AS in a manner that entails that energy consumption and costs related to the production of white wood pellets are reduced to a level much lower than what is customary in the industry. The use of only pure residual raw materials from the sawmills provide pellets of the best quality class (Premium/EN Plus A1). In addition, the factory allows for logistics solutions that are significantly more climate friendly than previously due to very short transport distances for both the raw

In 2020 Moelven organised a digital Group gathering for the first time, where the Group's 3,400 employees via could follow a live broadcast with both guests and features from Moelven via Workplace.

The first biogas articulated lorry in the Swedish forestry industry was brought into use in the spring of 2020 as a result of a partnership between LBC Logistik AB and Moelven.



materials and significantly reduced transport distances for the finished product, which is shipped from the port of Drammen. Within the energy concept, innovation and new ways of thinking was necessary both due to demanding targets for low energy consumption and due to the cold climate. Compared to other pellet factories, through an innovative energy concept with integration towards the sawmill operations, Moelven's factory will have very good energy efficiency.

An important focus area in the development of the Group is to employ new technology and exploit the opportunities inherent in new digital solutions. In the project "The Smart Digital Sawmill," Moelven has collaborated with a handful of technology partners in linking the entire value chain at Moelven Valåsen AB to a Big Data solution. Real-time data from all underlying systems and machinery are fed into one and the same system, where advanced analysis and machine learning technologies exploit the information in ways one has previously been unable to do.

"The Smart Digital Sawmill" now comprises the template for deploying similar solutions at several of the Group's companies.

For the timber-consuming units in Timber and Wood, it is primarily the optimisation of the production processes that is of key importance. The goal of safeguarding the values inherent in the raw materials is key with regard to both environmental and financial sustainability. The use of X-ray photography, camera sorting and mechanical strength sorting are tools that contribute to optimizing raw material utilization. At Moelven Våler AS in Braskereidfoss, Norway's first timber intake with X-ray sorting arrived in 2018. On the Swedish side Moelven Valåsen AB has similar equipment. Here every log is analysed, so that it may be used most efficiently. This means less waste and better utilisation of the natural resource.

The Moelven Group has spent considerable resources on adopting modern IT tools to optimise operations and maintenance in industrial operations. The downtime system Axxos has been further developed and new functionality and associated concepts have been brought into use. Axxos makes it easier to identify causes of lost time or lost operational availability, so that measures for process or machine improvement can be implemented. In order to achieve a better overview of the machinery installations and thus more efficient maintenance, the selected maintenance system is also fully integrated with the downtime system. In this manner necessary maintenance can quickly be implemented to rectify discrepancies identified in the downtime system.



Trainee Lisa Nilsson is looking for energy thieves in production and associated improvement measures. She is an important part of the work with "Det Smarta Digitala Sågverket".

For the module and interior businesses it is important to exploit the competitive advantage inherent in the module concept rather than traditional building concepts: Industrial production of the modules indoors and shorter overall building time because several processes can take place simultaneously, and the modules can be quickly assembled at the building site. Development and refinement of technical solutions for production, connection of technical installations and assembly at the building site is important to operate profitable industrial production of module-based solutions, and to exploit the advantages the concept provides. In connection with the conversion of Moelven Byggmodul AB's production facility in Säffle, new and improved production equipment was developed in cooperation with local suppliers. Besides capacity and efficiency improvements, the utilization of robot technology has enabled major improvements in HSE and logistics. The robot line, which was a significant part of the project, was then the first delivery of Randek AB's ZeroLabor Robotic System. The industrial mindset and experiences from the project in Säffle have been used as a template for investments in a robot line at the module factory in Moelv.

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 2020 was NOK 471.7 million (188.4). The equity ratio was 49.1 per cent (42.9 per cent). The Group has adequate equity to disburse a dividend in accordance with the board's proposal. Based on the results for 2020 and taking into account the Group's healthy financial position, the Board proposes a dividend of NOK 3.64 (0.72) per share to the annual general meeting. This totals NOK 471,530,274 (93,269,724).

The parent company Moelven Industrier ASA, which distributes a dividend for the Group, had a net profit of NOK 390.9 million (67.4) for the year in 2020 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

No events have occurred after the balance sheet date that affects the accounts that have been presented.

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

With regard to results, 2020 has been a good year for Moelven. Although vaccination has started, the Covid-19 pandemic still gives rise to much uncertainty about the future. In the October edition of the "World Economic Outlook" report, the IMF estimated that the world economy will grow by 5.2 per cent in 2021, after shrinking in 2020. As more and more macro analyses are published at the beginning of 2021, it is clear that the prevailing view is that we are facing a strong economic recovery that will accelerate as herd immunity is achieved and the infection control measures can be eased. It is particularly in the consumer market that there is great uncertainty related to which products and services that will be in demand after a long period of shutdowns and social distancing. Changes in commodity and service producing industries as a result of pandemic-related bankruptcies also play a part in increasing the uncertainty related to where and in which sectors the recovery will be strongest. It

therefore remains necessary to plan for several different scenarios. So far, Moelven has not been greatly affected with regard to delivery volumes and earnings. For the first part of 2021 it appears as though the trend from 2020 will continue.

The Group has as far as possible introduced measures to both limit infection in society in general and to protect own employees and the business against operational disruptions as a result of the pandemic.

Regulations have been introduced with regard to travel activity, visits to our businesses, large gatherings, hygiene, etc. Production procedures have as far as possible been adjusted such that operation of the business is affected to the least possible extent without compromising the employees' safety. In the course of 2020 there have been some cases of infection at the Group's production units, but the measures that have been introduced have proven to be effective, and the outbreaks have quickly been controlled. The measures will therefore remain in place until it is clear that the risk of major outbreaks is significantly reduced.

For Moelven's wood processing business it is expected that demand for sawn timber in the export markets will continue to vary geographically, but overall remain at a high level through the first quarter and into the second quarter of 2021. This however depends both on the rate of infection, market access, logistics and developments in demand further down the value chain. The NOK and SEK weakened significantly against the key export currencies in the first part of 2020, and even after a strengthening towards the end of the year, rates remain at levels that ensure good competitiveness in the export markets.

The UK is an important market, especially for many of the units in the Timber division. As far as possible, measures have been introduced to make the impact of Brexit as small as possible. So far, there is not much to indicate that significant market-related changes will arise for Moelven in the short term, but new trade agreements will entail a need for an increased use of resources particularly in connection with customs clearance.

A good level of activity is expected in the building products trade in Scandinavia in the first quarter, albeit somewhat lower than in the high season. This is also a necessary prerequisite to ensure an adequate build-up of finished goods inventories in order to serve the market when the high season starts around at the end of the first quarter. As infection control measures are eased, demand from the consumer market is expected to decline somewhat, while high level of activity is still expected in the rehabilitation, renovation and extension market. The start-up of new building

projects is expected to remain low. This may partly be compensated by increased activity in public construction projects.

Sawlog inventories and the supply situation in Moelven's geographies at the start of 2021 are satisfactory in both Norway and Sweden, and access to raw materials is expected to remain satisfactory with regard to the existing production plans.

Regardless of the Covid-19 pandemic, the Building Systems division has had a lower level of activity than desired in certain business areas, and adjusted production capacity to this. The market situation for the glulam and building module companies has improved to a level that essentially ensures good capacity utilisation with satisfactory profit levels. In the system interiors business the market situation remains difficult, and in the course of 2021 measures will be implemented with an aim to create satisfactory

profitability under the prevailing market conditions.

The Group has a long-term goal of a return on capital employed of 13 per cent over an economic cycle. For 2021 a normalisation of market activity is expected, particularly in the consumer segment for the wood processing part of the Group. Although vaccinations against Covid-19 have started, uncertainty as to how the pandemic will affect demand for Moelven's products and services remains high. However, the Board considers solvency and long-term access to liquidity as adequate to implement both planned improvement measures in accordance with the Group's strategy, and necessary measures to counter any negative impact from the Covid-19 pandemic. For 2021 as a whole, the board expects an activity level and result in the first half of the year somewhat better than 2020, with somewhat greater uncertainty associated with the second half of the year.

Moelv, 15 March 2021
Moelven Industrier ASA

Olav Fjell
Chairman of the board

Ingvild Storås

Gudmund Nordtun
Deputy Chair

Kristin H. Holth

Olav Breivik

Martin Fauchald

Leif Eneblom

Morten Kristiansen
CEO

Corporate governance

Corporate governance at the Moelven Group is based on the current Norwegian recommendation for corporate governance of 17 October 2018.

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:
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 is one deviation from the recommendation. This is described in Point 9.
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.no 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.	Point 8 Corporate Assembly and board, composition and impartiality. Point 9 The work of the board
7: Clauses that regulate the appointment and replacement of board members.	Point 8 Corporate Assembly and board, composition and impartiality.
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

1. Report on corporate governance

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 countries, 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 basic values sustainability, reliability and using the opportunities that arise have become over time a natural part of the company culture. They also form the basis for the company's guidelines on social responsibility, ethics, anti-corruption, HSE, employment conditions etc. A complete summary of the guidelines adopted by the board is given in point 10.

2. Business activities

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 and main strategies are described in detail in the board's annual report. Guidelines have been established on how to take into account the outside world in value creation. This is described in the company's sustainability report.

3. Share capital and dividends

At the end of 2020, equity in the parent company Moelven Industrier ASA was NOK 788.8 million (NOK 870.7 million). For the group as a whole, equity was NOK 2,865.0 million (NOK 2,368.2 million). The equity ratio was 49.1 per cent (42.9 per cent). The board's objective is a minimum of 40 per cent, 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 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 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 board is not authorised to perform capital increases or buy own shares.

On 27 April 2020 the General Meeting decided to issue a dividend of NOK 0.72 per share, or NOK 93,269,724 in total. The dividend was paid out in May 2020. Based on the annual net profit for 2020 and having considered the normal seasonal variations in the group's working capital needs and equity ratio, the board proposes to issue a dividend of NOK 3.64 per share, or NOK 471,530,274 in total. The parent company, Moelven Industrier ASA, which will distribute the dividend on behalf of the Group, posted annual net profit of NOK 390.9 million in 2020, including group contributions and dividends from subsidiaries.

4. Equal treatment of shareholders and transactions with related parties

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 approximately 863 shareholders. As of year end 2020, 99.6 per cent of the shares were owned by two shareholders: Glommen Mjøsen Skog SA (78.8 per cent) and Viken Skog SA (20.8 per cent). The remaining 0.4 per cent is owned by private individuals.

On 22 December 2020 it was announced that KLP has entered into an agreement with Glommen Mjøsen Skog SA to buy 12 per cent of the shares of Moelven Industrier ASA. Glommen Mjøsen Skog SA thus reduces its ownership share from 78.8 per cent to 66.8 per cent. However, in accordance with the existing shareholder agreement, Viken Skog SA, which owns 20.8 per cent of the shares, has pre-emptive rights if any of them want to sell their shares. In January 2021 Viken Skog SA announced that it would exercise its pre-emptive rights. The transaction entailed that Viken Skog SA increased its stake in Moelven to 32.8 per cent.

Shareholders' agreements have been entered into between the two largest shareholders. Among other things, these determine that the company must be run as an independent unit 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. 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 4.2 million m³ measured under bark, approximately 40 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 and CEO of Moelven Industrier ASA also state that agreements with shareholders or their associates with more than 12 months' duration shall be approved by the Board of Directors. The provision applies to all Group companies.

5. Free marketability

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 is little trading in shares.

6. Annual General Meeting

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 the general meeting to 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 prepare guidelines to ensure an independent chair of the annual general meeting or to appoint a person who can vote for the shareholders as a proxy.

7. Nominating committee and compensation committee

According to the articles of association, the company must have a nomination committee. The Nomination Committee is elected annually by the General Meeting, and shall have up to five representatives who are shareholders or who represent the shareholders. The general meeting adopts the guidelines for the work of the Nomination Committee. The general meeting has adopted guidelines for the nomination committee that regulate the committee's composition and period of service. The members of the nominating committee must be independent of the company's board and senior executives. The nominating 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

- Proposal to the Corporate Assembly regarding the election of the chairman and deputy of the Board of Directors.
- Proposal to 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. Corporate Assembly and board, composition and impartiality.

According to the articles of association, the company must have a corporate assembly with 12 members with personal deputies, of which four with respective deputies are elected by and among the employees. The company's two largest shareholders, who together control 99.6 per cent of the shares, are all represented in the Corporate Assembly. The members of the board of Moelven Industrier ASA are elected by the Corporate Assembly, normally for 2 years 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 chairman of the board is independent of the company's main shareholders and are appointed by the Corporate Assembly. The deputy chair and one of the other three shareholder-elected board members is 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 11.6 per cent (11.3). Therefore, the rules on gender representation do not apply to the employees' representatives. The composition of the board thereby satisfies the requirements regarding gender

representation on the board. Only the employees' representatives on the board receives remuneration other than directors' fees from the company. Contact information for the board members is published on the company's website. 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. From experience, non-attendance at board meetings is exceptional.

9. The work of the board

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, annual report and sustainability report for preceding year,
- 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.

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, 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 financial interest 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 normally performed at the beginning of every year. 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. 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. Group management consists of the CEO and the managing director of 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

10. Risk management and internal control

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. There are also control functions at divisional and group level, as well as in individual companies where the nature of the business leads to increased risk of faults, non-compliance or irregularities. 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. Through the group's sustainability policy and code of conduct, guidelines have also been provided for how the consideration of the outside world should be integrated into 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 financial policy
- Moelven's dividend policy
- Moelven's guidelines for compliance with competition law
- Moelven's insurance and risk strategy – general insurance
- Moelven's environmental policy
- Moelven's code of conduct
- Policy for an open corporate culture (Including routines for notification of criticisms)
- Moelven's guidelines and routines for compliance with EU's General Data protection Regulation (GDPR)

11. Remuneration to the board

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. Remuneration to senior executives

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 as a separate document. The annual general meeting adopts each of the guidelines separately. For further information about remuneration to group management, refer to the notes to the annual accounts.

13. Information and communication

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 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 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, 15 March 2021
Moelven Industrier ASA

Olav Fjell
Chairman of the board

Ingvild Storås

Gudmund Nordtun
Deputy Chair

Kristin H. Holth

Olav Breivik

Martin Fauchald

Leif Eneblom

Morten Kristiansen
CEO

Annual Financial Statements 2020

Group



FINANCIAL KEY FIGURES

Amounts in NOK million	Explanations*	2020	2019	2018	2017	2016
RESULTS						
Operating revenues		11,665.2	10,297.5	11,020.8	10,768.4	10,309.7
Gross operating profit (EBITDA)		1,010.6	629.8	932.7	716.1	601.6
Depreciation and impairment		348.4	294.4	346.5	295.7	306.6
Operating profit		662.2	335.4	586.2	420.4	295.0
Net interest and financial items		-58.6	-95.8	-8.0	-46.8	-42.5
Profit before tax		603.6	239.7	578.2	373.6	252.5
Net profit		471.7	188.4	451.2	293.0	179.1
BALANCE SHEET						
Investments in production equipment	A	271.9	478.7	497.4	357.0	275.2
Total assets		5,833.0	5,518.0	5,302.3	5,044.6	4,766.8
Equity		2,865.0	2,368.2	2,435.3	2,092.5	1,813.4
Net interest-bearing liabilities		535.6	1,136.4	721.4	761.7	1,026.9
Capital employed	B	3,500.3	3,524.0	3,163.0	2,884.4	2,846.9
EARNINGS/RETURN						
Net operating margin	C	5.7%	3.3%	5.3%	3.9%	2.9%
Gross operating margin	D	8.7%	6.1%	8.5%	6.6%	5.8%
Return on equity	E	18.0%	7.8%	19.9%	15.0%	10.0%
"Return on capital employed, 12 months rolling"	F	17.9%	9.4%	19.0%	14.2%	9.9%
Return on total assets	G	11.7%	6.2%	11.3%	8.6%	6.2%
Interest cover	H	8.3	2.9	9.5	5.9	3.6
CAPITAL STRUCTURE						
Equity ratio	I	49.1%	42.9%	45.9%	41.5%	38.0%
Asset turnover	J	2.1	1.9	2.1	2.2	2.2
Debt-equity ratio	K	0.19	0.48	0.30	0.36	0.57
Net interest bearing debt / EBITDA		0.53	1.80	0.77	1.06	1.71
LIQUIDITY						
Liquid ratio I	L	1.68	1.82	1.76	1.67	1.64
Liquid ratio II	M	0.81	0.73	0.77	0.77	0.74
Cash flow from operational activities	N	1,070.1	504.1	653.1	421.5	584.6
SHARES						
Profit per share in NOK	O	3.64	1.46	3.47	2.26	1.41
Average number of shares (mill)		129.5	129.5	129.5	129.5	129.5
"Cash flow from operational activities, in NOK per share"	P	8.26	3.89	5.04	3.25	4.51
Equity per share	Q	22.03	18.18	18.70	16.08	13.95
Assessment value in NOK as at 01.01		19.44	20.06	18.10	13.98	13.68
Dividend per share in NOK	R	3.64	0.72	1.74	0.68	0.48
PERSONNEL						
Number of employees as at 31.12		3,391	3,399	3,524	3,546	3,492
Sick leave percentage	S	6.2%	5.4%	5.5%	5.6%	5.6%
Frequency of accidents with absence, LTI rate	T	11.7	11.3	10.9	12.4	12.8

* Explanations of key figures are presented on the following page

FORMULAS FOR THE KEY FIGURES

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

INCOME STATEMENT FOR THE GROUP

Amounts in NOK million	Note	2020	2019
Sales revenue	6,7	11,600.1	10,182.1
Other operating revenues		65.1	115.4
Operating revenues	6	11,665.2	10,297.5
Product expenses		7,191.2	6,307.5
Payroll expenses	11, 20, 26	2,279.8	2,185.8
Depreciation of tangible and intangible assets	8, 9, 10	344.1	296.2
Impairment of tangible assets	8, 10	4.3	-1.8
Other operating expenses	11	1,183.5	1,174.4
Operating expenses		11,003.0	9,962.0
Operating profit		662.2	335.4
Income from associated companies	15	0.6	0.0
Value increase of financial instruments to fair value		14.5	24.9
Other financial income	12	9.2	6.5
Value reduction of financial instruments to fair value		-7.6	-48.6
Other financial costs	12	-75.3	-78.6
Net financial items		-58.6	-95.8
Profit before tax		603.6	239.7
Income tax	13	131.9	51.3
Net profit		471.7	188.4
Profit assigned to:			
Non-controlling interests		-0.4	-0.2
Owners of parent company		472.1	188.6
Annual profit transferred to/from other equity		471.7	188.4
Total allocation		471.7	188.4
Earnings per share (in NOK)			
Earnings per share assigned to Moelven's shareholders	18	3.6	1.5

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Note	2020	2019
Net profit		471.7	188.4
Other comprehensive income			
Items that are not reclassified subsequently to profit or loss			
Actuarial gains (losses) on defined-benefit pension schemes	21	-1.7	0.2
Income tax on items that are not reclassified to profit or loss	13	0.4	0.0
		-1.3	0.1
Items that may be reclassified subsequently to profit or loss			
Translation differences		134.6	-28.1
Proportion of other income and costs in associated companies	15	0.0	0.3
Other changes		0.0	0.1
Income tax on items that may be reclassified to profit or loss	13	0.0	0.0
		134.6	-27.8
Other comprehensive income, net of tax		133.3	-27.8
Total comprehensive income for the period		605.0	160.8
Comprehensive income assigned to:			
Owners of parent company		605.1	161.0
Non-controlling interests		-0.2	-0.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31.12

Amounts in NOK million	Note	2020	2019
ASSETS			
Deferred tax assets	14	45.9	49.1
Goodwill	10	16.6	16.3
Other intangible assets	10	11.4	15.9
Total intangible assets		73.8	81.2
Land		138.5	121.2
Buildings and other property		604.9	587.2
Machinery and plant		1,328.2	1,270.7
Fixtures and fittings, tools, office machines etc.		48.1	50.4
Right of use assets	9	173.4	196.9
Total fixed assets	8	2,293.0	2,226.4
Investments in associated companies	15	4.4	3.8
Investments in other shares		0.5	0.4
Bonds and other receivables		0.8	1.0
Net pension funds	20	0.2	0.7
Total financial fixed assets		5.9	5.9
Total non-current assets		2,372.7	2,313.6
Inventories	16	1,504.5	1,742.9
Accounts receivable	17	1,475.7	1,178.4
Contract asset	7, 17	91.7	71.5
Other receivables	17	241.8	187.4
Total receivables		1,809.2	1,437.3
Financial derivatives	24	19.5	4.9
Bank deposits, cash etc.		99.8	19.4
Total current assets		3,433.0	3,204.4
Held for sale assets	28	27.3	0.0
Total assets		5,833.0	5,518.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31.12

Amounts in NOK million	Note	2020	2019
LIABILITIES AND EQUITY			
Share capital	25	647.7	647.7
Own shares		0.0	0.0
Share premium reserve		130.9	130.9
Retained earnings		2,075.7	1,576.3
Total equity assigned to owners of parent company		2,854.4	2,354.9
Non-controlling interests		10.6	13.2
Total equity		2,865.0	2,368.2
Pension liabilities	20	21.0	20.7
Deferred tax	14	208.8	170.1
Other provisions	21	50.1	51.4
Total provisions		279.9	242.1
Liabilities to credit institutions	5	454.2	952.4
Lease liabilities	5, 9	174.4	198.8
Other long term liabilities	5	0.0	0.1
Total long term liabilities		628.7	1 151.3
Liabilities to credit institutions	5	-0.0	2.6
Financial derivatives	24	65.0	56.4
Accounts payable	24	658.6	561.9
Public duties payable		178.0	145.2
Tax payable	13	82.8	88.7
Contract liability	7,24	140.0	137.7
Other short term liabilities	22	918.2	763.7
Total short term liabilities		2,042.5	1,756.4
Held for sale liabilities		17.0	0.0
Total liabilities		2,968.0	3,149.8
Total equity and liabilities		5,833.0	5,518.0
Number of shares (Face value per share NOK 5.-)	25	129 541 284	129 541 284

Moelv, 15 March 2021
Moelven Industrier ASA

Olav Fjell
Chairman of the board

Ingvild Storås

Gudmund Nordtun
Deputy Chair

Kristin H. Holth

Olav Breivik

Martin Fauchald

Leif Eneblom

Morten Kristiansen
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Equity assigned to owners of parent company				Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Own shares	Other equity			
Total as at 1.1.2019	647.7	130.9	-	1,640.5	2,419.1	13.5	2,432.6
Comprehensive income for the period							
Net profit	-	-	-	188.6	188.6	-0.2	188.4
Other comprehensive income							
Translation differences	-	-	-	-28.0	-28.0	-0.1	-28.1
Other changes	-	-	-	0.1	0.1	-	0.1
Actuarial gains (losses) on defined-benefit pension schemes	-	-	-	0.1	0.1	-	0.1
Income tax on other comprehensive income	-	-	-	-	-	-	0.0
Other comprehensive income (net of tax)	-	-	-	-27.8	-27.8	-0.1	-27.9
Transactions with owners, entered directly against equity							
Dividend to owners	-	-	-	0.6	0.6	-	0.6
Share based payment transactions	-	-	-	-225.4	-225.4	-	-225.4
Total transactions with owners	-	-	-	-224.8	-224.8	-	-224.8
Total as at 31.12.2019	647.7	130.9	-	1,576.3	2,354.9	13.2	2,368.2
	Share capital	Share premium	Own shares	Other equity	Total	Non-controlling interests	Total Equity
Total as at 1.1.2020	647.7	130.9	-	1,576.3	2,355.0	13.2	2,368.2
Comprehensive income for the period							
Net profit	-	-	-	472.1	472.1	-0.4	471.7
Other comprehensive income							
Translation differences	-	-	-	134.4	134.4	0.2	134.6
Actuarial gains (losses) on defined-benefit pension schemes	-	-	-	-1.7	-1.7	-	-1.7
Income tax on other comprehensive income	-	-	-	0.4	0.4	-	0.4
Other comprehensive income (net of tax)	-	-	-	133.1	133.1	0.2	133.3
Other changes							
Other changes	-	-	-	-12.4	-12.4	-2.4	-14.9
Transactions with owners, entered directly against equity							
Share based payment transactions	-	-	-	-93.3	-93.3	-	-93.3
Total transactions with owners	-	-	-	-93.3	-93.3	-	-93.3
Total as at 31.12.2020	647.7	130.9	-	2,075.7	2,854.4	10.6	2,865.0

CONSOLIDATED CASH FLOW STATEMENT

Beløp i NOK mill	Note	2020	2019
CASH FLOW FROM OPERATIONAL ACTIVITIES:			
Net profit		471.7	188.4
Adjustments to reconcile net profit with net cash flow from operations:			
Depreciation	8, 9, 10	344.1	296.2
Impairment	8, 10	4.3	-1.8
Income from associated companies	15	-0.6	0.0
Tax paid	13	-85.0	-109.8
Unpaid pension costs entered as costs and unreceived pension funds entered as income		2.0	0.2
(Profit) / loss on sale of fixed assets		-0.3	4.9
Net value change of financial instruments to fair value		-6.8	23.7
Interest income / expenses		50.3	36.7
(Agio) / disagio on long term loans		66.8	0.0
Income tax	13	131.9	51.3
Changes in operating assets and liabilities:			
Changes in inventory		238.4	-69.0
Changes in accounts receivable and other receivables		-372.7	172.5
Changes in trade accounts payable		96.6	-101.7
Changes in provisions and benefits to employees		37.8	-19.0
Changes in short-term liabilities excluding borrowing		100.8	31.5
Herow related to reclassification to held for sale	28	-9.2	0.0
Cash flow from operational activities		1,070.1	504.1
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Investment in plant and equipment exc. acquisition	8,10	-271.9	-478.7
Receipts from sale of fixed assets		1.9	3.9
Purchase of subsidiaries, reduced by cash in company	4	-29.7	0.0
Reclassification to held for sale	28	-4.3	0.0
Cash flow from investment activities	8	-303.9	-474.9
CASH FLOW FROM FINANCING ACTIVITIES:			
Changes in short-term loans and overdraft		0.0	-9.4
Change in long term debt facility - loan payments	23	-1,006.7	-704.9
Change in long term debt facility - new loans	23	251.3	987.6
Other new loans	23	200.0	-0.9
Interests paid		-50.4	-37.3
Interest income cash pool		0.1	0.6
Principal payments - leases		-37.9	-26.3
Interest payments - leases		-4.7	0.0
Payment of dividend		-93.3	-225.4
Cash flow from financial activities		-741.6	-16.1
Net increase (reduction) in liquid assets during year		24.6	13.1
Liquid assets 1.1		19.4	6.3
Effect of exchange rate changes on liquid assets		55.7	0.0
Liquid assets 31.12		99.8	19.4
Herow restricted bank deposits		0.0	0.0

The group has available credit facilities per 2020 of NOK 1,685.0 mill (931.6 per 2019)

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.

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 15/3/2021 and the ordinary general meeting to discuss the annual accounts has been fixed for 28/4/2021.

The consolidated accounts are based on the principles of historic cost accounting with the exception of

The group's activities are described in the board's annual report.

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

The following is a summary of new and revised standards that have been adopted with

implementation for the 2019 and 2020 fiscal years that have a significant impact on the consolidated accounts.

New standards and interpretations	Date of entry into force	Implementation date
IFRS 16 Leases	1 January 2019	Fiscal year 2019

During 2020 there has also been certain other updates to IFRS. However none of these 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 its 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 measured 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.

3.8 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.

3.9 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.

3.10 Tangible fixed assets

Tangible fixed assets are measured at acquisition cost, less accumulated depreciations and write

Type driftsmiddel	Vesentlige komponenter	Avskrivningstid
Kontorbygg	Building Sprinkling Fire alarm Technical installations	15 - 20 år 10 år 10 år 7 - 10 år
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 Technical installation Water and drainage Sprinkler system	10 - 15 years Approx. 10 years Approx. 10 years Approx. 10 years
Fixtures and fittings, tools, office machinery, etc.	No decomposition	4 - 7 years
Vehicles	No decomposition	4 - 7 years
Plots		No depreciation

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.

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

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.

3.11 Leasing

IFRS 16 Leases superseded IAS 17 Leases, and was

implemented from the 2019 fiscal year.

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.

3.12 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.

3.13 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 indi-

cates 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.

3.14 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.

3.15 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 2020 or 2019.
- 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 2020 and 2019 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 2020 or 2019), or financial liabilities designated as fair value through profit and loss (not applicable for Moelven per 2020 or 2019).

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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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 3.6% 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.

3.22 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.

3.23 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.

3.24 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.

3.25 Assets and liabilities held for sale

Moelven classifies fixed assets or disposal groups as held for sale if the book value mainly will be collected through a sales transaction rather than own use. The following criteria's must be fulfilled:

- The assets / disposal group must be available for immediate sale, limited only by terms that are ordinary practice in sales transactions of such assets / disposal groups.
- The sales transaction must be highly probable
- The disposal will happen through an actual sale and

not a liquidation

Assets or disposal groups classified as held for sale are measured to the lowest of book value and fair value less transaction costs.

3.26 Currency exchange rates

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

	2020	2019
Swedish krone (SEK)		
Income statement rate	1,0227	0,9305
Balance sheet rate	1,0435	0,9442
Danish krone (DKK)		
Income statement rate	1,4389	1,3193
Balance sheet rate	1,4071	1,3202
Euro (EUR)		
Income statement rate	10,7258	9,8502
Balance sheet rate	10,4703	9,8638
British pound (GBP)		
Income statement rate	12,0635	11,2362
Balance sheet rate	11,6462	11,5936

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.
- **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.
- **Fair value of assets and obligations in acquisitions**
Significant acquired intangible assets that Moelven has included, comprise customer base and goodwill. The assumptions made for the assessment of intangible assets include, but are not limited to, estimated average lifetime of customer relationships based on natural loss of customers. The assumptions made for the assessment of assets include, but are not limited to, the reacquisition costs of fixed assets. Management's assessments of fair value are based on assumptions that are deemed to be reasonable, but that have an inherent uncertainty, and as a result of this the actual results may differ from the calculations. Moelven has during 2020 purchased KB Sannerud 2:95. No goodwill or other intangible assets were recognized.

The company's recognised goodwill and intangible assets are assessed for write down annually. Impairment testing of intangible assets are presented in Note 10b. The company is greatly affected by economic cycles that lead to considerable fluctuations in fair value in the company. The group is particularly affected by developments in the export markets in Europe and Africa, as well as fluctuations in the building industry in Scandinavia. Exchange rates and market interest rates also affect valuation. Valuations of the various established segments will naturally vary within a range of +/- 20%. For businesses in less mature markets, the range may be even greater. Moelven must distribute the cost price of acquired companies over acquired assets and acquired debt based on estimated fair value.

- **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.
- **Options related to leases**
Certain lease agreements include options to extend the lease period and/or purchase of property. Moelven has assessed the probability that such options will be enforced and recognized right of use assets and lease liabilities also for the option when it is reasonably certain that the option will be exercised. An updated assessment is made whenever significant changes in facts and circumstances arise.

In 2020, Moelven has not been significantly negatively affected with regard to delivery volumes, earnings or losses. However, the Covid-19 pandemic still causes considerable uncertainty about the future. Especially in the consumer markets, there is great uncertainty about which goods and services will be in demand after a long period of closure and social distancing. Changes in goods- and service-producing industries as a result of possible outbreaks and pandemic-related bankruptcies also contribute to increasing uncertainty.

As far as possible, the group has introduced measures both to help limit infection in society in general and to protect its own employees and the business against operational disruptions as a result of the pandemic. During 2020, there have been some cases of infection at the group's production units, but the measures that have been introduced have proven to have a good effect, and the outbreaks have come under control quickly. The measures will therefore be maintained until it can be established with great certainty that the risk of major outbreaks has been significantly reduced.

The uncertainty means that it is still necessary to plan for several different scenarios, but Covid-19 has not required any special items in the accounts for 2020.

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. About 15 per cent of the group's operating revenues comes from markets outside Scandinavia and carry exchange rate risks. 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, DKK and SEK, but the Moelven Group is also exposed to USD, CAD 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 out

come 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 ones 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.

In accordance with the financial policy, net exposure in foreign currency shall be hedged against rate fluctuations according to the following main principles:

- At least 90 per cent of obligations in foreign currency shall be hedged when entering into the contract. This relates mainly to investment projects where machinery and equipment is bought from abroad.
- Expected net exposure in the upcoming 24 months will be secured within the defined maximum and minimum limits.

Because of the hedging strategy that has been chosen, changes in exchange rates must be long-term so as to have the full effect on the Group's profitability. During the hedging period, operational adaptations may be made to compensate for the external changes.

Sensitivity - foreign currency

The table below shows the transaction volume for the main currencies in 2020 and 2019. 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 2020

NOK mill	EUR	GBP	DKK	USD	Andre
Operating revenues	1,016.5	431.4	155.5	71.0	2.6
Operating expenses	686.7	23.1	203.5	18.9	17.6
Net exposure	329.8	408.3	-48.1	52.1	-15.0
Estimated annual net exposure	297.4	363.9	-51.2	44.7	-15.0
Hedging volume as at 31.12.2020 maturing <12 months	295.5	148.9	5.8	0.1	0.0
Hedging ratio as at 31.12.2020 for the next 12 Months	99.3%	40.9%	-11.3%	0.3%	0.0%

Transaction risk and hedges in the main currencies in 2019

NOK mill	EUR	GBP	DKK	USD	Andre
Operating revenues	EUR	GBP	DKK	USD	Andre
Operating expenses	932.0	421.0	182.0	46.0	3.6
Net exposure	623.0	17.0	209.0	9.0	15.3
Estimated annual net exposure	308.0	404.0	-27.0	37.0	-12.0
Hedging volume as at 31.12.2019 maturing <12 months	217.7	120.4		2.6	
Hedging ratio as at 31.12.2019 for the next 12 months	70.6%	29.8%	0.0%	7.1%	0.0%

Profit before tax: estimated effects from FX changes

			NOK decrease 1 %		NOK decrease 10 %		NOK increase 1 %		NOK increase 10 %	
	Average FX rate 2020	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	10.7	297	10.83	2.97	11.80	29.74	10.62	-2.97	9.65	-29.74
Movement GBPNOK	12.06	364	12.18	3.64	13.27	36.39	11.94	-3.64	10.86	-36.39
Movement DKKNOK	1.44	-51	1.45	-0.51	1.58	-5.12	1.42	0.51	1.30	5.12
Movement SEKNOK	1.02	139	1.03	1.39	1.12	13.95	1.01	-1.39	0.92	-13.95

Fair value of financial instruments per 31.12: Estimated 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	10.73	452.77	10.83	-113.89	11.80	-103.54	10.62	113.89	9.65	103.54
Movement GBPNOK	12.06	154.72	12.18	-128.10	13.27	-116.45	11.94	128.10	10.86	116.45
Movement DKKNOK	1.44	5.77	1.45	-15.28	1.58	-13.89	1.42	15.28	1.30	13.89
Movement SEKNOK	1.02	161.90	1.03	10.86	1.12	9.87	1.01	-10.86	0.92	-9.87

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 84 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 above 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.

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 31.12.2020.

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.

Amounts in NOK million	2020	2019
10 % movement SEK/NOK	165.0	116.1
10 % movement EUR/NOK	7.2	5.5
10 % movement DKK/NOK	4.0	3.4
10 % movement GBP/NOK	14.3	11.3
Total effect	190.5	136.3

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.

5.1.3 – Interest rate risk (cont.)

The group's average net debt in 2020 was NOK 1 017.7 million (1 125.0). If the entire debt had been without interest rate hedging, an interest rate change of one percentage point would lead to a change in the group's financing cost of NOK 10.3

million. However, 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. During 2020 the average hedge ratio was 51.6 per cent. Unrealized market value changes of

	Average NRBG 2020"	Average hedged share	Interest rate movement -100 bp"	Interest rate movement +100 bp
Estimated interest cost, 100% floating rate	1,017.7		10.3	-10.3
Secured portion not affected by market fluctuations		51.6 %	-5.3	5.3
Net effect on annual interest expenses before unrealized items			5.0	-5.0
Unrealized gains / losses on hedging instruments that are recognized			-20.5	21.9
The total effect including unrealized value change			-15.5	16.9

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. About 210 GWh of

electric power a year is bought via the group's electricity suppliers on the Nasdaq OMX exchange.

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's accounts, while the actual supply contracts are kept outside pursuant to IFRS 9. The value as at 31.12.2020 amounted to NOK 7.6 million (minus 13.2 million)

	Consumption	Residual effect			
Amount in NOK million		in EUR 1000	10,00	10,25	10,50
Increase in the price of 1 EUR / MWh	248.9	-248.94	-2.49	-2.55	-2.61
Hedged share of consumption upcoming year	70 %	175.14	1.75	1.80	1.84
Sensitivity taking into account hedging		-73.79	-0.74	-0.76	-0.77

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

	Consumption	Price			
Amount in NOK million		EUR/MWh	10,00	10,25	10,50
Yearly consumption	248.9	30	74.68	76.55	78.42
Changes in the cost of currency change EUR/NOK from 10.00				1.87	3.73

The table below shows the sensitivity to changes in the price level for electricity forward contracts at Nasdaq OMX.

The starting point in secured volume per 31.12.2020 and provided that the price curve for futures contracts changed with 1 EUR / MWh.

	Hedged vol.	Value in			
Amount in NOK million	in MWh	EUR 1000*	10.00	10.25	10.50
Hedging according to IFRS 9 relating to own use (consumption in Norway and Sweden)	439,784	13,193.52	131.94	135.23	138.53

*) EUR 30/MWh

The group's annual electricity consumption has been relatively stable, apart from increases caused by business combinations.

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

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 2023, a loan of NOK 200 mill and short-term credit facilities in the banking systems. The long-term loan agreement was 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.

The agreement includes 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 2020, the Group's key figures were significantly above the agreed levels. In addition to the long-term credit facility, the group also has available short-term credit of NOK 300 million, which is renewed annually. As at 31 December 2020, the Group's had a net deposit of NOK 104.1 million. 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

Maturity structure

	Book value	Cash flows per year					
NOK mill	31.12.2020	0-2 md	3-12 md	2022	2023	2024	2025 +
Debt to credit institutions	454.2	2.7	13.1	44.2	307.3	40.5	97.7
Leases*	174.4	7.4	36.8	35.5	25.5	15.8	12.0
Long-term contracts	628.6	12.1	59.6	91.3	344.4	67.9	121.4
Debt to credit institutions	-						
Liabilities to suppliers	658.6	658.6					
Financial derivatives**	65.0						
Tax payable	82.8	32.7	47.6	2.5			
Public duties payable	178.0	178.0					
Other short term liabilities	918.2	298.3	224.3				
Total contracts with annual renewal	1,902.6	1,167.6	271.9	2.5	-	-	-

*Book value includes an option with present value of NOK 49.9 mill payable in 2025. It has been assessed reasonably probable that Moelven will exercise the option. However, as no obligation exists the amount has not been included in the maturity structure.

**See maturity structure of nominal values in note 24.2.

Long-term interest-bearing debt by currency

NOK million	2020	2019
NOK	200.0	334.0
SEK	254.2	618.4
Total	454.2	952.4

and reasonable cash equivalents available to meet operational obligations. Surplus liquidity is used for amortization of long-term debt. Short-term investments are thus only made exceptionally.

Due to the annual seasonal variation in raw material access and market activity, the group's working capital varies by NOK 300 million to NOK 450 million from its highest level in May/June to its lowest in November/December.

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. 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 considered 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 insurance	approx. 60%
Guarantees	approx. 8-10%
Cash advances, offset agreements, etc.	approx. 25%
Letters of credit, etc.	< 1%
Unsecured acc, credit policy	< 1%
Other	approx. 4-6%

5.2 – Risk related to asset management

The group's goals for asset management are:

- To ensure the basis for continued good operations to contribute a satisfactory and predictable return for the owners.
- To ensure sufficient financial room for maneuver to achieve the established targets of profitable growth and development of the group.
- To keep capital costs as low as possible.

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 ratio cannot exceed 1.00. The debt ratio is calculated by dividing net interest-bearing debt by equity.

NOK million	2020	2019
Interest-bearing debt	635.3	1 155.8
Interest-bearing assets	99.8	19.4
Net interest-bearing liabilities	535.6	1 136.4
Total equity	2 865.0	2 368.2
Liabilities/equity	0.19	0.48

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 cus-

tomers 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	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sales to external customers	11,665.2	10,297.5	2,741.5	2,508.8	4,514.2	3,823.4	3,342.6	2,998.8	1,067.0	966.4
Sales to internal customers	-	-	703.5	61-	216.2	194.7	4.0	3.9	2,735.4	2,761.6
Operating revenues	11,665.2	10,297.5	3,444.9	3,118.9	4,730.3	4,018.1	3,346.6	3,002.7	3,802.4	3,728.0
Gross operating profit (EBITDA)	1,010.6	629.8	365.9	243.1	482.3	265.4	166.2	135.0	-3.8	-13.7
Depreciation and impairment	348.4	294.4	107.0	97.4	110.6	100.3	89.9	78.1	40.9	18.6
Operating profit	662.2	335.4	258.9	145.8	371.7	165.1	76.4	56.8	-44.7	-32.3
Income from associates	0.6	-	-	-	-	-	-	-	0.6	-
Financial income	9.8	6.5	9.8	4.1	19.7	9.3	4.4	4.7	16.3	42.5
Value change financial instr.	6.8	-23.7	-	-	-	-	-	-	-	-
Financial costs	-75.3	-78.6	-8.8	-9.2	-38.4	-38.5	-9.6	-8.6	-52.1	-10-
Profit before tax	603.6	239.7	259.9	140.6	353.0	135.9	71.2	52.9	-80.5	-89.8
Operating margin in per cent	5.7%	3.3%	7.5%	4.7%	7.9%	4.1%	2.3%	1.9%	-1.2%	-0.9%
"Cash flow from operating profit "	1,010.6	629.8	365.9	243.1	482.3	265.4	166.2	135.0	-3.8	-13.7
Fixed assets	2,293.0	2,226.4	630.5	605.0	814.7	752.2	508.7	536.4	339.1	332.8
Inventory	1,504.5	1,742.9	364.2	452.6	903.7	1,060.7	187.4	192.4	49.2	37.3
Accounts receivable	1,475.7	1,178.4	251.5	204.6	610.2	420.2	452.9	423.9	161.1	129.7
Accounts payable	658.6	561.9	233.7	203.3	274.1	204.7	214.5	149.1	268.5	254.3
Projects net	-48.3	-66.2	-	-	-	-	-48.3	-66.2	-	-
"Net operating capital (% of operating revenues)"	19.5%	22.3%	13.3%	15.8%	26.8%	32.3%	11.3%	13.4%	4.4%	2.6%
Total assets	5,833.0	5,518.0	1,742.9	1,513.1	2,802.3	2,514.4	1,908.6	1,751.0	2,474.1	2,666.9
Interest bearing liabilities	635.3	1,155.8	169.7	231.7	549.9	647.4	176.3	257.5	361.6	808.9
Interest free liabilities	2,332.7	1,994.1	642.4	485.2	1,009.0	802.9	880.7	707.0	663.0	548.2
Capital employed	3,500.3	3,524.0	1,100.5	1,027.9	1,793.3	1,711.6	1,027.9	1,044.0	1,811.1	2,118.7
Return on capital employed	17.9%	9.4%	22.4%	13.4%	19.6%	9.3%	7.3%	5.6%	-1.0%	-0.4%
Equity	2,865.0	2,368.2	930.8	796.1	1,243.4	1,064.2	851.6	786.6	1,449.5	1,309.8
Equity ratio	49.1%	42.9%	53.4%	52.9%	44.4%	42.3%	44.6%	46.2%	58.6%	48.7%
Investments	271.9	478.7	88.0	115.8	130.2	117.2	21.6	55.9	32.1	189.8
Number of full-time equivalents	3,391	3,399	636	629	1,099	1,114	1,490	1,494	166	162
Sick leave in %	6.2%	5.4%	5.4%	4.5%	6.2%	5.5%	7.0%	6.1%	2.2%	1.6%
LTI rate	11.7	11.3	14.8	12.7	7.9	12.3	14.4	10.8	-	3.8

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

Operating revenues	2020	2019
Operating revenues for reported segments	15,324.2	13,867.7
Elimination of internal transactions	-3,659.0	-3,570.2
Consolidated operating revenues	11,665.2	10,297.5
Profit before tax	2020	2019
Annual profit from reported segments	603.6	239.7
Elimination of internal transactions	-	-
Consolidated profit before tax	603.6	239.7
Assets	2020	2019
Total assets from reported segments	8,928.0	8,445.5
Elimination of internal transactions	-3,094.9	-2,927.5
Consolidated total assets	5,833.0	5,518.0
Liabilities	2020	2019
Total liabilities from reported segments	4,452.6	4,488.8
Elimination of internal transactions	-1,484.6	-1,339.0
Consolidated total liabilities	2,968.0	3,149.8

6.2 – Geographical segments

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

Amounts in NOK million	2020	2019
Norway	4,504.2	4,233.1
Sweden	4,791.7	4,061.7
Denmark	463.5	436.2
United Kingdom	527.6	418.7
Germany	238.0	168.9
Other Europe	618.9	501.4
Asia	294.1	267.2
Africa	223.5	207.1
Other countries	3.6	3.2
Total	11,665.2	10,297.5

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	2020	2019	2020	2019	2020	2019	2020	2019
Norway	1,656	1,691	1,242.1	1,260.0	2,050.8	2,387.5	137.7	346.0
Sweden	1,707	1,680	1,050.3	965.7	2,263.0	2,041.6	134.2	132.7
Denmark	20	20	0.6	0.7	44.5	33.1	-	-
England	6	6	0.1	0.1	12.3	9.7	-	-
Germany	2	2	-	-	6.9	5.7	-	-
Internal							-877.2	-953.5
Total	3,391	3,399	2,293.0	2,226.4	3,500.3	3,524.0	271.9	478.7

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.

Main figures	Timber		Wood		Building Systems		Other		The Group	
Beløp i NOK mill	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Geographic market										
Norway	402.5	518.3	2,338.1	2,029.7	1,439.8	1,475.3	281.0	204.3	4,479.1	4,227.6
Sweden	632.4	674.9	1,587.2	1,295.4	1,796.1	1,463.8	754.9	741.5	4,765.0	4,175.6
Other European countries	1,257.3	813.4	504.5	398.1	83.9	46.2	-	-	1,837.7	1,257.7
Rest of the world	444.4	459.8	78.1	61.4	-	-	-	-	518.3	521.2
Total	2,736.6	2,466.4	4,507.9	3,784.6	3,319.8	2,985.3	1,035.9	945.8	11,600.1	10,182.1
Customer type										
Industrial customers	2,736.6	2,466.4	1,275.3	1,213.3	82.6	74.3	1,035.9	945.8	5,130.4	4,699.8
Building products chains / Retailers			3,232.6	2,571.3	178.3	160.3			3,410.8	2,731.6
Contractors/Developers					2,429.1	2,184.4			2,429.1	2,184.4
Other customers					629.9	566.4			629.9	566.4
Total	2,736.6	2,466.4	4,507.9	3,784.6	3,319.8	2,985.3	1,035.9	945.8	11,600.0	10,182.1
Fulfilment of delivery obligation										
A specific time	2,736.6	2,466.4	4,507.9	3,784.6	260.9	238.3	1,035.9	945.8	8,541.2	7,435.1
Over time					3,058.9	2,747.0			3,058.9	2,747.0
Revenue from contract with customers	2,736.6	2,466.4	4,507.9	3,784.6	3,319.8	2,985.3	1,035.9	945.8	11,600.1	10,182.1
Other operating revenue	4.9	42.5	6.3	38.8	22.8	13.5	31.1	20.6	65.1	115.4
External operating revenue as stated in Note 6	2,741.5	2,508.9	4,514.2	3,823.4	3,342.6	2,998.8	1,067.0	966.4	11,665.2	10,297.5

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

	Note	2020	2019
Consolidated operating revenues		1 455.6	1 072.5
Accumulated accrued expenses		1 198.1	888.6
Accumulated contributions		104.2	25.1
Recognised loss from loss of value on contractual assets		0	0
Contractual asset (Earned, not invoiced income)	17, 24	91.7	71.5
Contractual obligation (Advance payment from customer)	24	140.0	137.7
Other accruals related to contracts with customers (+ obligation / - asset)		18.3	-17.4

*) 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
Acquisition value as at 31.12.2018	105.1	1,154.0	4,400.1	301.1	5,960.2
Acquisitions	-4.6	139.9	311.9	13.4	460.6
Disposals	-	-6.2	1.1	-0.1	-5.1
Transfers	21.7	185.8	-13.9	0.1	193.6
Translation differences	-1.0	-10.5	-48.0	-2.3	-61.7
Acquisition value as at 31.12.2019	121.1	1,462.9	4,651.2	312.2	6,547.5
Accumulated ordinary depreciations 31.12.2018	0.0	817.7	3 228.9	247.1	4 293.6
Disposals accumulated depreciations	-0.1	0.5	-72.1	-3.4	-75.1
Depreciation and write downs for the year	0.0	52.3	193.4	16.4	262.2
Translation differences	0.0	5.2	30.4	1.7	37.3
Accumulated ordinary depreciations 31.12.2019	-0.1	875.8	3,380.6	261.8	4,518.2
Book value 31.12.2018	105.1	336.3	1 171.2	54.0	1,666.6
Book value 31.12.2019	121.2	587.1	1,270.7	50.4	2,029.4
Acquisition value as at 31.12.2019	121.1	1,462.9	4,651.2	312.2	6,547.5
Acquisitions	1.6	56.8	232.7	10.6	301.6
Disposals	-	-	-2.1	-	-2.1
Transfers	14.5	-3.4	-8.9	2.9	5.1
Translation differences	4.0	47.1	192.5	10.8	254.4
Acquisition value as at 31.12.2020	141.2	1,563.5	5,065.3	336.4	7,106.5
Accumulated ordinary depreciations 31.12.2019	-0.1	875.8	3,380.6	261.8	4,518.2
Disposals accumulated depreciations	-	-	0.4	-	0.5
Depreciation and write downs for the year	-	58.5	223.7	18.6	300.7
Translation differences	-	23.5	130.1	8.0	161.5
Accumulated ordinary depreciations 31.12.2020	-0.1	957.8	3,734.8	288.4	4,981.0
Translation differences	-	23.5	130.1	8.0	161.5
Book value 31.12.2019	121.2	587.1	1,270.6	50.4	2,029.3
Book value 31.12.2020	138.5	604.9	1,328.2	48.1	2,119.6

Ordinary depreciation rates are given in note 3.11

In the financial statements for 2019 book value of buildings and other property and machinery and plant included NOK 132 mill and NOK 64.9 mill right of use assets related to leases. In the 2020 financial statements right of use assets are presented separately. Hence 2019 figures are restated correspondingly.

Negative value of NOK 4.6 mill on additions to plots in 2019 relates to grants received in relation to construction of flood defenses by Moelven Trysil AS in 2018.

8.2. Impairment

The accounts for 2020 includes an impairment of NOK 4.3 mill related to the sale of Moelvans shares in Moelven Telemarksbruket AS. Related fixed assets are classified as held for sale per 31 December 2020 ref note 28. The sales transaction was carried out January 2021.

The accounts for 2019 includes an impairment of NOK 17.0 mill related to the decision to end operations at Moelven Eidsvold Værk AS.

Note 9 | Leases

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

Som leases includes option to extend the lease period and / or purchase of property. See note 4.

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 1.1.2019	138.9	68.0	206.9
Additions	8.6	8.5	17.1
Depreciation	-15.1	-11.5	-26.6
Gain or loss from sale and sublease	-0.4	0.0	-0.4
Booked amount per 31.12.2019	132.0	64.9	196.9
Additions	13.5	27.5	41.0
Derecognition closed leases	-30.7	-0.8	-31.5
Depreciation	-14.5	-26.9	-41.5
Translation difference	3.2	5.2	8.4
Bokført verdi 31.12.	103.6	69.9	173.4

Category Buildings and other property includes an option to buy property of NOK 47.3 million per 2020. This is based on an assessment that it is reasonably certain that the option will be executed. Related liability is booked at NO 49.9 million.

The table below shows booked lease liabilities.

Lease liabilities

Amounts in NOK million	2020	2019
Per 1.1.	198.8	209.6
Additions	41.0	17.1
Accrued interests	4.7	3.2
Payments	-47.3	-31.1
Derecognition closed leases	-31.4	0.0
Translation difference	8.6	0.0
Booked amount per 31.12.	174.4	198.8

See note 5.1.5 for maturity structure on future lease obligations.

Leases - Profit and loss

Amount in NOK million	2020	2019
Depreciation	41.5	26.6
Interest expenses	4.7	3.2
Expenses on leases with low value	0.1	0.2
Expenses on short term leases	3.8	2.4
Total expenses	50.1	32.4

Note 10 a | Intangible assets

Amount in NOK mill	Goodwill	Other intangible assets	Total
Acquisition value as at 31.12.2018	16.4	74.7	91.1
Acquisitions	-	1.1	1.1
Transfers	-	-	-
Translation differences	-0.1	-0.5	-0.5
Acquisition value as at 31.12.2019	16.3	75.3	91.6
Accumulated ordinary depreciations 31.12.2018	-	53.9	53.9
Disposals accumulated depreciations	-	-	-
Depreciation and write downs for the year	-	5.6	5.6
Accumulated ordinary depreciations 31.12.2019	-	59.5	59.5
Book value 31.12.2018	16.4	20.8	37.2
Book value 31.12.2019	16.3	15.9	32.2
	0 %	20 %	
Acquisition value as at 31.12.2019	16.3	75.3	91.6
Acquisitions	-	0.5	0.5
Translation differences	0.3	1.2	1.5
Acquisition value as at 31.12.2020	16.6	77.0	93.6
Accumulated ordinary depreciations 31.12.2019	-	59.5	59.5
Depreciation and write downs for the year	-	6.2	6.2
Accumulated ordinary depreciations 31.12.2020	-	65.6	65.6
Book value 31.12.2019	16.3	15.9	32.2
Book value 31.12.2020	16.6	11.4	28.0
Ordinary depreciation rates in per cent	0 %	20 %	

Note 10 b | Impairment test of goodwill

As of 31 December 2020 book value of goodwill amounted to NOK 16.4 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 impairment 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.

Book value of goodwill:

Beløp i NOK mill	2020	2019
Wood	13.3	13.3
Other units	3.3	3.0
Total	16.6	16.3

The recoverable amount is determined based on an assessment of the division's value in use. Value in use is estimated by discounting expected future cash flows, discounted at an appropriate discount rate after tax that takes into account maturity and risk. The projections of cash flows are based on budgets approved by management for the first three years. For year four and forward estimated cash flows in-

clude a limited growth of 1 %. It has been calculated a WACC of 7,6 %. This is based on a risk free interest rate of 1,0 %, a market risk premium of 5 %, a beta on total capital of 0,9, a liquidity premium of 4,0 % and an interest rate of 3,8 %. There was no write down of goodwill in either 2020 or 2019. Maximum exposure to possible write down of goodwill is NOK 16.6 million.

Note 11 | Payroll expenses, employees and remuneration to auditor

11 a Payroll expenses

Amounts in NOK million	2020	2019
Payroll cost	1,802.6	1,704.2
Social security cost	357.4	366.8
Pension costs - contribution-based pension schemes	118.5	114.9
Pension costs - defined-benefit pension schemes	1.3	-0.2
Total	2,279.8	2,185.8

11 b Number of employees

Average number of employees in 2020 was 3,371 and in 2019 it was 3,453. Moelven had 3,391 employees at the end of 2020 compared to 3,391 employees at the end of 2019.

11 c Remuneration to auditor

Amounts in NOK million, paid during the financial year	2020	2019
Legally required audit	5.2	5.1
Other attestation services	0.4	-
Tax consultancy	-	0.1
Other, non auditing services	0.7	0.9
Total	6.3	6.1

Note 12 | Financial income and costs

Amounts in NOK million	2020	2019
Financial income	24.3	31.4
Financial costs	-82.9	-127.2
Financial income		
Income from investment in associated companies	0.6	-
Interest income from financial assets*	2.5	0.6
Foreign currency gains	3.1	1.9
Other financial income	3.6	3.7
Value increase of financial instruments to fair value	14.5	24.9
Total financial income	24.3	31.4
Financial costs		
Interest costs of financial liabilities*	-1.1	-2.6
Interest costs on long term financial liabilities*	-46.0	-42.9
Foreign currency losses	-18.9	-22.9
Other financial costs	-9.2	-10.2
Value reduction of financial instruments to fair value	-7.6	-48.6
Total financial costs	-82.9	-127.2
Net financial items	-58.6	-95.8

Note 13 | Tax expense

Amounts in NOK million	2020	2019
Tax payable	105.9	71.3
Deferred tax changes	26.0	-20.0
Total tax expenses	131.9	51.3
Tax payable in the balance sheet	82.8	88.7

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	2020	2019
Profit before tax	603.6	239.7
Tax calculated with the group's tax rate 22 per cent (22 per cent)	132.8	52.7
Tax effects of:		
Difference due to different tax rates	-2.4	-0.7
Contribution from associated companies	-0.1	-
Permanent differences	1.3	10.0
Other	0.4	-10.8
Tax cost on the income statement	131.9	51.3
Weighted average tax rate	21.9 %	21.4 %

Weighted average tax rate	Before tax	Tax costs	After tax	Before tax	Tax costs	After tax
Amounts in NOK million	2020			2019		
Tax on items entered against other income and expenses						
Elements not later reclassified to earnings						
Actuarial gains (losses) on defined-benefit pension schemes"	-1.7	0.4	-1.3	0.2	-	0.1
Elements that can be later reclassified to earnings						
Translation differences	134.6	-	134.6	-28.1	-	-28.1
Other changes	-	-	-	0.4	-	0.4
Other income and expenses during the period (after tax)	132.9	0.4	133.3	-27.5	-	-27.6

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:

Temporary differences

Amounts in NOK million	2020	2019
Asset reserves	-2.7	-3.9
Inventory	61.5	24.7
Cost provisions	-23.9	-23.8
Other short-term temporary differences	361.0	297.8
Sub-total short-term differences	395.9	294.8
Fixed assets	-20.3	-71.0
Profit and loss account	4.3	5.4
Pension funds	-	-
Pension commitments	-20.7	-20.3
Other long-term items	404.6	368.5
Sub-total long-term items	367.8	282.6
Tax-assessed loss carry-forward.	-10.6	-11.8
Net temporary differences	753.2	565.7
Deferred tax asset	45.9	49.1
Deferred tax	208.8	170.1
Net deferred tax	162.9	121.0

14.2 Analysis of deferred tax through the year

Temporary differences

Amounts in NOK million	2020	2019
Net deferred tax obligation 1 January	121.0	143.3
Included on income statement	26.0	-20.0
Other comprehensive income (OCI) pensions	0.4	-
Reclassification to held for sale	0.6	-
Translation differences and other	14.9	-2.2
Net deferred tax obligation 31 December	162.9	121.0

Note 15 | Investments in associated companies

Amounts in NOK million	2020	2019
Book value as at 01.01	3.8	3.8
Proportion of annual profit	0.6	0.3
Proportion of other income and expenses	-	-0.3
Book value as at 31.12	4.4	3.8

Amounts in NOK million

	Holding % *)		The compa- ny's share capital	The compa- ny's total equity	The compa- ny's net profit in 2018	Number of shares in Moelven's ownership	Total face value	Book value 31.12
Owned by Moelven Industrier ASA:								
Weda Skog AB, Sweden 1)	30.0%	SEK	10.0	10.0	-0.07	3,000,000	3.0	2.6
WoodTrans AS, Norway	34.0%	NOK	1.3	6.5	1.70	445	0.4	1.8
Total								4.4

*) Voting rights is equal to ownership share

1) The company is decided to be liquidated. Moelv's share of operations will be continued through Moelven Skog AB.

Note 16 | Inventory

Amounts in NOK million	2020	2019
Raw materials and purchased semi finished goods	572.7	587.0
Goods in processing	212.9	217.5
Finished own products	716.9	935.8
Prepayments to supplier	2.0	2.6
Total inventory	1,504.5	1,742.9
Inventory valued at acquisition cost	1,286.9	1,374.1
Inventory valued at fair value	217.6	368.8
Total inventory	1,504.5	1,742.9

Write down of inventory to fair value in 2020 is included in profit and loss with NOK 16.3 million. The equivalent value in 2019 was NOK 44.0 million.

Note 17 | Accounts receivable and other receivables

Amounts in NOK million	Note	2020	2019
Accounts receivable			
Accounts receivable gross		1,478.9	1,182.5
Provision for loss on accounts receivable		-3.2	-4.1
Earned not invoiced	7	91.7	71.5
Accounts receivable entered on the balance sheet		1,567.4	1,249.9
Overdue receivables without hedging		16.7	30.2
in % of gross receivables		1.1 %	2.6 %
LGD (Loss given default) of gross accounts receivables*		0.1	0.2
The year's confirmed losses on receivables		0.1	-0.0
Changes in provision for loss		-0.9	-
Losses on receivables on income statement		-0.9	-0.0
POD is calculated on the basis of the last three years' loss on claims			
Other receivables			
VAT in credit		21.2	19.7
Other receivables		220.6	167.6
Total other receivables		241.8	187.4

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. Partly as a result of this credit risk

is not assessed to have increased due to the Covid-19 pandemic. 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	2020	2019
NOK	690.0	603.0
SEK	613.8	462.1
EUR	74.0	67.0
DKK	26.1	18.7
GBP	76.0	23.7
Other currencies	-4.2	3.9
Total	1,475.7	1,178.4

Age distribution of outstanding accounts receivable

Amounts in NOK million	2020	2019
Accounts receivable within credit terms	1,272.1	917.5
Under 30 days beyond due date	175.8	238.4
31 to 60 days beyond due date	7.7	10.3
61 to 90 days beyond due date	14.5	5.9
91 to 180 days beyond due date	-	1.6
Over 180 days beyond due date	5.6	4.7
Total	1,475.7	1,178.4

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.

Amounts in NOK million	2020	2019
Annual profit assigned to Moelven's shareholders	472.1	188.9
Average number of shares	129.5	129.5
Earnings per share	3.64	1.46

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.

Beløp i NOK mill	2020	2019
Total equity assigned to owners of parent company	2,854.4	2,354.9
Average number of shares	129.5	129.5
Equity per share	22.04	18.18

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.

Amounts in NOK 1,000

	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 Mjølsbruket AS	100 %	12,000	12,000 *	935 944 562
Moelven Telemarksbruket AS***	51.0 %	14,059	710 *	983 188 397
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 A/S	100 %	5,000 DKK	50,000 *	11 932 371
Moelven Are AS	100 %	300	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 Malmö Holding AB	100 %	2,580 SEK	2,580 **	556451-0278
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 Hjellum AS	100 %	4,206	50,001 *	927 486 210
Moelven Byggmodul AB	100 %	5,000 SEK	50,000 **	556310-7134
Moelven Modus AS	100 %	22,000	2,200 *	951 269 778
Moelven Modus AB	100 %	4,000 SEK	40,000 **	556175-3178
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 Portefølje AS	100 %	1,000	1,000 *	982 792 835
Moelven Elprosjekt AS	100 %	10,000	50,000 *	980 342 182

*) Company owned by Moelven Industrier ASA

**) Company owned by Moelven Industrier AB

***) The entity is sold January 2021, see note 28

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.

A new AFP scheme from 01 January 2011 for the group's Norwegian companies
All employees in the Norwegian companies in the

group should be comprised by the right to early retirement (AFP), early retirement schemes in the private sector from the age of 62 if they fulfil the requirements of this scheme. The new AFP scheme which came into force in 2011 is defined as a defined-benefit multi-employer plan, but accounted for 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.

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	2020	2019
Return on pension funds	1.70 %	2.30 %
Discount rate	1.70 %	2.30 %
Annual pay increase	2.25 %	2.25 %
Annual G adjustment (National Insurance Scheme's amount)	2.00 %	2.00 %
Annual adjustment of pensions being paid	2.00 %	2.00 %
Average employer's contribution factor	14.10 %	14.10 %

20.2 - Breakdown of net pension obligation

Amounts in NOK million	2020	2019
Present value of funded pension obligations	6.4	7.2
Present value of unfunded pension obligations	18.5	15.7
Total present value of pension obligations	24.9	22.9
Pension plan assets (fair value)	-4.4	-3.9
Net pension obligation outside Norway	0.2	1.0
Net pension obligation	20.8	20.0

In the balance sheet the pension commitments are entered gross with the following amounts:

Amounts in NOK million	2020	2019
Net pension funds	0.2	0.7
Pension liabilities	21.0	20.7

20.3 – Pension costs

Amounts in NOK million	2020	2019
Pension entitlements accrued in the year	0.2	0.6
Net financial costs/income	0.4	0.5
Pension costs secured and unsecured defined benefit schemes	0.7	1.1
Contribution pension costs and other pension costs	119.1	113.6
Pension cost (net) entered on the income statement	119.8	114.7

Note 21 | Provisions

Guarantee liability on projects

Guarantee provisions	2020	2019
Guarantee provisions as at 1.1	38.4	30.0
Used during the year	-2.7	-1.4
Reversed during the year	-	0.1
New provisions during the year	10.2	9.6
Translation difference	2.6	
Guarantee provisions 31.12	48.5	38.4

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

Amounts in NOK million	2020		2019	
	Amount in the balance sheet	Guarantee	Amount in the balance sheet	Guarantee
Other provisions	50.1	44.8	51.4	34.7
Other short term liabilities	1,058.2	3.7	901.4	3.7
		48.5		38.4

Other guarantee liability

Amounts in NOK million	2020	2019
Loan guarantees/financial guarantees	15.0	-

Note 22 | Other short-term liabilities

Other short term liabilities

Amounts in NOK million	2020	2019
Other short term liabilities	214.2	200.4
Accrued holiday pay	177.9	190.0
Bonus provisions	197.6	154.2
Accrued costs	328.5	219.0
Other short term liabilities	918.2	763.7

Note 23 | Breakdown of changes in long term debt

Amounts in NOK million	2019	Cash flow	Fx changes	Other	2020
Liabilities to credit institutions	952.5				
Repayment of debt facility		-1,006.7			
Drawdown new debt facility		251.3			
Drawdown new loan		200.0			
Fx changes			66.8		
Reclassification to held for sale				-9.6	
Total - Liabilities to credit institutions	952.5	-555.5	66.8	-9.6	454.2

Beløp i NOK mill	2018	Cash flow	Fx changes	Other	2019
Liabilities to credit institutions	668.6				
Repayment of debt facility		-1,006.7			
Drawdown debt facility		251.3			
Fx changes		200.0			
Other changes			66.8		
Total - Liabilities to credit institutions	668.6	282.7	-1.9	3.1	952.5

Note 24 | Financial instruments

24.1 Book value of financial assets and obligations by category

Financial assets 31.12.2020

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1*	Level 2*	Level 3*	Total fair value
Accounts receivable	1,475.0		1,475.0				
Contract asset	91.7		91.7				
Other receivables	242.5		242.5				
Financial instruments - currency derivative		19.5	19.5		19.5		19.5
Fin. instr. - emb. cur. derivative in hedg. of el.power							
Financial instruments - power derivative							
Bank deposits etc.	99.8		99.8				
Investments in equities		0.5	0.5			0.5	0.5
Total	1,909.0	20.0	1,928.9				

*Description is presented on the next page

Financial obligations 31.12.2020

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	454.2		454.2				
Leases	174.4		174.4				
Other long term liabilities	0.0		0.0				
Financial instruments - currency derivative		10.6	10.6		10.6		10.6
Fin. instr. - emb. cur. derivative in hedg. of el.power		2.4	2.4		2.4		2.4
Financial instruments - interest derivative		52.0	52.0		52.0		52.0
Payables	658.6		658.6				
Contract asset	140.0		140.0				
Total	1,427.2	65.0	1,492.2				

Financial assets 31.12.2019

Amounts in NOK million	Amortized cost	Fair value through P&L	Book value	Level 1	Level 2	Level 3	Total fair value
Accounts receivable	1,178.4		1,178.4				
Other receivables	71.5		71.5				
Other receivables	187.4		187.4				
Financial instruments - currency derivative		4.9	4.9		4.9		4.9
Fin. instr. - emb. cur. derivative in hedg. of el.power			-				
Financial instruments - power derivative			-				
Bank deposits etc.	19.4		19.4				
Investments in equities		0.4	0.4			0.4	0.4
Total	1,456.6	5.3	1,462.0				

Financial obligations 31.12.2019

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	952.4		952.4				
Financial leases	198.8		198.8				
Other long term liabilities	0.1		0.1				
Financial instruments - currency derivative		9.7	9.7		9.7		9.7
Fin. instr. - emb. cur. derivative in hedg. of el.power		1.9	1.9		1.9		1.9
Financial instruments - interest derivative		44.9	44.9		44.9		44.9
Payables	561.9		561.9				
Contract asset	137.7		137.7				
Total	1,850.9	56.5	1,907.4				

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

As of 31 December		
Beløp i NOK mill	2020	2019
Interest rate derivatives		
Maturing under 1 year	0.0	70.8
Maturing 2 - 5 years	358.0	367.2
Maturing 6 - 10 years	154.4	112.4
Total	512.4	550.4
Currency derivatives, forward contracts for sale of foreign currency		
Maturing 0-6 months	466.3	306.6
Maturing 7-12 months	175.0	151.2
Maturing >12 months	64.1	231.0
Total	705.4	688.8
Currency derivatives, forward contracts for purchase of foreign currency		
Maturing 0-6 months	14.0	57.2
Maturing 7-12 months		
Maturing >12 months		
Total	14.0	57.2
Forward contracts for purchase of foreign currency consist of contracts to purchase foreign 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	42.0	46.4
Maturing 1-2 years	62.0	59.6
Maturing 3-4 years	19.8	13.9
Total	123.8	119.8

*The market value of power derivatives for own consumption was NOK - 7.6 million in 2020 and NOK 13.2 million in 2019.

Note 25 | Share capital and share premium reserve

Shareholders		Number of shares	Ownership of voting shares in per cent
Glommen Mjøsen Skog SA	Norway	102,134,115	78.84 %
Viken Skog SA	Norway	26,939,247	20.80 %
2 largest owners		129,073,362	99.64 %
Other 861 shareholders		467,922	0.36 %
Total 863 shareholders		129,541,284	100 %

Summary of shareholders as at 31.12.2020		Summary of shareholders as at 31.12.2019	
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

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		Deputy members		The board of Directors	
Rolf Th. Holm	0	Gunnar Gundersen	0	Olav Fjell	0
Heidi Hemstad	0	Sigrid Bergseng	0	Gudmund Nordtun	0
Terje Uggen	0	Asbjørn Bjørnstad	0	Olav Peder Breivik	0
Tor Henrik Kristiansen	0	Ragnhild Hallenstvedt	0	Kristin Helene Holth	0
Alfred Gullord	0	True Strand Schildmann	0	Aud Ingvild Storås	0
Anne Trolie	0	Gaute Nøkleholm	0	Martin Fauchald *)	0
Ole Theodor Holth	0	Gunnar Aakrann Eek	0	Lars-Håkan Karlsson *)	0
Siv Sviland Høie	0	Jens Holene	0		
Jan Larsson *)	0	Oscar Östlund*)	0		
Trond Sønnes *)	0	Stein Morten Velta *)	0		
Ann-Christine Löfborg *)	0	Ove Gunnarsson *)	0		
John Inge Lorentsen *)	0	Leif Bjarne Undem *)	0		

Deputy members		Group Executive Board		Group shared services	
Wenche Ravlo	0	Morten Kristiansen	500	Morten Sveiverud	2,661
Einar Skaarseth Enger	0	Anders Lindh	2,001	Even Rognan Lutnæs	1,289
Leif Michael Eneblom *)	0	Bjarne Hønningstad	5,650	Magne Vikøren	1,289
Ole-Magnus Vinna *)	0			Yngve Andreassen	1,243
Jan Peter Olsson *)	0			Lars Storslett	0

*) 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 27th of April 2020, has been the guideline for the 2020 financial year. An identical declaration, which will be presented to the general meeting of 28th of April 2021, will be the guideline for the 2021 financial year.

The following persons are involved

The declaration covers the group management of Moelven Industrier ASA. Group management means the CEO and the heads of the divisions.

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

Over and above the main principle of fixed pay, the board wishes it to be possible to offer other variable forms of remuneration in cases where this is found to be appropriate. Bonuses may be used to a limited extent and by special agreement and shall be directly dependent on operating profit.

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	2020			2019		
	Salaries	Pension costs	Other benefits	Salaries	Pension costs	Other benefits
Remuneration to:						
CEO Morten Kristiansen	5,241.6	217.5	262.5	5,123.9	213.4	259.6
Managing Director Timber, Anders Lindh	2,443.6	170.2	240.6	2,179.4	166.4	237.8
Managing Director Wood, Bjarne Hønningstad	2,779.4	190.5	216.8	2,513.0	176.2	209.6
Total	10,464.6	578.2	719.9	9,816.3	556.0	707.0

The CEO had the function as the Managing Director of Building Systems in 2020 and 2019

On termination of employment, the President and CEO and the Managing Directors of Timber and Wood 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 1,000 paid during the financial year	2020	2019
Remuneration to the board of Directors	1,420.4	1,306.4
Remuneration to the corporate assembly	330.9	294.1

The chairman of the board of directors receives NOK 546,000 and the board members NOK 150,000 in annual remuneration. Deputy members of the board receive NOK 6,100 per meeting. The chairman of the corporate assembly receives NOK 65,500 in annual remuneration. The members and deputy members of the corporate assembly receive NOK 6,100 per meeting.

Note 27 | Shareholders' agreement and related parties

27.1 Shareholders' agreement

The share capital of Moelven Industrier ASA consists of 129,542,384 shares with a face value of NOK 5 and there is only one share class. In total the shares are distributed among 869 shareholders, of which the two largest, the forest owner cooperatives Glommen Mjøsen Skog SA and Viken Skog SA, control a total of 99.6 per cent. There is several shareholders' agreements between these 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.

27.2 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 42 per cent of Moelven's total purchasing requirement for timber of 4.4 million cubic metres comes via the Norwegian forest owner cooperatives.

Moelven has in 2020 purchased timber from other companies within the Glommen Mjøsen group, which 31 December 2020 had an ownership in Moelven of 78.84 per cent, for NOK 550.5 million. Payables to other entities within Glommen Mjøsen group amounted to NOK 61.3 million per 2020.

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

In December 2020 an agreement was made with AT Skog SA regarding the sale of Moelv's share of 51 % in Moelven Telemarksbruket AS. The transaction was carried out on January 4th 2021. On this basis assets and debt in Telemarksbruket per 31 December 2020 has been classified as held for sale.

In relation with the sale an impairment of NOK 4.3 million has been booked to fixed assets.

Assets and debt classified as held for sale per 31 December 2020:

Beløp i NOK mill	Note	2020
Deferred tax asset		0.6
Fixed assets	8	5.9
Inventory		11.3
Accounts receivable		4.2
Other short term receivables		1.0
Cash and bank deposits		4.3
Total assets held for sale		27.3
Liabilities to credit institutions		9.6
Accounts payable		1.1
Public duties payable		0.8
Other short term liabilities		5.5
Total liabilities held for sale		17.0

Note 29 | Events after the date of balance

No subsequent events have taken place that should have any effect on the financial statement for 2020.

Annual Financial Statements 2020

Moelven Industrier ASA



ANNUAL ACCOUNTS FOR MOELVEN INDUSTRIER ASA

Amounts in NOK million	Note	2020	2019
Other operating revenues	15	118.1	125.7
Operating revenues	2	118.1	125.7
Payroll expenses	10,11	71.0	74.2
Depreciation on tangible and intangible fixed assets	9	11.7	10.9
Other operating expenses	10	84.5	87.8
Operating expenses		167.3	172.9
Operating profit		-49.2	-47.1
Income from investment in subsidiaries 1)		484.6	155.7
Value increase of financial instruments to fair value	8	0.7	13.2
Interest income from group companies	15	56.6	50.3
Other interest income		0.1	7.8
Other financial income from group companies		0.7	3.6
Other financial income		2.8	-
Value reduction of financial instruments to fair value	8	-8.5	-
Impairment of financial assets	6	-5.4	-19.0
Interest costs to group companies		-2.1	-4.5
Other interest costs		-37.2	-36.6
Other financial costs		-17.0	-31.5
Net financial items		475.5	139.0
Ordinary result before taxes		426.3	91.9
Tax on ordinary result	3	35.4	24.5
Net profit		390.9	67.4
Allocated to dividend, NOK 3.64 / NOK 0.72 per share		-471.5	-93.3
To/from other equity		80.6	25.9
Total	14	-390.9	-67.4

BALANCE AS AT 31.12

Amounts in NOK million	Note	2020	2019
ASSETS			
Deferred tax assets		19.6	17.2
Other intangible assets	3	1.7	3.5
Total intangible assets	9	21.3	20.7
Land		3.7	3.7
Buildings and other property		3.7	4.1
Machinery and plant		3.3	4.0
Fixtures and fittings, tools, office machinery etc.		35.8	28.8
Total tangible fixed assets		46.5	40.6
Investments in subsidiaries	9	1,087.8	1,093.4
Investments in associated companies	12	3.8	3.8
Loans to group companies	13	1,223.2	1,385.4
Other long-term receivables	15	-	-
Total financial fixed assets		0.8	0.7
Total fixed assets		2,315.6	2,483.3
Accounts receivable		2,383.3	2,544.7
Accounts receivable group companies		0.2	0.1
Receivables group contributions/dividend	15	0.6	2.4
Other receivables	15	484.6	155.7
Total receivables		13.6	14.5
Financial derivatives		499.0	172.7
Bank deposits, cash etc.	8	29.1	9.7
Total current assets	5	-	-
Total assets		528.1	182.7
Sum eiendeler		2,911.4	2,727.4

Amounts in NOK million	Note	2020	2019
LIABILITIES AND EQUITY			
Share capital		647.7	647.7
Own shares		-	-
Share premium reserve		130.9	130.9
Total contributed equity		778.6	778.6
Retained earnings		10.2	92.1
Total equity		788.8	870.7
Pension liabilities		20.5	19.6
Total allowances for liabilities		20.5	19.6
Liabilities to credit institutions		454.2	941.6
Total long term liabilities		454.2	941.6
Liabilities to credit institutions		1,014.4	680.5
Financial derivatives		89.3	61.6
Trade accounts payable		9.3	12.9
Trade accounts payable to group companies		2.6	2.5
Public duties payable		6.3	5.0
Dividends		471.5	93.3
Tax payable		37.4	21.5
Other short term liabilities		17.1	18.0
Total short term liabilities		1,648.0	895.4
Total liabilities		2,122.7	1,856.6
Total equity and liabilities		2,911.4	2,727.4
Guarantee liability		671.5	591.4
Number of shares (Face value per share NOK 5.-)		129,541,284	129,541,284

Moelv, 15 March 2021
Moelven Industrier ASA

Olav Fjell
Chairman of the board

Ingvild Storås

Gudmund Nordtun
Deputy Chair

Kristin H. Holth

Olav Breivik

Martin Fauchald

Leif Eneblom

Morten Kristiansen
CEO

CASH FLOW STATEMENT

Amounts in NOK million	Note	2020	2019
CASH FLOW FROM OPERATIONAL ACTIVITIES:			
Ordinary result before taxes		426.3	91.9
Tax paid this year	3	-21.5	-21.5
Depreciation	9	11.7	10.9
Value change investments		5.6	19.0
Correction items - financial derivatives		8.5	-13.2
Unpaid pension costs entered as costs and unreceived pension funds entered as income	11	-1.2	-1.2
Changes in accounts receivable and other receivables		2.6	-0.5
Delimitation of group contribution/dividend		-328.9	237.1
Changes in trade accounts payable		-3.6	5.2
Changes in short-term liabilities excluding borrowing		0.7	-23.7
Cash flow from operational activities		100.3	304.1
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Investment in plant and equipment exc. acquisition	9	-15.7	-14.2
Net cash flow from investments in shares		-	-
Generated funds from mergers		-	-
Long-term investments, financial		162.1	-197.0
Cash flow from investment activities		146.4	-211.2
Profit before tax			
Changes in short-term loans and overdraft	5	333.9	-154.5
Changes in long-term liabilities		-93.3	-225.4
Payment of dividend		-487.4	286.9
Cash flow from financial activities		-246.8	-93.0
CASH HOLDINGS			
Net change in liquidity through year		-	-
Cash holdings 1.1.		-	-
Cash holdings 31.12	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 and write downs. Long-term debt is recognised in the balance sheet at the nominal amount at the time of establishment.

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 | Operating revenues

Amounts in NOK million	2020	2019
Subsidiaries' proportion of joint costs	67.2	69.5
Subsidiaries' proportion of IT services	42.5	45.2
Rent income - outside the group	1.2	0.5
Rent income - inside the group	3.0	3.1
Other	4.3	7.4
Total other operating income	118.1	125.7

In accordance with the company specification under note 15, a total of NOK 115.9 million is operating income from our subsidiaries. Total Norwegian operating income amounts to NOK 54.7 million, Swedish NOK 60.1 million and other companies NOK 1.1 million.

Note 3 | Tax

Amounts in NOK million	2020	2019
TAX EXPENSE FOR THE YEAR		
Recognized tax on ordinary income:		
Total tax payable	37.4	21.5
Changes in deferred tax from income statement	-2.0	3.1
Correction of taxes in previous years	-	-
Tax expense	35.4	24.5
 Taxable income:		
Ordinary result before taxes	426.3	91.9
Permanent differences	-265.4	19.9
Actuarial losses entered against OCI	-1.7	0.2
Changes in temporary differences	10.8	-14.5
Use of tax loss carry forwards	-	-
Taxable income:	170.1	97.5
 Tax payable in the balance sheet		
Tax on income	-9.6	-21.5
Tax payable on received group contribution	47.0	-
Tax payable in the balance sheet	37.4	-21.5
 Calculation of effective tax rate		
Calculated tax on ordinary result before taxes	93.8	20.2
Tax effect of permanent differences	-58.4	4.4
Total	35.4	24.6
Effective tax rate	8.3 %	26.8 %

Tax effect of temporary differences and carried forwards giving rise to delayed or deferred tax advances

tags, specified on types of temporary differences:

	2020	2019	Ending
Fixed assets	-8.3	-7.0	-1.3
Gains and losses	0.5	0.6	-0.1
Provisions	-	-	-
Pensions commitments	-20.5	-19.6	-0.9
Other differences	-0.6	-0.6	-
Total	-29.0	-26.7	-2.3
Shares and other securities	-60.2	-51.7	-8.5
Calculation base for deferred taxes	-89.2	-78.4	-10.8
Deferred tax assets / deferred tax (22% / 22 %)	-19.6	-17.2	
Effect on deferred tax from change in tax per cent	-	-	

Note 4 | Other short term liabilities

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

Note 5 | Liquid holdings and debt

5.1 Interest-bearing holdings and debt

Amounts in NOK million		2020	2019
Overdraft and interest-bearing debt		1,014.4	680.5
Long-term interest-bearing liabilities in			
NOK	3.70 %	200.0	323.2
SEK	3.46 %	254.2	618.5
DKK		-	-
EUR		-	-
Total long-term interest-bearing debt		454.2	941.7
Net interest-bearing debt		1,468.6	1,622.2

5.2 Repayment schedule long-term liabilities

Amounts in NOK million		2020	2019
Long-term liabilities that fall due for payment in			
1 year		-	-
2 years		28.6	941.7
3 years		299.0	-
4 years		38.1	-
5 years		38.1	-
6 years or later		57.1	-

5.3 Ceilings and withdrawals in syndicated loan market

Amounts in NOK million		2020	2019
Facility		1,839.2	1,558.2
Withdrawal		460.9	941.6
Remaining term in months		29/78	17

The company's external capital funding consists of a long-term credit facility maturing in May 2023, a loan of NOK 200 mill and short-term credit facilities in the banking systems. The long-term loan agreement was 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.

The loans have been taken with negative security declaration and have normal clauses relating to equity, equity ratio and debt ratio.

5.4 Future access to liquidity

Long financing

Amounts in NOK million	2020	2019
as at 31.12	1,839.2	1,558.2
in 1 year	1,839.2	1,558.2
in 2 years	1,810.6	-
in 3 years	133.3	-
in 4 years	95.2	-
in 5 years	57.1	-
in 6 years or later	28.6	-

Short financing

In addition to the long-term access to liquidity, the group has loan facilities that are renewed each year. As at 31.12.2020 these were NOK 300 million. As a result of normal seasonal variations, the group's

net interest-bearing debt was at its highest in March 2020, NOK 1,412.8 million. The long term loan facilities as at 31.12.2019 will cover liquidity needs for the coming two and a half years.

Note 6 | Financial market risk and impairment of financial assets

6.1 Financial market risk

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.

6.2. Impairment of financial assets

Shares in subsidiaries are assessed with regard to indications of impairment. The total impairment for 2020 is NOK 5.4 million.

Note 7 | Guarantee liability

Amounts in NOK million	2020	2019
Unconditional guarantees	374.4	321.4
Payment and contract guarantees	236.0	210.2
Tax deduction guarantees	61.1	59.8
Total	671.5	591.4

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.

Note 8 | 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 entered at fair value	2020	2019
Exchange rate derivatives	29.1	9.7
Total assets presented on the financial derivatives line	29.1	9.7

Financial obligations entered at fair value	2020	2019
Interest rate derivatives	52.0	44.9
Exchange rate derivatives	29.7	16.5
Power derivatives	7.6	-
Total obligations presented on the financial derivatives line	89.3	61.4

Interest derivatives and power derivatives are entered in accordance with the lowest value principle.

Aa at 31.12.19, power contracts had a positive market value of NOK 13.2 million.

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	2020	2019
Interest rate derivatives		
Maturing under 1 year	-	70.8
Maturing 2 - 5 years	358.0	367.2
Maturing 6 - 10 years	154.4	112.4
Total	512.4	550.4
Currency derivatives, forward contracts for sale of foreign currency		
Maturing 0-6 months	495.56	359.4
Maturing 7-12 months	176.45	153.6
Maturing >12 months	149.63	231.0
Total	821.6	744.1
Currency derivatives, forward contracts for purchase of foreign currency		
Maturing 0-6 months	547.2	536.9
Maturing 7-12 months	181.5	194.9
Maturing >12 months	139.0	210.5
Total	867.7	942.3
Power derivatives		
Maturing under 1 year	42.0	46.4
Maturing 1-2 years	62.0	59.6
Maturing 3-4 years	19.8	13.9
Total	123.8	119.9

Note 9 | 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 31.12.2018	3.7	29.5	11.6	63.1	32.0	139.9
Acquisitions	-	-	-	14.2	-	14.2
Disposal acquisition value	-	0.1	-	-	-	0.1
Acquisition value as at 31.12.2019	3.7	29.6	11.6	77.3	32.0	154.2
Accumulated ordinary depreciations 31.12.2018	-	24.9	6.8	40.6	26.7	99.1
Disposals accumulated depreciations	-	0.1	-	-	-	0.1
Depreciation and write downs for the year	-	0.5	0.8	7.9	1.8	10.9
Accumulated ordinary depreciations 31.12.2019	-	25.5	7.6	48.5	28.5	110.0
Book value 31.12.2018	3.7	4.6	4.8	22.5	5.3	40.8
Book value 31.12.2019	3.7	4.1	4.0	28.8	3.5	44.1
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 31.12.2019	3.7	29.6	11.6	77.3	32.0	154.2
Acquisitions	-	-	-	15.7	-	15.7
Disposal acquisition value	-	-	-	0.2	-	0.2
Acquisition value as at 31.12.2020	3.7	29.6	11.6	93.2	32.0	170.1
Accumulated ordinary depreciations 31.12.2019	-	25.5	7.6	48.5	28.5	110.0
Profit before tax	-	-	-	0.2	-	0.2
Depreciation and write downs for the year	-	0.5	0.8	8.7	1.8	11.7
Accumulated ordinary depreciations 31.12.2020	-	26.0	8.3	57.3	30.4	121.9
Book value 31.12.2019	3.7	4.1	4.0	28.8	3.5	44.1
Book value 31.12.2020	3.7	3.7	3.3	35.8	1.7	48.1
Ordinary depreciation rates in per cent	0	2.5-10 %	5-10 %	10-20 %	20/33%	

Note 10 | Payroll expenses, remuneration to group management, board and auditor

10.1 – Payroll expenses

Amounts in NOK million	2020	2019
Salaries	55.5	57.9
Employer contribution and social costs	9.5	9.5
Pension costs ref. defined benefit and contribution based pension schemes	5.0	6.1
Other benefits/other personnel costs inc. proportion charged to subsidiaries	1.1	0.6
Total	71.0	74.2
Number of man years	60	61

10.2 – Remuneration to group management

Amounts in NOK million	2020			2019		
	Salary	Pension costs	Other benefits	Salary	Pension costs	Other benefits
CEO Morten Kristiansen	5,241.6	217.5	262.5	5,123.9	213.4	259.6
Head of Timber division, Anders Lindh	2,443.6	170.2	240.6	2,179.4	166.4	237.8
Head of Wood division, Bjarne Hønningstad	2,779.4	190.5	216.8	2,513.0	176.2	209.6
Total	10,464.6	578.2	719.9	9,816.3	556.0	707.0

There is not given any loans or guarantees to the company management.

See note 26 to the consolidated accounts for fixing of salary and other benefits for group management.

10.3 – Remuneration to auditor

Amounts in NOK million	2020	2019
Amount ex VAT		
Legally mandated account audit	0.7	0.7
Other services related to certification	-	-
Tax advisory services	-	-
For services other than audit	0.2	0.3
Total	0.9	1.1

Note 11 | 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 schemes 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 unsecured 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.

11.1 – Economic and actuarial assumptions

Amounts in NOK million	2020	2019
Return on pension funds	1.70 %	2.30 %
Discount rate	1.70 %	2.30 %
Annual pay increase	2.25 %	2.25 %
Annual G adjustment (National Insurance Scheme's basic amount)	2.00 %	2.00 %
Annual adjustment of pensions being paid	2.00 %	2.00 %

11.2 – Pension costs

Amounts in NOK million	2020	2019
Pension entitlements accrued in the year	0.2	0.2
Interest costs on the pension commitments	0.4	0.5
Pension costs secured and unsecured defined benefit schemes	0.7	0.7
Contribution pension costs and other pension costs	4.3	5.4
Profit before tax	5.0	6.1

11.3 – Pension liabilities

Amounts in NOK million	2020	2019
Balance as at 01.01.		
Accrual of future pensions	21.1	21.2
Pension commitments (gross)	21.1	21.2
Pension funds	-3.9	-3.3
Employer contributions	2.4	2.5
Pension commitments (net)	19.6	20.4
Balance as at 31.12		
Pension commitments (gross)	22.4	21.1
Pension funds (anticipated)	-4.4	-3.9
Employer contributions	2.5	2.4
Pension commitments (net)	20.5	19.6
	0.0	0.0
Net pension funds, secured schemes that can be netted	20.5	19.6
Pension commitments, secured (and unsecured) schemes that cannot be netted	0.0	0.0
Pension commitments, contractual pension (AFP)	20.5	19.6

11.4 – Key figures

	2020	2019
Number of active members secured schemes	3	3
Number of pensioners secured schemes	6	6

Note 12 | Shares in subsidiaries

Amounts in NOK 1,000

	Office, municipality /country	Holding %	The company's share capital	The company's total equity	The company's net profit in 2019	Number of shares in Moelven's ownership	Total face value	Book value 31.12.
Moelven Industrier ASA owns								
Moelven Van Severen AS	100 %	35,000	35,000	52,986	11,335	3,500	35,000	35,005
Moelven Østerdalsbruket AS	100 %	20,000	20,000	51,447	18,511	2,000	20,000	20,005
Moelven Våler AS	100 %	48,000	48,000	127,267	49,982	4,800	48,000	48,005
Moelven Soknabruket AS	100 %	30,000	30,000	116,620	61,066	3,000	30,000	32,511
Moelven Numedal AS	100 %	10,000	10,000	44,814	18,796	1,000	10,000	10,005
Moelven Løten AS	100 %	12,000	12,000	26,481	5,768	1,200	12,000	12,005
Moelven Telemarksbruket AS	51 %	14,198	14,198	16,788	-1,023	710	14,059	2,000
Moelven Wood AS	100 %	5,500	5,500	22,921	7,856	5,500	5,500	10,000
Moelven Langmoen AS	100 %	18,000	18,000	82,596	22,749	1,800	18,000	37,156
Moelven Portefølje AS	100 %	1,000	1,000	2,049	0	1,000	1,000	1,152
Moelven Eidsvoll AS	100 %	8,500	8,500	32,064	770	850	8,500	18,500
Moelven Treinteriør AS	100 %	3,500	3,500	18,665	12,528	3,500	3,500	8,482
Moelven Modus AS	100 %	22,000	22,000	95,120	3,464	2,200	22,000	95,000
Moelven ByggModul AS	100 %	31,688	31,688	112,591	13,504	158,440	31,688	89,299
Moelven Bioenergi AS	100 %	6,000	6,000	17,224	3,329	6,000,000	6,000	6,800
Moelven Limtre AS	100 %	11,000	11,000	67,206	8,048	11,000	11,000	43,028
Moelven Industrier AB	100 %	197,046	197,046 SEK	578,510	-14,425	19,704,581	197,046	241,406
Moelven Danmark A/S	100 %	5,000	5,000 DKK	19,971	593	50,000	5,000	12,417
Moelven U.K. Ltd	100 %	950	950 GBP	1,052	212	950,000	50	10,426
Moelven Deutschland GmbH	100 %	110	110 EUR	656	81	11	110	217
Moelven Are AS	100 %	300	300	47,345	-233	100	300	43,116
Moelven Mjøsbruket AS	100 %	12,000	12,000	62,000	32,272	12,000	12,000	15,990
Moelven Eidsvold Værk AS	100 %	32,500	32,500	21,035	-1,200	32,500	32,500	13,578
Moelven Trysil AS	100 %	15,600	15,600	53,463	15,246	15,600	15,600	35,634
Moelven Virke AS	100 %	5,000	5,000	13,383	5,411	50,000	5,000	4,546
Moelven Sør Tre AS	100 %	8,487	8,487	20,602	6,698	8,487	8,487	50,000
Moelven Granvin Bruk AS	99,3 %	1,490	1,490	24,138	5,870	2,959	1,480	16,672
Moelven Wood Prosjekt AS	100 %	300	300	16,779	-516	3,000	300	18,192
Moelven Profil AS	100 %	15,000	15,000	23,089	809	15,000	15,000	15,030
Moelven ByggModul Hjellem AS	100 %	4,206	4,206	50,142	-6,644	50,001	4,206	54,585
Moelven Elprosjekt AS	100 %	10,000	10,000	11,979	-115	50,000	10,000	12,000
Moelven Pellets AS	100 %	37,500	37,500	86,288	-22,397	37,500	37,500	75,000
Total Moelven Industrier ASA								1,087,765

*) Voting rights is equal to ownership share.

Note 13 | Investments in associated companies

Amounts in NOK 1,000

	Holding % *)		The company's share capital	The company's total equity	The company's net profit in 2020	Number of shares in Moelven's ownership	Total face value	Book value 31.12.
Owned by Moelven Industrier ASA:								
Weda Skog AB, Sweden ¹⁾	30.0 %	SEK	10,000	10,017	-67	3,000 000	3,000	2,632
Woodtrans AS, Norway	34.0 %	NOK	1,310	6,463	1,696	445	445	1,187
Total								3,819

*) Voting rights is equal to ownership share.

¹⁾ The company is decided to be liquidated. Moelven's share of operations will continue to be carried out through Moelven Skog AB.

Note 14 | Equity

Amounts in NOK million

	Share capital	Share premium funds	Own shares	Other equity	Total equity
Equity 31.12.2019	647.7	130.9	-	92.1	870.7
Annual profit				390.9	390.9
Allocated to dividend				-1.3	-1.3
Equity 31.12.2020				-471.5	-471.5
31.12.2020	647.7	130.9	-	10.2	788.8

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 15 | 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 %	1.5	1.1	31.1	7.5		
Moelven Østerdalsbruket AS	100 %	1.1	2.1	33.9	12.5	0.1	
Moelven Våler AS	100 %	6.0	0.8	57.6	4-		
Moelven Soknabruket AS	100 %	2.2	0.2	90.9	55.0		
Moelven Numedal AS	100 %	2.5	3.4	22.8	15.0		
Moelven Løten AS	100 %	1.3	1.5		5.0		
Moelven Telemarksbruket AS	51 %	1.2					
Moelven Wood AS	100 %	7.5					0.1
Moelven Langmoen AS	100 %	1.3	1.3	33.9		-	
Moelven Eidsvoll AS	100 %	0.7	0.7	2-			
Moelven Treinteriør AS	100 %	0.6	0.1	3.6	12.0	(0.1)	
Moelven Modus AS	100 %	5.1			34.7		-
Moelven ByggModul AS	100 %	4.1	0.9	24.0		0.3	-
Moelven ByggModul Hjellum AS	100 %	2.5			20.3		
Moelven Bioenergi AS	100 %	1.2	0.1	1.5		0.1	0.2
Moelven Elprosjekt AS	100 %						
Moelven Limtre AS	100 %	6.4	1.2	29.0		0.1	
Moelven Industrier AB	100 %	0.1	15.7	375.6	250.4		2.1
Moelven Are AS	100 %	-					
Moelven Mjøsbruket AS	100 %	3.1	0.2		9.7		
Moelven Eidsvold Værk AS	100 %	0.8	0.8				-
Moelven Trysil AS	100 %	1.0	0.9	22.0	12.0		-
Moelven Virke AS	100 %	0.7					
Moelven Sør Tre AS	100 %	0.4	-	5.1	7.5		
Moelven Granvin Bruk AS	99.3 %	0.8	0.7	17.0	3.0		
Moelven Wood Prosjekt AS	100 %	1.0	1.2	14.2		0.1	
Moelven Profil AS	100 %	1.5	0.7	19.0			
Moelven Portefølje AS	100 %						
Moelven Pellets AS	100 %	0.3	6.7	185.0			
Moelven Danmark A/S	100 %	0.8					
Moelven UK Ltd.	100 %	0.2					
Moelven Deutschland GmbH	100 %	0.1		-			

Note 15 | Transactions with related parties (cont.)

Swedish companies owned by Moelven Industrier AB

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 Notnäs Ransby AB	100 %	8.6	1.2	33.1			
Moelven List AB	100 %	1.2	1.0	29.5			
Moelven ByggModul AB	100 %	7.8					
Moelven Norsälven AB	100 %	-					
Moelven Wood Interiör AB	100 %	1.6	0.4				
Moelven Component AB	100 %	2.0	0.2	5.4			
Skåre Kontorshotell AB	100 %	-	0.2	5.9			
Moelven Wood AB	100 %	6.0					
Moelven Valåsen Wood AB	100 %	1.2	1.2	31.3			
Moelven Valåsen AB	100 %	10.2	1.0				
Moelven Dalaträ AB	100 %	4.0					
Moelven Modus AB	100 %	3.5	0.4				
Moelven Edanesågen AB	100 %	2.1	0.5	47.0			
Moelven Årjäng Säg AB	100 %	3.8					
Moelven Skog AB	100 %	2.2	2.3	33.0			
Moelven Töreboda AB	100 %	2.9	0.5	9.3			
Vänerbränsle AB	82.3 %	0.1					
Moelven Malmö Holding AB	100 %					-	
Moelven Lovene AB	100 %	0.1	-				
Moelven Vänerply AB	100 %	2.2	1.6	42.6			
UJ Trading AB	100 %	0.4					
Moelven Export Sales AB	100 %	-					0.1
Total 2020		115.9	50.9	1,223.2	484.6	0.6	2.6
Total 2019		122.0	50.3	1,385.0	155.7	2.4	2.5



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To the General Meeting of Moelven Industrier ASA

Independent auditor's report

Report on the Audit of the Financial Statements

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 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Moelven Industrier ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, 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 a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Offices in:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knaresvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Other information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Hamar, 16 March 2021
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

The following items were discussed at the meeting of the Corporate Assembly held on 24 March 2021:

- Annual report and proposed Annual Financial Statements by the Board of Directors and President/CEO for the 2020 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 2020, 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.

24 March 2021

Rolf Th. Holm
Chairman of the Corporate Assembly

Financial calendar 2021

2 February

Fourth Quarter Report 2020

6 April

Annual report 2020

29 April

First Quarter Report 2021

30 August

Second Quarter Report 2021

2 November

Third Quarter Report 2021

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Foto: Einar Breen

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