



BEWI INVEST | ANNUAL REPORT 2023

Board of Directors' Report | 2023

In 2023, amidst macroeconomic uncertainty marked by high interest rates and inflation, BEWI Invest and its portfolio companies demonstrated adaptability and strong execution capabilities. BEWI Invest fortified its financial position by securing new long-term financing. Furthermore, the acquisition of a minority stake in SinkabergHansen marked a pivotal move towards establishing a notable presence in the seafood industry. The net asset value (NAV) of BEWI Invest was NOK 3.4 billion by the end of 2023, compared to NOK 3.7 billion at the end of 2022.

The macroeconomic environment led to a substantial decline in the building and construction activity, which had an impact on our largest holding, BEWI ASA. BEWI ASA proved adaptability to changing market conditions by implementing effective measures to reduce cost and capacity to the current market conditions. SinkabergHansen, our second largest holding, delivered strong results in 2023, harvesting approximately 32 000 tons of salmon. And finally, KMC Properties increased the gross value of the real estate portfolio by approximately NOK 800 million throughout the year.

Overview of the business

The board of directors' report for the BEWI Invest group ("BEWI Invest" or "the group") comprises BEWI Invest AS ("the parent company") and all subsidiaries and associated companies. The parent company is a Norwegian limited liability company.

Business operations and locations

BEWI Invest is a Norwegian industrial owner with a high-quality portfolio mainly comprised of companies within industrials, real estate, and seafood. The group has a long-term perspective and has demonstrated a proven track record of value creation and growth. Through active and responsible ownership, BEWI Invest has been instrumental in the growth and value creation in its portfolio companies with sustainability at the core.

BEWI Invest's three largest investments are BEWI ASA, KMC Properties ASA and SinkabergHansen AS. The two listed companies, BEWI ASA and KMC Properties ASA, are both founded by the Bekken family which is the majority owner of BEWI Invest. In addition, the group has ownership interests in Frøya Invest AS, AS Delprodukt, BEWI Energy AS, BEWI Solutions AS, Kokkeriet Holding AS, BEFORM Holding AS, FiiZK Topco AS, BE AQUA AS and Belong Invest AB.

BEWI Invest has offices in Trondheim and Oslo, Norway.

BEWI ASA, in which BEWI Invest holds more than a 50 per cent ownership interest, is a leading European provider of packaging, components, and insulation solutions. KMC Properties, where BEWI Invest owns below 50 per cent, is a real estate company focusing on owning and developing industrial properties in Europe, mainly in the Nordics. SinkabergHansen, where BEWI Invest owns below 50 per cent, is a fully integrated salmon farmer with facilities on the coast of Trøndelag and Helgeland. In addition to salmon farming, the production includes hatchery, production, and processing. The activity includes farming on own and operated licences, and processing of internal and external volumes.

BEWI Invest creates value by combining industrial knowledge with financial strength. Throughout the years the group has built extensive expertise from carrying out complex transactions and integrating companies. BEWI Invest works with its portfolio companies to develop strategies, growth initiatives, operational improvements, optimize financing and execute transactions.

BEWI Invest gathers development-oriented companies in a strong community to unleash greater potential.

Strategic priorities

BEWI Invest is an industrial owner seeking positions in small and medium sized Nordic companies, with a potential to become M&A platforms, where BEWI Invest can accelerate growth and utilize its in-house capabilities.

The group draws on over four decades of industrial-, operational-, M&A-, and capital markets experience developed through the listed companies BEWI and KMC Properties to maximize value creation for new investments.

The portfolio is split into three main categories:

- A core long-term portfolio of listed companies with strong cash flows in a position to pay dividends
- M&A platform companies targeting high inorganic growth to eventually become a part of the long-term core portfolio
- A portfolio of small to medium sized profitable specialist companies targeting to become M&A platform companies after an initial period of organic growth

BEWI Invest follows a set of specific investment criteria complemented with a core set of value creation principles and a well-defined M&A model to drive continued growth and diversification.

Normally, the group seeks to become majority owner or the largest shareholder. If it serves the industrial development of the portfolio companies and thereby BEWI Invest as shareholder, the group will also be interested in alternative shareholdings. This applies especially for the specialist companies and the M&A platform companies, and this ability has been a crucial element for the development of both BEWI and KMC Properties.

Market and customers

BEWI Invest mainly focus on Nordic investments, with the option to grow with them as they expand internationally.

As of 31 December 2023, BEWI ASA had 63 production facilities across Europe, in addition to 12 jointly owned facilities. The company is exposed to a range of industries and geographies, enabling a broad coverage and a strong local presence. On the same date, KMC Properties had 66 industrial- and logistics properties in the Nordics and the Netherlands.

Important events in 2023

Below is a description of important events in the group.

BEWI Invest

- **Financing**
 - Hybrid bond
 - Listing of NOK 600 million hybrid bond at Oslo Børs in March.
 - Completed tap of NOK 300 million on hybrid bond in April.
 - Capital Raise
 - Stock issue of 3 646 399 shares in April in connection with the purchase of a minority stake of SinkabergHansen .
 - Revolving Credit Facility agreement (RCF)
 - Signed a NOK 1 250 million Revolving Credit Facility agreement (RCF) with two commercial banks, securing long-term financing and an increased credit limit in June.
- **Seafood**
 - Strengthened investment in the seafood industry by acquiring 44.4 % of SinkabergHansen AS for NOK 2 200 million on 28th of April.
 - Established a joint seafood company with Kverva which owns the minority stake in SinkabergHansen. The seafood company is owned 70 and 30 per cent by BEWI Invest and Kverva respectively.
 - Sold shares in Frøya Laks to Frøy Kapital.
 - Carried out a restructuring of FiiZK together with the company management, as well as new and existing owners.

BEWI ASA (subsidiary)

Growth Initiatives

- Profitable growth is one of BEWI's strategic priorities, and the company has a long track record for demonstrating both organic and strategic growth. In 2022, BEWI completed seven acquisitions, with more than 1 300 new employees. Therefore, in 2023 the company focused on integrating the acquired companies, securing synergies and profitability improvements across the entities.

Integration of acquired companies

- The largest acquisition in 2022, was the acquisition of Jackson which was completed in October 2022. Following completion, BEWI has identified potential synergies to be extracted by the end of 2024 of more than EUR 30 million based on normalised volumes. At the end of 2023, BEWI was on track with the integration and the realisation of synergies from acquired companies.

Measures to adjust capacity and reduce costs in Nordic Insulation

- Following the combination with Jackson, and in response to the changing market conditions, BEWI implemented comprehensive measures throughout 2023 to optimize its production footprint and to reduce cost and capacity. This included reduced shifts and permanent or temporary closure of some of the downstream facilities.

Divestment of industrial real estate portfolio

- In June 2022, BEWI entered into an agreement with KMC Properties ASA for the sale of an industrial real estate portfolio valued at up to NOK 2.0 billion. The first part, valued at NOK 900 million was completed in November 2022, and the second part, valued at close to NOK 350 million was completed in March 2023. On 30 September 2023, the parties entered into an agreement for the remaining part of the portfolio, including seven properties for valued at approximately EUR 55 million. Sales of two of the seven properties were completed in December 2023.

Sale of shares in KMC Properties ASA

- In December 2023, BEWI sold 28 807 359 shares in the listed real estate group KMC Properties ASA at market price. The transaction was settled in cash. Following the sale, BEWI ASA do not own any shares in KMC Properties. The shares had been part of the settlement for real estate properties divested in 2020 and 2023.

KMC Properties ASA (associated company)

Acquisitions and divestments

In 2023, agreements to acquire twelve properties were announced, and a total of seven properties were acquired during the year and three properties were divested. Acquisition of the remaining five agreed properties is expected to be closed in the first half of 2024.

- Acquisition of one logistic property in Narvik in Northern Norway.
- Acquisition of seven properties from BEWI ASA located in Finland, Denmark, Belgium, Germany and Poland.
- Divestment of three properties whereof two in Norway and one in Sweden.

Capital optimisation

- Refinancing of its NOK 1 850 million senior secured bond loan and its NOK 200 million fully drawn revolving credit facility. The refinancing resulted in an overall interest margin of 3.32 per cent plus floating interest on the company's total interest-bearing debt of approximately NOK 3 484 million, down from 3.49 per cent plus floating interest previously.

- Nordika becomes a new strategic Nordic institutional investor in KMC Properties.

BEFORM Holding (subsidiary)

Acquisitions

- Acquisition of Miko Plast AS which produces injection moulded plastic for industrial customers.

Delprodukt (subsidiary)

Agreement

- Agreement with MacGregor Norway, securing work for 17 employees at Hendholmen, Averøy. The two-way agreement encompasses both Delprodukt as a supplier of mechanical products and services to MacGregor, and a favourable lease agreement for Delprodukt on back-to-back basis towards the supplier agreement.

Financial review

BEWI Invest is an industrial owner. The group's main subsidiary is the majority shareholding in the listed company BEWI ASA, and thus most of the sales revenues and operating expenses come from this company. Furthermore, the two associated companies KMC Properties ASA and Seafood Investment¹ is booked as share of income from associated companies.

¹The company legal name as of the end of 2023 was Nextco III AS. The company has changed name.

Consolidated statement of income

Net sales for the full year of 2023 came in at NOK 12 956.4 million, of which NOK 12 623.6 million related to BEWI ASA. The corresponding figures for 2022 amounted to NOK 10 844.3 million, of which NOK 10 613.2 related to BEWI ASA. Other operating income amounted to NOK 21 million in 2023, compared to NOK 107 million in 2022.

EBITDA ended at NOK 1 116.9 million in 2023, including a contribution from BEWI ASA of NOK 1 148.5 million. The corresponding figures for 2022 was NOK 1 063.7 million, including a contribution from BEWI ASA of NOK 1 135.0 million.

Operating profit ended at NOK 293.5 million in 2023, compared to NOK 552.5 million for the corresponding period the previous year.

Share of income from associated companies amounted to NOK 251.4 million in 2023, up from NOK 57.8 million for the full year of 2022. The increase is mainly explained by the acquisition of SinkabergHansen.

Financial expenses for the full year of 2023 ended at NOK 958.4 million, of which NOK 549.4 million related to BEWI ASA. The remaining financial expenses are mainly due to a reduction in the value of the shareholding in KMC Properties and FiiZK Holding. For the same period of 2022, the expenses amounted to NOK 929.4 million, whereas NOK 276.8 million related to BEWI ASA.

The comprehensive income for 2023 ended at NOK 149.2 million, compared to NOK 99.5 million for 2022.

Financial position and liquidity

Total assets amounted to NOK 18 458.8 million on 31 December 2023, compared to NOK 15 729.4 million on 31 December 2022.

Total equity amounted to NOK 7 111.9 million on 31 December 2023, representing an equity ratio of 38.6 per cent, compared to NOK 4 754.8 million on 31 December 2022 representing an equity ratio of 30.2 per cent.

Parts of the equity consist of hybrid bonds issued partly in 2022 (NOK 600 million) and partly in 2023 (NOK 300 million). As of 31 December 2023, the shares of hybrid bond amounted to NOK 900 million.

9 092 220 shares in BEWI ASA are financed through a derivative agreement, whereas the value of the agreement equals the value of the shares at any time. On 31 December 2023, the value was NOK 233.7 million, compared to NOK 417.3 million at year-end 2022. The shares in BEWI ASA are consolidated at group-level. The decrease in share value of BEWI ASA of NOK 35.1 million for the last quarter and NOK 183.6 million for the full year affects the value of the related derivative agreement, and therefore caused a financial income.

Cash and cash equivalents were NOK 1 430.1 million on 31 December 2023, up from NOK 520.0 million on 31 December 2022.

Net debt amounted to NOK 6 761.9 on 31st of December 2023 (NOK 4 386.8 million excluding IFRS 16), compared to NOK 6 835.9 million at year-end 2022 (NOK 4 931.7 million excluding IFRS).

Consolidated cash flow

Cash flow from operating activities for the full year of 2023 amounted to NOK 480.6 million, up from NOK 276.1 million for 2022. Higher interest rates and higher tax payments had a negative impact on the cash flow from operating activities in 2023. This was however offset by a positive change in working capital in BEWI ASA in 2023, coming from both active measures and lower prices and volumes in 2023 compared to 2022.

Cash flow used for investing activities for the full year of 2023 was negative NOK 34.6 million, compared to a negative NOK 1 915.2 million for 2022. The high cash outflow in 2022 is mainly explained by the many and large acquisitions by BEWI ASA that year, partly offset by divestment of real estate properties.

Cash flow from financing activities amounted to 439.6 million in 2023 compared to NOK 607.7 in 2022.

In total, cash and cash equivalents increased by NOK 910.1 million in 2023.

Segment information

BEWI Invest has ownership interest in companies mainly within industrials, real estate and seafood. The group assesses the operations based on four segments: industrials, real state, seafood, and other companies. For further financial details on segments, see note 5 in the annual report.

Going concern

The annual financial statements for 2023 have been prepared on the assumption that BEWI Invest is a going concern pursuant to section 3-3a of the Norwegian Accounting Act. With reference to the group's results and financial position, as well as forecasts for the years ahead, the conditions required for continuation as a going concern are hereby confirmed to exist. In the opinion of the board of directors, the group's financial position is good.

Parent company results and allocation of net profit

The financial statements for the parent company are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The parent company had a loss of NOK 371.7 million (2022 a loss of NOK 310.5 million). The parent company had payable taxes of NOK 0 million (2022 NOK 0 million).

Amounts in million NOK

Transferred from other equity	(371.7)
Dividend	0.0
Total allocated	(371.7)

EU Taxonomy

For BEWI Invest Group's taxonomy reporting only BEWI ASA Group is included. All other group companies are considered immaterial based on factors such as share of the Group's revenues, capital expenditure and operating expenditure. For reporting and follow-up purposes in 2024, we will reassess our considerations regarding whether other subsidiaries will be included in future taxonomy disclosures. BEWI Invest Group's taxonomy-eligible turnover, CapEx and OpEx are mainly related to energy efficient equipment for buildings, insulation solutions and components for HVAC systems, in addition to Circular's (BEWI ASA-segment) activities.

The process for determining taxonomy-eligible and aligned economic activities follows a five-step approach:

1. The activity must substantially contribute to one or more of the six environmental objectives.
2. Comply with the technical screening criteria for the identified activities.
3. Fulfil the Do No Significant Harm (DNSH) criteria to the other five environmental objectives.
4. Comply with the minimum social safeguards (MSS) in accordance with the OECD and UNGP guidelines.
5. Allocating turnover (revenue), CapEx and OpEx according to the company's overall assessment.

The following activities have been identified as taxonomy-eligible for BEWI ASA:

- 3.5 Manufacture of energy efficient equipment for buildings
- 5.5 Collection and transport of non-hazardous waste in source segregated fraction
- 5.9 Material recovery from non-hazardous waste

For more information about applying the five-step process mentioned above to determine eligibility and alignment of the three identified activities we refer to BEWI ASA's Annual Report 2023 page 79-85.

Results 2023

For 2023, the results have been severely affected by the acquisition's BEWI ASA completed during 2022, increasing both Taxonomy-eligible turnover (revenue) and CapEx. During 2023, no new acquisitions were carried out.

- In 2023, 47 per cent (NOK 6 125 million) of BEWI Invest Group's turnover (net sales) were taxonomy-eligible.
- For 2023, taxonomy-eligible CapEx amounted to 29 per cent (NOK 749.8 million).
- Reliable measurement of taxonomy-eligible OpEx has only been possible with respect to certain repair and maintenance activities carried out by external parties. In total, 20 per cent (NOK 61.8 million) were identified as eligible OpEx.

Zero per cent of turnover (revenue), CapEx and OpEx have been identified as taxonomy-aligned. Significant contribution is to one or more of the six environmental objectives is ensured in all three economic activities mentioned above, but when assessing the DNSH criteria for *climate change adaptation* and *protection and restoration of biodiversity and ecosystems* we lack sufficient implementation of adaptation plans, and certification of our Operational Clean Sweep-implementation in our production facilities. Certification and implementation are planned completed during 2024, making us compliant with the mentioned DNSH-criteria. All taxonomy-eligible activities have been assessed as aligned with the minimum social safeguards.

We refer to Appendix 1 for further information on the BEWI Invest Group's Taxonomy reporting.

Risks and risk management

BEWI Invest is exposed to several risk factors, and as described in the notes the group companies are exposed to various types of risk. This includes, but is not limited to, interest rate risk, credit risk, financial and liquidity risk, but also risk factors related to operational risks, including marked risk and risk related to production, legal risks, and sustainability related risks. One of the most important risk factors, is the group's exposure to the change in the price of the raw material styrene monomers through its ownership in BEWI ASA.

An important risk to which BEWI Invest is exposed is related to changes in the value of listed assets as a result of fluctuations in the market. As the group also invest in unlisted companies, such investments are by their nature less liquid than listed companies, and BEWI Invest may not be able to carry out a successful sale of such ownership interests to realise the underlying values.

BEWI Invest is also exposed to the risk of insufficient access to external financing, which could affect the liquidity situation in the companies. BEWI Invest want to reduce this risk by maintaining a solid liquidity buffer, and by proactively planning refinancing activities.

The group's largest portfolio company BEWI is exposed to general market risk in its operating markets. However, BEWI has an integrated and diversified business model, meaning that it is exposed to various market dynamics (upstream vs. downstream business), and to customers in different industries and geographic regions. The risk of a recession in one or more of BEWI's end markets is thus balanced by the group's healthy distribution of customers.

For more details of the group's risks and risk management, see note 3 in the annual report.

Corporate governance

Governance structure

General meeting

The general meeting approves BEWI Invest’s Articles of Association, elects members to and resolves on remuneration for the board and elects external auditor and approves auditor remuneration. Furthermore, the general meeting elects members to and approves on remuneration for the nomination committee, approves annual accounts and the report of the board, approves dividend proposal and deals with other matters listed in the notice convening the meeting.

Board of directors

The Board of directors approves rules of procedures for board and sub-committees, ensures adherence to governance principles, including approval of policies and approves strategy, business plans and budgets. Furthermore, the Board of directors oversees operations, financial- and ESG accounts, appoints board sub-committees and reviews and approves annual and quarterly reports.

Nomination committee

The Nomination committee recommends members for the board to be elected by shareholders at the general meeting and recommends remuneration of the board and the nomination committee.

Audit Committee

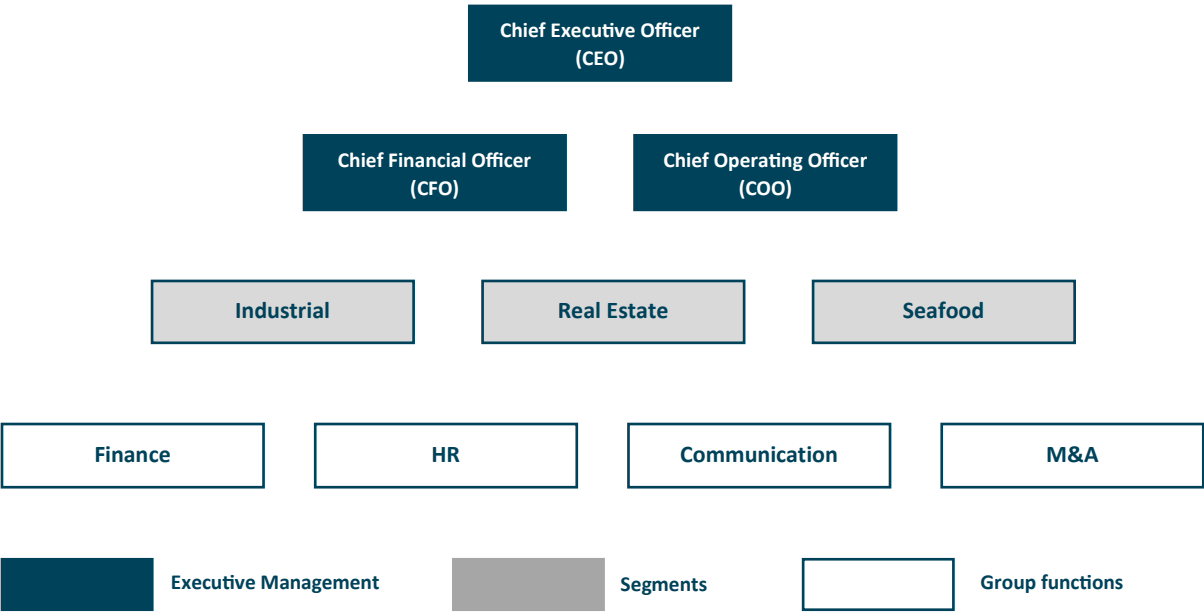
The Audit Committee supports the board in supervision of internal control, compliance and system of risk management and oversees integrity of financial and sustainability reporting processes. The Audit Committee also oversees qualification and independence of the external auditor.

Policies and compliance

BEWI Invest has a set of steering documents and policies outlining the key principles and commitments governing the way BEWI Invest operates.

The Code of Conduct provides the framework for how BEWI Invest as a company and its employees are expected to act and behave, laying out the key principles for high ethical standards throughout the organisation. BEWI Invests management system is governed by policies and is in line with the company’s strategy.

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees, and other stakeholders. The board of directors of BEWI Invest is working to establish a set of governance principles to ensure a clear division of roles between the board of directors, the executive management, and the shareholders. The principles will be based on the Norwegian Code of Practice for Corporate Governance.



BEWI Invest aims to maintain a high standard of corporate governance. Good corporate governance strengthens the confidence in the company and contributes to long-term value creation by regulating the division of roles and responsibilities between shareholders, the board of directors and executive management.

The board of directors (the board) of BEWI Invest has the overall responsibility to ensure a high standard of corporate governance principles for the company which are assessed and adopted yearly. BEWI Invest has several procedures to contribute to good corporate governance. This includes power of attorneys, authorization matrix, instruction for handling inside information, instructions for the Audit Committee and instructions for the board among others.

The board shall ensure that the company has proper management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the board and the executive management team. The CEO is responsible for the executive management of the company.

Instructions to the board and the CEO are reviewed and approved at least annually.

The Board meets as often as necessary to perform its duties and shall prepare an annual evaluation of its works. During 2023 the Board have had ten planned board meetings in additions to some ad hoc meetings when necessary. The members of the board receive information about the company's administrative, operational and financial status on a monthly basis. Instructions to the board were revised 28 April 2023. The general meeting shall determine the board's remuneration, which was approved on the company's annual general meeting on 6 June 2023.

An audit committee and a nomination committee has been established in 2023. The Audit Committee is appointed by the board and has during 2023 comprised the following members:

- Marie Danielsson
- Bernt Thoresen

During 2023 the Audit Committee have had two meetings: one per quarter during second half. Going forward the Audit Committee meet at least on a quarterly basis.

The nomination committee shall prepare proposals to the general meeting in relation to the following:

- The appointment of the members of the board and the chairman of the board
- The appointment of the members of the nomination committee and the chairman of the nomination committee

As per 31 December 2023, BEWI Invest' nomination committee included:

- André Michaelsen, chairperson
- Karl-Erik Bekken
- Anne Strøm Nakstad

The parent company's articles of association contain regulations regarding the redemption of A-shares, including a corresponding reduction in the parent company's share capital.

In 2023 BEWI Invest launched its intention to list on Oslo Stock Exchange, alternatively Euronext Growth Oslo, within April 2024. Due to market conditions, this intention has been put on hold for the time being.

BEWI Invest, BEWI and KMC Properties are subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Rule Book II, rules for issuers listed at the Oslo Børs.

Corporate social responsibility

BEWI Invest is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act.

BEWI Invest sets high ethical standards, and communication with the outside world is to be open, clear, and honest. The group is responsible for ensuring safe and good workplaces in the local communities where it is present. BEWI Invest seeks to create value for society, customers, employees, and shareholders.

BEWI Invest AS, as an investment company, does not pollute the external environment to any material extent and does not have operations that require special discharge permits or cleaning measures. We understand, however, that the Group, and our portfolio companies, has operations that contributes to climate change.

In its role as an active owner, BEWI Invest has the influence to create sustainable changes in the companies we are invested in. Sustainability is an important element in our business management; environment, social conditions, and corporate governance (ESG) is an integral part of the way we conduct investment analysis, our decision-making processes, and in the way we exercise ownership. The company is conscious of its role in society related to combating corruption and operates with a high level of transparency. The board is not aware of any cases of corruption related to the group's operation and will continue to focus closely on this in the future.

BEWI Invest will carry out an ESG analysis on all new investments. If potential investments do not satisfy the ESG assessment or it is considered unlikely that any ESG challenges can be improved, no further work will be carried out with the investment.

BEWI ASA (subsidiary company) and KMC Properties ASA (associated company) have established ESG reporting to give a presentation of their ESG performance and how the company manage its material impacts, risks, and opportunities. The Group's unlisted companies work with sustainability in the way that is relevant for each company. As an active and responsible owner, our expectations for sustainability, both in terms of climate and environment, social conditions, and responsible business conduct, are communicated to all companies in our portfolio. In collaboration with the companies in our portfolio, work has commenced to define and establish specific ESG target metrics for each individual company. To follow up on these metrics, they must be anchored in both the companies' management and in relevant strategic initiatives, policies, and guidelines.

BEWI ASA

BEWI is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act. ESG (Environmental, Social, Governance) disclosures is included in BEWI's annual report. The report has been prepared with reference to the European Sustainability Reporting Standards (ESRS). The report covers material environmental, social, and governance impacts, risks and opportunities for the financial year 2023. The report represents BEWI's communication on progress to demonstrate its commitment to the United Nations Global Compact (UNGC). BEWI aims to create value for customers, shareholders, employees, and the society at large, by providing sustainable products and solutions to its customers. BEWI's license to operate rests on confidence from its key stakeholders. All employees are therefore required to comply with the group's code of conduct to ensure high ethical standards in its business conduct and relations with customers, suppliers, and employees.

KMC Properties ASA

KMC Properties is subject to corporate responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act. A separate ESG report is included in KMC Properties annual report, which has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021). The report covers material environmental, social, and economic impacts and the management approach of KMC Properties for the calendar year 2023, aligning with the company's financial reporting period. KMC Properties sets high ethical standards, and communication with the outside world is to be open, clear, and honest. KMC Properties seeks to create value for society, customers, employees, and shareholders.

Upcoming statutory laws and regulations

The Corporate Sustainability Reporting Directive (CSRD) was adopted in the EU on January 1, 2023, taking effect from January 1, 2024, replacing the Non-Financial Reporting Directive (NFRD); the relevant regulation for disclosing non-financial information since 2013. The Securities Trading Act Committee (Verdipapirlovutvalget) delivered its report on the implementation of the CSRD in Norwegian law, and Norway is expected to follow the same timeline as the EU. Reporting in accordance with the CSRD is operationalized through a set of reporting standards (European Sustainability Reporting Standards (ESRS)), covering key topics within the EU's Green Deal on environmental, societal and governance matters.

Initially, public interest entities will be affected, before larger, non-listed companies will be subject to reporting requirements from the financial year 2025. In our regard, BEWI Invest AS and BEWI ASA will be subject to reporting requirements starting from the financial year 2024 due to being entities of public interest (i.e. shares and bonds listed on the Oslo Stock Exchange), and consolidated figures surpassing the threshold values for mandatory reporting. SinkaBergHansen AS and KMC Properties ASA, as associated companies, will be subject to reporting requirements for the financial year 2025 and onwards.

In 2023, as a step towards understanding how these regulations will affect us, we conducted workshops and discussions on ESG and ESG-reporting in collaboration with portfolio companies as part of quarterly financial days. During 2024, we will prepare our first climate accounts and, together with external consultants, conduct a double materiality analysis (DMA) in accordance with the ESRS'. We strongly believe that these steps are appropriate to meet the upcoming reporting requirements.

The reporting requirements are highly disruptive and require us, as an industrial investment company, to understand the changes this may entail for the business models and strategies of our portfolio companies. Our ambition is to use this broad and complex regulatory framework, and the guidance it provides, as a tool to ensure long-term value creation for our shareholders. This will involve scrutinizing business models, strategic initiatives, policies, and other processes to ensure that we can emerge stronger from the green transition.

The Norwegian Transparency Act

BEWI Invest AS' reporting pursuant to the Norwegian Transparency Act can be found on "www.bewiinvest.com". The updated disclosures for the reporting period 2023 will be published before June 30, 2024.

Employees and organisation

BEWI Invest's most important asset is the knowledge and skills of its employees.

As of 31 December 2023, BEWI Invest had 15 employees, down from 16 on 31 December 2022. 14 of the employees work full time.

The group had an average work force of 3 349 full time equivalents (FTEs) in 2023, compared to an average of 2 513 in 2022.

The working environment in the BEWI Invest is perceived as good.

There were no work-related accidents in 2023 or 2022. Sick leave in the company was 1.18 per cent in 2023, compared to 2.2 per cent in 2022.

Equal opportunities

BEWI Invest is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation, or age, should all have the same opportunities for work and career development at BEWI Invest AS. BEWI Invest takes its social responsibility seriously. In addition to ensuring that the work is carried out safely this involves respecting the freedom of association and not accepting any form of forced labour, child labour or work-related discrimination. BEWI Invest is a relatively new investment group and is working to establish routines relating to discrimination, the working environment, equality, corruption and bribery. A whistleblower channel has been established and is a part of the personnel handbook that was introduced in 2022.

The board of directors consists of eight members, of whom five are men and three are woman.

BEWI Invest has an insurance covering the responsibilities of the board of directors, the CEO and other senior management.

The group is committed to promoting equality and equal treatment at all stages of the organisation and other relationships.

Shareholder overview in BEWI Invest as of 31 December 2023

Shareholder	Number of shares	Ownership Percentage
Bekken Invest	7 229 111	52.1 %
Kastor Invest	1 429 389	10.3 %
Kverva ¹	746 807	5.4 %
Investitude AS	634 146	4.6 %
Frøy Kapital AS	535 792	3.9 %
Haukenes AS	531 617	3.8 %
Hauketoppen AS	531 617	3.8 %
JMJ Invest AS	531 617	3.8 %
3BH Invest AS	531 617	3.8 %
Ajo Invest AS	268 098	1.9 %
Devico Holding AS	253 658	1.8 %
Other shareholders	422 068	3.0 %
Own shares	212 674	1.5 %
Employees	5 132	0.0 %
Total shares	13 863 343	100.0%

1) Preference shares (A) – normal voting rights, but deviating rights to dividend

Subsequent events

BEWI Invest

Change of ownership in KMC Properties

In January 2024, BEWI Invest AS increased its ownership in KMC Properties by 12 million shares to a total 151 020 955 shares.

Following BEWI ASA's sale of shares in KMC Properties in December 2023 (indirect ownership for BEWI Invest), and share issues in KMC Properties directed at Nordika, of which 50 million new shares were registered in November 2023 and 22 608 696 new shares were registered in February 2024, BEWI Invest's ownership was 36.24 per cent as of 19 February 2024.

Change of board of directors

On 7 February 2024, an extraordinary general meeting was held in BEWI Invest AS. At the meeting, a new board of directors was elected. The new board includes representatives from five of the largest shareholders of the company and consists of Stig Wærnes (chair), Karl-Erik Bekken, Marianne Bekken, Lisa Lockert Bekken, Hallbjørn Berg-Hansen, Bernt Thoresen, Børge Klungerbo, and Anne Strøm Nakstad.

Change in long-term credit facility

In Q1 2024, BEWI's long-term revolving credit facility (RCF) was changed from NOK 1 250 million to NOK 1 125 million.

Portfolio companies

KMC Properties ASA

Nordika exercising of call option

On 16 January 2024, Nordika Blue AB ("Nordika") notified KMC Properties of the exercise of its call option for the total of 22,608,696 new shares, that will be issued to Flugfiskaren AB a wholly-owned subsidiary of Nordika. The subscription price is NOK 5.75 per share, representing a total amount of NOK 130 million. Following the transaction Nordika holds 17.4 per cent of the shares in KMC Properties. Extraordinary general meeting On 2 February 2024, KMC Properties held an extraordinary general meeting proposed by KMC Properties fourth largest shareholder M2 Asset Management AB. A proposal to elect Mia Arnhult as a new member of the board of directors was brought forward and approved.

Outlook

BEWI Invest is an industrial investment company with a long-term perspective. In 2023, BEWI Invest and its portfolio companies ticked off several important milestones to secure sound and robust platforms for continued long-term growth. BEWI Invest has strategically brought in partners to share ownership in several of its portfolio companies, further strengthening its position to foster collaborative growth opportunities with local management teams in the future. Notably, the listed technology group Nekkar has joined in FiiZK, the Swedish investment firm Nordika in KMC Properties, and the Norwegian investment company Kverva, specializing in aquaculture and marine resources, in the seafood segment.

For the largest holding, BEWI ASA, BEWI Invest remains confident about the robust fundamentals underpinning long-term growth in the building and construction industry. BEWI ASA has proven its ability to adapt swiftly and effectively to shifting market conditions, enabling the company to be well-prepared to seize growth opportunities as the markets recover.

The board of directors of BEWI Invest finds the company well positioned, with a sound diversification and structure of its ownership interests, and positive long-term outlook for its portfolio companies.

Trondheim, 29th of April 2024
The board of directors and CEO



Stig Wærnes
Chair




Karl-Erik Bekken
Director



Børge Klungerbo
Director

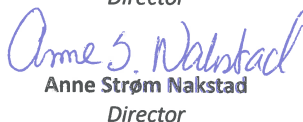
BEWI Invest AS



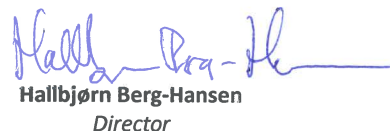
Bernt Thoresen
Director



Marianne Bekken
Director



Anne Strøm Nakstad
Director



Hallbjørn Berg-Hansen
Director



Lisa Lockert Bekken
Director



Bjørnar André Ulstein
CEO

Responsibility statement by the board of directors and CEO

We confirm, to the best of our knowledge, that

- The group financial statements for the period from 1 January to 31 December 2023 have been prepared in accordance with IFRS, as adopted by the EU.
- The financial statements of BEWI Invest AS for the period from 1 January to 31 December 2023 have been prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The financial statements give a true and fair view of the group and the company's consolidated assets, liabilities, financial position, and results of operations.
- The board of directors' report provides a true and fair view of the development and performance of the business and the position of the group and the company, together with a description of the key risks and uncertainty factors that the group and the company is facing.

Trondheim, 29.04.2024

The board of directors and CEO



Stig Wærnes
Chair



Karl-Erik Bekken
Director



Børge Klungerbo
Director


BEWI Invest AS




Bernt Thoresen
Director



Marianne Bekken
Director



Anne Strøm Nakstad
Director



Hallbjørn Berg-Hansen
Director



Lisa Lockert Bekken
Director



Bjørnar André Ulstein
CEO

Appendix 1 – BEWI Invest AS' reporting in accordance with the Taxonomy Regulation (EU 2020/852)

Introduction

As of January 1, 2023, the Taxonomy Regulation (EU 2020/852) entered into force in Norway through the EEA Agreement. The EU Taxonomy ("taxonomy") aims to establish a common classification system to identify which economic activities can be considered sustainable.

Its main purpose is to facilitate the channeling of cash flows (i.e. investing and financing) into sustainable economic activities by providing investors and companies with stringent criteria to define whether an economic activity can be considered sustainable or not. Cash flows shall be channeled to one or more of the following six environmental objectives set out by the EU:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The taxonomy differentiates between activities being "eligible" and "aligned". For an activity to be eligible, it must be defined within the scope of the taxonomy. For an activity to be aligned it must, in addition to being eligible, contribute significantly to one of the EU's six environmental objectives (ref. the list above), do no significant harm (DNSH) to one of the other environmental objectives, and fulfill minimum social safeguards (MSS).

Entities obliged to report in accordance with the taxonomy for 2023 are defined in EU 2013/34, the non-financial reporting directive (NFRD). This means that public interest entities (PIE) exceeding certain thresholds¹ are obliged to disclose taxonomy information for the fiscal year 2023. PIE's include banks and credit institutions, insurance companies, and entities with securities listed on a regulated market in the EU or EEA. Other large entities, not defined as PIE's, are obliged to disclose taxonomy information starting 2025, as the Corporate Sustainability Reporting Directive (CSRD) enters into force.

BEWI Invest AS are subject to reporting obligations from the effective date of the law due to:

- Having securities (bond with ISIN NO0012514324) listed on the Oslo Stock Exchange.
- Exceeding several threshold values for reporting obligations on a consolidated basis, mainly due to our majority interest (> 50 per cent) in BEWI ASA.

The disclosure requirements under the Taxonomy Regulation (EU 2020/852) are governed by the Disclosure Delegated Regulation (EU 2021/2178) with additional information in the Climate Delegated Regulation (EU 2021/2139), forming the basis for reporting on environmental objectives 1 (CCM) and 2 (CCA). The Environmental Delegated Act (EU 2023/2486), which forms the basis for reporting on environmental objectives 3 to 6, was incorporated into the EEA Agreement in February 2023, effective for fiscal years starting from January 1, 2024. The Norwegian Financial Supervisory Authority (FSA) has recommended voluntary reporting in accordance with The Environmental Delegated Act, but we have chosen to focus on mandatory reporting (objectives 1 and 2) with the intention of increasing competency and establishing systems and procedures to increase both relevancy, quality, and accuracy in future taxonomy disclosures.

Assumptions

BEWI Invest AS is an industrial investment company mainly invested in industrials, real estate, seafood, and other development companies where synergies are identified. In the taxonomy however, BEWI Invest AS are not defined as an investment firm. The definition of what constitutes an investment firm, according to the taxonomy, is defined in MiFID II (Directive 2014/65/EU), and the company's form of portfolio management does not fall within the definition of an investment firm in MiFID II. Therefore, we are considered a non-financial undertaking according to the taxonomy and follow the disclosure requirements of non-financial undertakings accordingly.

The BEWI Invest AS group consists of sub-groups from the industrial, real estate and seafood sectors. BEWI Invest AS' interest in these sub-groups exceed 50% and are as such consolidated in the financial statements. The consolidated sub-groups are: Frøya Invest AS group (AS Delprodukt, BEWI Solutions AS, BEWI Energy AS, Be Aqua AS, Belong Invest AB, Frøya Invest AS), BeForm Holding AS group (BeForm Fredrikstad AS, BeForm Hønefoss AS, BeForm Halden AS, BeForm Holding AS, Mikoplast

¹ Exceeding 500 FTEs, **and** turnover (revenue) exceeding NOK 580 million **or** a balance sheet total exceeding NOK 290 million.

AS), Kokkeriet Holding AS group (Kokkeriet AS and Kokkeriet Holding AS), as well as BEWI ASA and BEWI Invest AS. Detailed information about ownership interest in associates can be found in note 15.

In our taxonomy disclosures we've applied a cost-value perspective to make sure that we disclose taxonomy information about the most significant and material economic activities within the group. Activities which we consider immaterial are excluded from taxonomy assessment. Annual assessments and considerations are performed to make sure that the information we disclose is material.

BEWI ASA constitutes a vast majority of the group's turnover, and BEWI ASA's economic activities are within scope of our taxonomy disclosures. Other consolidated sub-groups (Frøya Invest AS Group, Beform Holding AS Group, Kokkeriet Holding Group AS) are out of scope. Turnover, and related capital and operating expenditure related to BEWI Invest AS' economic activities are not within the scope of the taxonomy. Turnover, CapEx and OpEx are consequently out of scope. Taxonomy-eligible activities solely consists of BEWI ASA's economic activities and are mainly related to sales of insulation solutions from segment I&C and external sales of raw materials from segment RAW to insulation and construction companies, as well as sales from the Circular (BEWI ASA's operating segment) business.

The process for determining taxonomy-eligible and aligned activities has followed a five-step approach:

1. The activity must substantially contribute to one or more of the six environmental objectives.
6. Comply with the technical screening criteria for the identified activities.
7. Fulfil the Do No Significant Harm (DNSH) criteria to the other five environmental objectives.
8. Comply with the minimum social safeguards (MSS) in accordance with the OECD and UNGP guidelines.
9. Allocating turnover (revenue), CapEx and OpEx according to the company's overall assessment.

The following activities have been identified as taxonomy-eligible for BEWI ASA:

- 3.5 Manufacture of energy efficient equipment for buildings
- 5.5 Collection and transport of non-hazardous waste in source segregated fraction
- 5.9 Material recovery from non-hazardous waste

Detailed information about significant contribution (i.e. technical screening) to one or more of EU's six environmental objectives can be found in BEWI ASA's annual report 2023 – page 79-86.

Reporting principles

Financial data in this report is based on International Financing Reporting Standards (IFRS) and refers to BEWI Invest's 2023 consolidated financial statements. The information is prepared on a Group consolidated level and are presented in Norwegian Kroner. All values are rounded to the nearest thousand.

In accordance with EU 2021/2178 (Disclosures Delegated Act) Annex I, supplementing the Taxonomy regulation (EU 2020/852), we are obliged to report on the following key performance indicators (KPI) for 2023:

Turnover (Revenue): Net turnover deriving from products and services, including intangibles, associated with Taxonomy-aligned activities (numerator), divided by the net turnover (denominator). Taxonomy-eligible turnover (revenue) is mainly related to activity 3.5. Due to acquisitions, revenue increased from 2022 to 2023, despite being dampened by the lower activity in the building and construction industry.

Relevant notes to the financial accounts:

5 (Segment information), 14 (Business acquisitions)

Capital expenditure (CapEx): Capital expenditure related to assets or processes that are associated with taxonomy-aligned economic activities, part of a CapEx-plan, or related to the purchase of output from taxonomy-aligned economic activities (numerator), divided by additions to tangible and intangible assets during the financial year considered before depreciation, amortization, and any re-measurements (numerator). The impact from sale and leaseback transactions (mainly related to BEWI ASA's divestments in KMC Properties ASA is reflected in the CapEx numerator since it is included in the denominator for

the CapEx KPI, which includes both ordinary CapEx and capitalized leases. Excluding this impact, the taxonomy-eligible CapEx is mainly driven by investments in BEWI ASA's RAW segment's new extruder.

Relevant notes to the financial accounts:

8 (Leasing), 12 (Intangible assets), 13 (Tangible assets)

Operating expenditure (OpEx): Costs related to assets or processes with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised R&D costs (numerator) divided by non-capitalized costs related to R&D, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures related to day-to-day operations (denominator). Reliable measurement of taxonomy-eligible OpEx has only been possible with respect to certain repair and maintenance activities carried out by external parties. It has not been possible to adequately calculate the costs for own employees performing repair and maintenance work specifically related to taxonomy-eligible activities.

Relevant notes to the financial accounts:

5 (Segment information)

Results 2023

- In 2023, 47 per cent (MNOK 6 124,9) of BEWI Invest Group's turnover (net sales) were taxonomy-eligible
- For 2023, taxonomy-eligible CapEx amounted to 29 per cent (MNOK 749,8)
- For 2023, 20 per cent (MNOK 61,8) was identified as taxonomy-eligible OpEx

Total turnover (MNOK)	Total CapEx (MNOK)	Total OpEx (MNOK) ^{1,2}
12.956,4	2.627,6	313,6

Economic activities	Absolute turnover (MNOK)	Proportion of turnover (%)	Absolute CapEx (MNOK)	Proportion of CapEx (%)	Absolute OpEx (MNOK)	Proportion of OpEx (%)
3.5 Manufacture of energy efficiency equipment for buildings (CCM)	5.602,3	43 %	596,87	23 %	53,95	17 %
5.5 Collection and transport of non-hazardous waste in source segregated fraction (CCM)	438,4	3 %	23,61	1 %	3,37	1 %
5.9 Material recovery from non-hazardous waste (CCM)	84,3	1 %	129,27	5 %	4,5	1 %
Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned)	6.125,0	47 %	749,8	29 %	61,8	20 %

¹ Only includes direct non-capitalised costs related to R&D, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures related to day-to-day servicing of assets of property (EU 2021/2178 Annex I - 1.1.3.1)

² Operating expenditures (OpEx) only includes certain repair and maintenance costs carried out by external parties. This is due to measurement uncertainty and lacking reliability of estimates. It has not been possible to adequately calculate the costs for own employees performing repair and maintenance work specifically related to eligible activities.

Zero per cent of turnover (revenue), CapEx and OpEx has been identified as taxonomy-aligned. Significant contribution to one or more of the six environmental objectives is ensured in all three economic activities mentioned above, but when assessing the DNSH criteria for *climate change adaptation* and *protection and restoration of biodiversity and ecosystems* we lack sufficient implementation and certification. Certification and implementation are planned completed during 2024, making us

compliant with the mentioned DNSH-criteria. All taxonomy-eligible activities have been assessed as aligned with the minimum social safeguards.

Detailed results can be found in Annex II-forms below.

Economic Activities (1)		Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Taxonomy aligned proportion of total turnover, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
					Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)		
Text			N/A/N/A	47 %	%	%	%	%	%	%	%	%	%	%	%	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings		3.5	0.00	0 %	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Manufacture of energy efficiency equipment for buildings (RAW)		3.5	0.00	0 %	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	E
Collection and transport of non-hazardous waste in source segregated fractions		5.5	0.00	0 %	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Material recovery from non-hazardous waste		5.9	0.00	0 %	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0.00	0 %	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of energy efficiency equipment for buildings		3.5	4 283.8	33 %	100 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Manufacture of energy efficiency equipment for buildings (RAW)		3.5	1 318.5	10 %	100 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	E
Collection and transport of non-hazardous waste in source segregated fractions		5.5	438.4	3 %	100 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Material recovery from non-hazardous waste		5.9	84.3	1 %	100 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			6 124.94	47 %															
Total (A.1+A.2)			6 124.94	47 %															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities			6 831.45	53 %															
Total (A+B)			12 956.4	100 %															

Economic Activities (1)		Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH criteria ['Does Not Significantly Harm']						Taxonomy aligned proportion of total CapEx, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
					Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)			
Text			MMOK	%	%	%	%	%	%	%	%	%	%	%	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	5.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	5.9		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %	0 %		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	3.5		596.87	23 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	5.5		23.61	1 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
	5.9		129.27	5 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	N	Y	0 %			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			749.75	29 %															
Total (A.1+A.2)			749.75	29 %															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities			1 877.86	71 %															
Total (A+B)			2 627.61	100 %															

Economic Activities (1)		Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)		
					Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)						
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Manufacture of energy efficiency equipment for buildings (RAW)	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	E				
	5.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
	5.9		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)				0.00	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	0 %				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Manufacture of energy efficiency equipment for buildings (RAW)	3.5		53.95	17 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
	3.5		0.00	0 %	0 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %	E				
	5.5		3.37	1 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
	5.9		4.50	1 %	100 %	0 %	0 %	0 %	0 %	Y	N	Y	Y	Y	N	Y	0 %					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				61.82	20 %																	
Total (A.1+A.2)				61.82	20 %																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
OpEx of Taxonomy-non-eligible activities				251.79	80 %																	
Total (A+B)				313.61	100 %																	

Financial statement of the group 2023

Consolidated income statement

NOK million	Note	2023	2022
Operating Income			
Net sales	5	12 956.4	10 844.3
Other operating income		21.0	107.0
Total operating income		12 977.5	10 951.3
Operating expenses			
Cost of goods sold	18	(6 446.6)	(5 839.2)
Other external costs	7,8,10	(2 929.6)	(2 392.6)
Personnel costs	6, 24	(2 484.3)	(1 655.8)
Depreciation/ amortisation and impairment of tangible and intangible assets	12,13	(823.4)	(511.2)
Total operating expenses		(12 684.0)	(10 398.8)
Operating profit		293.5	552.5
Share of income from associated companies	15	251.4	57.8
Financial income	9, 10	305.1	389.7
Financial expense	9, 10	(958.4)	(929.4)
Net financial items		(402.0)	(481.9)
Income before taxes		(108.5)	70.5
Income tax expense	11	(72.4)	(65.0)
Profit for the period		(180.9)	5.5
Net income for the year		(180.9)	5.5
Other comprehensive income:			
Items that may later be reclassified to the income statement:			
Exchange rate differences		341.5	128.4
Cash flow hedges	21	(1.1)	0.0
Items that will not be reclassified to income statement:			
Remeasurements of defined benefit pension plans	24	(13.7)	(42.4)
Income tax pertinent to remeasurements of defined benefit pension plans		3.4	8.1
Other comprehensive income, net of income taxes		330.1	94.1
Total comprehensive income for the period		149.2	99.5
Net income for the year attributable to:			
Equity holders of the parent company		(94.1)	(169.1)
Non-controlling interest		(86.8)	174.6
Total comprehensive income attributable to:			
Equity holders of the parent company		74.9	(119.4)
Non-controlling interests		74.3	219.0

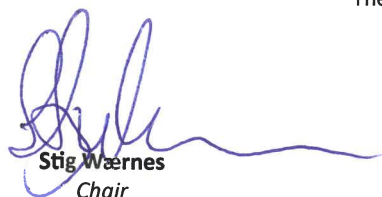
Consolidated statement of financial position

NOK million	Note	2023	2022
Assets			
Non-current assets			
Intangible assets			
Goodwill	12	3 075.2	3 079.4
Other intangible assets	12	1 659.9	1 481.4
Total intangible assets		4 735.1	4 560.8
Tangible assets			
Land and buildings	13	2 856.8	2 590.4
Plant and machinery	8,13	2 126.5	1 925.4
Equipment, tools, fixtures and fittings	8,13	254.6	304.3
Construction in progress and advance payments	13	402.4	251.4
Total property, plant and equipment		5 640.3	5 071.5
Financial assets			
Shares in associates	15, 16, 28	2 764.2	1 334.0
Net pension assets	24	32.6	27.3
Non-current receivables associates	15	20.3	5.3
Other non-current assets	16	134.8	130.2
Other shares and participations	16	15.4	130.2
Total financial assets		2 967.2	1 627.0
Deferred tax assets	11	110.2	26.8
Total non-current assets		13 452.8	11 286.2
Current assets			
Inventory	18	1 529.5	1 804.0
Total inventory		1 529.5	1 804.0
Account receivables	16, 17	1 492.2	1 726.6
Current tax assets	11	13.5	7.5
Other current receivables		300.7	163.9
Prepaid expenses and accrued income	19	162.0	133.9
Other financial assets		78.0	87.3
Cash and cash equivalents	16	1 430.1	520.0
Total current receivables & cash	16	3 476.5	2 639.2
Total current assets		5 006.0	4 443.1
TOTAL ASSETS		18 458.8	15 729.4

Consolidated statement of financial position

NOK million	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital	20	13.9	9.7
Own Shares		(0.2)	(0.5)
Additional paid-in capital		4 687.4	2 793.4
Reserves		23.9	(145.1)
Accumulated profit (including net profit for the period)		(36.6)	(249.6)
Equity attributable to Parent Company shareholders		4 688.4	2 407.9
Non-controlling interests		2 423.5	2 346.9
Total Equity		7 111.9	4 754.8
LIABILITIES			
Non-current liabilities			
Pensions and similar obligations to employees	24	25.9	13.7
Other provisions	25	28.1	4.2
Deferred tax liability	11	585.2	580.7
Bond loan	16, 23	2 786.6	2 595.9
Non-current interest-bearing liabilities	16, 23	2 413.4	1 700.2
Liabilities to credit institutions	16, 23	2 541.4	999.4
Total non-current liabilities		8 380.6	5 894.0
Current liabilities			
Current interest-bearing liabilities	23	450.6	2 060.5
Other financial liabilities		36.0	4.2
Account payables	16	943.3	908.6
Current tax liabilities	11	95.1	172.3
Other current liabilities	26	726.5	909.2
Accrued expenses and deferred income	26	714.9	1 025.9
Total current liabilities		2 966.3	5 080.6
Total liabilities		11 346.9	10 974.6
TOTAL EQUITY AND LIABILITIES		18 458.8	15 729.4

Trondheim, 29th of April 2024
The board of directors and CEO


Stig Wærnes
Chair

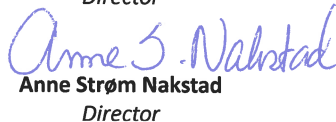

Karl-Erik Bekken
Director

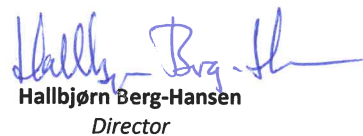

Børge Klungerbo
Director


BEWI Invest AS


Bernt Thoresen
Director


Marianne Bekken
Director


Anne Strøm Nakstad
Director


Hallbjørn Berg-Hansen
Director


Lisa Lockert Bekken
Director


Bjørnar André Ulstein
CEO

Consolidated statement of changes in equity

NOK million	Note	Share capital	Additional paid-in capital	Hybrid capital	Reserves	Accumulated profit or loss	Total controlling interest	Non-controlling interest	Total Equity
Balance brought forward									
January 1, 2023		9.7	2 193.6	599.9	(145.1)	(250.6)	2 407.4	2 347.0	4 754.4
Net profit for the year		0.0	0.0	0.0	0.0	(94.1)	(94.1)	(86.8)	(180.9)
Other comprehensive income		0.0	0.0	0.0	169.0	0.0	169.0	161.1	330.1
Total comprehensive income		0.0	0.0	0.0	169.0	(94.1)	74.9	74.3	149.2
Transactions with owners, recognised directly in equity									
New share issue, less transaction costs	20	4.2	1 665.0	0.0	0.0	0.0	1 669.2	9.0	1 678.2
Purchase of treasury shares	20	0.0	(71.0)	0.0	0.0	0.0	(71.0)	0.0	(71.0)
Issue of hybrid capital, less transaction costs	4	0.0	0.0	600.0	0.0	0.0	600.0	0.0	600.0
Buyback of hybrid capital, less transaction costs	4	0.0	0.0	(300.0)	0.0	0.0	(300.0)	0.0	(300.0)
Sale of treasury shares	20	0.0	0.0	0.0	0.0	206.2	206.2	0.0	206.2
Acquisition of non-controlling interest		0.0	0.0	0.0	0.0	0.0	0.0	5.6	5.6
Transfer of financial liability related to put-option to Bekken Invest	3.2	0.0	0.0	0.0	0.0	164.7	164.7	0.0	164.7
Paid dividend on ordinary shares		0.0	0.0	0.0	0.0	0.0	0.0	(14.6)	(14.6)
Accrued dividend to hybrid capital	4	0.0	0.0	0.0	0.0	(74.3)	(74.3)	0.0	(74.3)
Share based payments IFRS 2	22	0.0	0.0	0.0	0.0	0.9	0.9	2.2	3.1
Other reclassification		0.0	0.0	0.0	0.0	10.4	10.4	0.0	10.4
Total transactions		4.2	1 594.0	300.0	0.0	307.9	2 206.1	2.2	2 208.4
Dec 31, 2023		13.9	3 787.6	899.9	23.9	(36.8)	4 688.4	2 423.5	7 111.9

Consolidated cash flow statement

NOK million	Note	2023	2022
Operating cash flow			
Operating income (EBIT)		293.5	552.5
Adjustments for non-cash items, etc.	30	876.0	587.1
Interest received and financial income	9	284.6	133.2
Interest paid and financing costs	9	(605.0)	(289.9)
Income tax paid	11	(271.0)	(144.9)
Cash flow from operating activities before changes in working capital		578.2	837.9
Increase/decrease in inventories		333.0	(216.9)
Increase/decrease in operating receivables		477.2	277.3
Increase/decrease in inventories in operating debt		(907.8)	(622.1)
Total change to working capital		(97.6)	(561.8)
Cash flow from operating activities		480.6	276.1
Cash flow from investment activities			
Purchase of property, plant and equipment and intangible assets	13	(679.7)	(510.7)
Acquisitions of business	14	(18.0)	(2 590.1)
Acquisitions of associated companies	15	(657.0)	(526.7)
Other financial investments		190.0	(59.3)
Disposals of property, plant and equipment	13	390.6	858.8
Divestment of business		11.4	78.8
Sale of shares in associated companies	15	728.0	834.0
Cash flow from investment activities		(34.6)	(1 915.2)
Cash flow from financing activities			
Borrowings, net of transaction costs	23	1 877.1	914.1
New share issue and other equity transactions, net of transaction costs	20	583.3	241.0
Repayment of borrowings	23	(2 006.0)	(234.9)
Dividend/ Dividend to non-controlling interests		(14.8)	(312.6)
Cash flow from financing activities		439.6	607.7
Cash flow for the period		885.6	(1 031.4)
Opening cash and cash equivalents		520.0	1 534.7
Effects of exchange rates and conversion differences		24.5	16.6
Closing cash and cash equivalents		1 430.1	520.0

THE GROUP

Accounting principles and notes to the accounts

AMOUNTS GIVEN IN NOK MILLION UNLESS OTHERWISE SPECIFIED

NOTE 1 | GENERAL INFORMATION

BEWI Invest is an industrial investment company with a long-term perspective. The company has ownership interests in companies mainly within industrials, real estate, and seafood. BEWI Invest is an engaged and responsible owner, aiming at developing companies in close collaboration with management teams. By combining the entrepreneurial drive in the companies invested in, with BEWI Invest's industrial experience and capital market expertise, the company will create value to society and owners.

The parent company is a limited company registered in Norway, with registered office in Frøya. The head office is located at Dyre Halses gt 1A in Trondheim. BEWI Invest AS's registration number is 920 225 268.

The board of directors approved these consolidated accounts on the 29th of April for publishing on the 30th of April 2024.

NOTE 2 | SUMMARY OF KEY ACCOUNTING PRINCIPLES

The key accounting principles applied in these consolidated accounts are stated below. The principles have consistently been applied for all reported financial years, unless otherwise specified.

All amounts are reported in NOK million unless otherwise specified. The information in brackets concerns previous years.

2.1 Basis for preparation

The consolidated accounts for the BEWI Invest group have been prepared in accordance with IFRS® Accounting Standards and interpretations from the IFRS Interpretations Committee (IFRS IC), as adopted by the EU.

Preparing reports compliant to IFRS requires certain critical estimates to be made, and management need to make judgements when applying the group's accounting policies. Complex areas, areas where judgements materially affect the accounting outcome and assumptions and estimates that are significant to the consolidated accounts, are stated in note 4.

No new IFRS standards or amendments to standards have been added in 2023 that have required changes in the accounting or measurement policies.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Committee is the chief operating decision-maker, responsible for assessing the financial position of the group and strategic decision-making. The executive management has assessed the operating segments based on the information considered by the board of directors which is the basis of the allocation of resources and assessment of performances.

The BEWI Invest management has identified four segments to be reported: industrial, real state, seafood and other investments.

2.3 Associated companies

Holdings in associated companies are reported using the equity method.

2.4 Translation of currencies

Functional currency and presentation currency

The units of the group use their local currencies as functional currency as they have been defined as the currencies used in the primary economic environment in which the respective units mainly are active. In the consolidated accounts, Norwegian kroner (NOK) is utilised as the group's presentation currency.

Transactions and balance sheet items

In general, exchange rate gains and losses arising from payments of transactions in foreign currency and from translations of monetary assets and liabilities in foreign currency are reported in operating income. However, exchange rate gains and losses arising from borrowings and cash and cash equivalents are reported as financial incomes and expenses.

Translation of foreign group companies

Profits and financial positions for all group companies not using the presentation currency as functional currency are translated to the group's presentation currency. Assets and liabilities for each balance sheet are translated from the foreign unit's functional currency to the group's presentation currency, NOK, at the exchange rate on the balance sheet day. Revenue and expenses for each income statement is translated to NOK at the average rate at the time of each transaction. Translation differences arising from currency translation of foreign operations are reported in other comprehensive income.

2.5 Intangible assets

Goodwill

Goodwill is monitored per cash generating unit. Goodwill is tested for impairment annually or more frequently should certain events or changes to conditions indicate a possible impairment need. The carrying value of goodwill is compared to the recoverable amount, which is the higher of fair value less costs of disposal and value in use. Any impairment is immediately reported as an expense and is not reversed.

Patent/Licenses/IT

Patents, licences & IT carry a useful life and are reported at the acquisition cost less accumulated amortisation and impairment.

Customer relations, trademarks and technology

Customer relations, trademarks and technology assets have all been acquired through business combinations and measured at fair value on the acquisition date. Customer relations and technology have a fixed useful life and are for subsequent periods reported at the acquisition cost less accumulated amortisation and impairment. The useful life of trademarks acquired through business combinations is evaluated and determined in each acquisition. Net cash flows generated by trademarks are not expected to cease in the foreseeable future unless they are product names.

Many of the trademarks in the groups balance sheet are therefore currently assessed as having an indefinite useful life. Trademarks and goodwill are tested annually for impairment as described above. Trademarks are for subsequent periods reported at the acquisition cost less any write-down from impairment.

Useful lives for the group's intangible assets:

Patents/Licenses	5 yr.
Customer relations	8-16 yr.
Technology	6.5-10 yr.
Product names	20 yr.

2.6 Tangible assets

Depreciation is recognised on a straight-line basis over the useful life to the calculated residual value. Such depreciations are carried out according to the following:

Buildings	10–65 yr.
Frameworks, foundations	64–84 yr.
Frame supplements, interior walls	50 yr.
Heating, sanitary, electricity, front, roof	40 yr.
Interior surface finish/rental preparation	10 yr.
Ventilation	20 yr.
Elevator/transportation	25 yr.
Control system and surveillance	15 yr.
Other property components	50 yr.
Ground installations (facilities)	20 yr.
Plant and machinery	5–18 yr.
Equipment, tools, fixtures, and fittings	3–10 yr.

2.7 Inventory

The inventory is reported at the lower of the cost and net realisable value. Cost is determined using the first-in-first-out method. Cost also includes expenses relating to the acquisition, as well as for bringing the goods to their current location and condition. Cost for the company's semi-finished or finished products is the sum of the direct production costs and the production overhead (based on normal production capacity).

2.8 Financial instruments

Financial instruments are included in several balance sheet items.

2.8.1 Classification

The group classifies its financial assets and liabilities in the following categories:

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are shares and participation rights in subsidiaries, associates, and joint ventures. The shares in KMC Properties ASA, listed on Oslo stock exchange, are included in this category. Derivatives are recognised at fair value through profit or loss. Positive fair values of derivatives are reported as financial assets.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are financial instruments where the business model is to collect interest and principal on the instrument. These are measured at amortised cost in accordance with the effective interest method. Accounts receivables are included in this category, however due to the short maturity they are measured at nominal amounts less estimated credit losses.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are normally limited to derivatives and earnouts from business acquisitions.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include bond loans, liabilities to credit institutions, liabilities regarding financial leasing and account payables.

The classification is made in accordance with the purpose of obtaining the financial asset or liability upon recognition.

2.8.2 Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed. Financial assets are recognised when the group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement date. Financial assets are removed from the balance sheet when the right to obtain cash flows from the instrument has expired and the group has transferred all essential risk and benefits in conjunction with the ownership. Financial liabilities are recognised when the group becomes bound to the contractual obligations of the instrument. Financial liabilities are removed from the balance sheet when the obligation under the agreement is completed or otherwise extinguished. Loans and receivables and other financial liabilities are, after the acquisition date, reported at the amortised cost calculated using the effective interest method.

2.8.3 Impairments of financial instrument

At each balance sheet date, financial assets measured at amortised cost are assessed for impairment based on Expected Credit Losses (ECL). ECLs are the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. Allowances for trade receivables are always equal to lifetime ECL.

2.9 Current and deferred tax

The period's tax expenses include current and deferred tax. The current tax expense is calculated on the basis of the tax regulations in force on the balance sheet day in the countries in which the parent company and its subsidiaries are active and generate taxable revenue. Deferred tax is reported, in accordance with the balance sheet method, for all temporary differences between the tax value of assets and liabilities and the carrying amount of the consolidated accounts. Deferred tax is calculated with the application of the tax rates in force on the balance sheet day and the rates expected to be in force when the tax asset is realised, or the tax liability is cleared. Deferred tax assets on carry forwards are reported to the extent likely that future fiscal surplus will be available, against which the deficits may be exploited.

2.10 Employee remuneration

Pension commitments

The group has several post-employment benefit plans, including defined benefit plans, of which the majority of the pension schemes are defined contribution plans. A defined contribution plan is a pension plan according to which the group pays a fixed fee to a separate legal entity. The group carries no legal or constructive obligations to pay additional fees should the entity lack sufficient resources to remunerate all employees what they are due as a result of their service, in the current or prior periods. The fee is reported as a personnel cost when matured. A defined benefit plan is a pension plan without defined contribution. Defined benefit plans normally set out an amount for the employee to receive upon retirement, normally based on one or several factors such as age, period of service and salary. The group provides defined benefit plans for a limited number of people, in Finland, in the UK, and in Norway. These plans are further described in note 24. In addition, the group provides other long-term benefits in the Netherlands for long-term service (Jubilee fund), calculated in the same manner as a defined benefit plan. The liability reported on the balance sheet in conjunction with the defined benefit pension plan is the present value of the defined benefit commitment at the end of the reporting period less the plan assets' fair value. The defined benefit pension commitment is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit liability is determined through discounting future estimated cash flows using the interest rate for investment grade corporate bonds or housing bonds issued in the same currency as the benefits, with terms comparable to the pension commitment in question. The net interest is calculated by applying discounted interest charges to defined benefit plans and for the fair value of the plan assets. The current service cost is included in the personnel costs and the net interest among financial items. Revaluation gains and losses as a result of adjustments in accordance with experience and changes to actuarial estimates are reported in other comprehensive income for the period during which they arise. They are part of the profit carried forward in the changes to consolidated equity and the balance sheet. Costs for service in prior periods are reported in the income statement.

Share based incentive program

In 2020, BEWI ASA, a subsidiary of BEWI Invest, implemented a share-based incentive programme, entitling the participants to subscribe for shares in BEWI ASA during a three-year period. In 2023 BEWI Invest AS implemented a similar model.

The fair value of the share options issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price.

The value is recognised in the income statement as a personnel cost allocated over the vesting period with a corresponding increase in equity.

The recognised cost corresponds to the fair value of the estimated number of share options that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares.

2.11 Revenue recognition and net sales

The group's income from customer contracts mainly comes from the subgroup BEWI ASA. BEWI ASA sells products for insulation to the construction industry as well as packaging solutions to the manufacturing industry and food producers. Virtually all these sales transactions meet the definition of a point in time revenue recognition. The sales are reported as revenue when the product is delivered to a customer. Delivery is deemed to have taken place when the products have arrived at the location defined by the shipment terms.

Net sales in the Income Statement consist of sale of goods and services in the ordinary course of business, traded goods sold, and deduction of customer discounts and bonuses.

2.12 Leases

The group has decided to apply the practical expedients for short-term leases and low-value assets. This means that contracts with shorter maturities than 12 months and leases of low value (value of assets when it is new of less than NOK 57 000 (EUR 5 000)) are not included in the calculation of right-of-use assets or leasing liabilities but continue to be reported with straight-line expense over the lease term.

Examples of low value assets are computers, printers and copiers.

2.13 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the related expenses, which the grants are intended to compensate for, are recognised. Government grants are recognised as a reduction of such related expenses. Government grants received for investments are recognised in the balance sheet as a reduction of the booked value of the asset.

2.14 Cash flow statement

Cash flow statement is prepared using the indirect method. The reported cash flow solely contains transactions giving rise to payments.

NOTE 3 | FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group is through its activities exposed to several different risks: market risks (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The group's comprehensive financial risk management is focused on the unpredictability of the financial markets and strives to minimise any adverse effect on the consolidated profits. The use of derivative financial instruments is related to mitigation of currency exposure on intra-group borrowing and lending, and derivative agreements

related to financial assets further specified in 4.2. The risk management is controlled by the central finance department and the treasury function within that department. The finance department identifies, evaluates, and hedges financial risks in close cooperation with the group's operative units.

Currency risk

The group operates in the Nordic countries, in continental Europe, in the UK and in North America and is mainly exposed to currency risk arising from currency exposure to the Swedish Krona (SEK), the Danish Krona (DKK) and the Euro (EUR). Currency risks arise from both transaction exposure and translation exposure. Transaction exposure should, when possible, be centralised and managed by the group's central treasury function in each of the subsidiaries/associated companies.

Transaction exposure

Transaction exposure arises when revenues and costs are incurred in different currencies and exposes the group to changes in net cash flow due to fluctuations in exchange rates. This is applicable to both operational cash flows and to financial commitments that will end in a cash outflow. Transaction exposure also arises on fair value changes on existing balance sheet items in foreign currency, such as trade receivables and liabilities and borrowing and lending, when these items are revalued on the balance sheet date or when settled. The largest transaction exposure to operational cash flows is attributable to raw material purchases in Sweden and Norway, which are done in EUR. As DKK is pegged to the EUR, Denmark is not subject to that same exposure. In addition, there is also a minor exposure between other currency pairs where sales or purchases are concluded in foreign currencies. The largest fair value exposure on the balance sheet is related to intra-group loans, mainly EUR denominated, from Sweden to its subsidiaries. However, the main sources of funding for the group, the bond loan and the overdraft facility, are denominated in EUR to match the intragroup loans to subsidiaries predominately located in the Euro area.

The following measures are taken by the group to reduce the transaction exposure:

- For raw material purchases from the Euro area into the Nordics, price and currency clauses are in general incorporated into customer agreements.
- Intra-group trade receivables and liabilities should be settled within a limited timeframe.
- The group's external borrowing should be matched to the currency of intra-group lending to subsidiaries.
- Bank balances in foreign currency should be exchanged to local currency as soon as possible.

Transaction exposure to operational cash flows is only to a limited extent hedged by using derivatives. However, to the extent that there is a major net exposure in any currency from borrowing and lending, that balance sheet exposure should be hedged by using forward contracts or swaps. Net balance sheet exposure has been managed by a combination of short-term derivatives and long-term derivatives, depending on the nature of the exposure.

The net fair value of derivate contracts used for hedging transaction exposure, as of 31 December, is presented in the table below. The derivative assets are reported as Other financial assets in the balance sheet and the derivative liabilities as Other financial liabilities.

NOK million	0-6 months	7-12 months	2-3 yr.	3-4 yr.	4-5 yr.
As of 31 Dec 2023					
Derivate Asset	23.6	3.4	12.4	1.1	0.0
Derivative liability	0.0	0.0	(36.0)	0.0	0.0
Total	23.6	3.4	(23.6)	1.1	0.0
As of 31 Dec 2022					
Derivate Asset	6.3	0.0	0.0	81.0	0.0
Derivative liability	(4.2)	0.0	0.0	0.0	0.0
Total	2.1	0.0	0.0	81.0	0.0

In a few cases, where all formal requirements have been met, hedge accounting has been applied on cash flow hedges of operational cash flows. As of 31 December 2023, NOK 34.0 million in cash flows due within three months from the balance sheet day were hedged by using FX forwards. This gave rise to an unrealised loss of NOK 1.1 million, which was recognised in other comprehensive income.

Translation exposure

Translation exposure arises when the income statements and balance sheets of foreign operations are translated to NOK, the presentation currency of the group's financial statements. The reported net sales and profit of the group, as well as the net assets of the group, are consequently exposed to changes in exchange rates between NOK and the currencies of the group's foreign operations, mainly EUR. The translation exposure is not hedged, but the group strives to have a balance in major currencies between net debt, equity, and EBITDA to reduce volatility in the balance sheet and key financial ratios.

A sensitivity analysis shows that if EUR would have fluctuated by 5 per cent against all other currencies in the group, the impact on adjusted EBITDA would have been +/- NOK 19.4 million in 2023 (NOK 12.6 million). This assumes that all other variables are held constant and ignores any compensating effects from transaction exposure, for example the impact from raw material purchases.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will have a negative impact on cash flow or fair value of financial assets and liabilities. Cash flow risk arises from changes in variable interest rates, whereas fair value risk arises from changes in fixed interest rates. It is the policy of the group to limit the interest rate risk to cash flow risk by restricting the allowed average interest duration for both borrowing and financial investments. The group's borrowing is primarily exposed to changes in Euribor and Nibor through the bond loan and revolving credit facility, and short-term interest rates in SEK and NOK, as further outlined in Note 23 Borrowings. The Group's lending, limited to loans to associated companies, is exposed to changes in Euribor, as described in Note 15 Shares in associates.

Price risk

The groups are exposed to price risks in relation to shareholding in associated listed companies, mainly KMC Properties ASA. Furthermore, the group is exposed to price risks related to salmon prices through the holding SinkabergHansen AS.

Credit risk

Credit risk refers to the risk that a counterparty in a financial transaction may not fulfil its obligations. It is a risk applicable to trade receivables, lending and to cash and cash equivalents. Credit risks related to accounts receivables are managed locally by the subsidiaries or business units.

Each subsidiary or business unit shall monitor and analyse the credit risks for each new customer before standard terms for payment and delivery are offered. If customers are credit rated by independent credit rating agencies, these credit ratings are utilised. In the event that no independent credit rating exists, the group company undertakes a risk assessment of the customer's creditworthiness, in which the customer's financial position is considered, as well as previous experience and other factors. Individual risk limits are determined on the basis of internal or external credit ratings. In case no relevant credit risk can be assessed and no credit limit established, only prepayments are accepted. The application of credit limits is monitored regularly. The credit-term is normally 30 days, but both shorter and longer terms are applied, depending on the customer and local practices. A breakdown of maturity for accounts receivables, as well as description of the principles for estimating credit losses, are presented in note 17 Accounts receivables.

To minimise the credit risk for cash and cash equivalents, only banks and financial institutions with strong credit rating from independent credit rating agencies are accepted. The maximum credit risk exposure corresponds to the financial assets presented in note 16 Financial instruments per category.

Liquidity risk

Liquidity risk is the risk that the group does not have access to adequate financing on acceptable terms at any given point in time. This requires a combination of short-term monitoring of cash flow and securing short and long-term financing of the group.

The group should always have a sufficient liquidity reserve to meet the short-term operating needs. BEWI Invest secured a long-term RCF in 2023 of NOK 1 250 million.

For BEWI ASA and the subsidiaries of BEWI ASA, cash flow forecasts are prepared by the operating companies and are closely monitored by the treasury department. In order to balance seasonal effects in operating cash flow and managing other short term funding needs mainly related to change in working capital, BEWI ASA has secured a revolving credit facility (RCF). The facility was increased to a total of EUR 150 million in 2022. The facility is now provided by two banks and runs until 2025 and

includes the option to extend the facility further in time. Part of the total RCF frame has been utilized for an overdraft facility provided by one of the banks.

For the long-term financing, the group through BEWI ASA issued a EUR 250 million five-year sustainability linked bond that matures on 3 September 2026, with a possibility for BEWI to unilaterally decide on an early redemption after 3 March 2025 of 50 per cent of the bonds outstanding at that date. A detailed description of the terms for the bond loans is given in note 24 Borrowings. In addition to the centrally negotiated borrowings, there are also a few liabilities to credit institutions and overdraft facilities in companies acquired, that have not been subject refinancing post acquisition. A major part of such liabilities by the end of 2022 derived from the acquisition of Jackson Holding AS, which had utilised facilities in the amount of EUR 90.8 million as per 31 December 2022. During 2023, the external liabilities originating from the acquisition of Jackson Holding AS were settled and replaced by additional utilisation of BEWI's RCF.

The amounts in the table below are the agreed undiscounted cashflows

NOK million	<1 yr.	1-2 yr.	2-5 yr.	> 5yr.
As of 31 Dec 2023				
Bond Loans	0.0	0.0	2 810.3	0.0
Liabilities to credit institutions	108.2	1 371.4	1 147.0	32.7
Overdraft	63.8	0.0	0.0	0.0
Accounts payables	943.3	0.0	0.0	0.0
Other non-current liabilities	107.0	4.5	0.0	0.0
Liabilities leases	400.3	371.1	964.5	2 066.7
Total	1 622.6	1 747.0	4 921.8	2 099.4

NOK million	<1 yr.	1-2 yr.	2-5 yr.	> 5yr.
As of 31 Dec 2022				
Bond Loans	0.0	0.0	2 595.9	0.0
Liabilities to credit institutions	1 216.7	872.8	94.6	6.3
Overdraft	658.5	0.0	0.0	0.0
Accounts payables	908.6	0.0	0.0	0.0
Liabilities leases	288.2	275.1	686.8	1 353.7
Total	3 072.1	1 147.9	3 377.2	1 360.0

The undiscounted cash flow for liabilities leases correspond to the future lease payments reflected in the calculation of the discounted lease liability in accordance with IFRS 16

3.2 Fair value

The table below presents the fair value of financial instruments measured at fair value through profit and loss or, which is the case with the bond loans, fair value of financial instruments measured at amortised cost. The carrying amount of the group's other financial assets and liabilities is considered to constitute a good approximation of fair value, since they carry floating interest rates or are of a current nature.

NOK million	Level 1	Level 2	Level 3	Total	Carrying amount
As of 31 Dec 2023					
Financial assets measured at fair value through profit and loss					
Participation in other companies	37.4	0.0	16.2	53.6	53.6
Derivative asset	0.0	40.5	0.0	40.5	40.5
Total	37.4	40.5	16.2	94.1	94.1
Financial liabilities measured at amortised cost					
Bond loan	2 641.6	0.0	0.0	2 641.6	2 786.6
Bank loan	0.0	0.0	1 146.5	1 146.5	1 136.2
Total	2 641.6	0.0	1 146.5	3 788.1	3 922.8
Financial liabilities measured at fair value through profit and loss					
Derivative liability ¹	0.0	269.6	0.0	269.6	36.0
Other financial non-current liabilities ²	0.0	0.0	4.5	4.5	4.5
Total	0.0	269.6	4.5	274.1	40.5
Financial liabilities measured at fair value through other comprehensive income					
Derivative liability	0.0	1.1	0.0	1.1	1.1
Total	0.0	1.1	0.0	1.1	1.1

NOK million	Level 1	Level 2	Level 3	Total	Carrying amount
As of 31 Dec 2022					
Financial assets measured at fair value through profit and loss					
Participation in other companies	57.8	0.0	71.2	129.0	129.0
Derivative asset	0.0	87.3	0.0	87.3	87.3
Total	57.8	87.3	71.2	216.3	216.3
Financial liabilities measured at amortised cost					
Bond loan	2 529.6	0.0	0.0	2 529.6	2 461.0
Bank loan	0.0	0.0	102.4	102.4	102.4
Total	2 529.6	0.0	102.4	2 632.0	2 563.4
Financial liabilities measured at fair value through profit and loss					
Derivative liability ¹	4.2	417.0	0.0	421.2	421.2
Other financial non-current liabilities ²	0.0	158.9	7.4	166.3	166.3
Total	4.2	575.9	7.4	587.5	587.5

¹ For further details regarding the derivative liability see chapter 4.2.

² In October 2022 the company sold 67 250 000 shares in KMC Properties ASA to HAAS AS. The agreement included an option for HAAS to sell back 30 000 000 shares to BEWI Invest after 12 months from delivery of the shares and for a period of three months. The option has been exercised and was settled 11th of January 2024. BEWI Invest has recognized NOK 16.2 million (148.5 million) in costs related to the option. On 28th of February 2023 Bekken Invest AS entered into an agreement granting to cover loss accrued based on the put option. The commitment to HAAS AS therefore is set off against a receivable against Bekken Invest AS with a total of NOK 164.7 million booked as an equity transaction with owners.

Level 3 - Changes during the period, NOK million	Participation in other companies	Other non-current liabilities
As of 31 Dec 2022	(145.4)	7.4
Acquisitions	0.0	0.0
Settlement	167.0	(3.2)
Fair value adjustment through profit and loss	(19.3)	0.0
As of 31 Dec 2023	2.3	4.2

Level 3 - Changes during the period, NOK million	Participation in other companies	Other non-current liabilities
As of 31 Dec 2021	(140.7)	40.0
Acquisitions	0.0	7.4
Use of option to acquire BEWI Cellpack AS	0.0	(70.4)
Fair value adjustment through profit and loss	(4.8)	30.5
As of 31 Dec 2022	(145.4)	7.4

Level 1 – Listed prices (unadjusted) on an active market for identical assets and liabilities.

Level 2 – Other observable data for the asset or liability that is listed prices included at level 1, either directly (as price) or indirectly (derived from price).

Level 3 – Data for the asset or liability that is not based observable market data.

3.3 Capital management

The Group's objective for the capital structure is to guarantee the Group's capacity to continue its operations, in order for the Group to continue generating return to shareholders and benefits to other stakeholders as well as to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may: alter the dividend to shareholders, reimburse capital to shareholders, issue new shares or dispose of assets in order to reduce liability. Like other companies in the same line of business, the Group assesses the capital on the basis of debt-equity ratio. This performance measurement is calculated by dividing the net debt by the equity and by total capital. The net debt is defined as total borrowings (including the items bond loan, liabilities to credit institutions, factoring debt and liabilities leases), less cash and cash equivalents. Total capital is defined as equity in the consolidated statement of financial position and net debt.

NOK million	31 Dec 2023	31 Dec 2022
Total borrowings	8 192.0	7 355.9
Less:		
IFRS 16 liabilities	(2 375.1)	(1 904.2)
Cash and cash equivalents	(1 430.1)	(520.0)
Net debt (A)	4 386.9	4 931.7
Equity (B)	7 111.8	4 521.2
Total capital (A+B)	11 498.7	9 452.9
Debt/equity ratio	62 %	109%
Debt/capital ratio	38 %	52%

NOTE 4 | CRITICAL ACCOUNTING ESTIMATES AND ASSESSMENTS

Estimates and assessments are continuously evaluated and are prepared on the basis of historical experience and other factors, including expectations regarding future events deemed reasonable under existing conditions.

4.1 Critical accounting estimates

The management makes estimates and assumptions about the future. Accounting estimates will, by definition, rarely be equivalent to the actual result. The estimates and assumptions contain a significant risk for material adjustments to carrying amounts of assets and liabilities during the following financial years are outlined below.

(a) Consideration of impairment need of goodwill and Trademarks

The group examines annually whether any impairment need for goodwill or trademarks is at hand, in accordance with the accounting principle set out in note 2. Recoverable amounts have been determined on the basis of calculations of values in use. These calculations include certain estimates to be carried out (see note 12 Intangible assets).

(b) Leases

In determining the lease term, an estimation of each contract, including whether to include an extension option or not, is made. Contracts for production facilities, which is a major part of the leasing in the group, normally runs for 10-17 years. The determination of lease terms and how to treat extension options affect both the leasing liability and the right-of-use asset. A description of lease-terms is found in Note 8 Leasing.

Determination of the rates at which the lease liabilities are discounted affects the lease liability and interest expense. It determines the discounting of lease liabilities and right-of-use assets recognised in the consolidated statement of financial position, as well as the split between interest expense and depreciation recognised in the consolidated comprehensive income statement over the lease term. How the group estimates its incremental borrowing rate, to measure lease liabilities at the present value of lease payments, is described in Note 23 Borrowings.

(c) Associated companies

The financial statements of SinkabergHansen AS are consolidated based on management accounts, as the audit for the company's financial statement is finalised subsequent to the issuance of this report. The company is affected by the new resource tax on salmon farming and the taxes regarding 2023 is estimated to 32 per cent of the group's profit before taxes for the period.

4.2 Critical assessment

The group have material contracts where the management have made critical assessments impacting the presentation and classification in the financial statements. A specification regarding these material contracts is specified below.

(a) Derivative agreement

Shares in BEWI ASA are consolidated at group level. 9 092 220 of the shares in BEWI ASA are financed through a derivative agreement, whereas the value of the agreement equals the value of the shares at any time. On 31 December 2023, the value of the shares was NOK 233.7 million (NOK 417.0 million). There is a contractual obligation to deliver cash if the derivative agreement is called thus it is classified as debt. The decrease in share value of NOK 183.3 million for 2023 affects the value of the related derivative agreement, and therefore caused a financial income.

(b) Transactions of own shares and issuance of hybrid capital

In 2022, the company repurchased a total of 787 500 shares from the owners Bekken Invest AS and Kastor Invest Holding AS. The transaction was carried out with a consideration of respectively NOK 200 and 400 million, a total of NOK 600 million. The liability was settled by issue of hybrid bonds. The hybrid bond has no mandatory instalments, scheduled or contractual obligation to pay the dividends or to call the maturity and therefore is classified as equity.

In 2023, the company repurchased a total value of NOK 300 million bonds from the owners Bekken Invest and Kastor Invest Holding. The repurchased bonds, together with an issue of NOK 300 million, was used as consideration for shares in Sinkaberghansen AS.

The return on the hybrid bonds is calculated as Nibor, plus a margin of 6 per cent, which is increased to 11 per cent from 29 April 2027. BEWI Invest can at the same date redeem all, but not some, of the bonds at a price equal to 100 per cent.

(c) Preference shares

The share capital has two classes of shares. Ordinary (class B) and preference shares (class A). Preference shares (A) earn dividend based on an estimated base amount of NOK 768.29 per share. Dividends on the preference shares are calculated on

the basis of NIBOR, with a margin of 4.5 per cent. The margin increases by 2.5 per cent every six months, the first time 01.04.2023. As per 31 of December the margin is 9.5 per cent. Accrued preference returns must be paid in full before dividends on ordinary shares can be distributed. The preference shares are not entitled to dividends in general.

(d) Option Frøy Kapital

In 2022, the company sold 13 020 833 shares in KMC Properties ASA to Frøy Kapital AS. In the period 1.10.23 to 1.10.24 the buyer has a right to sell the shares back to BEWI Invest and receive shares in BEWI Invest AS as consideration. No provision is made for this agreement.

NOTE 5 | SEGMENT INFORMATION

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The Executive Committees constitutes the chief operating decision maker for the BEWI Invest group and takes strategic decisions in addition to evaluating the group's financial position and earnings. Group management has determined the operating segments based on the information that is reviewed by the Executive Committee and used for the purposes of allocating resources and assessing performance.

BEWI Invest AS has ownership interest in companies mainly within industrials, real state, seafood and other companies, representing the groups segments.

The portfolio within the segments is divided into three groups of companies:

- Core long-term portfolio of sizeable profitable companies within the prioritised industries, currently BEWI ASA (industrials), KMC Properties ASA (real estate) and SinkabergHansen AS (seafood)
- Portfolio of M & A platform companies targeting high inorganic growth to eventually become a part of the core long-term portfolio, currently FiiZK (seafood) and BEFORM (industrials)
- A portfolio of small development companies targeting to become M & A portfolio companies after an initial period of organic growth focus.

2023

Condensed key figures

NOK million	Industrial	Real estate	Seafood	Other	Elimination	Total
Total Operating Income	12 994.8	0.0	0.0	16.6	(34.0)	12 977.4
Total Operating expense	(12 650.5)	0.0	0.0	(70.6)	37.2	12 683.9
Operating profit	344.3	0.0	0.0	(54.0)	3.2	293.5
Net financial items	(481.8)	(200.0)	243.5	(7.3)	43.6	(402.0)
Income before taxes	(137.5)	(200.0)	243.5	(61.2)	46.7	(108.5)
Income tax expense	(72.8)	0.0	0.0	(0.1)	0.3	(72.3)
Profit for the period	(210.4)	(200.0)	243.5	(61.3)	47.4	(180.8)

Other comprehensive income:

Items that may later be reclassified to the income statement:

Exchange rate differences	341.5	0.0	0.0	0.0	0.0	341.5
Cash flow hedges	(1.1)	0.0	0.0	0.0	0.0	(1.1)

Items that will not be reclassified to income statement:

Remeasurements of defined benefit pension plans	(13.7)	0.0	0.0	0.0	0.0	(13.7)
Income tax pertinent to remeasurements of defined benefit pension plan	3.4	0.0	0.0	0.0	0.0	3.4

Other comprehensive income, net of income taxes	330.0	0.0	0.0	0.0	0.0	330.0
Total comprehensive income for the period	119.6	(200.0)	243.5	(61.3)	47.4	149.1

2022**Condensed key figures**

NOK million	Industrial	Real estate	Seafood	Other	Elimination	Total
Total Operating Income	10 951.3	0.0	0.0	13.6	(13.6)	10 951.3
Total Operating expense	(10 321.9)	0.0	0.0	(77.7)	0.7	(10 398.8)
Operating profit	629.4	0.0	0.0	(64.1)	(12.8)	(552.5)
Net financial items	(237.5)	(234.7)	(143.7)	(576.2)	710.2	(481.9)
Income before taxes	391.9	(234.7)	(143.7)	(640.3)	697.3	70.5
Income tax expense	(65.0)	0.0	0.0	0.0	0.0	(65.0)
Profit for the period	326.8	(234.7)	(143.7)	(640.3)	697.3	5.5

Other comprehensive income:**Items that may later be reclassified to the income statement:**

Exchange rate differences	(22.2)	0.0	0.0	150.6	0.0	128.4
Cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0

Items that will not be reclassified to income statement:

Remeasurements of defined benefit pension plans	(42.4)	0.0	0.0	0.0	0.0	(42.4)
Income tax pertinent to remeasurements of defined benefit pension plan	8.1	0.0	0.0	0.0	0.0	8.1

Other comprehensive income, net of income taxes	(56.5)	0.0	0.0	150.6	0.0	94.1
Total comprehensive income for the period	270.3	(234.7)	(143.7)	(489.7)	697.3	99.5

NOTE 6 | EMPLOYEE REMUNERATION

NOK million	2023	2022
Salary and other remuneration	1 820.1	1 208.2
Social security expenses	296.6	170.1
Pension costs – defined contribution plans	107.1	87.9
Pension costs – defined benefit plans	1.1	1.0
Other staff cost	87.6	4.1
Costs hired staff	171.8	184.5
Total remunerations to employees	2 484.3	1 655.8

Salary and other remunerations and pension costs for directors of the board and CEO in BEWI Invest

	2023	2022
Salary and other remunerations	3.63	11.94
<i>whereof bonus</i>	1.64	1.64
Pension costs	0.26	0.10
Total	3.89	12.04

Average number of employees with geographical breakdown by country

	2023		2022	
	Average number of employees	Whereof men	Average number of employees	Whereof men
Sweden	303	222	233	164
Finland	221	176	166	135
Denmark	482	346	258	169
Norway	411	336	425	317
Iceland	14	9	14	11
Netherlands	497	445	486	425
Belgium	90	84	88	81
Portugal	196	93	203	119
Spain	68	65	5	4
Poland	237	155	264	172
Germany	503	402	227	165
UK	181	127	99	70
France	11	10	2	2
Lithuania	104	82	37	30
Czech Republic	20	17	0	0
Canada	9	2	6	1
Switzerland	1	1	0	0
Austria	1	1	0	0
The Group in total	3 349	2 573	2 513	1 865

Remuneration to senior executives

In BEWI Invest AS:

NOK million	2023	2022
	Basic salary incl. benefits/ board fees	Basic salary incl. benefits/ board fees
Board of Directors		
6 members of the board, whereof five men and one woman		
Gunnar Syvertsen (Chairman of the Board)	0	0
Christian Bekken	1.5	1.5
Bernt Thoresen	0	0
Marie Danielsson	0	0
Hallbjørn Berg-Hansen	0	0
Roger Granheim (until 13.12.2023)	0	0
Stig Wærnes (until 28.6.2022)	-	0.3
John Thoresen (until 28.6.2022)	-	0
Karl Erik Bekken (until 28.6.2022)	-	0
Total	1.5	1.8

CEO

Bjørnar André Ulstein (CEO from 14th of January 2022)	2.39	9.78
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Consultancy services board members in BEWI Invest AS

Kastor Invest AS, a company owned by Bernt and John Thoresen family, invoiced NOK 1.5 million (NOK 2.0 million) in consultancy fees.

Christian Bekken received a bonus of NOK 1.5 million (NOK 1.5 million) from BEWI Invest AS.

NOTE 7 | REMUNERATIONS TO AUDITORS

BEWI Invest Group

NOK million	2023	2022
PwC		
– The audit assignment	16.1	7.4
– Audit activities other than the audit assignment	3.3	0.3
– Tax advice	0.1	0.0
– Other services	0.0	7.1
Total	19.5	14.8
Other audit firms than PwC		
– The audit assignment	6.6	2.9
Audit activities other than the audit assignment	1.2	2.0
Tax advice	2.3	0.0
Other services	0.1	2.1
Total	10.2	7.0

NOTE 8 | LEASING

Lease-terms and purchase options

The group leases buildings (e.g. production facilities, warehouses, offices), machinery (e.g. gas facilities, compressors, moulding machines) and equipment (e.g. cars, trucks, fork-lifts). Contracts for production facilities normally run for 10-17 years, but there are exceptions with both shorter and longer lease terms. Separate warehouses are normally leased for 1–2 years, with a few exceptions. In case a warehouse rent is paid based on usage, for example pallet space used, it is treated as variable and not subject to capitalisation in accordance with IFRS 16. Office space is normally leased for three years. Based on the assumption that a business cycle lasts for eight years and that predictions beyond that period are difficult, extension options for contracts for production facilities expiring after that timeframe are not considered when assessing the lease-term, unless specific conditions are present. Extension options for warehouses and offices are not reflected.

The lease term for other assets varies, but normally range between 3-5 years. Purchase options are considered in the capitalised amount if deemed reasonably certain that such an option will be exercised, but this is not common. Extensions options are reflected when it is deemed reasonable that they will be exercised.

Discount rate, liability and carrying amount

Discount rates applied and total leasing liability are described in note 23 Borrowings. Maturity dates for the undiscounted values are presented in note 3 Financial risk management. Carrying amounts and depreciations of the assets capitalised are presented in note 12 Intangible assets and note 13 Tangible assets.

Lease expenses for lease contracts capitalised in accordance with IFRS 16

NOK million	2023	2022
Depreciations and amortisations	(253.8)	(159.7)
Interest expense	(131.8)	(66.4)
Total	(385.6)	(226.1)

Lease expenses for lease contracts not capitalised in accordance with IFRS 16

NOK million	2023	2022
Lease expense short-term leases	(13.7)	(3.0)
Lease expense low-value assets	(5.7)	(4.0)
Lease expense variable leases	(17.1)	(9.1)
Total	(36.5)	(16.1)

Cash flow from leases

NOK million	2023	2022
Recognised in operating cash flow		
Operating income	(36.5)	(15.2)
Interest paid	(131.8)	(61.6)
Cash flow from financing activities		
Repayment of borrowings	(211.7)	(118.2)
Total	(380.0)	(195.0)

NOTE 9 | FINANCIAL INCOME AND EXPENSE

NOK million	2023	2022
Interest revenue	73.9	22.2
Fair value changes derivatives	183.7	264.5
Exchange rate gains	22.8	0.0
Reduction for financial before group formation	0.0	2.1
Other financial income	24.8	100.8
Total financial income	305.1	389.7
Interest expenses	(602.4)	(291.7)
Fair value changes shares and participations	(248.2)	(484.8)
Other financing costs	(64.9)	(2.5)
Fair value change HAAS-option	(16.2)	(148.5)
Fair value changes other derivatives	(84.5)	83.9
Exchange rate losses	57.8	(85.8)
Total financial expense	(958.4)	(929.4)
Total financial income and expense – net	(653.4)	(539.7)

Of the financial income classified as fair value changes derivatives, NOK 183.7 million is related to adjustment of a derivative agreement with Kverva Industrier AS, see 4.2 for more information.

Of the Financial expense, fair value changes shares and participations mainly consists of write downs to fair value in KMC Properties ASA. (approximately NOK 140.0 million).

The financial expense classified as fair value change HAAS-option is related to a put option of the shares in KMC Properties ASA sold to HAAS AS. The put option is explained in greater detail in note 3.2.

Net financial income and expense per category of financial instrument

NOK million	2023	2022
Financial assets and liabilities measured at fair value through profit and loss	149.0	(284.9)
Financial assets and liabilities measured at amortised cost	(802.4)	(254.8)
	(653.4)	(539.7)

NOTE 10 | EXCHANGE RATE DIFFERENCES – NET

Exchange differences have been reported in the income statement as follows:

NOK million	2023	2022
Other operating expenses	(6.9)	(8.1)
Fair value change derivatives	1.1	5.1
Total exchange difference in other operating expenses	(5.7)	(3.0)

NOK million	2023	2022
Exchange rate differences	80.6	(85.8)
Fair value change derivatives	(84.5)	83.9
Total financial income and expense	(4.0)	(1.9)
Exchange differences – net	(9.7)	(4.9)

NOTE 11 | INCOME TAX

Tax income and expense in income statement	Group	
NOK million	2023	2022
Tax income(+)/expense(-) comprises:		
Current tax income(+)/expense(-) this year	119.4	(257.1)
Adjustment recognised in current year in relation to current tax of prior years	(4.6)	(10.1)
Deferred tax income(+)/expense(-)	(187.2)	202.2
Total tax income(+)/expense(-)	(72.4)	(65.0)

The income tax attributable to the income before taxes differs from the theoretical amount that would have arisen from the application of the tax rate in Norway for the income of the group companies, as follows:

NOK million	2023	2022
Profit/loss before tax from continuing operations	(108.5)	70.5
Tax income(+)/expense (-) calculated at the local tax rate	114.8	139.7
Effect of revenue that is exempt from taxation and non-deductible expenses	(83.3)	(137.7)
Effect of tax losses and tax offsets not recognised as deferred tax assets	(72.1)	(67.1)
Effect of previously unrecognised deferred tax attributable to tax losses carry forward, tax credits and temporary differences	13.7	9.1
Effect of write-downs and reversals of deferred tax balances	(21.7)	0.0
Effect on deferred tax balances due to change in tax rate	(2.3)	0.0
Adjustment recognised in current year in relation to current tax of prior years	(4.6)	(9.9)
Other	(16.9)	(0.9)
Total tax income (+)/expense (-) in profit or loss	(72.4)	(65.0)

Recognised in other comprehensive income

NOK million	2023	2022
Tax on remeasurement of defined benefit obligation	(3.4)	8.0
Total	(3.4)	8.0

**Deferred tax assets(-)
and liabilities(+) 2023**

NOK million	Opening balance	Through acquired business	Through divested business	Reclassifi cation	Reported in profit/loss	Reported in other comprehensive income	Exchange differences	Closing balance
Deferred tax in balance sheet is attributable to:								
Tax losses carry forward	(28.0)	0.0	0.0	(14.8)	(12.8)	(2.0)	(0.6)	(58.2)
Intangible assets	327.0	0.0	0.0	36.5	(14.8)	0.0	17.8	366.5
Tangible assets	239.0	0.0	0.0	1.1	(120.9)	(0.0)	16.0	135.3
Current assets	1.0	0.0	0.0	3.4	3.4	0.0	(0.0)	7.9
Untaxed reserves	7.4	0.0	0.0	4.6	1.1	0.0	0.4	13.5
Pension assets and liabilities	5.3	0.0	0.0	0.0	(2.3)	(3.4)	0.5	0.0
Provisions	(0.1)	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other	2.3	0.0	0.0	0.0	9.6	0.0	(1.5)	10.3
Total net deferred tax assets and liabilities	553.8	0.0	0.0	30.8	(136.6)	(5.4)	32.5	475.2

**Deferred tax assets(-)
and liabilities(+) 2022**

NOK million	Opening balance	Through acquired business	Through divested business	Reclassifi cation	Reported in profit/loss	Reported in other comprehensive income	Exchange differences	Closing balance
Deferred tax in balance sheet is attributable to:								
Tax losses carry forward	(5.7)	(9.1)	0.0	0.0	(10.1)	(0.7)	(1.2)	(26.8)
Intangible assets	190.8	116.2	0.0	25.3	(11.1)	0.0	5.8	327.0
Tangible assets	24.1	382.7	(3.0)	0.0	(169.8)	0.6	3.4	238.0
Current assets	3.9	0.0	0.0	0.0	(3.0)	0.1	0.1	1.0
Untaxed reserves	1.0	7.1	0.0	0.0	(1.0)	0.0	0.3	7.4
Pension assets and liabilities	13.0	0.0	0.0	0.0	0.0	(8.1)	0.4	5.3
Provisions	(0.1)	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other	8.2	0.0	0.0	0.0	(6.3)	0.0	0.2	2.0
Total net deferred tax assets and liabilities	235.2	496.9	(3.0)	25.3	(201.3)	(8.1)	9.0	553.9

All the NOK 58.2 million (NOK 26.8 million) deferred tax assets attributable to tax losses carry forward have no due date. Tax losses carry forward corresponding to a tax value of NOK 135.4 million (NOK 113.6 million) are not recognised as deferred tax assets. In addition, tax credits attributable to deferred interest deductions corresponding to a tax value of NOK 30.8 million (NOK 20.7) million), are not recognised as deferred tax assets. The tax losses carry forward by the end of 2023 are attributable to Sweden, Spain, Germany, Poland and Norway.

BEWI Invest is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Norway, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposures. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendment to IAS 12 issued in May 2023.

Under the legislation, BEWI Invest is liable to pay a top-up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. If the requirements in transitional rules called “safe harbour” are met during a transition period, no top-up tax is applicable, and a simplified reporting process will be applicable for the tax jurisdictions that meet the requirements.

BEWI Invest is in the process of assessing its exposure to the Pillar Two legislation when it comes into effect. This assessment indicates that all tax jurisdictions meet the requirement for the transitional “safe harbour” rules. BEWI Invest is currently engaged with tax specialists to assist the company with applying the legislation.

NOTE 12 | INTANGIBLE ASSETS

Acquisition cost

NOK million	Goodwill	Trademark	Customer relations	Technology	Patents and licenses	Total
As of 1 January 2022						
Acquisition cost	1 196.5	255.1	684.4	103.6	238.5	2 478.2
Accumulated depreciations/write-downs	(16.9)	(8.2)	(222.1)	(55.1)	(143.4)	(445.6)
Carrying amount	1 179.6	246.9	462.3	48.5	95.1	2 032.8

Financial year 2022

Carrying amount brought forward	1 179.6	246.9	462.3	48.6	95.2	2 032.8
Exchange differences	90.4	14.3	7.2	16.4	(8.2)	120.1
Acquisitions	0.0	0.0	0.0	9.4	46.4	55.8
Through acquired business	1 896.9	227.3	236.4	49.5	11.1	2 421.3
Divestment of business	(10.1)	0.0	0.0	0.0	0.0	(10.1)
Reclassifications	(76.8)	17.2	83.9	36.0	(32.0)	28.3
Write-down	0.0	0.0	0.0	0.0	(1.0)	(1.0)
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Amortisations	(0.7)	0.0	(70.7)	(14.9)	0.0	(86.3)
Carrying amount carried forward	3 079.4	505.7	719.1	145.0	111.5	4 560.8

As of 31 December 2022

Acquisition cost	3 097.0	513.9	1 011.9	214.9	255.9	5 093.6
Accumulated depreciations/write-downs	(17.6)	(8.2)	(292.8)	(70.0)	(144.4)	(532.9)
Carrying amount	3 079.4	505.7	719.1	145.0	111.5	4 560.8

NOK million	Goodwill	Trademark	Customer relations	Technology	Patents and licenses	Total
Financial year 2023						
Carrying amount brought forward	3 079.4	505.7	719.1	145.1	111.5	4 560.8
Exchange differences	151.0	30.6	35.4	6.6	6.1	229.7
Acquisitions	11.1	0.0	0.0	2.6	93.7	107.3
Reclassifications	(165.6)	1.1	151.9	0.0	(1.1)	(13.7)
Write-down	0.0	0.0	0.0	(5.2)	0.0	(5.2)
Amortisations	(0.7)	(6.9)	(97.1)	(22.0)	(17.3)	(143.9)
Carrying amount carried forward	3 075.2	530.6	809.4	127.1	192.9	4 735.1

As of 31 December 2023

Acquisition cost	3 090.2	538.4	1 206.2	223.3	313.4	5 371.5
Accumulated depreciations/write-downs	(15.0)	(7.9)	(396.8)	(96.2)	(120.5)	(636.4)
Carrying amount	3 075.2	530.6	809.4	127.1	192.9	4 735.1

Of the amortisations above, NOK 0.0 million in 2023 (1.0) was attributable to leases. The carrying amount of capitalised leases as of December 31, 2023 was NOK 0.0 million (0.0).

Considerations of impairment need for goodwill and trademark.

The executive management has assessed that revenue growth, operating margin, discount rate and long-term growth are the most critical assumptions in the impairment assessment. The recoverable amount has been assessed based on estimates of the value in use. The assumptions used for calculating the value in use are the same for goodwill and trademarks.

The estimates rely on projected cash flows before tax over the next three years, approved by the senior executives. If applicable, these estimates are extrapolated for an additional two-year period, assuming a conservative increase in both revenue and costs of 2.0 per cent or more from most cash generating units. The estimates are based on the executive management's experience and historical data. The discount rate after tax amounts to 8.2 per cent (8.6 per cent). The long-term sustainable growth rate has been estimated at 2 per cent (2 per cent) for all cash generating units and has been assessed in accordance with industry forecasts. No impairment of goodwill or trademarks was identified in 2023. An increase in the discount rate of 1 percentage point or reduction in cash flow of 10 per cent would not change the outcome of the tests.

Goodwill	2023	2022
BEWI ASA	3028.4	3 043.7
Other	46.8	35.7
Total	3 075.2	3 079.4

Trademarks	2023	2022
BEWI ASA	530.6	505.7
Other	0.0	0.0
Total	530.6	505.7

For minor business combinations taking place in 2023, an annual impairment test for goodwill has not been carried out in 2023. For each significant business combination, a purchase price allocation has been performed, with support from external valuation experts

NOTE 13 | TANGIBLE ASSETS

NOK million	Buildings and land	Plant and other technical machinery	Equipment, tools, fixtures and fittings	Construction in progress and advance payments for property, plant and equipment	Total
As of 1 January 2022					
Acquisition cost	1 297.0	3 056.8	382.5	102.0	4 838.3
Accumulated depreciations	(294.0)	(2 003.8)	(254.6)	(1.0)	(2 553.4)
Carrying amount	1 003.0	1 053.0	128.0	101.0	2 284.6
Financial year 2022					
Carrying amount brought forward	1 003.0	1 053.0	128.0	101.0	2 284.6
Change of accounting method	0.0	0.0	0.0	0.0	0.0
Acquisitions	15.1	212.4	45.6	139.5	412.6
Capitalised leases	746.2	4.0	22.2	0.0	772.4
Through acquired business	1 769.2	799.2	205.2	145.5	2 919.1
Divestments of business	(15.1)	(5.0)	(27.2)	(36.3)	(83.6)
Write-downs, included in depreciations	0.0	(17.2)	0.0	0.0	(17.2)
Reclassifications	14.1	63.6	(10.1)	(70.7)	(3.1)
Disposals	(861.8)	(8.0)	(20.3)	(38.4)	(928.5)
Depreciations	(93.0)	(232.7)	(46.0)	0.0	(371.7)
Exchange difference	12.6	56.1	6.9	10.9	86.5
Carrying amount carried forward	2 590.4	1 925.4	304.3	251.5	5 071.5
As of 31 December 2022					
Acquisition costs	2 977.3	4 179.1	604.8	252.5	8 013.7
Accumulated depreciations	(386.9)	(2 253.7)	(300.6)	(1.0)	(2 942.2)
Carrying amount	2 590.4	1 925.4	304.2	251.3	5 071.5

NOK million	Buildings and land	Plant and other technical machinery	Equipment, tools, fixtures and fittings	Construction in progress and advance payments for property, plant and equipment	Total
Financial year 2023					
Carrying amount brought forward	2 590.4	1 926.5	304.8	251.4	5 073.0
Exchange differences	140.5	84.0	20.5	14.1	259.0
Acquisitions	73.4	276.4	3.2	189.8	542.9
Capitalised leases	814.7	111.8	40.0	0.0	966.5
Through acquired business	0.0	2.2	0.0	0.0	2.2
Divestment of business	0.0	0.0	0.0	0.0	0.0
Reclassifications	76.8	62.8	(37.7)	(51.6)	50.3
Write-down	(21.7)	(5.8)	0.0	(0.1)	(27.6)
Disposals	(569.9)	(8.0)	(8.0)	0.0	(585.9)
Amortisations	(247.3)	(323.5)	(68.1)	(1.1)	(640.1)
Carrying amount carried forward	2 856.8	2 126.5	254.6	402.4	5 640.3
As of 31 December 2023					
Acquisition cost	3 637.6	5 034.9	688.0	403.7	9 764.1
Accumulated depreciations/write-downs	(780.8)	(2 908.4)	(433.4)	(1.2)	(4 123.8)
Carrying amount	2 856.8	2 126.5	254.6	402.4	5 640.3

NOK million	Buildings and land	Plant and other technical machinery	Equipment, tools, fixtures and fittings	Construction in progress and advance payments for property, plant and equipment	Total
Amounts above attributable to leases:					
Depreciations 2023	(187.9)	(26.8)	(33.1)	0.0	(247.8)
<i>Of which is attributable to IFRS 16</i>	(187.9)	(5.7)	(30.8)	0.0	(224.5)
Carrying amount December 31, 2023	2 217.6	217.7	82.0	0.0	2 517.4
<i>Of which is attributable to IFRS 16</i>	2 217.6	25.8	75.3	0.0	2.318.7
Depreciations 2022	(109.0)	(25.2)	(20.2)	0.0	(154.4)
<i>Of which is attributable to IFRS 16</i>	(109.0)	(3.0)	(19.1)	0.0	(131.1)
Carrying amount December 31, 2022	1 554.8	69.5	7.3	0.0	1 631.6
<i>Of which is attributable to IFRS 16</i>	1 554.8	28.4	66.0	0.0	1 649.2

NOTE 14 | BUSINESS ACQUISITIONS

In October 2023 all shares in Mikoplast AS was acquired through BEFORM Holding AS for a consideration of NOK 16.6 million. In addition, BEWI ASA acquired a remaining 25 per cent of shares in Poredo Holding BV for a consideration of NOK 2.2 million, bringing total consideration to NOK 18.8 million.

Amounts in NOK million	Total
Cash consideration	18.8
Other items	0.0
New share issue and other consideration	0.0
Total purchase price	18.8
Recognised amount of identifiable assets and acquired liabilities assumed	
Intangible assets	0.0
Equipment, tools, fixtures and fittings	1.9
Other non-current receivables	0.2
Inventory	1.2
Current receivables	2.6
Cash and cash equivalents	3.2
Deferred tax liability	0.0
Non-current liabilities	0.0
Current liabilities	(3.4)
Total identifiable net assets	5.6
Goodwill (100 per cent basis)	11.0
Cash in acquired business (100 per cent basis)	3.2
Total cash outflow from acquisition of business	15.6

NOTE 15 | SHARES IN ASSOICATES

Associates in Group, NOK million

Company	Carrying amount 31 Dec 2022	Acquired as a subsidiary	Acquisitions during the year	Disposals during the year	Write- down	Dividend	Share of income	Exchange difference	Carrying amount 31 Dec 2023
HIRSCH Porozell GmbH	62.0	0.0	0.0	0.0	0.0	(22.8)	8.0	3.0	50.2
HIRSCH France SAS	58.2	0.0	0.0	0.0	0.0	0.0	1.1	4.0	63.3
Remondis Technology Spolka Zoo	0.0	0.0	0.0	0.0	0.0	(2.3)	6.9	0.3	5.0
BEWI EPS EHF	8.4	0.0	0.0	(9.1)	0.0	0.0	0.0	0.7	0.0
Energijägarna AB (E&D)	10.3	0.0	0.0	0.0	0.0	0.0	(1.1)	0.7	9.9
Saro Maxpack BV	0.8	0.0	0.0	0.0	0.0	0.0	0.5	0.4	1.7
KMC Properties ASA	1 089.8	0.0	0.0	0.0	(199.6)	0.0	(0.5)	0.0	889.7
FiiZK Holding AS	32.0	0.0	0.0	(15.6)	0.0	0.0	(16.4)	0.0	0.0
FiiZK TopCo AS	0.0	0.0	67.4	(9.0)	0.0	0.0	(42.0)	0.0	16.4
SinkabergHansen AS	0.0	0.0	2 171.8	(740.4)	0.0	0.0	296.3	0.0	1 727.7
Frøya Laks AS	72.2	0.0	0.0	(70.8)	0.0	0.0	(1.4)	0.0	0.0
Innofiber AS	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Total	1 334.0	0.0	2 239.2	(844.9)	(199.6)	(25.1)	251.4	9.2	2 764.2

Associates in Group, NOK million

Company	Carrying amount 31 Dec 2021	Acquired as a subsidiary	Acquisitions during the year	Disposals during the year	Write- down	Dividend	Share of income	Exchange difference	Carrying amount 31 Dec 2022
HIRSCH Porozell GmbH	52.2	0.0	0.0	0.0	0.0	(20.2)	32.3	(2.3)	62.0
HIRSCH France SAS	65.3	0.0	0.0	0.0	0.0	0.0	(9.1)	1.6	57.8
Jablite Group Ltd	11.4	(17.2)	0.0	0.0	0.0	0.0	3.7	2.7	0.7
Insoplast S.R.O.	2.3	(4.0)	0.0	0.0	0.0	0.0	2.0	(0.7)	(0.4)
BEWI EPS EHF	6.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	8.4
Energijägarna AB	0.0	0.0	10.1	0.0	0.0	0.0	0.0	0.2	10.3
Saro Maxpack BV	1.8	0.0	0.0	0.0	0.0	0.0	(1.2)	0.2	0.8
KMC Properties ASA *)	1 021.0	0.0	936.8	(634.0)	(331.0)	0.0	97.0	0.0	1 089.8
FiiZK Holding AS	96.4	0.0	80.3	0.0	(77.7)	0.0	(67.0)	0.0	32.0
Grøntvedt AS	200.5	0.0	0.0	(200.0)	(0.5)	0.0	0.0	0.0	0.0
Frøya Laks AS	0.0	0.0	72.2	0.0	0.0	0.0	0.0	0.0	72.2
Innofiber AS	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.3
Total	1 457.0	(21.2)	1 099.7	(834.0)	(409.2)	(20.2)	57.8	4.1	1 334.0

	Group	
Non-current receivables associates	31 Dec 2022	31 Dec 2021
As of 1 January	5.3	46.4
Through acquisitions	0.0	0.0
Loans granted	16.1	0.9
Repayments	(1.3)	(23.0)
Exchange differences	0.0	0.0
Acquired as a subsidiary	0.0	(19.0)
As of 31 December	20.1	5.3

Summarised financial information for associates.

2023	Net sales	EBITDA	Operating profit (EBIT)	Net income
HIRSCH Porozell GmbH	1 069.3	61.7	20.6	24.0
HIRSCH France SAS	737.0	62.8	4.6	2.3
Remondis Technology Spolka Zoo	45.2	14.8	13.7	10.3
Energijägarna AB (E&D)	53.6	(1.1)	(1.1)	(1.1)
Saro Maxpack BV	36.6	(2.8)	(3.8)	(4.1)
KMC Properties ASA	409.0	149.1	149.1	(1.4)
FiiZK TopCo AS	121.3	(-9.8)	(19.9)	(103.9)
SinkabergHansen AS *)	2 997.0	1 216.0	1 033.0	597.6
Innofiber AS	16.2	0.3	0.2	0.0

31.12.2023	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net debt
HIRSCH Porozell GmbH	410.0	306.1	195.3	138.2	79.9
HIRSCH France SAS	374.6	249.0	239.8	178.2	145.0
Remondis Technology Spolka Zoo	5.7	14.8	0.0	5.7	(6.9)
Energijägarna AB (E&D)	0.0	26.3	0.0	5.7	(6.9)
Saro Maxpack BV	5.5	11.4	4.6	6.9	1.6
KMC Properties ASA	6 337.3	303.8	3 341.8	500.8	3 252.3
FiiZK TopCo AS	164.9	64.4	78.3	117.8	132.7
SinkabergHansen AS*)	2 760.8	2 666.0	1 352.0	962.5	269.4
Innofiber AS	0.4	5.4	1.8	3.3	1.4

*) Net debt in SinkabergHansen reduced by MNOK 756,8 million short-term market-based assets. All figures are based on preliminary management accounts.

HIRSCH Porozell GmbH (34 per cent ownership)

In connection with the acquisition of Synbra in 2018, 66 per cent of Synbra's shares in the German company Isobouw GmbH was divested to Hirsch Servo Group. At the same time, BEWI obtained 34 per cent in the newly incorporated company Hirsch Porozell GmbH, which acquired Saint Gobain's insulation operations at four sites in Germany. The other 66 per cent is held by Hirsch Servo Group. In 2019, Isobouw GmbH was merged into Hirsch Porozell GmbH and the combined company now operates six insulation production sites in Germany.

Hirsch France SAS (34 per cent ownership)

On 31 December 2019, BEWI, together with Hirsch Servo Group, closed a deal in which six insulation production sites in France and 49.9 per cent of the shares in the French company Issosol SAS were acquired from Placopatre SA, a subsidiary of Saint Gobain. The acquisitions are done through a newly incorporated French company, Hirsch France SAS, 34 per cent owned by BEWI and 66 per cent owned by Hirsch Servo Group.

Energijägarna & Dorocell AB (49.8 per cent ownership)

In connection with the acquisition of Jackson, Energijägarna AB became part of BEWI Group as an associated company. Energijägarna & Dorocell AB is owned by Jackson AB.

Remondis Technology Spółka z o.o (34 per cent ownership)

BEWI owns 34% in the Polish recycling company Remondis Technology Sp. z o.o since the acquisition of BEWi Drift Holding AS in 2020. The company is, among other things, collecting and reusing EPS for recycling in extruders and selling the end products to BEWI's RAW business.

Saro Maxpack B.V (34.0 per cent ownership)

34 per cent owned by BEWI Invest AS. Bought April 2018 for 100 000 euro. The company is localized in the Netherlands and works with EPS packaging.

KMC Properties ASA (35.3 per cent ownership)

On 08.06.2021 BEWI Invest AS acquired the shares in KMC Properties ASA through EBE Eiendom AS from Bekken Invest AS and Kastor Invest Holding AS, settled with shares in BEWI Invest AS. EBE Eiendom was merged into BEWI Invest in 2022.

FiiZK Topco AS (40.6 per cent ownership)

At the start of 2023 BEWI owned 45.2 per cent of the shares in Fiizk Holding AS. In 2023 the shares in Fiizk Holding AS were written down by NOK 16.2 million. Subsequently, the remaining value of the shares were transferred to Fiizk Topco AS, as a contribution in kind in connection with the reorganization of the group.

SinkabergHansen/Seafood Investment (30.1 per cent ownership)

At 28th of April 2023 BEWI Invest acquired 44.4 per cent of the shares in SinkabergHansen AS. At 27th of December 2023 the ownership was reduced to 30.1 per cent through a sale transaction. Share of result include earnings in the owning period, less estimated taxes.

The consideration to the sellers of shares in SinkabergHansen AS was settled by NOK 600 million in cash and 100 NOK millions by promissory note. The remaining amount was settled by issuance of shares in BEWI Invest. The consideration for the sales transaction was settled by NOK 674 million in cash. The ownership to SinkabergHansen AS is exercised through Nextco iii AS (Seafood Investment AS), a company whose only asset is shares in SinkabergHansen AS.

NOTE 16 | FINANCIAL INSTRUMENTS PER CATEGORY

31 December 2023

NOK million	Financial assets measured at fair value through profit and loss	Shares in associates measured at equity method	Financial assets measured at amortised cost	Total
Balance sheet assets				
Other long-term receivables	0.0	0.0	155.0	155.0
Shares in associates	0.0	2 764.2	0.0	2 764.2
Participations in other companies	15.4	0.0	0.0	15.4
Financial assets	15.4	2 764.2	155.0	2 934.6
Accounts receivables	0.0	0.0	1 492.2	1 492.2
Current derivative assets	40.0	0.0	0.0	40.0
Other holdings	38.0	0.0	0.0	38.0
Cash and cash equivalents	0.0	0.0	1 430.1	1 430.1
Current receivables and cash	78.0	0.0	2 922.3	3 000.3
Total	93.4	2 764.2	3 077.3	5 934.9

31 December 2023

NOK million	Group Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
Balance sheet liabilities			
Non-current bond loan	0.0	2 786.6	2 786.6
Non-current liabilities to credit institutions	0.0	2 541.4	2 541.4
Non-current liabilities leases	0.0	2 413.4	2 413.4
Non-current liabilities	0.0	7 741.4	7 741.4
Current bearing liabilities to credit institutions	0.0	108.2	108.2
Overdraft facility	0.0	63.6	63.6
Current liabilities leases	0.0	278.8	278.8
Current derivative liability ¹	233.0	0.0	233.0
Accounts payable	0.0	943.3	943.3
Current liabilities	233.0	1 393.9	1 626.9
Total	233.0	9 135.3	9 368.3

¹Of current derivative liabilities NOK 233.0 million (NOK 417.0 million) is related to shares in BEWI ASA classified as other short-term liabilities, see note 4.2 Critical assessments.

31 December 2022

NOK million	Financial assets measured at fair value through profit and loss	Shares in associates measured at equity method	Financial assets measured at amortised cost	Total
Balance sheet assets				
Other long-term receivables	0.0	0.0	135.5	135.5
Shares in associates	0.0	1 334.0	0.0	1 334.0
Participations in other companies	130.2	0.0	0.0	130.2
Financial assets	130.2	1 334.0	135.5	1 599.7
Accounts receivables	0.0	0.0	1 726.6	1 726.6
Current derivative assets	87.3	0.0	0.0	87.3
Cash and cash equivalents	0.0	0.0	520.0	520.0
Current receivables and cash	87.3	0.0	2 246.6	2 333.9
Total	217.5	1 334.0	2 382.1	3 933.6

31 December 2022

NOK million	Group Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
Balance sheet liabilities			
Non-current bond loan	0.0	2 595.9	2 595.9
Non-current liabilities to credit institutions	0.0	999.4	999.4
Non-current liabilities leases	0.0	1 692.8	1 692.8
Other financial non-current liabilities	0.0	7.4	7.4
Non-current liabilities	0.0	5 295.5	5 295.5
Current bearing liabilities to credit institutions	0.0	1 190.7	1 190.7
Overdraft facility	0.0	658.5	658.5
Current liabilities leases	0.0	211.3	211.3
Current derivative agreement ¹	421.2	0.0	421.2
Accounts payable	0.0	908.6	908.6
Current liabilities	421.2	2 969.1	3 390.3
Total	421.2	8 264.6	8 685.8

NOTE 17 | ACCOUNTS RECEIVABLES

NOK million	31 Dec 2023	31 Dec 2022
Accounts receivable	1 507.9	1 741.3
Deducted: loss allowance for impairment for doubtful receivables	(15.7)	(14.7)
Accounts receivable – net	1 492.2	1 726.6

The ageing analysis of all accounts receivable is clear from below:

NOK million	31 Dec 2023	31 Dec 2022
Not yet matured	1 182.4	1 379.9
1-30 days	236.3	266.6
31-60	38.7	43.3
> 61 days	50.5	51.5
Deducted: provisions for impairment for doubtful receivables	(15.7)	(14.7)
Accounts receivable – net	1 492.2	1 726.6

Carrying amounts, per currency, for accounts receivable and other receivables are the following:

NOK million	31 Dec 2023	31 Dec 2022
SEK	153.9	166.7
EUR	667.2	776.1
GBP	124.5	122.0
NOK	332.1	422.2
DKK	195.5	192.4
ISK	11.7	13.7
USD	4.6	25.2
CAD	1.4	6.3
PLN	1.3	1.1
Other	0.0	1.1
	1 492.2	1726.6

The group is applying the simplified approach for estimating credit losses. Estimated life-time cash shortfalls is the basis for calculating credit losses for accounts receivables. For this purpose, accounts receivables are grouped based on certain characteristics. The principles for writing off accounts receivables are based on prerequisites such as insolvency, failed legal and other collection processes, credit risk assessments based on credit information provided by credit agencies, identified payment behaviour, company specific information such as changes in company management or lost contracts and macro-economic outlook for industries and countries. Credit losses on accounts receivables are reported in operating income. Reversals of prior credit losses are also reported in operating income.

NOTE 18 | INVENTORY

The expenditure for inventory carried as an expense forms part of the items raw materials and consumables and goods for resale in the income statement and amounts to NOK 6 446.6 million (NOK 5 839.2 million).

NOK 9.0 million (NOK 20.8 million) was expensed as write-downs of inventory in 2023. The group reversed NOK 2.2 million (NOK 6.1 million) in 2023 of earlier write-downs of the inventory. The expense and reversed amount are reported in the item raw materials and consumables in the income statement.

NOTE 19 | PREPAID EXPENSES AND ACCRUED INCOME

NOK million	31 Dec 2023	31 Dec 2022
Prepaid energy tax expenses	6.7	6.3
Accrued bonus and discounts	12.4	11.6
Other items	142.9	116.0
Total	162.0	133.9

NOTE 20 | SHARE CAPITAL

The share capital as of 31 December 2023, consists of 13 863 343 shares of NOK 1. There are two classes of shares. Ordinary (class B) and preference shares (class A). For detailed information regarding the share classes see note 3.3.

Fully Paid Ordinary Share	Date of decision	Changes in number of class A shares	Change in number of class B Shares/ordinary shares	Change in share capital	Total number of shares	Total share capital (NOK)	Par value (NOK)
As of 31 st Dec 2021	12.11.2021				8 643 000	8 643 000	1
(registered 2022)	01.12.2021		121 043	121 043	8 764 043	8 764 043	1
	27.05.2022		171 931	171 931	8 935 974	8 935 974	1
	03.10.2022	746 807		746 807	9 682 781	9 682 781	1
As of 31 st Dec 2022					9 682 781	9 682 781	1
	06.02.2023		432 268	432 268	10 115 049	10 115 049	1
	06.02.2023		51 651	51 651	10 166 700	10 166 700	1
	25.04.2023		1 519 931	1 519 931	11 686 631	11 686 631	1
	28.04.2023		2 126 468	2 126 468	13 813 099	13 813 099	1
	06.06.2023		50 244	50 244	13 863 343	13 863 343	1
As of 31 st Dec 2023					13 863 343	13 863 343	1

Summary of changes in share capital

- On 1st of December 2021, there was a capital increase by debt conversion. This capital increase was registered in the Brønnøysund Register Centre 21.02.2022. The capital increase consisted of 121 043 new shares with a par value of NOK 1. The total contribution was NOK 66 million.
- On 27th of May 2022, there was a capital increase by cash contribution. The capital increase consisted of 171 931 new shares with a par value of NOK 1. The total contribution was NOK 131 million.
- On 10th of October 2022, there was a capital increase by debt conversion. The capital increase consisted of 746 807 new Preference shares in class A with a par value of NOK 1. The total contribution was NOK 573 million.
- On 6th of February there was a capital increase by debt conversion. The capital increase consisted of 432 268 new shares in class B with a par value of NOK 1. The total contribution was NOK 177 million. In addition, 51 651 new shares were issued to other shareholders in class A, contributing with NOK 21 million in cash.
- On 25th of April there was a private placement of 1 570 175 new shares, contributing with NOK 623 million in cash, of which NOK 600 million was paid to the sellers of shares in SinkabergHansen AS. The share issue included 50 244 shares issued as price discount.
- On 28th of April 2 126 468 shares were issued to the sellers of shares in SinkabergHansen AS, completing the transaction of acquiring 44.1 per cent of the shares in the company.

Shareholder	Quantity class A	Quantity Class B	Total Shares	Distribution in % inc. treasury shares	Distribution in % outstanding shares
Bekken Invest AS		7 229 111	7 229 111	52.15 %	52.96 %
Kastor Invest AS		1 429 389	1 429 389	10.31 %	10.47 %
Kverva Industrier AS	746 807		746 807	5.39 %	5.47 %
Investitude AS		634 146	634 146	4.57 %	4.65 %
Frøy Kapital AS		535 792	535 792	3.86 %	3.93 %
Haukenes AS		531 617	531 617	3.83 %	3.89 %
Hauketoppen AS		531 617	531 617	3.83 %	3.89 %
JMJ Invest AS		531 617	531 617	3.83 %	3.89 %
3BH Invest AS		531 617	531 617	3.83 %	3.89 %
Ajo Invest AS		268 098	268 098	1.93 %	1.96 %
Devico Holding AS		253 658	253 658	1.83 %	1.86 %
Other shareholders		422 068	422 068	3.04 %	3.09 %
Own shares		212 674	212 674	1.53 %	la
Employees		5 132	5 132	0.04 %	0.04 %
Total shares	746 807	13 116 536	13 863 343	100.00%	100.00%

Transactions of own shares and issuance of hybrid capital

See note 3.3 for more information regarding transactions of own shares and issuance of hybrid capital classified as equity.

NOTE 21 | CASH FLOW HEDGE RESERVES

NOK million	31 Dec 2023	31 Dec 2022
As of 1 st of January	0.0	0.0
Fair value changes	(1.1)	0.0
As of 31st of December	(1.1)	0.0

NOTE 22 | SHARE-BASED INCENTIVE PROGRAM

In February 2023, BEWI Invest launched a share-based incentive programme to key employees in the company, involving a maximum of 27 800 shares options in BEWI Invest, and entitling the participants in the program to subscribe for shares in the company during a three-year period. The number of share options outstanding as of 31 December 2023 represents 0.2 per cent the number of shares outstanding as of that date. The purpose of the program is to further align the interests of the company and its shareholders by providing incentives in the form of awards to employees to motivate them to contribute materially to the success and profitability of the company. This program will also enable the company to attract and retain such employees. Settlement of the options may, at the discretion of the board of directors, be done by issuing new shares or by using, if available, shares bought back by the company.

The share options entitle the participants to subscribe for shares at a pre-set strike price, which is adjusted for dividends paid. Share price at grant date was NOK 410. The options vest in three tranches during a three-year period, as presented in the table below.

Percentage of option programme vesting	Strike price	Vesting date	Expiry Date
25 %	492.0	01.02.2024	01.02.2028
25 %	590.0	01.02.2025	01.02.2028
50 %	708.0	01.02.2026	01.02.2028

The weighted average fair value of each option at grant date in BEWI Invest was calculated at NOK 80.91. The Black-Scholes model was used for calculation of fair value and the following assumptions were used:

Number of options	27 800
Number of potential shares	27 800
Contractual life	5 years
Weighted strike price	624.5
Share price	410
Weighted expected lifetime (years)	3.25
Weighted average volatility	42.72 %
Interest rate	2.88 %
Dividend	0

The change in the number of options outstanding during the year for BEWI Invest is presented in the table below.

	2023
Outstanding as of 1 st of January	-
Granted during the year	27 800
Adjusted	-
Exercised	-
Terminated	2 600
Outstanding as of 31 st of December 2023	25 200
Vested as of 31 st of December 2023	0

Furthermore, BEWI ASA, a subsidiary of BEWI Invest, has a share-based program of its own which started in November 2020. Both share-based programs are reflected in the consolidated statement of changes in equity according to IFRS 2 with NOK 3.1 million. NOK 7.75 million (7.0 million) was recognised as personnel cost during the year in the income statement.

NOTE 23 | BORROWINGS

Interest-bearing liabilities

NOK million	31 Dec 2023	31 Dec 2022
Non-current		
Bond loan	2 786.6	2 595.9
Derivative liability	0.0	0.0
Liabilities to credit institutions	2 541.4	999.4
Liabilities leases	2 406.6	1 692.8
Other interest-bearing liabilities	6.7	7.4
Total interest-bearing long-term borrowings	7 741.4	5 295.4
Current		
Bond loan	0.0	0.0
Liabilities to credit institutions	83.2	1 190.7
Liabilities leases	278.8	211.3
Overdraft	88.8	658.5
Other interest-bearing liabilities	0.0	0.0
Total current borrowings	450.8	2 060.5
Total interest-bearing borrowings	8 192.2	7 355.9

Maturity of interest-bearing liabilities are described in note 3.1.

	Liabilities					
	Bond	to credit	Liabilities		Other	
Change in interest-bearing liabilities	loan	institutions	leasing	Overdraft	liabilities	Total
Interest-bearing liabilities as of Dec 31, 2022	2 595.9	2 190.0	1 904.1	658.5	7.4	7 355.9
Cash flow affecting changes						
Borrowings	0.0	1 819.1	57.3	0.7	0.0	1 877.1
Repayment of loans	(1.1)	(1 445.0)	(4.8)	(339.4)	(2.3)	(1 792.7)
Repayment of leasing liabilities	0.0	0.0	(213.3)	0.0	0.0	(213.3)
Total cash flow in financing activities	(1.1)	374.1	(160.8)	(338.7)	(2.3)	(128.8)
Changes not affecting cash flow						
Through acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Change in accounting principles	0.0	0.0	0.0	0.0	0.0	0.0
Capitalised leasing	0.0	0.0	876.0	0.0	0.0	876.0
Amortisation financing costs	12.6	(5.2)	0.0	0.0	0.0	7.4
Exchange differences	179.3	65.6	67.4	(231.1)	(0.6)	80.6
Total changes not affecting cash flow	191.9	60.4	943.4	(231.1)	(0.6)	963.9
Total change	190.7	434.5	782.6	(569.8)	(2.9)	835.1
Interest-bearing liabilities as of 31 Dec 2023	2 786.6	2 624.6	2 686.7	88.6	4.5	8 191.0

Cash outflow from capitalised financing costs incurred in 2023, related to the bond loan, have been classified as cash outflow from repayment of loans in the cash flow statement and in the table above.

	Liabilities					
	Bond	to credit	Liabilities	Factoring	Other	
Change in interest-bearing liabilities	loan	institutions	leasing	debt	Overdraft	Total
Interest-bearing liabilities as of December 31, 2021	2 458.4	849	903.4	0.0	395.2	4605.9
Cash flow affecting changes						
Borrowings	0.0	602.6	40.9	0.0	270.6	914.1
Transaction/financing costs borrowing	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of loans	(3.2)	(165.8)	83.4	0.0	(14.7)	(100.3)
Repayment of leasing liabilities	0.0	0.0	(134.6)	0.0	0.0	(134.6)
Total cash flow in financing activities	(3.2)	436.8	(10.3)	0.0	255.9	679.2
Changes not affecting cash flow						
Through acquisitions	0.0	957.8	358.5	7.4	11.6	1 335.3
Change in accounting principles	0.0	0.0	(1.1)	0.0	0.0	(1.1)
Capitalised leasing	0.0	0.0	716.7	0.0	0.0	716.7
Amortisation financing costs	11.6	0.0	0.0	0.0	0.0	11.6
Exchange differences	129.1	(53.6)	(63.1)	0.0	(4.2)	8.2
Total changes not affecting cash flow	140.7	904.2	1011.0	7.4	7.4	2 070.7
Total change	137.5	1341.0	1 000.7	7.4	263.3	2 749.9
Interest-bearing liabilities as of 31 December 2022	2 595.9	2 190.0	1 904.1	7.4	658.5	7 355.9

Cash outflow from capitalised financing costs incurred in 2022, related to the bond loan, have been classified as cash outflow from repayment of loans in the cash flow statement and in the table above.

Bond loans

Frame	Amount outstanding	Date of issuance	Maturity date
EUR 250 million	EUR 250 million	3 September 2021	3 September 2026

The EUR 250 million bond, which is unsecured and linked to a sustainability framework, matures on 3 September 2026, with a possibility for BEWI to unilaterally decide on an early redemption after 3 March 2025 of 50 per cent of the bonds outstanding at that date. Net of financing costs, BEWI received EUR 245.4 million in cash from the bond issued during the year. The bonds are recognised under the effective interest method at amortised cost after deductions for transaction costs. Interest terms, as well as nominal interest rates and average interest rates recognised during the quarter are presented in the table below.

Bond loan	Interest terms	Nominal interest 2023	2022	Average interest 2023	2022
EUR 65 million	Euribor 3 m + 3.15%	6.95-7.11%	2.86-5.12%	7.45 %	3.66 %

Liabilities to credit institutions and factoring debt

On the 30th of June 2023 BEWI Invest entered a Revolving Credit Facility of NOK 1 250 million and thereby completed refinancing of bank loans and overdraft facilities, in addition to shareholder loans. The termination date is set three years after the date of agreement, with option to request two extensions for up to twelve months each.

Through BEWI ASA the group has a Revolving Credit Facility. The facility was increased during 2022 to a total of EUR 150 million and is granted by two banks. As part of this facility, one of the participating banks is providing an overdraft facility. As at 31 December 2023 the RCF was utilised by EUR equivalent 119.2 million (EUR 59.8 million). Interest on utilised amount ranged between 4.1% - 6.0% during the year. As of 31 December 2023, nothing of the overdraft was utilised (EUR 6.3 million). Interest on utilised overdraft during the year ranged between 0.7% - 3.1%. Interest-bearing liabilities in acquired subsidiaries are normally settled and refinanced internally after the acquisition. However, in a specific cases liability to credit institutions in acquired companies, including overdraft facilities, have not been subject refinancing post acquisition. Such liabilities to credit institutions have carried an interest in the range of 0.8% - 7.7% during 2023. A majority of the liabilities from acquired companies to credit institutions as of 31 December 2022, as well as the overdraft recognised at that date, were attributable to the acquisition of Jackson Holding AS. During 2023, the liabilities related to the acquisition of Jackson Holding AS were settled.

Liabilities leases

For leases capitalised in accordance with IFRS 16, the interest rates used for discounting the future lease payments have been based on the Group's bond trading and Euro benchmark spreads, adjusted for the fact that the lease liabilities are repaid over the lease-term in contrast to the bonds that are repaid in full at maturity. Each company or relevant business unit has been given a credit rating, derived from certain financial KPI's, based on Moody's methodology. These ratings have been applied to the spreads to arrive at the discount rates. Depending on the lease-term, the rating and when the lease commenced, the discount rates vary from 2.3-9.2% for contracts maturing within 1-3 years to 4.4-12.9% for contracts maturing after 10 years.

NOK million	31 Dec 2023	31 Dec 2022
Overdraft facility BEWI ASA	1 686.2	1 577.1
Overdraft utilised BEWI ASA	1 339.9	628.7
Overdraft facility BEWI invest	0.0	400.0
Overdraft utilised BEWI Invest	0.0	397.7

Covenants and security provided

In BEWI Invest the revolving credit facility agreement state certain covenants that the Borrower has to comply with, referred to as Loan to Value Ratio, Interest Coverage Ratio and Free Liquidity. Loan to Value Ratio is defined as the ratio between loans and market value of pledged securities. Leverage Ratio is defined as the ratio between Adjusted EBITDA and net finance charges. Adjusted EBITDA for this purpose also includes any dividend received. Free Liquidity is a minimum of NOK 200 million, including unutilised amounts under the RCF facility.

In BEWI ASA the revolving credit facility agreement and the terms and conditions for the bond loans state certain covenants that the Group has to comply with, referred to as Leverage Ratio and Interest Coverage Ratio. Leverage Ratio is defined as net debt to EBITDA and Interest Coverage Ratio as EBITDA to net finance charges, where both EBITDA and net finance charges are adjusted. EBITDA is adjusted for non-recurring items, as defined in the loan agreements. The impact of IFRS 16 on net debt and EBITDA is excluded in the covenant calculation. Compliance with the covenants is calculated on a regular basis with the respect to the revolving credit facility agreement, whereas compliance in the bond loan agreements is triggered by certain events, such as new financial indebtedness. The Group has not been in breach of any covenants in 2022 or at the end of 2023. The revolving credit facility is a super senior credit facility and the bond loan is subordinated the revolving credit facility.

Liabilities to credit institutions and overdraft facilities not refinanced post acquisition, and arisen as a result of acquisitions in 2022, and some former acquisitions are subject to securities granted in the form of mortgages and pledges. The value at the balance sheet day of the securities provided, is presented in note 28 Pledged assets.

Currency exposure

Carrying amounts per currency (in millions) for the group's interest-bearing liabilities are as follows:

NOK million	31 Dec 2023		31 Dec 2022	
	Incl.IFRS 16	Excl. IFRS 16	Incl.IFRS 16	Excl.IFRS 16
SEK	1 799.7	1 338.8	827.4	427.9
EUR	3 990.5	3 281.2	3 227.7	2 898.7
NOK	1 881.5	958.7	2 895.9	2 106.9
DKK	301.3	0.0	212.4	12.6
GBP	197.8	47.2	182.9	40.0
Other	21.4	16.9	9.5	9.5

NOTE 24 | PENSIONS AND SIMILAR OBLIGATIONS TO EMPLOYEES

The group provides defined benefit pension plans in Finland, Norway and in the UK. The defined benefit pension plans in the UK, which are closed for new participants, originate from the acquisition of Synbra and are related to Synbra's previous operations in the UK. Due to contractual obligations, the group had to pay a lump sum to the UK funds in 2018, following the change of ownership of Synbra. As a result, the fair value of plan assets in one of the funds exceed the present value of the pension obligation and a net pension asset is recognised on the balance sheet. The net pension asset is not subject to asset ceiling limitations.

The defined benefit pension obligations, calculated in accordance with the Projected Unit Credit Method, are, among other things, based on estimated salary increases, apart from the UK funds, which are closed for new participants and where the existing participants are no longer employed by the group. In addition to the defined benefit pension plans, the group also provides other long-term benefits in the Netherlands through a so-called Jubilee plan, which entitles the participants salary benefits for long-term service. The Jubilee plan is calculated in accordance with the Projected Unit Credit Method and is presented below as Other long-term benefits.

NOK million	Defined benefit pension plan		Other long-term benefits	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Present value of funded obligations	(369.6)	(342.7)	0.0	0.0
Fair value of plan assets	386.7	365.9	0.0	0.0
	17.1	23.2	0.0	0.0
Present value of unfunded obligations	0.0	0.0	(11.4)	(9.5)
Net asset(+)/liability(-) as of 31 December	17.1	23.2	(11.4)	(9.5)
Net pension asset				
United Kingdom	31.1	27.3	0.0	0.0
	31.1	27.3	0.0	0.0
Pension obligations and other long-term benefits				
Netherlands	0.0	0.0	(11.4)	(9.5)
Finland	(2.3)	(2.1)	0.0	0.0
Norway	(0.1)	0.0	0.0	0.0
United Kingdom	(11.6)	0.0	0.0	0.0
	(14.0)	(2.1)	(11.4)	(9.5)

The amounts reported on the balance sheet and changes in the defined benefit pension plans during the year are as follows:

	Defined benefit pension plans		Other long-term benefits	
	2023	2022	2023	2022
Costs of service during the current year	(0.4)	(1.1)	(0.6)	(1.1)
Past service cost	(0.1)	0.0	0.0	0.0
Net Interest income/expense	(6.0)	1.1	(0.4)	0.0
Total reported in the income statement	(6.4)	0.0	(0.9)	(1.1)
Return on plan assets excluding amounts included in interest expenses/income	(6.5)	(189.2)	0.0	0.0
Actuarial gains/losses from changes in demographic assumptions	4.6	(2.1)	0.0	0.0
Actuarial gains/losses from changes in financial assumptions	(7.2)	155.6	0.0	0.0
Experience based gains/losses	(4.6)	(8.4)	0.0	0.0
Total reported in other comprehensive income	(13.7)	(44.1)	0.0	0.0

Change in present value of the obligation	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
As of 1 January	(345.2)	(503.9)	(10.2)	(11.2)
Through acquired business	0.0	0.0	0.0	0.0
Current service cost	(0.5)	(1.1)	(0.6)	(1.1)
Past service cost	0.0	0.0	0.0	0.0
Interest cost	(17.5)	(9.5)	(0.4)	0.0
Actuarial gains/losses	(7.3)	145.1	0.0	0.0
Benefits paid	23.1	24.2	0.8	0.0
Settlements	0.0	0.0	(0.7)	2.1
Exchange rate differences	(6.6)	0.0	0.0	0.0
As of 31 December	(354.0)	(345.2)	(11.0)	(10.2)

Change in fair value of plan assets	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
As of January 1	370.3	570.0	-	-
Through acquired business	0.0	0.0	-	-
Interest income	18.9	10.5	-	-
Return on plan assets excluding amounts included in interest expenses/income	(6.6)	(189.2)	-	-
Contributions by the employer	3.3	3.2	-	-
Benefits paid	(23.4)	(24.2)	-	-
Settlements	(3.3)	0.0	-	-
Exchange rate differences	7.2	0.0	-	-
As of December 31	366.3	370.3	-	-

The most critical assumptions for the	31 Dec 2023	31 Dec 2022
United Kingdom		
Discount rate	4.50-4.80%	4.70-5.00%
Salary increase	n/a	n/a
Inflation (based on CPI and RPI assumption)	2.80-3.30%	2.90-3.40%
Pension increase (based on CPI and RPI assumptions)	1.90-3.20%	1.80-3.20%
Finland		
Discount rate	3.25%	3.75%
Salary increase	2.75%	3.10%
Inflation	2.25%	2.60%
Norway		
Discount rate	3.10%	3.20%
Salary increase	3.50%	3.75%
G-regulering	3.25%	3.50%

The range in assumed inflation in the United Kingdom reflects different assumptions used for CPI versus RPI. The range in assumed pension increase in the UK reflects different limits linked to years in which the pension was accrued and different inflation metrics applied for those limits.

The most critical assumptions for other long-term benefits were:	31 Dec 2023	31 Dec 2022
Discount rate	3.25%	3.40%
Salary increase	2.30%	2.70%

The sensitivity in the net defined benefit pension asset/liability for changes in essential assumptions are presented below (minus equals decrease in net asset/increase in net liability).

Change in fair value of plan assets		Increase in assumption	Decrease in assumption
NOK million	Change		
Discount rate	0.50%	16.8	(18.4)
Salary increase	0.50%	(0.2)	0.2
Pension increase	0.25%	(10.1)	11.4

For the financial year of 2024, the defined pension plan fees are expected to amount to NOK 3.4 million.

Plan asset allocation	31 Dec 2023	31 Dec 2022
Bonds	136.9	129.3
Equities	57.2	59.9
Hedge funds	174.2	159.8
Insurance contracts	11.6	9.5
Alternatives	0.4	1.1
Cash	6.3	6.3
Total	386.6	365.9

Analysis of expected undiscounted payments of defined benefits	31 Dec 2023	31 Dec 2022
Within 1 year	33.1	22.1
1-2 years	25.3	21.0
3-5 years	79.1	71.5
5 years or more	489.7	459.5

NOTE 25 | OTHER PROVISIONS

Group

NOK million	Restoration of environment	Restructuring measures	Health benefits	Staff benefits	Guarantee	Total
As of 1 January 2022	1.0	6.1	0.0	0.0	1.0	8.0
Reported in the income statement:						
– additional provisions	0.0	5.3	0.0	0.0	2.1	7.4
– reversal of unutilized amount	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.1	0.3	0.0	0.0	0.1	0.4
Utilised during the year	0.0	(11.6)	0.0	0.0	(1.1)	(12.6)
As of 31 December 2022	1.1	0.1	0.0	0.0	2.1	3.2

NOK million	Restoration of environment	Restructuring measures	Health benefits	Staff benefits	Guarantee	Total
As of January 1, 2023	1.1	0.3	0.0	0.1	2.7	4.2
Reported in the income statement:						
– additional provisions	0.0	55.0	0.0	0.0	0.7	55.6
Exchange differences	0.0	0.6	0.0	0.0	0.0	0.5
Utilised during the year	0.0	(30.2)	0.0	0.0	(2.0)	(32.3)
As of December 31, 2023	1.1	25.6	0.0	0.1	1.3	28.1

Utilised during the year

NOK million	31 Dec 2023	31 Dec 2022
Long-term provision	2.7	1.1
Short-term provision	25.3	2.1
Total provisions	28.1	3.2

NOTE 26 | CURRENT LIABILITIES

NOK million	31 Dec 2023	31 Dec 2022
Kverva Industrier AS - Value-dependency derivative	233.7	417.0
Option obligation HAAS AS	160.5	148.5
Debt to shareholders	107.1	68.6
Other items	225.2	275.1
Total current liabilities	726.5	909.2

9 092 220 shares in BEWI ASA are financed through a derivative agreement, see note 4.2.

For more information regarding the option obligation to HAAS AS see comment in note 3.2.

NOK million	31 Dec 2023	31 Dec 2022
Accrued wage debt	71.9	90.6
Accrued social security fees	38.2	48.4
Accrued holiday pay including social security fees	159.6	146.1
Accrued customer bonuses	178.7	210.3
Accrued interest, including unpaid dividend to hybrid capital	56.5	18.8
Other items	210.0	511.7
Total accrued expenses and deferred income	714.9	1025.9

NOTE 27 | CONTINGENT LIABILITIES

NOK million	31 Dec 2023	31 Dec 2022
Guarantees to suppliers	0.0	0.0
Total	0.0	0.0

NOTE 28 | PLEDGED ASSETS

NOK million	31 Dec 2023	31 Dec 2022
Non-current		
<i>Property mortgages</i>		
Freehold land and buildings	145.3	162.2
<i>Shares</i>		
Shares in associates	2 285.0	689.8
Shares in subsidiaries	0.0	0.0
Current		
<i>Floating charge</i>		
Cash and cash equivalents	1.1	0.9
Receivables	83.0	139.1
Financial assets at fair value through profit or loss	55.0	47.6
Plant and equipment	99.5	93.7
Business mortgage	51.8	30.5
Other	30.3	38.3
Total	2 751.0	1 202.0

Regarding debt to credit institutions, a part of the shares in BEWI ASA and KMC Properties ASA is used as collateral via a pledged VPS account. In addition, a part of the shares in SinkabergHansen AS are pledged. The shares in BEFORM Hønefoss AS, BEFORM Halden AS and BEFORM Fredrikstad AS are pledged as collateral for debt to credit institutions. The shares in BEWI ASA and other subsidiaries are consolidated on a group level and are shown as zero in the table above.

NOTE 29 | RELATED PARTIES

Boards of Directors			Shares held by related parties	
Person	Title	Shares	Options	
Gunnar Syvertsen ¹	Chair	457	0	7 229 111
Christian Bekken ¹	Director	0	0	7 229 111
Bernt Thoresen ²	Director	0	0	1 429 389
Marie Danielsson	Director	457	0	0
Hallbjørn Berg-Hansen ³	Director	0	0	531 617
Roger Granheim (until 13.12.2023)	Director	0	0	0

¹The following members of the board of directors have an ownership share in Bekken Invest AS which owns 52.96 per cent of BEWI Invest AS.

²The following member of the board has an ownership in Kastor Invest Holding AS which owns 10.47 per cent of BEWI Invest AS.

³The following member of the board has an ownership in 3BH Invest AS which owns 3.8 per cent of BEWI Invest AS

Executive Management		Shares	Options	Shares held by related parties
Person	Title			
Bjørnar André Ulstein ¹	Chief Executive Officer	457	8 000	7 229 111

¹Bjørnar André Ulstein owns 0.19 per cent of Bekken Invest AS which owns 52.96 per cent of BEWI Invest AS.

Information on remuneration of management and the board of directors is found in note 6.

Related parties include KMC Properties ASA with an ownership share of 35.27 per cent and FiiZK TopCo with an ownership share of 40.65 per cent. Other related parties consist of HIRSCH France SAS, HIRSCH Prozell GmbH, Inoplast s.r.o. (subsidiary from 31. December 2022), BEWI EPS ehf and Energijägarna och Dorocell AB.

Transactions impacting the income statement

NOK million	2023	2022
Sale of goods	601.9	813.3
Other income	4.4	8.3
Purchase of goods	50.3	87.9
Interest income	0.0	1.0
Rental expenses	222.0	115.2
Other external cost	3.1	0.4
Total	881.6	1026.1

Transactions impacting the balance sheet

NOK million	31 Dec 2023	31 Dec 2022
Non-current receivables	16.1	1.1
Current receivables	2.3	26.0
Current Liabilities	0.0	3.2
Total	18.4	30.2

Derivative agreement

BEWI Invest has a derivative agreement with Kverva Industrier AS regarding shares in BEWI ASA. For further information see note 3.2.

NOTE 30 | ADJUSTMENTS FOR NON-CASH ITEMS, ETC

NOK million	31 Dec 2023	31 Dec 2022
Depreciations, amortisations, and write-downs	823.5	509.5
Change in provisions for pension liabilities	(3.4)	(5.1)
Change in other provisions	24.0	168.7
Effect of share-based incentive program	2.3	6.1
Change in other current assets and other debt items	0.0	12.1
Capital gain and loss	29.6	(120.2)
Other changes	0.0	16.0
Total	876.0	587.1

NOTE 31 | SUBSEQUENT EVENTS

BEWI Invest – Change of ownership in KMC Properties

In January 2024, BEWI Invest AS increased its ownership in KMC Properties by 12 million shares to a total of 151 020 955 shares.

Following BEWI ASA's sale of shares in KMC Properties in December 2023 (indirect ownership for BEWI Invest), and share issues in KMC Properties directed at Nordika, of which 50 million new shares were registered in November 2023 and 22 608 696 new shares were registered in February 2024, BEWI Invest's ownership was 36.24 per cent as of 19 February 2024.

Change of board of directors

On 7 February 2024, an extraordinary general meeting was held in BEWI Invest AS. At the meeting, a new board of directors was elected. The new board includes representatives from five of the largest shareholders of the company and consists of Sigmund Wærnes (chair), Karl-Erik Bekken, Marianne Bekken, Lisa Lockert Bekken, Hallbjørn Berg-Hansen, Bernt Thoresen, Børge Klungerbo, and Anne Strøm Nakstad.

Change in long-term credit facility

In Q1 2024, BEWI's long-term revolving credit facility (RCF) was changed from NOK 1 250 million to NOK 1 125 million.

Financial statement of the parent company

Income statement

NOK million	Note	2023	2022
Operating Income			
Net sales		6.6	7.7
Other operating income		6.2	5.3
Total operating income		12.8	13.0
Operating expenses			
Personnel costs	1.2	(25.7)	(38.7)
Depreciation/ amortisation and impairment of tangible and intangible assets	4	(0.9)	(1.0)
Other external costs		(39.4)	(33.1)
Total operating expenses		(66.1)	(72.8)
Operating profit		(53.3)	(59.8)
Financial income and expenses			
Financial income		79.9	105.2
Financial expense	5	(398.3)	(356.0)
Net financial items		(318.4)	(250.8)
Net income for the year		(371.7)	(310.5)
Attributable to:			
Ordinary dividend			
Transferred from other equity		(371.7)	(310.5)
Total		(371.7)	(310.5)

Statements of financial position

NOK million	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Equipment, tools, fixtures and fittings	4	2.8	3.6
Total property, plant and equipment		2.8	3.6
Financial assets			
Shares in subsidiaries	5	1 982.7	1 987.9
Loan to group companies	6	55.2	24.5
Shares in associates	5	2 411.0	1 132.5
Non-current receivables associates	6	4.2	4.2
Other shares and participations	5	9.8	5.0
Other non-current assets	6	100.2	97.3
Total financial assets		4 563.0	3 251.3
Total non-current assets		4 565.8	3 255.0
Current assets			
Debitors			
Account receivables		2.5	39.7
Other current receivables	7	0.5	0.0
Receivables from group companies	7	199.7	37.3
Total receivables		202.7	77.0
Investments			
Shares in group companies	5	233.7	417.3
Listed shares		37.5	25.0
Total investments		271.2	442.3
Cash and cash equivalents	8	700.7	1.7
Total current assets		1 174.6	520.9
TOTAL ASSETS		5 740.4	3 775.9

Statements of financial position

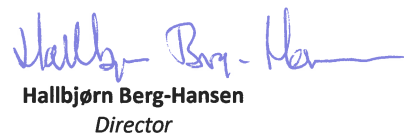
NOK million	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
Share capital	9	13.9	9.7
Treasury Shares		(0.2)	(0.5)
Share premium reserve		3 569.7	1 904.6
Accumulated profit (including net profit for the period)		420.5	256.0
Total equity	9	4 003.8	2 169.7
Liabilities			
Non-current liabilities			
Liabilities to financial institutions	10	1 051.9	444.9
Other non-current liabilities	10	20.6	19.0
Total non-current liabilities		1 072.5	463.9
Current liabilities			
Current interest-bearing liabilities	11	25.0	398.2
Account payables		1.9	2.0
Public duties payable		3.6	38.6
Liabilities to group companies	11	94.9	85.7
Other current liabilities	11	538.7	617.8
Total current liabilities		664.2	1 142.3
Total liabilities		1 736.6	1 606.2
Total equity and liabilities		5 740.4	3 775.9

Trondheim, 29.04.2024
The board of directors and CEO

BEWI Invest AS



Stig Wærnes
Chair


Bernt Thoresen
Director

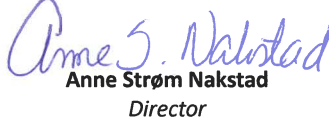

Hallbjørn Berg-Hansen
Director



Karl-Erik Bekken
Director


Marianne Bekken
Director


Lisa Lockert Bekken
Director


Børge Klungerbo
Director


Anne Strøm Nakstad
Director


Bjørnar André Ulstein
CEO

Statements of cash flow

NOK million	Note	2023	2022
Operating cash flow			
Operating income (ebit)		(53.3)	(59.8)
Interests received and financial income		52.8	15.2
Interests paid and financial costs		(116.7)	(60.0)
Adjustments for non-cash items, etc.	4	0.9	1.0
Cash flow from operating activities before changes in working capital		(116.2)	(103.6)
Change in accounts receivables		37.2	(34.5)
Change in other short-term receivables		1.7	271.2
Change in accounts payables		(0.1)	(9.4)
Change in other short-term payables	11	(94.0)	138.9
Cash flow from operating activities		(171.4)	262.6
Cash flow from investment activities			
Purchase of property, plant and equipment and intangible assets	4	(0.1)	(0.7)
Acquisitions of associated companies	5	(600.0)	0.0
Investment i shares and other financial assets		(51.9)	(835.0)
Disposals of property, plant and equipment and intangible assets		0.0	0.0
Divestment of business		0.0	0.0
Divestment of associated companies	5	712.5	488.0
Cash flow from investment activities		60.5	(347.8)
Cash flow from financing activities			
Change in capital paid in		574.5	230.5
Liabilities to financial institutions	10	1 066.0	34.0
Other non-current liabilities		1.6	(29.5)
Dividends		0.0	(200.0)
Repayment of borrowings		(832.2)	0.0
Cash flow from financing activities		810.0	35.0
Cash flow for the period		699.0	(50.2)
Opening cash and cash equivalents		1.7	51.8
Closing cash and cash equivalents		700.7	1.7

Accounting Policies

The annual accounts are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

All monetary figures are in NOK million, unless specified as NOK.

Main principles for the assessment and classification of assets and liabilities

Assets destined for permanent ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables to be repaid within one year are classified as current assets. When classifying short-term and long-term debt, analogous criteria are applied.

Fixed assets are assessed at acquisition cost but are written down to fair value when the decline in value is not expected to be temporary. Fixed assets with a limited economic life are depreciated on a planned basis. Current assets are valued at the lowest of acquisition cost and fair value. Current liabilities are recognised in the balance sheet at the nominally received amount at the time of establishment.

Property, plant and equipment

Fixed assets depreciate over their expected economic life. The depreciation is carried out as straight-line depreciation.

Receivables

Trade receivables and other receivables are listed at face value after deducting provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the individual receivables.

Taxes

The tax expense consists of tax payable (tax on taxable income for the year) and change in net deferred tax. Positive and negative temporary differences are assessed, but net deferred tax assets are not recognised in the balance sheet.

Stocks

Shares are listed at cost. Impairment to fair value is carried out in the event of impairment that is not considered to be temporary. Listed shares assessed as current assets are booked at market value.

Operating income

Income from services is recognised as they are accrued.

Financial income

Financial income is recognised as income when accrued.

Currency

Monetary items, receivables and liabilities, in currency are assessed at exchange rate 31.12.

Segments

All income is related to management fees and subletting of office properties. Otherwise, as an owner company, the company does not have operating revenues that make up its own segments.

Cash flow analysis

Cash flow analysis is set up by indirect method.

Note 1 | Employee benefits expense

NOK million	2023	2022
Salary and other remuneration	19.0	28.1
Social security expenses	3.7	6.6
Costs hired staff	0.0	0.0
Pensions	1.4	1.3
Other staff cost	1.6	2.8
Total remunerations to employees	25.7	38.7
Average number of employees	15	16
Bonus to employees and management	3.9	6.4

The company has established a defined contribution pension agreement that covers the requirements of the Act relating to compulsory occupational pensions.

(Figures in NOK)	2023	2022
Salary and other remuneration to CEO	2 219 291	1 576 183
Bonus	142 500	146 119
Value of shares received in Bekken Invest AS	0	8 034 523
Other taxable compensation	24 060	20 703
Remuneration to board of directors	0	0

Note 2 | Other costs

Remunerations to auditors	2023	2022
The audit assignment	2.3	1.1
Tax advice and other services	1.5	0.3
Total other costs	3.8	1.4
Remunerations to PWC	3.80	1.06
Remunerations to Deloitte	0.00	0.04

NOK 0.24 million is related to group companies merged into BEWI Invest in 2022.

Note 3 | Income tax

Tax income(+)/expense(-) comprises	2023
Current tax income(+)/expense(-) this year	0.0
Deferred tax income(+)/expense(-)	-29.4
Deferred tax income not balanced	29.4
Total tax income(+)/expense(-)	0.0

Tax base calculation	
Total income(+)/expense(-) before taxes	-371.3
Permanent differences	237.2
Group contribution	0.5
Temporary differences	133.5
Total taxable income	0.0

Tax recognised on profit	0.0
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Specification of temporary differences	31.12.2023	1.1.2023	Change
Current assets	0.0	0.0	0.0
Non-current assets	0.0	0.1	-0.1
Other provisions	0.0	0.0	0.0
Deductible loss carried forward	-511.0	-468.5	-42.5
Deductible interests carried forward	-139.4	-48.5	-91.0
Net temporary differences	-650.5	-516.9	-133.5

Deferred tax asset (+) / deferred tax obligation (-)	-143.1	-113.7	-29.4
Net deferred tax asset is not capitalized.			

Note 4 | Fixed assets

	2023	2022
Acquisition cost 1.1.	5.4	4.6
Acquisitions	0.1	0.7
Disposals	0.0	0.0
Acquisition cost 31.12.	5.5	5.4
Accumulated depreciation	(2.7)	(1.7)
Book value 31.12.	2.8	3.6

Depreciation of the year	0.9	1.0
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Depreciation rate	5 years	5 years
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Note 5 | Shares in subsidiaries, group companies and affiliates

Subsidiary	Book value	Number of shares	Owned in per cent	Net result	Equity
Frøya Invest AS *)	330.9	2 000	100.00 %	(8.6)	218.9
BEWI ASA	1 882.5	97 958 328	51.09 %	(163.8)	4 672.9
Belong Invest AB	3.0	500	100.00 %	(0.4)	2.5

The company has assessed 9 092 220 of the shares in BEWI ASA as current assets. These are linked to short-term funding where the value is linked to the market value of the shares. The shares are valued at market value, corresponding to the value of funding, NOK 233.6 million (2022: NOK 417.3 million). See also note 11.

*) Book value are reduced by NOK 100 million, included in Financial expense.

	2023	2022
Recognised accrued dividends and group contributions	0.5	0.0

Shares in associated companies	Number of shares	Owned in per cent	Book value	Net result	Equity
KMC Properties ASA *)	139 019 470	35.27 %	889.7	(1.4)	2 798.5
Nextco III AS/Sinkaberghansen AS	21 000	70.00 %	1 520.3	859.0	3 373.6
Saro Maxpack B.V.	119 000	34.00 %	1.0	1.6	5.3

In April 2023 BEWI Invest acquired 44.4 per cent of the shares in Sinkaberghansen AS. Thereafter the shares were transferred to NextCo III AS, a single purpose company owned by BEWI Invest. At the end of 2023 30 per cent of the shares in Nextco III AS was sold, reducing ownership in Sinkaberghansen to 31 per cent.

*) Book value are reduced by NOK 169.6 million, included in Financial expense

Other shares	Number of shares	Owned in per cent	Book value
Wellguard AS, org nr. 914 833 973	10 078	2.74 %	3.1
Systembygg AS	100	13.07 %	1.0
Elekt AS	108 544	3.53 %	5.6

Note 6 | Long-term receivables

Loans to group companies	2023	2022
Frøya Invest AS	55.2	24.5
Calculated interests	3.0	0.1
Loans to associated companies	2023	2022
Saro Maxpack B.V.	4.2	4.2

The receivables are repaid in accordance with the parties' decision but must be redeemed within 10 years from the issue, meaning by the end of 2028. The claim is in Euro and no security has been provided.

Other long-term receivables	2023	2022
Claims on Torghatten Aqua AS	100.0	97.3
Others	1.2	0.0
Calculated interests	5.4	1.3

The receivables were established as convertible loans with the right for the lender to convert to an ordinary loan upon notice. Such notice has been given in 2023 and the loan will then be an ordinary loan. The loan was settled in January 2024.

Note 7 | Short-term receivables

Other short-term receivables	2023	2022
Other	0.5	0.0

Short-term receivables from group companies	2023	2022
Bekken Invest AS	160.7	0.0
BEWI Energy AS	30.2	29.5
Frøya Invest AS	0.5	0.0
BEFORM Fredrikstad AS	0.0	2.0
BEWI Solutions AS	7.3	5.8
Calculated interests	0.0	0.0
Receivables due later than 1 year	0.0	0.0

Receivables from BEWI Solutions AS and BEWI Energy AS will be settled by offsetting of group contributions.

Note 8 | Cash and cash equivalents

Restricted cash	2023	2022
Tax withholding funds	1.9	1.5

Note 9 | Equity

The share capital consists of 13 863 343 shares of NOK 1. There are two classes of shares. Ordinary (class B) and preference shares (class A). Preference shares earn dividend based on an estimated base amount of NOK 768.29 per share.

Dividends on the preference shares are calculated on the basis of NIBOR, with a margin starting at 4.5 per cent. The margin increases by 2.5 per cent every six months, the first time 1.4.2023. As per 31 of December the margin is 9.5 per cent. Accrued preference returns must be paid in full before dividends on ordinary shares can be distributed. The preference shares are not entitled to dividends in general.

Major shareholders	Number of Shares (A)	Number of Shares (B)	Total shares	Distribution own shares included	Distribution outstanding shares
Bekken Invest AS		7 229 111	7 229 111	52.15 %	52.96 %
Kastor Invest Holding AS		1 429 389	1 429 389	10.31 %	10.47 %
Kverva Industrier AS	746 807	0	746 807	5.39 %	5.47 %
Investitude AS		634 146	634 146	4.57 %	4.65 %
Frøy Kapital AS		535 792	535 792	3.86 %	3.93 %
Haukenes AS		531 617	531 617	3.83 %	3.89 %
Hauketoppen AS		531 617	531 617	3.83 %	3.89 %
JMJ Invest AS		531 617	531 617	3.83 %	3.89 %
3BH Invest AS		531 617	531 617	3.83 %	3.89 %
Matpartner Invest AS		268 098	268 098	1.93 %	1.96 %
Devico Holding AS		253 658	253 658	1.83 %	1.86 %
Others		427 200	427 200	3.08 %	3.13 %
Own shares in BEWI Invest AS		212 674	212 674	1.53 %	0.00 %
Total	746 807	13 116 536	13 863 343	100.00 %	100.00 %

Reconciliation movement equity	Share capital	Premium capital	Other equity	Total equity
Equity 1.1.	9.2	1 904.6	256.0	2 169.7
Merger with group companies	0.0		0.0	0.0
Share issue, less transaction costs	4.2	1 665.0	0.0	1 669.2
Purchase and sale of treasury shares	0.3		134.9	135.2
Issue and sale of hybrid capital	0.0		600.0	600.0
Buyback of hybrid capital	0.0		(300.0)	(300.0)
Accrued yield to hybrid capital	0.0		(74.3)	(74.3)
Transfer of financial liability related to put-option to Bekken Invest AS, note 11	0.0		164.7	164.7
Accrued yield from 2022 to preference shares (A) reclassified	0.0	0.0	10.4	10.4
Retained earnings	0.0	0.0	(371.3)	(371.3)
Equity 31.12.	13.7	3 569.7	420.5	4 003.8

Transactions of own shares and issuance of hybrid capital

In 2022, the company repurchased a total of 787,500 shares from the owners Bekken Invest and Kastor Invest Holding. The transaction was carried out with a consideration of respectively MNOK 200 and 400, a total of NOK 600 million. The liability was settled by issue of hybrid bonds. The hybrid bond has no mandatory instalments or scheduled maturity and therefore is classified as equity.

In 2023, the company repurchased a total value of NOK 300 million bonds from the owners Bekken Invest and Kastor Invest Holding. The repurchased bonds, together with an issue of NOK 300 million, was used as consideration for shares in Sinkaberghansen AS.

The return on the hybrid bonds is calculated as Nibor, plus a margin of 6 per cent, which is increased to 11 per cent from 29th of April 2027. At the same date all, but not some, of the bonds may be redeemed at a price equal to 100 per cent.

Treasury shares	Number of Shares (B)
Treasury shares at opening balance	543 598
Purchase & acquisition of treasury shares	173 170
Sale of treasury shares	(504 094)
Total of treasury shares at closing balance	212 674

Note 10 | Long-term debt and collateral

Debt to credit institutions	2023	2022
Mortgage	0.0	450.0
RCF, dated 30th of June 2023	1 062.2	0.0
Amortized borrowing cost	(10.3)	(5.1)

As collateral for both long-term and short-term debt to credit institutions, a part of the shares in BEWI ASA, KMC Properties ASA are pledged, via collateral in VPS accounts. In addition a part of the shares in Sinkaberghansen AS are pledged. Booked value of pledged shares are NOK 3 599,2 million.

In connection with refinancing accrued borrowing costs was increased by NOK 7,3 million in 2023. Refinancing was completed in June 2023, and the accumulated cost of NOK 12,3 million is amortized over 3 years.

Other long-term debt to group companies	2023	2022
Delprodukt AS	20.6	19.0
Calculated interests	1.6	0.1

The loan is long-term and is repaid in accordance with the management's decision, including by way of set-off other claims BEWI Invest has against Delprodukt.

The company has bail liability for any balance to the bank of the subsidiary BEWI Energy AS, with a nominal value of NOK 21.5 million. The liability also includes lease agreement of NOK 3 million.

Note 11 | Short-term debt

		2023	2022
Debt to credit institutions		25.0	398.2
Short-term debt to group companies		2023	2022
Frøya Invest AS	Group contribution	55.2	0.0
Bekken Invest AS		0.0	47.7
BEWI Solution AS	Group contribution	7.4	6.0
BEWI Energy AS	Group contribution	31.0	32.0
AS Delprodukt	Group contribution	1.4	0.0
Calculated interests		0.0	4.6
Other current liabilities		2023	2022
Kastor Invest Holding AS		0.0	5.2
Kastor Invest AS		0.0	15.6
Option obligation HAAS AS		160.5	148.5
Kverva Industrier AS - Value-dependency derivative		233.7	417.3
Accrued interests		34.0	20.0
Debt certificate to sellers of shares in Sinkaberghansen AS		107.1	0.0
Other		3.5	9.3

Option obligations

In October 2022 the company sold 67 250 000 shares in KMC Properties AS to HAAS AS. The agreement also included an option for HAAS to sell back 30 000 000 of the shares to BEWI Invest after 12 months from delivery of the shares and for a period of three months. At provision of NOK 160.5 million (148.5 million) is done for the HAAS-agreement. In 2022, the company also sold 13 020 833 shares in KMC Properties ASA to Frøy Kapital AS. In the period 1.10.23 to 1.10.24 the buyer has a right to sell the shares back to BEWI Invest and receive shares in BEWI Invest AS as consideration. No provision is made for this agreement.

Derivative obligation to Kverva Industrier AS.

Derivative obligation to Kverva Industrier AS is interest-free and is repaid within 30 days of being demanded by the lender. The value shall at all times correspond to the value of 9,092,220 shares in BEWI ASA. The obligation carries no interests, but the lender is entitled to any dividend and income from the shares.

Note 12 | Events after the balance sheet date

In January 2024, BEWI Invest AS increased its ownership in KMC Properties by 12 million shares to a total of 151 020 955 shares.

Following BEWI ASA's sale of shares in KMC Properties in December 2023 (indirect ownership for BEWI Invest), and share issues in KMC Properties directed at Nordika, of which 50 million new shares were registered in November 2023 and 22 608 696 new shares were registered in February 2024, BEWI Invest's ownership was 36.24 per cent as of 19 February 2024.

Alternative Performance Measures (APM)

EBITDA	Earnings before interest, depreciation, and amortization. EBITDA is a key ratio that the group considers relevant to understand the earning potential before investments in fixed assets
EBITDA margin	EBITDA as a percentage of net sales. The EBITDA margin is a key ratio that the group considers relevant to understand the profitability of the business and to make comparisons with other companies
Adjusted EBITDA	Normalized earnings before interest, tax, depreciation, and amortization. Items affecting comparability and deviations are added back
EBIT	Earnings before interest and taxes. EBIT is a key ratio that the group considers relevant since it makes it possible to compare the profitability over time irrespective of corporate tax rates and financing structure. However, depreciations are included which is a measure of resource consumption that is necessary to generate the result.
EBIT margin	EBIT as a percentage of net sales. The EBIT margin is a key ratio which the group considers relevant to understand the profitability of the business and to make comparisons with other companies.
Gross Asset value (GAV)	The sum of listed shares (valued to last month's VWAP), most recent valuation for non-listed shares and the book value of other assets.
Gross Financing	The sum of interest-bearing liabilities, total return swap-agreements (TRS-agreements), hybrid bond, preference shares and dividend on preference shares.
Net Asset Value (NAV)	Gross asset value less Gross financing
VWAP	Preceding month volume-weighted average price of listed shares. Used to determine price on public holdings.



To the General Meeting of BEWI Invest AS

Independent Auditor's Report

Opinion

We have audited the financial statements of BEWI Invest AS, which comprise:

- the financial statements of the parent company BEWI Invest AS (the Company), which comprise the statements of financial positions as at 31 December 2023, the income statement, and statements of cash flow for the year then ended, and annual accounts, including a summary of significant accounting principles, and
- the consolidated financial statements of BEWI Invest AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the accounts, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 29 May 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Historically the Group has acquired several companies which led to recognition of assets such as trademarks and goodwill. *Valuation of Goodwill and Trademarks* therefore represents an important area for our audit.



Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Impairment testing of goodwill and intangible assets with an indefinite useful life</p> <p>The carrying amount of goodwill and trademarks amount to NOK 3 075.2 million and NOK 530.6 million respectively on December 31, 2023, and represent a significant portion of the Group's total assets.</p> <p>Goodwill and trademarks are tested for impairment at least annually. The Impairment tests require application of management judgement in determining the recoverable amounts of goodwill and trademarks. Specifically, judgement is applied in estimating among other, projected income and cost and the applied discount rate. Based on management's impairment assessment at the balance-sheet date, no impairment was recognised in 2023.</p> <p>We focused on valuation of goodwill and trademarks because of the significance of the amounts involved and the level of management judgement applied.</p> <p>The Group's principles and methods for valuation of goodwill and intangible assets are described in notes 2.5, 4.1 and note 12 to the consolidated financial statements.</p>	<p>We obtained an understanding of management's process related to assessment of valuation of goodwill and trademarks.</p> <p>We reviewed management's documentation for impairment testing, and considered whether the valuation model applied by management contained the elements and methodology required by the IFRS Accounting Standards. In all material respects, we found the models to be reasonable and in accordance with the requirements. We also assessed the logical structure and tested the mathematical accuracy of the model and found no material deviations.</p> <p>We examined how management identified cash-generating units and compared this to how management followed up goodwill and trademarks internally. Further we evaluated the reasonableness of the assumptions applied and management's analysis of changes in key assumptions, which could led to a need for impairment.</p> <p>We found that the assumptions were aligned with historic results and board approved budgets.</p> <p>We evaluated the discount rate used by management by comparing the elements in the calculation of the discount rate to both internal and external information.</p> <p>We also considered the adequacy of the information provided in notes 2.5, 4.1 and 12 to the consolidated financial statements and found them appropriate.</p>

Other Information

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

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



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

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Trondheim, 29 April 2024
PricewaterhouseCoopers AS

Kjetil Smørdal
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Smørdal, Kjetil	BANKID	2024-04-29 12:28



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