

A man with a beard and a shaved head is painting a window frame with a brush. He is looking up at the frame. The background shows a window with a view of greenery outside.

2024

Annual report

HÅNDVERKSGRUPPEN GROUP AS

We unite local, successful craft companies

HG's culture celebrates craftsmanship, collaboration and recognizes our people as the cornerstone of our success.

In 2024, 23 well-established local craft businesses became part of HG. Since 2020 more than 150 craft businesses, with over 4 500 craftspeople, have joined us. It is truly inspiring to work with such a dedicated group of colleagues and we are grateful that you all put trust in HG!

We are proud craftspeople. Together, we foster strong local relationships while at the same time promoting collaboration, knowledge sharing and resources within the HG family. Together, we leverage on our network and toolkit, including HG Academy, HG apprenticeship program, best practices, procurement agreements, organizational development, joint tendering and knowl-

edge base. All while maintaining each company's local identity and culture.

Together, we create a positive impact on people, society and environment by minimizing our companies' environmental footprint, ISO certifying our businesses and promoting sustainable practices.

In essence, we take the next phase in our industry and build a resilient business with diversified services and customers, in Europe.

Øyvind Emblem,
CEO Håndverksgruppen



Contents

2024 in brief	04	Case study: When one painter gains the buying power of a hundred	66
Executive overview	10	Leadership	72
Case study: They're used to carrying the load alone...	14	Directors' report	78
Our strategy and M&A strategy	20		
Case study: Every six minutes HG completes an insurance job in Norway	28		
Trends in our markets	34		
Case study: Boss on sick leave made the company healthy	38		
Our services	44		
ESG strategy	52		

The fastest growing surfacing contractor in Europe

HG is the largest and fastest growing surfacing contractor in Europe. With more than 4 500 craftspeople, we provide walling, painting, tiling, and flooring services that consistently exceed customer expectations.

As a group, we create value by compounding and developing local winners within our industry – all with highly satisfied local customers, solid financial track record and a good company culture.

Despite a challenging market in 2024, our revenues grew by 14% compared with the previous year. We see that our local companies benefit from being part of the same group; they can balance local market swings by sharing resources, pursuing joint tenders, and reinforcing the sharing of best practices - all of which strengthens the HG culture.

The markets we operate in are highly fragmented, resilient, and offer significant compounding opportunities. In 2024, 23 well-established local craft businesses became part of HG and since 2020, we have included more than 150 businesses in Norway, Sweden, Denmark and Germany, mainly based on referrals from already satisfied shareholders, which forms the foundation for cultural affinity and smooth integration.

We add value through our Toolkit, including HG Academy and sharing of knowledge, best practices and resources. Furthermore, we all benefit from our procurement agreements, organizational development, joint tender-

ing and knowledge base. All while maintaining each company's local identity and culture.

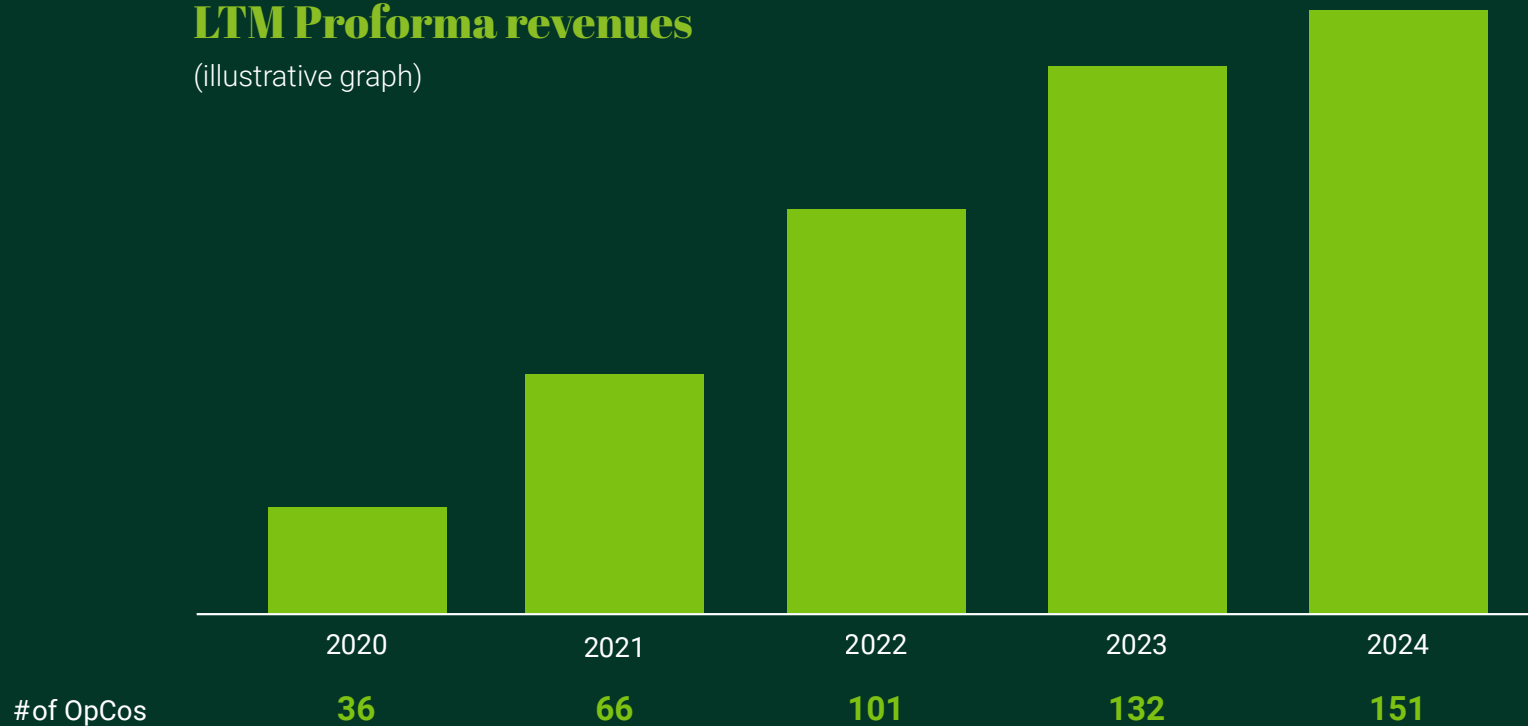
In addition, we create a positive impact on people, society and environment by minimizing our companies' environmental footprint, ISO certifying our businesses and promoting sustainable practices.

In essence, we take the next phase in our industry and build a resilient business, with diversified services and customer segments, in many geographies.

Despite a challenging market in 2024, our revenues grew by 14% compared with the previous year.

LTM Proforma revenues

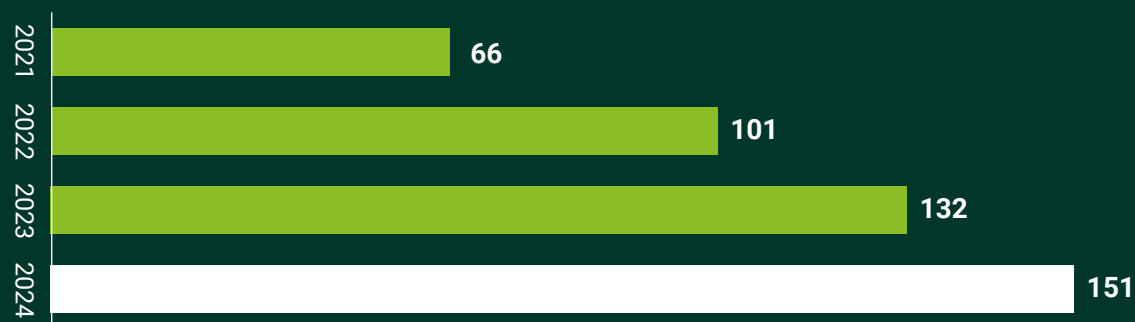
(illustrative graph)



Highlights 2024

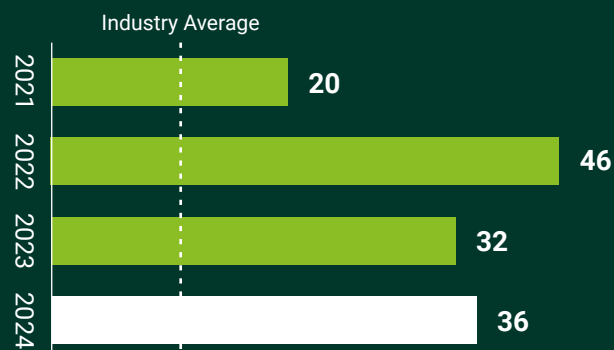
Number of companies*

Growth from 2021 to 2024



Happy employees delivering quality

Employer Net Promoter Score



23

new companies*
joined HG

8.2%

share of apprentices*
in 2024

15%

share of women
in 2024 (+67%
from 2021)

1

new company*
every 2nd week
still true



Our companies* – The local winners!



We provide all types of surface services



Painting



Flooring



Masonry



Tiling

* Includes operating companies only

CEO Comment

During 2024, our value creating Toolbox and ability to share knowledge and resources to reinforce performance was invaluable.



Øyvind Emblem
CEO

The weak sentiment in the new build market continued during the year, especially in Sweden, while the refurbishment market remained resilient. In this environment, our consolidated EBIT margin was temporarily hurt, but we managed to improve cash flow from operations, which is crucial for our continued growth.

I am impressed by our companies. Many reported increasing net revenues, combined with an EBITA margin on or above the same period last year, despite the headwind. However, a smaller group of companies in Norway and Sweden underperformed, which largely explains the weak profitability.

In the year, we continued to focus on leveraging on our united network. We conducted negotiations with our suppliers and achieved savings on material from

improved procurement agreements of over NOK 25 million. Furthermore, we leveraged on our network and toolkit, including HG Academy (10% of our employees attended a program in 2024), best practices, procurement agreements, organizational development, joint tendering and knowledge base. All while maintaining each company's local identity and culture.

Mixed development in our three segments

We developed well in three out of our four markets. Total net revenues increased in Germany, while both total and organic net revenue increased in Norway and Denmark. The EBITA-margin improved in Denmark.

In Sweden, where the market is at its lowest since the 1990s, operating revenue increased slightly, while EBITA development was negative. However, I am still impressed by the performance of most of our compa-



nies, although there is plenty of room for improvement. We now put extra focus on improving performance in a handful low performing companies and reduced the workforce in Sweden by more than 100 employees during 2024 to adapt the cost structure to the current market conditions.

I see great room for improvement, not the least by leveraging on our Toolbox and shared initiatives. We have successfully done so in Norway and last year in Denmark, which resulted in improved financial performance in 2024. Going forward, we will persist our attention to performance and we will act quickly to close gaps when these arise.

Continued high self-financed M&A activity

80% of our companies are sourced from referrals from the existing HG network and our ambition is to include only companies that are among the 20% strongest in their markets in the HG family. In 2024, we welcomed 23 companies, whereof three in Norway, three in Sweden, 14 in Denmark and three in Germany. This means that we are now more than 150 businesses, whereof 49 in Sweden, 70 in Norway, 27 in Denmark and five in Germany. The resounding approval rate of joining companies recommending HG to others (~80 percent) attests to the strength of our cultural bonds.

As mentioned, our high M&A activity is supported by our solid operating cash flow and strong operating cash conversion of 118 percent in 2024. The strong cash flow lays the foundation for continued M&A growth, with focus on Germany and Denmark.

We have an attractive model and culture for the medium to high-margin niche companies we focus on across all countries. They all experience increasing demand from customers in terms of quality of services, ESG, digitalisation, control and documentation. As a standalone firm this creates challenges. To be part of a group of companies that values heritage while offering shared benefits and knowledge, education and standards, creates possibilities.

ESG, education and knowledge sharing at the core

In 2024, we continued to develop the ESG agendas of both the Group and our local companies. This included continued focus to ISO certify relevant companies, mapping scope 1 and 2 emissions, and driving lasting change across the industry through code of conduct training for our craftspeople. Furthermore, 8% of our current workforce is apprentices, which is an integral part of our ESG strategy and a key enabler for future growth. In addition, our ongoing efforts to minimize

8%

of our current
workforce is
apprentices,
which is an integral
part of our ESG
strategy.





In essence, we create a positive impact on people, society and environment by minimizing our companies' environmental footprint, ISO certifying our businesses and promoting sustainable practices.

our carbon footprint have been significant, with 100 percent of relevant local companies having achieved ISO 14001 certification by the end of 2024.

In essence, we create a positive impact on people, society and environment by minimizing our companies' environmental footprint, ISO certifying our businesses and promoting sustainable practices.

Close "co-operational freedom" the recipe for success

Anyone who follows us will find statement such as that "HG's culture celebrates craftsmanship, collaboration and recognizes our people as the cornerstone of our success". That "we empower local decision-making and cherish the local heritage and relationships that define us". This is not just words but truly define who we are.

The management teams and employees in our family

of companies uphold these high standards. As a result, we can fully trust each other's independent decision-making. Each company is an established local-market leader with a proven track record, retaining strong local brands, employees, and customer relationships. HG's role is to support them, leverage their key competences, and provide best practice, professional support, and national coordination. It's as simple as that – though it requires a focused approach. To ensure this, we regularly bring our people together through regional workshops, the Annual General Managers' Meeting, and quarterly shareholder meetings.

Ready for the next steps

HG is now the largest and fastest growing surfacing contractor in Europe. We have during 2024 built the capabilities and processes that are required for listed companies. This means that we are IPO ready, but even more importantly that we have built a

sustainable organisation to support our growth. As a well-established player, we are now moving into the new year with the continued ambition to outperform the market and improve margins for the Group and our segment through the application of our Toolkit, while also targeting a cost reduction - both in absolute numbers and as a share of net revenue.

Furthermore, many of the companies are new to HG and have not yet fully benefited from the opportunities that lies within the HG network. We see this as key to our success, are ready to take advantage of improved market conditions when they occur and continue our path to become the Northern European market leader in surface treatment.

Øyvind Emblem, CEO

They're used to carrying the load alone...

But this cannot go on forever. There comes a point when even the strongest business leaders want someone at their side to take on some of the load.

A partner who can help to maintain the tradition and quality of the business in the future. If there is no natural successor within the company, how can the business retain what makes it particularly valuable: its DNA?

We can imagine the two master painters and company owners Olaf and Wolfram as satisfied entrepreneurs. Because their businesses are doing very well. And because they have solved a weighty problem. One that had been keeping them up at night for quite some time.

Satisfied – and yet sleepless

Olaf Übelacker and Wolfram Beck each run a very successful painting company. Olaf is based in Munich and Wolfram in the Stuttgart area. Both manage their companies with a great deal of commitment and passion. They prioritise quality and innovation, have a loyal customer base and a sufficient number of skilled workers. So how did it come about that a few years ago, the two of them were lying awake at night? And that they weren't sitting with friends or family in the evening but brooding alone in front of papers and numbers?





“

Both Olaf Übelacker and Wolfram Beck manage their companies with a great deal of commitment and passion.

A plan becomes a problem

During those evenings, Olaf and Wolfram each came up with a plan. And as strange as it may sound, this plan was the problem.

Olaf's company is a well-known brand in Munich. The surname Übelacker is as familiar to customers as FC Bayern or the venerable Frauenkirche. The business was founded by his grandfather, who in the 1930s went around the city with a handcart offering his painting services. Olaf's father turned the company into a solidly growing business. Olaf took over the business in the third generation, developed it further and introduced many new ideas. One of these ideas is the impressive showroom in the north of Munich, where Olaf and his team show how to successfully integrate high-quality colours and surfaces into living spaces.



When I look at how our team is involved in the processes today, I can say: mission accomplished.

The solution? It didn't suit Olaf at all at

– I work very hard and successfully, says Olaf.

– I realise that I have achieved a lot. There are no unfulfilled dreams left. But there is one goal: that the history of the company does not end with my name.

A wish that he shared with his late father, when he visited him in hospital just before his death. Olaf doesn't have any children of his own. His stepson works in the company and is about to complete his Master of Finance, with the intention of going his own way. So, who could be the person to succeed Olaf, when one day he will take a step back?

There was no quick solution. It took him another five years to find the answer. At first, he didn't think it was a good fit for him at all...

A painter with a mission

Around 230 kilometres further west, in the area of Stuttgart, Wolfram Beck often reflects on his craft. It



was anything but a foregone conclusion that he would take over his father's business. Wolfram got the chance to start an apprenticeship as a banker, but soon realised that there was something missing from his work with numbers: creativity. He sought this out in his father's painting business. Wolfram developed a real passion for this craft. A passion for colours and surfaces. And soon he set out on a mission.

– In the past, the master painter was the most important partner of the architect; the two were in constant communication,' says Wolfram.

When he began his training in his father's company in the 1980s, things were different. 'The expertise and know-how of painters were no longer in demand. I thought that was wrong – and wanted to change that again.' So, Wolfram was a painter with a mission: to improve the position of the painting trade.

– When I look at how our team is involved in the processes today, I can say: mission accomplished.

**Thinking about the future in your mid-50s**

Two successful entrepreneurs. And yet they still have those sleepless nights. Why? And what does that have to do with this plan that they have both forged independently of each other?

The plan was this: it had to happen in their mid-50s. That much was clear to both. In their mid-50s, they wanted to find answers to the question of how their companies would continue when the time came to take a step back. Not into retirement – that is not something that Olaf and Wolfram can even imagine for the time being, they enjoy their work far too much for that. But one thing is clear to both: their role will change at a certain age. Until that moment, when they can no longer work – or no longer want to work.

– And anyone who only starts thinking about the future of the company at that point is too late, says Olaf.

They are jeopardising success. The legacy. The mission.

Nothing changes – and everything does

In their mid-50s, Olaf and Wolfram each started the process. The succession process. They observed how other entrepreneurs they knew approached the problem – and in doing so, they found out how they didn't want to do it. They talked to interested parties and investors and examined various models for handing over the

company. Nothing was quite right. Which was usually not for lack of money. But because something would be lost. Something very valuable that cannot be weighed in monetary terms.

- For me, a solution in which I would give up my company and thus also my name was never an option, says Olaf.

- For me, it was clear that the solution had to guarantee that our high standards in the painting trade would not suffer in any way, says Wolfram.

Both companies have a very special individual DNA. And this DNA must be preserved at all costs. Even when the entrepreneurs retire. Wolfram sums up the challenge:

- On the one hand, nothing should change, but on the other, everything should.

How on earth do you resolve such a dilemma?

One request: continue as before

One day, Olaf received a visit from Norway. Two representatives from HG had registered to present their concept to him. The concept of a very special kind of group in which companies are linked together





I lost my scepticism about the idea of becoming part of this kind of group when I realised what it actually means.

in partnership. Olaf's first thought that day? 'Another concept. And then also that of a group.' The approach didn't seem right to him: 'I wasn't very optimistic in the first place. Because I was afraid that being part of a group would make me lose my independence.'

But he was surprised. By how the two visitors were interested in the way he runs his company. By their empathy. And above all, by their astounding request that Olaf should not change the way he is managing his company: Why change a company that has been successful at what it does for many years?

Develop a successor? Works with help

– HG's offer was: Keep doing your thing – and benefit from the partnerships, says Olaf.

– I lost my scepticism about the idea of becoming part of this kind of group when I realised what it actually means. That my employees and I can exchange ideas with like-minded people. That we when it makes sense, work together with other great companies or

recommend each other. And that a potential successor in the company receives exactly the management support he needs to strengthen his management skills. Because, hand on heart: managing a company and at the same time equipping a suitable successor with all the skills – you can't do it alone. You need help.

Wolfram's company is now also part of HG. Today he made his way to Munich in his car to visit Olaf in his showroom. A stimulating expert discussion about colours and shapes, elaborate surfaces and individual customer requirements quickly develops between the two master painters. But they also talk about what it means not only to run a company, but also to make provisions for passing it on. Wolfram has found an impressive image for this: that of a rucksack that you always carry with you as an entrepreneur.

Introducing the "rucksack-theory"

– I carried this rucksack alone for many years, Wolfram says to Olaf during a coffee break.

– Take it off? I couldn't and wouldn't. The rucksack was always there.

That's why he had some sleepless nights, especially during the time when the succession process had not yet been settled. Wolfram willingly carried this rucksack. But it was also clear to him: the time will come when he feels the desire to share the burden. To someone in the company who can take on some of the management load with fresh reserves of strength. And with HG as a partner, who can, for example, help to develop the company's employees. Including those who will take on management and leadership roles in the future.

Olaf listens very carefully to Wolfram's remarks. He nods and thinks back to the evenings when he pondered how he could make the company fit for the future. For a future with him in a different role.

– It just feels really good not to be alone with this issue,' says Olaf. And now Wolfram nods too and adds:

– No more sleepless nights!

OUR STRATEGY AND M&A STRATEGY

Strong market dynamics support compounders

There are strong market dynamics that drive consolidation in the surfacing market, such as increasing demand from customers in terms of quality of services, ESG, digitalisation, control and documentation. As a standalone firm this creates challenges.

To be part of a group of companies that values heritage while offering shared benefits and knowledge, education and standards, creates possibilities.

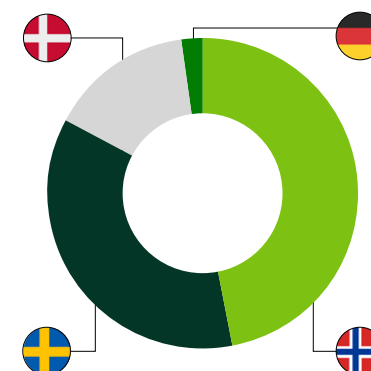
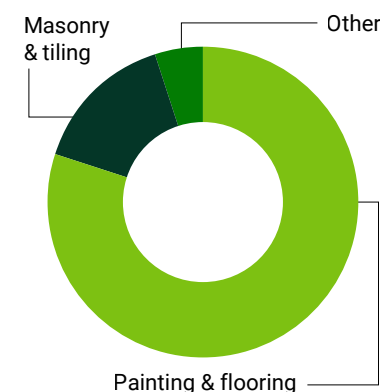
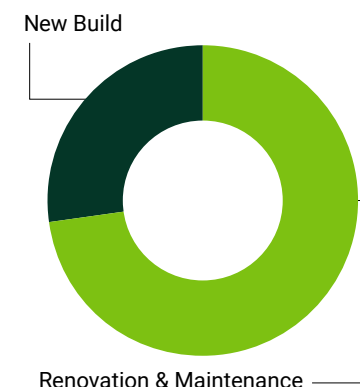
We compound high performing local winners on the highly fragmented markets in Europe, applying our proven playbook that has been tested in more than 150 companies joining us.

We align incentives for local businesses sellers through

HG's stock scheme and our thorough selection process ensures that incoming companies resonate with the HG culture and integrate easily. Together, we leverage on our network, common knowledge and scale.

Diversified services, geography and customer segments ensures resilience

The combination of local, national and geographic expansion, combined with a mix of offerings, improves consistency of revenues and supports staff recruitment and retention.







94 percent of the entrepreneurs joining HG benefits from HG's network and peer-to-peer collaboration regularly. With an Employee Net Promoter Score (eNPS) of 29, well above the industry average of 12, we've cultivated a workforce that's not only engaged but also committed to our shared success.

Our value creating Toolkit accelerates performance

Our value creating toolkit reinforces performance of our best-of-the-best businesses, who share knowledge, best practice, and resources to jointly enhance group performance and ensure resilience.

The work is led by our regional leaders, who have full P&L responsibility, are responsible for health and safety and manage by offering our businesses the most relevant parts of our toolkit at any given time to support their development.

Since HG was formed in 2021, ~800 professionals have completed training at the HG Academy. The Academy equips our craftspeople with a comprehensive set of

skills, from achieving pricing excellence and project management skills, to learning about the different disciplines and embracing the culture. Through initiatives like the "Greenhouse Program," launched in 2023, we're nurturing emerging talent, equipping them with the skills and knowledge to thrive in leadership roles and play a central role in successions.

HG's apprenticeship programme shows our commitment to developing talent within our ranks – with a long-term goal of 12% of our workforce comprising of apprentices, we're investing in the next generation of skilled professionals.

We have developed a comprehensive General Manager's Toolkit. This toolkit, along with targeted training,

is being offered to the General Managers after joining. The Toolkit includes tools in the areas of project management, contractual guidelines, standardized contracts, sales support, pricing tools, centralised handling of regulatory documentation and requirements, resource-sharing and joint purchasing agreements.

In addition, co-tendering enables improved financial terms, such as securing higher hourly rates through collaboration with multiple companies within the Group, and resource-sharing optimizes outcomes through collaborative personnel exchange that contributes to successful and timely project delivery

And, naturally, we share sustainability objectives and tools.

**Our culture is key to success**

HG's culture celebrates craftsmanship, collaboration and recognizes our people as the cornerstone of our success. We empower local decision-making and cherish the local heritage and relationships that define us.

We are targeting to only include companies that are among the 20% strongest in their markets in the HG family. Thus, the local businesses can continue to build on their established local-market specialists with proven track records and retain their strong local brands, employees and customer relationships after joining as we trust each other's independent decision making.

HG's role is to support and leverage on the local businesses' key competences and provide best practice, professional support and national coordination.



HG's customers

HG provides a wide range of surface treatment services to primarily B2B customers across various sizes (insurance providers, public sector entities, retail and other businesses, housing cooperatives, rental companies, hotels and contractors), but also to individuals.

Håndverksgruppen is focusing on small and medium sized projects, enabling higher customer diversification and lower risk than large projects.



80% of our companies are sourced from referrals from the existing HG network and on average, we have been joined by a new company every 12th day since our inception.

Sustainability from Day One

Since HG was founded, we have made it a priority to integrate sustainability into every aspect of our business. By supporting the ESG agendas of both the group and the local companies at the same time, we are creating a ripple effect of positive change. This includes, among other things, limiting our footprint by ISO certifying our companies, mapping our scope 1 and 2 emissions and driving a lasting change throughout the industry with code of conduct trainings of our employees. Recruit and develop apprentices is also an integral part of our ESG strategy. You can read more about our ESG strategy and how we follow-up our apprentices at page 52 in the report.

Our local companies are now able to take bold steps towards a more sustainable future that they may not have been able to achieve on their own. We see an in-

creasing appetite and requirements from our customers to deliver on the ESG agenda, giving us a competitive advantage in our prospects to win larger national agreements and as partners to insurance companies. Through our more professionalised approach to ESG we are thus creating value for our customers, a quality that has likely contributed to our Net Promoter Score ("NPS") of 69*.

Our M&A model is efficient and built on referrals

80% of our companies are sourced from referrals from the existing HG network and on average, we have been joined by a new company every 12th day since our inception. Beyond financial metrics, cultural fit is paramount in our M&A efforts. In 2024, we welcomed 23 new companies in Norway, Sweden, Denmark and Germany.

* Refers to NPS in 2023.





We have a strong pipelines in the newer markets of Denmark and Germany, as well as in the more mature markets of Norway and Sweden.

Our thorough selection process ensures that incoming companies resonate with the HG culture and integrate easily. The resounding approval rate of joining companies recommending HG to others (90 percent) attests to the strength of our cultural bonds.

However, the companies we are in dialogue with are attracted to HG not only for financial gain, but also for the opportunity to contribute to a lasting legacy. Our enduring commitment to a people-centred culture and long-term vision resonates strongly with potential local companies. Moving forward, we plan to continue to include companies into HG at the same pace as for 2024. We have a strong pipelines in the newer markets of Denmark and Germany, as well as in the more mature markets of Norway and Sweden.

Furthermore, we align financial incentives. HG deploys an 80/20 rollover model in which 80 percent is paid

through upfront cash consideration and 20 percent through HG stock.

A short transaction timeline enables strong pipeline conversion and smooth integration of new local businesses. On average, transactions are completed within four months, making the process transparent and as positive as possible for the companies going through it.

Recognizing the importance of minimizing disruption, we prioritize a seamless onboarding process that preserves day-to-day operations. Up-front relationship building and trust lay the groundwork for effective integration, with a focus on financial reporting and ethics training. While environmental certifications and selective processes unfold during the first year, our emphasis on cultural cohesion ensures a harmonious transition, driving HG's collective growth and success.

Companies must have:

- A good cultural fit with a focus on collaboration.
- Motivated managers willing to stay long-term with the company after joining.
- Employees with permanent contracts.
- Robust revenue base and EBITDA margin of at least 9 percent.
- Share of renovation revenue greater than 50 percent.
- A good reputation in their local market — with satisfied customers.



Every six minutes HG completes an insurance job somewhere in Norway

That's possible due to the skilled hands of HG's craftspeople.
And the very way they're updated on the latest best practices.

For many local contractors, insurance jobs used to be a headache. Complex processes, unclear expectations, and a constant risk of losing money due to unexpected delays. HG has changed that.

There is a right way to work insurance cases.

It requires a certain level of service. HG has agreements with all the major Norwegian insurance companies regulating how to work insurance cases

as craftspeople. The short answer is: they have to be solved the exact same way. Nationwide. Even though each home affected by fire or damage is different.

Then one day, one of the insurance companies says:
– Can you use less plastic?

When one change affects an entire industry

A question like that, means the right way to do things just changed.

Now, hundreds of craftspeople must implement a new routine. This is the nut HG has managed to crack. How to make insurance cases profitable for local businesses while ensuring that every craftsperson knows exactly what to do.

The key isn't just defining new rules—it's making them work in practice.

Every time an insurer introduces a change, there's a balancing act between compliance and crafts. Those





Clear responsibilities at every level mean that contractors can focus on their craft, while updates are seamlessly integrated into their workflow. Insurance demands don't just trickle down – they are refined, tested, and adjusted in dialogue with those who know what works.

negotiating the agreements must understand what's realistic on-site, while those doing the work must quickly adapt without losing efficiency.

This is where HG's way of working truly shines

Clear responsibilities at every level mean that contractors can focus on their craft, while updates are seamlessly integrated into their workflow. Insurance demands don't just trickle down – they are refined, tested, and adjusted in dialogue with those who know what works. That's how new routines are implemented smoothly, making sure every professional in the field can do what they do best: deliver high-quality work while ensuring homeowners get back to normal as quickly as possible.

So what actually happens when one insurer wants

to use less plastic?

– To solve it, we suggested documenting exactly how we cover and protect each site, says Pål Hagelund from HG.

– Because sometimes, proper coverage is essential to protect a room from paint splatter. That's something our craftspeople know from experience, but the damage control companies handling the cleanup after a damage case might not. So that became our new routine – taking a photo every time. This ensures transparency and proves to the insurance companies that we're using only as much plastic as necessary, Pål continues, before adding:

– It also reinforces that we meet quality standards consistently. Every time. No matter where in Norway the insurance case is.





This is just one example of how HG ensures that a single change — big or small — gets implemented smoothly nationwide. With clear communication and structured routines, a new standard can be adopted in weeks instead of months.

It's a hectic life for contractors working with insurance cases. Roughly every six minutes, a new insurance case arrives at HG, from somewhere in Norway, and it must be handled immediately. More importantly, it must be handled locally.

Because behind every insurance case is someone waiting to return home.

QUICK TAKE:

HG's model explained

- A single point of contact for customers
- Skilled craftspeople locally
- A systematic approach to sharing best practices, system knowledge and requirements

How HG ensures every contractor follows the same playbook

– Most of the changes we implement are small, explains Magnus Mostad Nilsen, project manager at Norén Maler og Byggtapetserforretning in Fredrikstad.

– But there can be a lot of them.

At Norén, which employs 50 people, 12 to 13 of them work exclusively on insurance cases. Magnus, who has been with the company for 17 years, spends his days ensuring updates from HG's national agreements reach those doing the job.

– Clear routines are absolutely necessary to make sure my painters perform at their best, says Magnus.

– Here we handle between 600 and 1,000 insurance cases a year.

HG has cracked the code for scaling insurance work efficiently. The secret? A system where national coordination meets local execution.

Here's how it happens:

- HG's service office negotiates changes with insurers and ensures they're ready for implementation.
- Five regional managers for insurance relay the





updates to local project managers.

- Local project managers train craftspeople and ensure everyone is aligned with the new requirements.
- Random quality checks are conducted on 10% of cases to ensure compliance and identify areas for improvement.

All in combination with clear communication that ensures alignment across regions, maintaining a consistent standard on-site presents its own unique challenges.

Sharing best practices: How one good idea spreads nationwide

Every home deserves respect, but none of them are exactly the same.

- Understanding what insurance work entails requires experience, says Magnus Mostad Nilsen.
- You need to understand the standard of the property you're working in and deliver to that level – nothing more, nothing less. Of course, as craftspeople we want to do more and make everything perfect. But we're contracted to restore the property to its pre-damage state – not to change it.

This balance lies at the core of HG's operations.

To make it work, every action is tracked in real time. Contractors document every detail, from start dates to how much plastic and paper is used to protect interiors. Apps and digital tools keep everyone connected, ensuring that work is traceable and aligned with HG's standards.

Also training is central to HG's success.

- For the past two years, we've been travelling around with the HG Academy to those who work with insurance cases in Norway, says Pål Hagelund.
- Over the course of 2023-2024, we've trained 300 craftspeople. It's mostly about how we behave when we're with our customers and that we respect their homes.

In the follow-up inspections, HG has seen that the quality of the work increased for all the craftspeople who participated in the training.

- It's also about passing on good ideas and best practice to others in HG, says Pål.
- If we discover one craftsperson who has documented a piece of work really well, or perhaps taken a video of a staircase, for example, that would have been difficult to photograph, we take it with us and use it as best practice.

Endless opportunities for compounders in stable markets

Currently, our more than 150 companies offer services in Norway, Sweden, Denmark and Germany. Going forward, we plan to expand to additional geographies in Europe.

Although the geographical markets have different outlooks, trends and competitive landscapes, they share several key dynamics and structural attributes.

Most of the revenue in surfacing is derived from refurbishment and small to medium sized B2B customers, with a stable underlying growth. Market growth has historically been driven by resilience in refurbishment, housing shortage, aging housing stock, attention to ESG, and professionalization of industry.



Market fragmentation

The surface treatment solutions market is highly fragmented and primarily comprises of many small local companies.

The fragmentation of the market provides opportunities for compounders. There is an increasing demand from customers in terms of quality of services, ESG, digitalisation, transparency documentation as well as increased economies of scale that may further drive the consolidation in the market.



Resilience in refurbishment

Over the course of several decades, the refurbishment segment has proven to be more stable than the new build segment.

This development is explained by that some refurbishment projects cannot be postponed due to regulations, risk of additional damages being inflicted if refurbishment is not carried out, the relatively low cost for refurbishment projects in relation to overall project cost for building etc.



Aging buildings

Håndverksgruppen's surface treatment solutions market has a large stock of aging buildings in our markets.

Additionally, the increased attention to ESG is accelerating the need for refurbishment in the aging housing stock. For example, in Germany, almost 45 percent of residential buildings need to be renovated by 2033 to meet the climate targets.



Less undeclared work

Historically, there has been a large share of undeclared work in the industry.

The market is now seeing a diminishing trend of undeclared work due to several reasons, including social unacceptance, and increasing governmental efforts. This drives customers towards professional, integrous players in the market.



Housing shortage

There is a European-wide housing shortage, which has been further worsened by a decline in new build due to the recent years' economic downturn.

For example, in Sweden, 180 out of 290 municipalities report a housing shortage. In Germany, there is a shortage of 600,000 apartments.



Shortage of skilled labour

The surface treatment solutions market is experiencing a shortage of skilled labour, which has negatively impacted market growth.

Although the labour shortage places a constraint on the overall market growth, incumbent players, such as Håndverksgruppen, benefit strongly from lack of competition for projects. In particular, such effect is strong for companies that are generally considered to be attractive to work for. Håndverksgruppen only targets to include leading companies into HG and is therefore considered to be able to capitalize on labour shortages.



Regulatory compliance and sustainability

Quality assurance, regulatory compliance and sustainability, are driving the need for digitalization and innovation.

Despite technological improvements and innovations in this area, the overall possibility for major digital disruptions in the industry is low with only a few players, such as Håndverksgruppen, having established themselves as prominent industry leaders.



Boss on sick leave made the company healthy

General Manager Petter Skovholt never imagined that the company's turnover would nearly double after his six-month absence from the office.

What happened?

The stress had been ongoing for a year and a half already, when Easter of 2023 was approaching. Master painter and general manager Petter Skovholt, who ran the painting company that bore his name, didn't fully understand what was happening.

But one thing was certain: he had taken on all tasks, big and small himself. No one was to blame for how the busy company was run—it had just “always been like this.” Ever since 2010, when Petter—who had worked as

a painter for 40 years—founded the company.

- So this was the daily routine for over 13 years?
- Ha-ha, yes. Actually.

Petter laughs. He can do that now. Even though there's nothing funny about hitting a wall, it is quite amusing to double turnover after returning from six months away from work.

- What happened?
- Well, let me paint you a picture.





Took on employees' tasks – became a bottleneck

The master painter describes an "ocean" of notes. Piles of memos, invoices, papers, and documents requiring his signature were scattered all over his desk. Malermester Petter Skovholt was a growing and popular company, so a lot needed to be done.

– But I was the one doing everything, says Peter.

– I always said, 'just leave it with me' for anything that needed follow-up, without realizing that I was practically digging our own grave. I handled everything from health and safety to invoices, payments, and assignments—it literally piled up over my keyboard, my calculator. And if my desk was full, then there were even notes left on my office chair, says Petter.

He smiles.

– You see, we all realize now how chaotic that was!

Petter had tried to ease the workload for his 30-plus employees—especially his three project managers—so much that he himself became overwhelmed. It had to go wrong.

Had to realize that letting go was better

Just before Easter 2023, Petter sat in a meeting with HR. A conversation that was initially about another employee, but during the talk, HR managed to "fish out" Petter's own struggles.

“

It took six months before he logged into his email again. When he was finally ready to return to work, he was in for a surprise.

– I shared everything with her, and then she said: ‘Go on your Easter vacation and relax – we’ll look at this when you come back.’ But, you know, I didn’t relax at all, he says.

– Why not?

– I was just dreading going back to the office!

So he didn’t return. Sitting in his cabin, in the middle of nature, feeling inexplicably anxious, made him realize he had to ask for sick leave. Eighteen months “too late.”

– The workload had become a habit. You rarely want to give up control, and leaders naturally feel a sense of ownership over their company. But since we had joined HG, I gradually managed to trust that someone would step in. And having that support system was a real relief, says Petter.

Delegating tasks led to doubled revenue

It took six months before he logged into his email

again. When he was finally ready to return to work, he was in for a surprise.

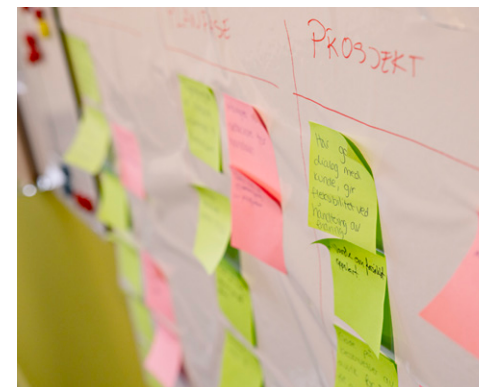
– The project managers had completely kept the ship afloat. They allocated my tasks among themselves, and each of them took responsibility for finances and progress in their own projects. They decided to implement a new, simpler digital system for accounting and invoicing, and they agreed that everyone—not just me—should be registered as users going forward. Everyone took ownership, and things moved so much faster, says Petter.

– You avoided being a bottleneck?

– Exactly.

– How was it coming back?

– Everyone was eager to show what they had done—they had grown enormously. So when I returned to work in the fall of 2023, we secured a number of projects. What happened next was that, in the course of 2024,



we nearly doubled our revenue because I was able to spend more time on sales! We have now hired ten new people and have never been more profitable.

Employees now bring in million-dollar contracts

When the boss was effectively forced away from his overloaded desk—and the employees had to, and wanted to, take responsibility—it ultimately led to the company cleaning itself up. The business was "cured." Now, employees proudly walk in the door with million-dollar contracts in hand, saying: "Look, I landed this deal." The sense of ownership over the company became something entirely different.

- Last year, we went from 39 million in revenue to 71 million. That's pretty amazing, says Petter.

- To whom do you give the most credit?

- The initiative of the employees. Of course, they were supported, but they handled 90% of the tasks themselves. Because of that, they've grown tremendously, developed their skills, and improved in all areas. I'm also grateful for the support both they and I received from other business leaders in HG. I got phone calls from all over the country!

HG "scans" businesses to identify measures that prevent leaders from burning out

Many business leaders will likely recognize themselves in Petter Skovholt's story. That's why it's good to know—for all companies that are part of HG—that you don't have to take on all the responsibility alone.

HG's regional manager for Greater Oslo, Tore Buer, was one of the people Petter's project managers could rely on in the absence of their general manager. Buer explains that many are afraid of losing control.

- And they often think, 'I'll just do it myself, that's faster,' says Tore Buer.

- There's some irony in that?

- Yes, because it doesn't always go faster, nor is it done as thoroughly as it should be. Not when the company is growing, generating more revenue, and the tasks become too many. Then, such a structure becomes very demanding, he says.

The biggest lesson: Let others step in

The greatest lesson from his own experience, says Petter Skovholt, has been to allow himself to delegate



A LEADER SHOULDN'T HAVE TO HANDLE

EVERYTHING: All the negative stuff tends to end up on the desk of the managing director as well, including things like disputes and complaints. Eventually, it can become too much for anyone, says regional manager Tore Buer at HG.

tasks and responsibilities. And to recognize that he is "by no means indispensable." It took many years and a serious burnout for Petter to understand this. But on the other side of the tunnel, it's all bright.

The company still uses the new accounting system and has also introduced a more user-friendly digital system for HSE, quality assurance, and time tracking.

- If one of us is away for a day or two, we can access each other's projects. If a customer calls and asks for a quote, we can go straight in and find it—and provide help much faster. Previously, this was much more cumbersome, says Petter.

Everyday work has generally become much easier for Petter Skovholt and his team. Regional manager Tore Buer has also noticed a big difference—both in Petter and in the company as a whole.

- They have grown a lot, in every way. And that is really great, especially in today's market. Petter has also ensured that the company has become Eco-Lighthouse/ISO-certified by delegating tasks. So that is an incredibly well-done job!

Make the company less dependent on the boss

1 Make key people responsible for their own projects from start to finish

This ensures that not everything will pile up for just one person.

2 Clarify all roles as early as possible

To avoid confusion, it is wise to clearly define roles and expectations early in any work process.

3 Regular meetings ensure good information flow

To best support employees and share knowledge, regular meetings between management and project leaders should be held.

4 Give more people access to simple digital tools

Use digital tools that simplify time tracking, accounting, and HSE. Set up multiple users—not just the general

manager. This way, more people have insight and can contribute continuously.

5 Writing down procedures makes the company less vulnerabl

Document and share all routines and processes so that others can easily take over in case of absence or changes.

6 Facilitate cross-team collaboration

Create shared meeting spaces and encourage collaboration across departments, companies, and areas of responsibility.

7 Confident employees take responsibility and engage more

Build employee confidence in each other through team-building and communication. This way, they dare to take ownership of how things are actually going at their workplace.

8 Good training strengthens both individuals and the company

Provide all employees with the training they need, especially key personnel.

9 Maintain financial control, but delegate more!

Delegating naturally increases capacity, but by keeping an overview, you ensure that increased revenue does not lead to increased expenses.

10 Use HG's Regional Manager and our tools for better organization

Seek assistance from HG's regional manager for help in structuring the company and distributing areas of responsibility.

PAINTING

Paint it black

Or any other color! The tradition of painting houses reaches back as far as the 11th Century. But the story of painting actually goes back further. There's evidence showing that early humans started applying paint to surfaces to brighten up the spaces they lived in more than 40 000 years ago.

Håndverksgruppen's skilled painters work both indoors and outdoors, with small and large buildings, and are highly competent when it comes to renovation, rehabilitation, new constructions and insurance cases.

From Norwegian stave churches to complexes

As far as painting goes, renovation and rehabilitation projects cover everything from medieval stave churches and old buildings to large-scale renovations of business buildings, single-family homes, apartment complexes and renovation of façades.

A crucial part of the rehabilitation job is to carefully assess the condition of a building and to make a plan of

what kind of groundwork needs to be done. Our painters are adept at using traditional painting techniques such as gilding, glazing, patination and linseed oil paint to give the surfaces a specific touch. Of course, they are experienced in using contemporary painting techniques as well..

Keeping up with the paint's drying time

When working on new buildings that have large surfaces that need to be ready at the same time, there are demands that must be met. Håndverksgruppen's painters are equipped with the latest technology and fast-working methods, making sure we're done before the paint is dry and the deadlines are met.

We know how important it is to coordinate the painters'

work with other disciplines involved in a project. That's necessary to achieve good progress and seamless implementation in new building projects. Our local painting companies have a high level of expertise, making sure the customers get the color and paint type they need. And what groundwork is needed before the final touches.

“

**Håndverksgruppen's painters
are equipped with the latest
technology and fast-working
methods.**

”



FLOORING

Floors for all walks of life

Whether you're standing in your children's kindergarten, are on your way to an important meeting or you've just touched down at the airport after a round-the-world-trip, your feet will be planted on the floor. Floors are an essential part of our lives, literally providing a foundation for all of us to stand on.

The companies of Håndverksgruppen lay floors for major contractors and smaller private customers. Making sure the flooring options meet our client's needs. For significant undertakings like renovation of hospitals, it's vital that the floors are maintenance-free, clean and comfortable to walk on — every single day.

Our skilled workers provide tailored advice and recommendations that are suited to the customer's desired function, preferences and cleaning needs before we price the work. That way, they make sure the floors are just like they're supposed to be. Something you can rely on. By choosing Håndverksgruppen, the customers will have access to a large selection of different floors for

different purposes, including parquet, linoleum, laminate, carpets and epoxy.

Streamlined Floor Selection for Rehabilitation

Choosing the right floor can be tricky. When it comes to renovating a room, our craftsmen receive an inquiry from the customer and listens to their wishes and needs. No matter if the task at hand is a large open-planned office building that needs to be renovated, or helping a family renovating their first home.

At Håndverksgruppen, we act as consultants for our customers. In other words: It's about finding the flooring products that actually suit both the room and the customer. Our craftsmen provide end-to-end flooring

solutions that encompass everything from the customer's vision to the finished floor, ready for immediate use. At Håndverksgruppen, we know that flooring is not just about the price. For us, it is all about demonstrating good service, quality, breadth of knowledge about floors and flooring — and last but not least: Timely execution.

“

**At Håndverksgruppen,
we act as consultants for
our customers.**

”



MASONRY

Bricks laid to last

Masonry is a timeless craft that has stood the test of time. With historical roots and traditions that date back centuries, masonry is also a very versatile discipline at a workplace. Thus, masons work in a variety of settings, both indoors and outdoors, on both large construction sites and in private homes.

At Håndverksgruppen, our masons are experts in rehabilitation, new construction, and insurance claims for buildings of all sizes, from small homes to massive institutions. No matter what type of building we're talking about, it all starts with a foundation wall. From there, our skilled workers can construct anything from fireplaces and chimneys to walls and natural stone features.

Taking care of our historical buildings

Our masons have a passion for preserving the many beautiful and historical buildings in the Nordics. As a result of the toll of time, the lime used in the cement at the time of construction has begun to crack. The signs are easy to spot in the foundation, walls and façades.

Much of the rehabilitation work done by Håndverksgruppen addresses just this. We carefully refurbish the façades and foundations of both old apartment buildings, and renovate large, historic buildings. To make sure they'll last for another hundred years.

We know the importance of matching materials and techniques used in the original construction. As with all old buildings, not least due to underground movements, there will always be a need for rehabilitation at some point. And a need to do it properly.

Starting from the ground up

A strong foundation is key to every building, no matter its size. Håndverksgruppen's masons have the expertise to

make sure it is level and sound, in line with the architect's goals—and ready for further construction. Our workers are experienced in laying brick basements, partitions and more, both in private and public buildings. Regardless of the building type, the common denominator is that we start with the bottom. From there, the only way is up!

“

Our masons have a passion for preserving the many beautiful and historical buildings in the Nordics.

”



TILING

Grids for everyday life

Who's going to tile the floors you walk on every day? Tiling is a key part of the masonry profession, and Håndverksgruppen's masons have extensive experience with both membranes and tiling.

From bathrooms and wetrooms to kitchens, stairs and other common areas, whether the project is large or small, we believe that tiles are the perfect way to add both style and simplicity to any space.

Our masons work with both large and small clients, ranging from the private individuals to large apartment buildings, making sure maintenance is simple and the touch is modern.

Turning old bathrooms into new ones

We help our clients select the best tiles for their needs and manage the project from start to finish. If the project

management is done smoothly, a bathroom can be rehabilitated in as little as two weeks. At Håndverksgruppen we believe in clear communication and timely material ordering to make sure that every project runs according to plan.

Tiling done in good time

In new builds, Håndverksgruppen works as both a sub-contractor for contractors and as the main contractor for private individuals, laying membranes and tiles in all types of public and private buildings. Our masons help the client choose the perfect tiles and materials, ensuring that every project is delivered on time — and with the highest level of quality.

With good project management, we coordinate the delivery of goods to the right place and time, executing each job professionally and efficiently to create satisfied customers.

“

Our masons help the client choose the perfect tiles and materials, ensuring that every project is delivered on time...

”



HOW HG WORKS WITH ESG

Contributing to a better world, one surface at a time

In today's changing environment, sustainability is both a responsibility and an opportunity.

At Håndverksgruppen (HG), our work in the crafts sector, which includes tiling, masonry, flooring and painting, is grounded in a long-term commitment to environmental, social and governance (ESG) principles.

Built on Experience, Driven by Purpose

The crafts industry has historically depended on human and natural resources without always taking long-term sustainability impact into account. We acknowledge that context and are working systematically to do better, both by putting our people first and improving the way we use materials and energy.

The fragmented nature of our industry has often seen

smaller, local companies face pressure to focus on immediate business performance over long-term sustainability. As part of HG, local companies gain access to a network, tools and support that make it easier to take a longer view. We set clear expectations, share good practice, and help our companies make sustainable practices a natural part of daily operations.

This approach has become a strength for us, both in attracting new companies to the group and in building trust with customers. Our sustainability efforts are increasingly seen as a competitive advantage, especially in larger national contracts where ESG performance is an important selection criterion.

Leadership and governance

Sustainability is anchored in HG's leadership and governance structure. The Group Management Team (GMT) sets our group-wide policies, goals and initiatives, with approval, oversight and direction from the Board of Directors (BoD). In early 2025, we further strengthened our ESG work by appointing a group ESG Manager. This role works closely with the leadership team, with a particular focus on implementing our sustainability initiatives in practice, both at group level and across the local companies.

Each country has a dedicated Managing Director, who plays a key role in translating group-level goals into



local action. Regional managers and local companies are responsible for their implementation on the ground, supported by clear expectations that help turn our ambition into progress.

Our dedicated team ensures that sustainability is not treated as a separate task but is fully integrated into our broader strategy and leadership priorities.

Our ESG Strategy

At HG, our sustainability work is grounded in the realities of our business. We are a people company and know that our long-term success depends on how we care for people, use resources and manage risk. Not long after HG was established, we conducted a comprehensive materiality analysis to identify which sustainability topics matter most to our employees, customers, owners and the communities we operate in. This analysis confirmed our initial focus areas and laid the foundation for the sustainability work and progress we have made so far.



During 2024, we completed a full double materiality assessment (DMA) in line with the Corporate Sustainability Reporting Directive (CSRD). This process confirmed that our priorities remain relevant and helped sharpen our understanding of where HG has the greatest potential to create positive impact, where we face the biggest risks, and how we can best seize new opportunities. It also reinforced the importance of closely integrating these topics into our business strategy, not treating them as something separate.

As a result, we refined our ESG strategy in 2024 to ensure stronger alignment between our material topics, our commercial goals and our daily operations. This updated approach builds on the structure we have had from the start, with three clear sustainability pillars that are supported by specific goals and strategic initiatives. We expand on each of these below.

Empowering our People

Our people are the heart of our business. As a crafts-



based group with operations across four countries, our long-term success depends on skilled hands, strong teams and safe, fair workplaces. Since the beginning, we have worked to build a culture based on respect, inclusion and continuous learning, which is shaped by local needs, but is united by shared values.

Our completed DMA confirmed that our own workforce, along with workers in our value chain, are among HG's most material topics. This has reinforced our belief that focusing on people is not only the right thing to do, but central to our business. It has also helped sharpen our efforts to grow talent, strengthen leadership, support new recruitment and keep our people safe.

As we continue to grow and mature in this field, we are getting more systematic and professional, and our updated ESG strategy reflects this. It includes revised targets and clearer direction and is supported by structures like the HG Academy, our internal training platform. During 2024, 10% of our employees took part



During 2024, we carried out 8 safety campaigns to reinforce our attention to safety locally. These focused on raising awareness, strengthening routines and reinforcing our shared responsibility for safe working environments.

in Academy training courses, and we aim to increase this share year-on-year. The HG Academy offers courses across core areas of learning and leadership, with content tailored to roles, translated into multiple languages and delivered in flexible formats that match the realities of our local companies.

At the same time, we continue to prioritize the physical safety of our employees. Our ambition is simple: everyone should come home from work safe and sound, every day. This requires close attention to routines, equipment and culture. During 2024, we carried out 8 safety campaigns to reinforce our attention to safety locally. These focused on raising awareness, strengthening routines and reinforcing our shared responsibility for safe working environments.

As a result, we are seeing stronger local ownership of safety practices, and progress towards our goal of reducing lost time injuries.

Our belief is that creating respectful and inclusive workplaces is a shared responsibility. We maintain a zero-tolerance policy for discrimination, harassment and bullying, and we have in place robust channels and policies that enable our employees to report misconduct. Every reported case is taken seriously, and while these issues are never easy, they remind us of the importance of openness, support and clear expectations. Our ambition is to foster fair and respectful workplaces where all our people can thrive.

Together, our efforts are aimed at creating workplaces

where people can thrive – today and in the future.

Responsible Environmental Operations

Taking responsibility for our environmental impact is a natural part of how we do business. Much of our work is about maintaining and upgrading existing buildings, which helps extend their lifespans and reduce the need for new materials. We're also active in new construction projects, and we apply the same mindset there: working efficiently, reducing waste, and making lower-impact choices where we can.

The outcome of the DMA we undertook in 2024 confirmed what we already suspected and helped further shape and refine the core of our environmental work. Climate change, resource use, waste and microplastics



Case Study: Building tomorrow's craftspeople

Apprentices are a vital part of HG's future. In 2024, 8% of our total workforce were apprentices, and we are actively working to increase this number every year. Many of our local companies have a long tradition of taking in apprentices, and in several companies, they now make up more than 15% of the total workforce.

The responsibility for apprentices lies with the general managers of each local company. They play a key role in making sure the right structures are in place to support learning, safety and sense of belonging. Many of our companies also have strong ties to local schools and vocational programs, and we are working towards a goal where all our local companies offer proper apprenticeship programs. This is part of our long-term commitment to strengthen recruitment, secure the future of our craft, and give more young people a solid and meaningful start to their careers.

Where are we at today and what are our goals?

8% > 12%

Share of apprentices of total employees by 2030.

10% > 20%

Share of employees attends HG Academy annually by 2030.

10 > 6

Lost Time Injury Frequency Rate (LTIFR) by 2030.



To keep the bar high across the board, we are also strengthening how we work with environmental management systems. We want every relevant local company to be certified to Miljøfyrtårn, ISO 14001 or similar systems.

are the most material topics for HG. These issues affect both our business and the world around us, and during the year we have further integrated them into our refined ESG strategy.

One area we have focused on is climate. After mapping our full carbon footprint across Scopes 1, 2 and 3, we now have a solid picture of where our emissions come from and where we can make the most impactful changes. Most of our direct emissions come from transport, so we have continued to emphasize the importance of smarter route planning, car sharing and the transition to electric vehicles. On the indirect side, most emissions stem from our purchased goods and services. We are beginning to work more closely with key suppliers to reduce these emissions over time, for instance by looking across our supply chain for environmentally

friendly and low-carbon alternatives across all service areas.

Reducing and optimizing waste has also been a priority across the group. Several local companies have taken steps to extend the life of tools like brushes and rollers, introducing simple but effective cleaning and reuse routines, including by purchasing paint brush cleaning machines. Whenever possible, refurbishment is prioritized over full replacement, and we have included a brief case study on this to the right. These changes aren't flashy, but they are practical, and their impact accumulates as they happen across our large network of local companies.

To keep the bar high across the board, we are also strengthening how we work with environmental man-

agement systems. We want every relevant local company to be certified to Miljøfyrtårn, ISO 14001 or similar systems. These certifications help translate good intentions into concrete actions, making sure that routines, purchasing and planning are aligned with environmental best practice.

Strong Governance & Transparency

Good governance isn't just about policies and procedures. It's about how we act, how we lead, and how we create trust – internally and externally. With more than 150 local companies under the HG umbrella, a strong, shared culture is key to doing things the right way. That culture needs to be built deliberately, and it needs to be maintained.

In our DMA, corporate culture and supplier management



Case Study: Restoring, not replacing

During 2024, HG companies renovated over 35,000 square meters of flooring using the Dr. Schutz sustainable flooring solution. This solution allows worn vinyl and linoleum floors to be deep cleaned, repaired, and sealed with a hard-wearing coating. For customers, it offers a surface that looks and performs like new, without the need to tear up and replace the floor.

This approach reduces waste typically generated in renovation projects, it cuts down emissions from transport and manufacturing of new materials, and saves on both water and electricity use. Several of our companies now offer this service as a standard, and more are adopting it after seeing the environmental and commercial benefits it provides. For many customers, it's an easy switch that makes a big difference.

Where are we at today and
what are our goals?

Net Zero

Carbon emissions achieved
by 2050.

35t > 50t

Sqm of sustainable flooring solution
installed annually by 2030.

100%

Of relevant local companies to
be EMS certified by 2028.

came out as the most material governance topics. That aligns well with how we see our responsibility. Ethical behavior, trust in leadership, and transparency across the supply chain are core to how we want HG to operate, now and in the future.

To support this, we require all our staff receive training in our Code of Conduct, which sets out the ethical expectations for everyone in the group. Local general managers play a particularly important role in upholding this standard across our local companies. In practice, that means encouraging a speak-up culture, where employees feel safe to raise concerns, and where issues are handled with care and integrity. Our values are only real if people feel empowered to act on them.

In parallel, we also expect these high standards from those we work with. All key suppliers must sign or align with our Supplier Code of Conduct, which covers areas like human rights, working conditions and environmental responsibility. This not only reinforces our ethical stance across our value chain but is also



helping us make more informed decisions and identify where support or change may be needed.

We are also preparing for what's ahead. Regulations like the CSRD bring new expectations and responsibilities. During 2024, we have continued building up the internal controls we need to ensure quality reporting and sound decision-making, both on the group level and out in our local companies. Our goal is not just to be compliant, but to be responsive and ready in a constantly changing and evolving environment.

Crafting a Responsible Future

We believe that doing business the right way makes us a better company. Over the past year, we have taken important steps to deepen our sustainability work across the group. That means clearer priorities, stronger systems, and better tools to follow through on our commitments, both to our people, to the environment, and to the communities we're part of.

Through our progress, we have also raised our own

expectations. ESG is not something we layer on top of the business; it's an essential part of how we work. That includes how we train and support our people, how we approach our suppliers, how we make decisions, and how we plan ahead. We want to be a company that not only does the job well but does it in a way that holds up over time.

We are proud of the craft-based culture we come from, and we want to show that quality and responsibility go hand in hand. There's more to do, but we are not standing still. With every step we take, our mission is clear: we're building a stronger, more resilient business. One that values our people, takes care of our planet and acts with integrity in every decision. That commitment is not new, but the way we work with it is changing and evolving. This is about building something solid and lasting, and we approach sustainability in the same way we do our crafts – with sense of ownership, care and professionalism.

We are proud craftspeople leading the way.

Where are we at today and what are our goals?

100%

of key suppliers sign or align with Supplier Code of Conduct through 2030.

100%

of local companies completing annual Code of Conduct training through 2030.

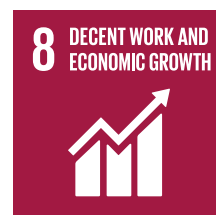
ESG STRATEGY

Hard numbers and facts

HG has selected the following SDGs to which it has an opportunity to contribute:



Increase number of youth and adults who have relevant vocational skills for future employment by employing apprentices and supporting them on the way to certification (4.4).



Reduce the number of unemployed youth through apprenticeship (8.6) as well as preventing shadow work and promote labour rights and safe working environments (8.8).



HG's core competency can make direct contribution to ensure access to adequate, safe and affordable housing for all (11.1)



Promote sustainable consumption through waste reduction (12.5) and supporting sustainable public procurement (12.7).



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)



Multi-stakeholder partnerships to support the achievement of the sustainable development goals (17.16).



The way we measure our progress and areas of impact:

FOCUS AREA	KPIs	LONG TERM TARGET
1. We care for each other and aim to be an attractive employer who takes social responsibility	1a. Share of apprentices 1b. eNPS 1c. Lost time injury frequency rate (LTIFR) (entity build up) 1d. Participation at HG Academy* 1e. Diversity and inclusion	1a. 12% 1b. eNPS of 55 1c. LTIFR of 6 by 2030 1d. On average 20% of the employees workforce receive a training of more than 3 hours/year 1e. Improve diversity and sense of inclusion
2. We shall understand the environmental impact of our business and strive towards limiting our environmental footprint and promote circular economy	2a. GHG emissions 2b. Share of companies with ISO14001 for NO ,SE (DK optional) 2c. Share of EVs in car fleet 2d. Kg waste reduced	2a. Net zero 2b. 100% of companies being certified 2c. To be defined when baseline has been set 2d. To be defined when baseline has been set
3. We govern our business in a responsible way	3a. Share of key suppliers who have signed Supplier Code of Conduct (SCoC) 3b. ESG training for employees	3a. Maintain 100% SCoC signup rate 3b. 100% of employees undergo regular ESG training

PERFORMANCE 2024	ANNUAL TARGET 2025
<p>1a. 8.2%</p> <p>1b. eNPS of 36 / Shareholders NPS 56</p> <p>1c. Reduced LTIFR from 22.8 to 10.5 as a result of internal awareness campaign and improved reporting</p> <p>1d. 10% of employees attended HG Academy</p> <p>1e. Developed a concept for "Inclusive Leadership" training in all leadership programs</p>	<p>1a. 10%</p> <p>1b. eNPS of 40 all employees / Shareholders NPS 60</p> <p>1c. LTIFR of 9</p> <p>1d. HG Academy: 10% of employees to attend</p> <p>1e. Diversity and inclusion: Implement inclusive training in all HG Academy programs and organize specific training of GMT in inclusive leadership.</p>
<p>2a. Defined baseline for SBTi – improved coverage and accuracy of scope 1, 2 and 3 reporting</p> <p>2b. 100% of companies being certified in NO, SE***</p> <p>2c. Started to measure share of EVs in car fleet</p> <p>2d. Identified waste reduction as material topic</p>	<p>2a. Define baseline for the SBTi validation</p> <p>2b. 100% of companies closed as of 12/2024</p> <p>2c. Define baseline of EVs in car fleet</p> <p>2d. Start to measure waste and identify reduction opportunities</p>
<p>3a. 100% of existing key suppliers signed HG's SCoC</p> <p>3b. New concept for Code of Conduct (CoC) training implemented, including a new e-learning platform</p>	<p>3a. 100% of existing key suppliers signed HG's Code of Conduct**</p> <p>3b. 100% of all employees having completed CoC training***</p>

* HG Academy is HG's own education institution. The purpose of the HG Academy is to provide an arena for personal development and is comprised of the following modules; culture, leadership, project management and expertise matters. Target excludes CoC training mandatory for all employees

** Materiality threshold

*** For all OpCo's closed by Q3 2025.

When one painter gains the buying power of a hundred

The effect is immediate.

If you buy this much, you'll get this discount. That's how it used to be for Christian Staubo of Malerfirmaet Staubo in Copenhagen. He handled supplier negotiations himself, sitting across the table as they explained how their discounts worked. It always came down to volume: buy a certain amount, and you'd unlock better deals.

Staubo listened carefully. He knew higher volumes meant better prices, but for his mid-sized business with 35 painters, reaching the top discount tiers was simply not realistic.

– That sounds great, he would say.

– But we're not quite there yet.

Walking away from those meetings, Staubo often reflected on what those missed margins meant for his business. Some of his painters were eager for new tools—better sanders or upgraded sprayers—but for now, they had to make do with what they had. And there was always that nagging worry in the back of his mind: what if larger firms, with superior deals, started winning over the clients he had spent years building relationships with?





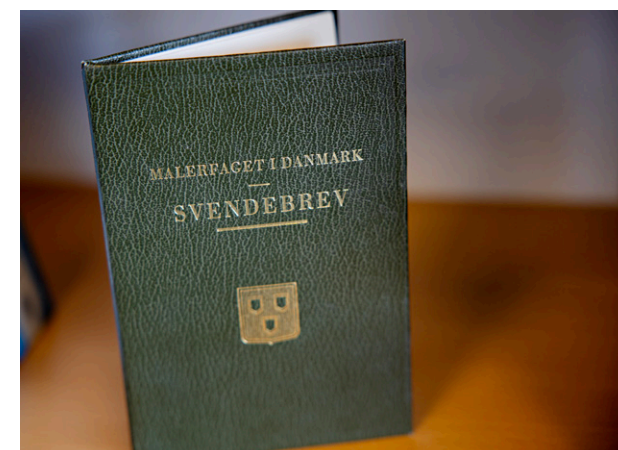
Shaking off the thought, Staubo returned to work. But deep down, he knew there had to be a better way.

Inconsistent discounts ate into margins and wasted time

– We negotiated good prices where we could, Staubo says.

– But the discounts varied from product to product.

This inconsistency often meant his company's painters couldn't always choose their preferred products, even if they wanted to. Some items came with significant discounts, while others didn't. As a stand-alone business, Staubo simply lacked the leverage to demand better deals.





Suddenly, he had the buying power of over a hundred companies behind him. It was a completely different situation overnight.

– It felt like we were always just one step shy of the top rung on the ladder, he says.

The uneven discounts also created extra work. Staubo found himself spending hours each year negotiating contracts and managing pricing for individual projects.

– The real issue was that our margins were weaker than they could have been, Staubo says.

New equipment that could streamline work processes and improve efficiency, like modern sprayers and sanders, was out of reach. Investing in better tools would have made everyday tasks easier for both him and his employees, but those upgrades had to wait. What frustrated him most was the sense of powerlessness.

– It's true, I was just told how things worked, Staubo recalls. – No matter how hard I negotiated, we could never match the deals larger firms got.

A game-changer: Shared procurement agreements

Everything changed when Staubo joined HG and gained

access to their shared procurement agreements.

Suddenly, he had the buying power of over a hundred companies behind him. It was a completely different situation overnight. Today, Malerfirmaet Staubo has been part of HG for roughly a year, and the impact has been transformative.

– How quickly did you notice a difference?

– Right away, Staubo says.

– We were notified by our suppliers that our prices had dropped. On the whole range of products we're using.

The agreements didn't just offer better prices – they provided predictability.

– We no longer pore over individual product prices because HG's agreements cover the entire range of products we use, he says.

– It saves time, increases margins, and gives my painters the freedom to choose the materials they prefer without worrying about cost.





Better margins, better tools

Previously, Staubo often had to tell his painters:

– I know you like that product, but this is what we're using – it has the biggest discount.

Now, those conversations are a thing of the past.

Greater margins have given Malerfirmaet Staubo more room in their budget. They've been able to invest in equipment like upgraded sprayers and sanders.

– Our painters are our most important resource, Staubo says.

– And this lets them work better, faster, and with less physical strain. It's that simple.

From 'take-it-or-leave-it' to partnership

– Since joining HG, we've moved into a different league, Staubo says.

Partnering with HG has also elevated Staubo's market position. His company can now handle larger projects, thanks to access to more expertise and skilled professionals.

– Before, we wouldn't have dared to take on some of the projects we now bid for.

Before joining HG, negotiations with suppliers often felt one-sided. It was a take-it-or-leave-it scenario, where Staubo were told how things would be. Now, those relationships feel more like partnerships.

“

For Staubo, joining HG wasn't just about saving money, it was about transforming his business.

– We're taken more seriously as a company, Staubo says, adding: – If there's an issue with a product, we know it'll be resolved. They listen to us. We suddenly matter to them. For Staubo, joining HG wasn't just about saving money, it was about transforming his business.

– We're part of something bigger now, he says.

– We have the support and leverage to thrive, no matter how tough the competition gets. The power balance between us and the suppliers has become noticeably more equal.

In the bigger picture, this collaboration enables all HG companies to align on a common ESG agenda – setting standards that benefit not just individual businesses but the entire industry.

What was once a solo effort has become a collective success story, proving that shared strength leads to shared success.





This is how HG ensures better conditions for all:

Local input drives decisions

HG collects insights and feedback from its member companies to shape supplier requirements—not just on product quality, but also on service and logistics. Representatives from local companies actively participate in negotiations, ensuring the process reflects the collective effort and needs of all HG members.

Collective bargaining power

HG negotiates on behalf of all members, securing

terms that would be unattainable for standalone companies.

Discounts across entire product ranges

From paint to tools, every product benefits from favorable agreements.

Monthly bonuses

Instead of waiting for annual kickback payouts, members receive monthly bonuses, improving cash flow and enabling reinvestment.

Meet Our Management Team

As a leader in the surface treatment industry, Håndverksgruppen is led by a competent management team that sets our strategic course.

While they provide essential leadership, the true foundation of our success lies with the local HG companies. Their exceptional skills and steadfast dedication are crucial to the success of our business.



**Øyvind
Emblem**

CEO

Born: 1970

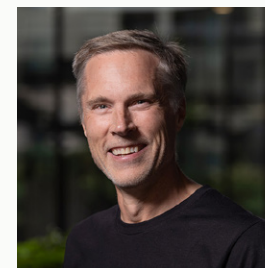
Employed by HG since: 2020

Nationality: Norwegian

Education: Master Mechanical Engineering, NTNU, Norway. Master Business & Administration, HEC, France.

Current engagements: Member of the Board of Directors at Installatørgruppen.

Previous engagements/experience: MD Norway & EVP Ramirent. MD Michelin Benelux. MD Michelin South Korea. Production Manager, ODIM Hitec. Management Consultant, McKinsey & Co.



**Christian
Hanke**

CFO

Born: 1968

Employed by HG since: 2024

Nationality: Swedish

Education: Bachelor's degree in business administration from Uppsala University. Certified Public Accountant in the state of Massachusetts.

Current engagements: None

Previous engagements/experience: Auditor at PwC. Manager Financial Reporting at Stratus Technologies. VP Controller at American Express. VP Financial Controller at Nasdaq. VP Corporate Controller and interim CFO at Autoliv. CFO at Oatly Group.



Elisabeth Rustad-Nilssen

CBDO

Born: 1988

Employed by HG since: 2021

Nationality: Norwegian

Education: Master Auditing & Accounting from Norwegian Business School. BSc (Honours) Financial Economics from University of St Andrews.

Current engagements: None

Previous engagements/experience: Investment Director, FSN Capital Partners. Senior Associate, PwC Deals. Senior Associate, PwC Assurance.



Trond Sigurd Tørdal

Board Member and
M&A Director

Born: 1964

Employed by HG since: 2020

Nationality: Norwegian

Education: Entrepreneur

Current engagements: T. Tørdal Invest AS, CEO and Chairman of the Board. PSG3 AS, Chairman of the Board. Peon Bodø AS, member of the Board.

Previous engagements/experience: Boreus Eiendom AS, member of the Board. Burøyveien 12 AS, Chairman of the Board. 4 Kløveren Eiendom AS, Chairman of the Board. Ørnestedet Bodø AS, Chairman of the Board.



Thomas Thorsøe

CHRO

Born: 1968

Employed by HG since: 2023

Nationality: Danish

Education: MBA Business Psychology, Business Institute Aalborg. MBA Strategic Management, Business Institute Aalborg.

Current engagements: None

Previous engagements/experience: CHRO, Kemp & Lauritzen A/S. CHRO, Flügger A/S. HR Director, DSV. HR Manager, Netto, Salling Group. Production Manager, Xpon Card.



Gjermund Söder Vegge

MD Norway

Born: 1971

Employed by HG since: 2020

Nationality: Norwegian

Education: Master of Business and Economics, BI Norwegian Business School

Current engagements: None

Previous engagements/experience: Group CFO Håndverksgruppen. Group CFO Umoe Restaurants. CFO Statoil Norge (aka CircleK Norway). Retail Operations / Chief COCO operations Statoil Norway COCO. Management Consultant PA Consulting Group, GM retail operations.



Frederik Stage Olsen

MD Denmark

Born: 1983

Employed by HG since: 2023

Nationality: Danish

Education: Cand. Merc, International Marketing and Management, Copenhagen Business School.

Current engagements: None

Previous engagements/experience: CCO, Elis Denmark. Country Manager, Berendsen. Plant manager, Berendsen. Business Line Commercial Terms and Pricing Manager, Berendsen. Operational manager, Berendsen.



Michael Mathias

MD Germany (interim)

Born: 1963

Employed by HG since: 2023

Nationality: German

Education: Dipl. Wirtschaftsingenieur / Industrial Engineer, Hamburg University of Technology.

Current engagements: None

Previous engagements/experience: Interim manager with positions within Finance. M&A, Business Development and Sales & Marketing. CFO/COO Insulation & Composite, Von Roll AG. General Manager/CFO, Carl Zeiss Microscopy GmbH.



ESTABLISHMENT AND GOVERNANCE

We're built to last

HG first saw the light of day back in 2012, when 14 Norwegian companies joined forces as a membership organization. The 14 companies wanted to benefit from joint purchasing agreements and to win national frameworks deals.

Fast forward seven years to 2019, and HG's member companies were ready for the next step - to become an integrated group. Out of 43 member companies, 30 banded together with FSN Capital V to form the new HG in July 2020.

The original members of HG found FSN Capital V to be the perfect supporter for their existing companies, with a culture and approach that aligned perfectly with their own. Together, they could work towards a common vision for the future of the industry. Today, the majority of the holding company is owned by HG's employees and former business owners, with the rest held by FSN Capital V.

At the heart of what we do is our people. That's why former owners of craft businesses who join us reinvest

into HG, meaning that the number of co-owners who invest increases every time a new company becomes part of the group. Additionally, the key individuals at each business are invited to invest in our holding company as part of HG's Management Incentive Program. With around 800 co-owners who are also employees, we are focused on building and consolidating the strength of our business as a team.

Board of Directors

Leading our Board of Directors is Per W. Sjöstrand, a seasoned chairman who founded Instalco, and served as its CEO until 2021. Previously, Sjöstrand acted as chairman of Green Landscaping Group AB and Fasadgruppen Group AB.

Our Board comprises a diverse group with a wide range

of complementary skills and experience. This includes in-depth market knowledge of all the countries in which we operate, including our recent expansion into Denmark and Germany. Their collective background includes significant entrepreneurial experience, insight from running decentralised businesses and international expertise. In addition, our Board has extensive experience of IPOs and listings, particularly through our association with FSN Capital V.

The Board of Directors is responsible for hiring the CEO, approving the corporate strategy and budget, in addition to ensuring solid management and control.

FSN Capital GP V Limited acting in its capacity as general partner for and on behalf of each of FSN Capital V L.P., FSN Capital V (B) L.P. and FSN Capital V Invest L.P.



Board of directors' report 2024

Wall Topco AS is a holding company and is the ultimate parent company of Håndverksgruppen Group AS.

All operations are carried out in Håndverksgruppen Group AS (HG) and its subsidiaries.

Nature and place of residence of the business

Wall Topco including HG and its subsidiaries (the "group"), is a leading Northern European group that performs all types of surface treatment services - painting, flooring, masonry and tiling. HG carries out everything from medium sized turnkey contracts to mainly smaller, individual assignments with the emphasis on rehabilitation work (often called rehabilitation and maintenance or R&M) in the business-to-business segment (B2B).

The group was established in July 2020 with 30 Norwegian craft businesses. Since then, until the end of 2024, a further 123 craft businesses have been incorporated in Norway, Sweden, Denmark, and Germany.

The group's operations in Norway, Sweden and Den-

mark are spread across the countries enabling us to deliver on national or regional agreements. HG's first two craft businesses in Germany were included into the group in 2023 and are located in the south of Germany. In 2024 we included three new businesses in Germany to our group, two in the south and one in the north. The group's head office is in Oslo and each country has a service office that supports, coordinates, and follows up operations per country which are also HG's main segments.

Financial performance

Overall, the group reported a strong top-line growth in 2024 driven by M&A that contributed positively with 17.3 percentage points of revenue growth. Organic growth or like-for-like growth was affected by a chal-

lenging market and was slightly negative in the period. Macro-economic conditions remained challenging resulting in reduced activity in the new build market. Sweden is particularly impacted, but also Norway has experienced the lower activity within new build during the year. Although the general trend is reduced activity in the new build market, there are large local variations and thus also impact HG's companies differently. The companies have continued their good cooperation on projects and sharing of best practice across the companies, which improves our resilience in the current challenging market.

The group identified a need for adjustment of the share-based consideration paid in connection with the businesses acquired before July 2021. As a result of



From the left: Thomas Schwenke, Trond Sigurd Tørdal, Per Sjöstrand, Marina Lønning, Erik Nelson and Eirik Hjeltnes Wabø.

the adjustment, goodwill and equity as of 31 December 2023 was overstated with NOK 102 million. See note 25 in our annual report for more information.

The consolidated financial statements are prepared and based on International Financial Reporting Standards (IFRS®) as endorsed by the European Union (EU) and effective at 31 December 2024.

CONSOLIDATED PROFIT AND LOSS STATEMENT

Revenue from contracts with customers

Revenue from contracts with customers increased 14.1 per cent to NOK 6,796,443 thousand in 2024, compared to NOK 5,955,462 thousand in 2023. Acquisitions contributed positively with 17.3 percentage points of the growth whereof organic decreased by 3.2 per cent.

Operating expenses

Operating expenses amounted to NOK 6,708,515 thousand (NOK 5,710,507 thousand) or 98.7 (95.9) per cent as a share of revenue from contracts with customers.

The increase in NOK 998,008 thousand was primarily driven by the additions of new companies joining the group. Acquisition related costs impacted the year with NOK 27 million (NOK 32 million).

Depreciation, amortisation, and impairment

Depreciation and amortization of tangible and intangible assets amounted to NOK 250,383 thousand in 2024, compared to NOK 174,425 thousand in 2023. The increase was primarily due to acquisitions of new companies joining the group.

Operating result

Operating result was NOK 106,222 thousand in 2024, compared to NOK 248,098 thousand in 2023. The decrease is a combination of weaker market conditions resulting in lower resource utilization as well as impacting our ability to compensate for employee benefit expense inflation through price increases, especially in the Swedish market which was characterised by pricing pressure. In addition, the decrease can also be attributed to consultancy costs related to a strategic project amounting to NOK 48 million and the discontin-

uation of a non-core business unit which resulted in a one-time expense of NOK 17 million. The decrease was partly offset by the Danish segment reporting a year over year increase in operating profit of NOK 14,218 thousand, driven by a strong contribution from the 2024 acquired companies. Lower material costs as a result of negotiated volume rebates have also contributed positively.

Financial items

Net financial items were negative and amounted to NOK 163,622 thousand in 2024 (negative NOK 121,943 thousand) with the increase primarily driven by higher liabilities to credit institutions.

Profit (loss)

Profit (loss) before tax amounted to NOK -57,400 thousand in 2024 compared to NOK 126,155 million in 2023, a decrease of NOK 183,555 thousand primarily driven by lower operating result and higher finance expenses. Income tax expenses (benefits) amounted to NOK -4,257 thousand in 2024 (NOK 43,547 thousand). Net profit (loss) for the year amounted to NOK -53,142

thousand in 2024 (NOK 82,608 thousand).

The group did not carry out research and development during the year.

FINANCIAL POSITION AND LIQUIDITY

Total interest-bearing debt (liabilities to credit institutions and lease liabilities) was NOK 2,652,861 thousand as of 31 December 2024, of which NOK 418,585 thousand matures in 2025. Cash equivalents was NOK 433,935 thousand as of 31 December 2024, in addition to NOK 537,039 thousand in undrawn credit facilities. The group has three financial covenants, part of its loan agreements. These are equity ratio, interest cover ratio and leverage ratio at HG level, respectively. The group was in breach of the fourth quarter 2024 leverage ratio and interest cover ratio covenants. The group has as of August 7, 2025, received a waiver letter from the banking syndicate concerning all historical and current covenant breaches. HG has also agreed with the syndicate to extend the maturity of the current loan agreement including amending certain terms. In addition,



additional capital will be contributed amounting to approximately NOK 235 million no later than September 30, 2025. See Note 18 liabilities to credit institutions and note 23 events after the reporting period in the financial statements for more information. Based on the above the group's liquidity position is deemed sufficient to fund its growth and operations and is regularly assessed by the treasury function.

Total assets were 5,279,845 thousand as of 31 December 2024 (NOK 4,564,384 thousand). Total equity amounted to NOK 1,138,350 thousand 31 December 2024 (NOK 1,075,644 thousand), corresponding to an equity ratio of 21 per cent (23 per cent).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to NOK 420,500 thousand in 2024 (NOK 318,018 thousand), an increase of NOK 102,482 thousand mainly as a result of an improved net working capital position.

Cash flow from investing activities amounted to NOK

-334,692 thousand in 2024 (NOK -703,631 thousand) primarily related to acquisition of subsidiaries for both periods.

Cash flow from financing activities in the period amounted to NOK -96,630 thousand in 2024 (NOK 429,619 thousand). The decrease in cash flow from financing activities is primarily attributable to NOK 796,669 thousand in proceeds from interest-bearing debt in 2023 and an increase in amortisation of lease liabilities and interests paid during 2024, due to higher liabilities to credit institutions to fund investments in acquisitions.

Own shares

The company does not hold any own shares.

Future development

HG works to build a leading, nationwide offering to our customers, and we want to be known for quality, sustainability and responsibility. HG will continue to grow within the existing core business; painting, flooring, masonry and tiling, and working to improve the stan-

dards for quality and efficiency in the industry and at the same time move the industry in a more sustainable direction.

The group has the ambition to lead the way in sustainability and has established a sustainability strategy and carried out measures such as the implementation of ethical guidelines with zero tolerance against corruption, harassment of any type, and bribery. People, the environment and responsible management are priority areas for HG's sustainability strategy, and these have been chosen based on their importance to HG and that we can make a difference and show the way for the entire industry.

Growth will primarily come from including new, solid craft businesses with a strong local and regional market position, and new companies will increasingly be included, primarily in Denmark and Germany. HG Sweden, and to an even greater extent HG Norway, has solid national coverage, but we will also continue to include companies going forward in these markets. Norway remains the largest segment with Sweden as our second

mature market, where the priority has shifted to further develop best practice supporting the local companies to grow organically. HG included ten new craft companies in Denmark during 2024 with a higher operating margin than average for Denmark with more to come in 2025. Three new high-quality crafts businesses were acquired in Germany in 2024, and the M&A activity is high with several companies in the pipeline for 2025.

War in Ukraine and high interest rates have had an effect on the economy in general, which has mainly had an impact on the new build construction market in each of our respective countries. The geopolitical complexity increased in the first quarter of 2025 with potential threats of trade war which potentially could have a negative impact on economic activity and investments in general, including in our markets. At the same time a number of countries within EU, including Germany, is planning for significant infrastructure investments, which would have the opposite effect on economic activity driving growth.

HG is mainly exposed to the R&M market with profes-





The new build markets is expected to remain challenging during 2025, in particular in Sweden, while the R&M market is expected to remain resilient across all our countries.

sional customers (B2B), which historically has a more stable development. The intensity of competition increased during 2024, especially in Sweden, with less contracts to bid on with the most significant impact within new build, but at the same time HG's craft companies have extensive experience delivering in good as well as challenging times. The interest rate level now seems to have leveled out and the Swedish Riksbank cut its prime rate a number of times during 2024 and Norway is expected to make its first primo 2025. The new build markets is expected to remain challenging during 2025, in particular in Sweden, while the R&M market is expected to remain resilient across all our countries.

Financial risk

Through its activities, the group is exposed to various types of financial risks. Financial risks refer to fluctuations in the group's earnings and cash flow as a result of changes in exchange rates, interest rates, refinanc-

ing and credit risks. The objective is to mitigate the financial risk to the greatest extent possible. For more information on financial risk management see the notes to our financial statements.

Market risk

The company is exposed to changes in interest rates, as the company has floating interest rate debt. Furthermore, changes in the level of interest rates can affect investment opportunities in future periods.

Foreign currency exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The transactions of the operating entities are denominated in the local currency, thus there is little or no currency exposure from operating activities. Translation exposure arises when foreign subsidiaries' results and net assets are translated into Norwegian kroner. For

the group translation risks arise for the subsidiaries in Sweden, Denmark and Germany. Assets and liabilities in foreign currency are translated at the closing rate.

The group has currency exposure related to financing as the parent is funding the subsidiaries in their local currency, thus movements of SEK/NOK, DKK/NOK and EUR/NOK exchange rates impact the profit and loss statements within finance, net. The currency exposure from the financing of the subsidiary in Sweden is reduced as part of the external financing of the parent is in SEK. The Company is currently not using financial derivatives to hedge any currency risk.

Credit risk

The risk of loss on receivables is assessed as low for the group. The turnover is spread over a large number of mainly medium and small projects and customers, hence individual projects or individual customers will



not have a significant impact on the group. Developments in market conditions are followed closely to capture any structural changes. The group limits the exposure to credit risk with upfront payments and continuous invoicing and collection.

Liquidity risk

Liquidity risk is the risk that the group may encounter difficulty in meeting its obligations associated with financial liabilities including financial covenants as stipulated by our loan agreement. The objective is for the group to be able to meet its financial commitments in upswings as well as downturns without significant unforeseen costs.

The company considers the liquidity position in the company to be good, also see note 23 of the annual report, events after the reporting period. The company continues to focus on working capital optimization, especially through faster invoicing and reduction of the credit period.

Going concern

It is confirmed that the prerequisites for going concern are present. The assumption is based on profit and cash flow forecasts for 2025 and the group's long-term strategic forecasts for the years ahead. The group is in a healthy economic and financial position.

The parent company and disposition of the year's profit

Wall Topco is the parent company of the group and is located in Oslo, Norway. Total assets were NOK 689,157 thousand and total equity amounted to NOK 474,113 thousand as of 31 December 2024, corresponding to an equity ratio of 69 per cent. The board of directors determined that Wall Topco had adequate equity and liquidity at year end 2024.

The board proposes the following disposition of the annual profit in Wall Topco AS:

Other equity NOK 2,427 thousand

Total allocated NOK 2,427 thousand

The proposal is based on the owners' assessment of the company's capital structure.

Board liability insurance

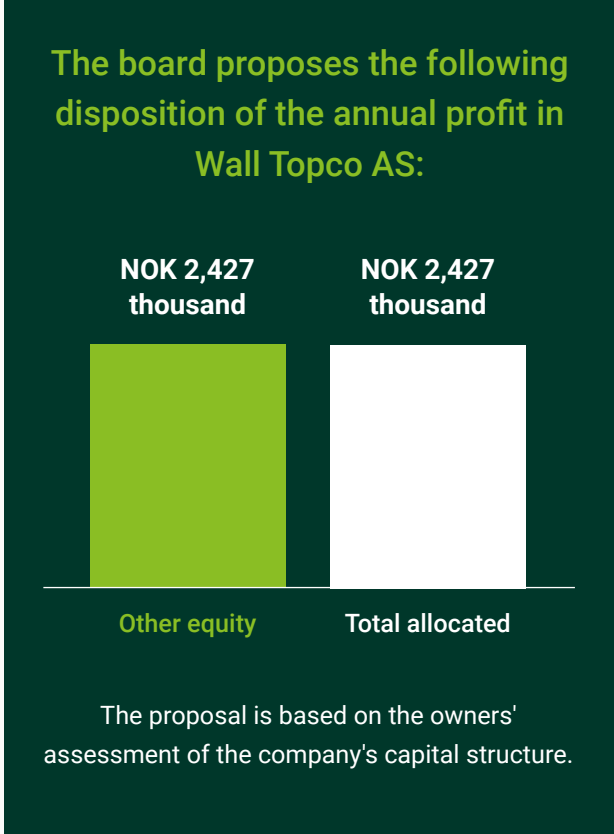
Insurance has been taken out for the members of the

board and the general manager (board liability insurance) for their possible liability towards the company and third parties.

Work environment

Sickness absence in the group was 7.6% of total working days in 2024 compared to 6.6% in 2023.

Work with health and safety is a high priority in HG. We want to create a safe and healthy work environment through a strong safety culture for our employees, so everyone gets home safe for dinner - every day! That's why we have intensified our focus on occupational health and safety through ongoing safety campaigns in all our companies. Safety is everyone's responsibility, and our goal is to avoid injuries, illness and ailments caused by the working environment. In the field of safety, this means avoiding work-related accidents that result in serious injuries and absenteeism, and HG's companies report monthly on injuries that lead to sick





leave and regularly share examples of incidents to raise awareness of safety.

When it comes to health, we strive for employees to have an ergonomically correct working situation and to avoid health-damaging stress through contact with chemicals, noise or dust. Our continuous improvement initiatives are related to ergonomics/posture, use of safe job analysis (SJA), working at heights, cutting injuries, driving safety, protective equipment and chemicals. To ensure compliance with routines and the use of correct equipment, awareness work takes place in several channels including the HG school, craftspeople meetings and general manager meetings, to name a few. During 2024, a total of 93 injuries, predominantly minor injuries such as cuts and bruises, have been registered which have resulted in one day of absence or more (i.e. Lost-Time Incidents ("LTIs")).

Development of employees and talent development is



HG aims to be a workplace where there is no discrimination due to ethnicity, gender, outlook on life or orientation.

also a high priority in the HG companies. We offer training for employees and strive to retain our experienced and competent employees. HG is of the opinion that diversity is important to preserve a good working environment, and we believe that diversity in terms of background, skills and gender is important for our success. The group works actively to follow up the requirements as a result of the extended activity obligation under the Equality and Discrimination Act, both by training all employees in HG's ethical guidelines and ongoing working environment surveys. We also want to take care of the future development of the professionals in our companies. Therefore, we have a strong focus on apprentices and aim to have an apprenticeship share of at least 10%.

The culture in HG is characterised by strong cohesion within the individual company and between managers in the various subsidiaries. The culture in craft com-

panies that wish to become part of HG is carefully assessed before they are incorporated as part of HG.

Equality and discrimination

HG aims to be a workplace where there is no discrimination due to ethnicity, gender, outlook on life or orientation. As an integral part of our leadership programs at HG school, we train our leaders in "inclusive leadership". This applies, for example, to matters relating to pay, advancement, recruitment and general development opportunities. Of the group's board of directors eight board members, there are three women and five men, and of the eight who make up the group management, one is a woman. Of the group's employees, there are 15% women and 85% men, compared to 12% women and 88% men in 2023.

The group's work to promote equality and combat dis-

crimination is an integral part of everyday life in several areas. In our recruitment campaigns, we try to attract employees from different backgrounds by highlighting aspects of the craft profession that may not have been known to the general public. We use both women and men, young and old in our recruitment campaigns to show that the craft is suitable for everyone. The recruitment material for apprentices is fronted by one of our female apprentices. All employees undergo training in the group's ethical guidelines as part of the onboarding program, an online whistleblower channel has been set up, the working environment is regularly measured and all managers complete courses in "everyday management" to name a few. Training material and information campaigns have been prepared to increase awareness and competence to counter discrimination and to contribute to increased equality and diversity. At the HG school, equality, diversity, and discrimination are central



themes. We have a good overview of salary formation at head office, as well as among our regional managers and General Managers in our subsidiaries and ensure with an annual process that this is not discriminatory. Salary formation in the subsidiaries is local and is determined by the individual General Manager in line with local needs and our ethical guidelines.

Environment and climate

HG has the ambition to be leading and forward-looking in many areas, including the environment, social responsibility, and business ethics. In a world where increasingly high demands are placed on efficiency, and competition between companies is getting tougher, the environment is becoming even more important.

Environmental focus and maintenance must reflect the company's vision of leading the way and contribute to the employees being inspired to meet the desired goals. We strive for our companies in Norway and Sweden to be environmental beacon or ISO 14001 certified. During our work, we will explore solutions that promote reuse, rather than always choosing new materials. An example of this is the sustainable flooring solution used on approximately 35,000 m² of floor space, which prevented the need to replace the floor altogether.

Professionalism is the foundation of quality, and HG stands as the Nordic region's leading group within surface treatment, delivering specialized solutions tailored to key target groups. The HG brand represents our commitment to quality, sustainability and responsibility. Whether painting, bricklaying, wallpapering, or installing floors and tiles, we uphold the highest standards to meet the targets outlined in our ESG Strategy, ensuring sustainable, high-quality results.

HG has since 2021 reported on Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Through 2022 and 2023, we carried out a screening of Scope 3 and selected the categories most relevant to HG. Some of our companies started reporting on two of the Scope 3 categories already in 2022 – category 5 (waste) and category 6 (business travel). During 2024, we significantly improved the collection of data on the existing Scope 3 categories and also added data on category 1 (purchased goods and services) and category 3 (fuel- and energy-related services). All companies are now reporting quarterly on their Scope 1, Scope 2, as well as waste and business travel emissions. HG is working



to continuously improve the quality and accuracy of its carbon inventory.

The company's statement in accordance with the Transparency Act is available on the company's Norwegian website.

Corporate Sustainability Reporting Directive (CSRD)

During 2024, we advanced preparations for compliance with the CSRD, a European regulation that significantly enhances sustainability reporting requirements for in-scope companies, including HG. As part of this effort, we engaged PricewaterhouseCoopers (PWC) to undertake a comprehensive double materiality assessment (DMA) to identify HG's most relevant sustainability impacts, risks and opportunities. This assessment will be refined in 2025 to focus on the most material topics. To strengthen our ESG capabilities and ensure effective implementation of the CSRD, we recruited a dedicated resource to support this critical area, who starts in February 2025.

Significant events after the reporting date

As of December 31, 2024, March 31, 2025, and June 30, 2025, the Group was in breach with its leverage ratio and interest cover ratio covenants, which resulted in liabilities to credit institutions to be classified as current. As of August 7, 2025, HG received a waiver letter from the banking syndicate for all historical and current covenant breaches. HG has also agreed with the banking syndicate to amend and extend the terms of the current SFA. This ensures that the long-term financing of the Group is secured. As noted above, note 23 in the annual report describes significant events after the reporting period in more detail.

No other significant events occurred after the reporting period, with the exception of the incorporation of new companies which HG consider to be part of normal operations.

Oslo, 15 August 2025¹

¹ The document is signed electronically and therefore has no hand-written signatures.

Per Wiking Sjöstrand

Chairperson of the Board

Trond Sigurd Tørdal

Board member

Christina Hegg

Board member

Erik Nelson

Board member

Maria Grøner

Board member

Eirik Hjeltnes Wabø

CEO and Board member

Marina Lønning

Board member

Dirk Brouwers

Board member

Want to read the financial information for 2024?



Scan the QR code for the
complete financials with notes.



When companies join HG, they retain their unique identity, including their name, logo and operational base, as well as their valued relationships with customers and employees. Still, they gain greater resilience and value through integration into a larger, collaborative family.

www.handverksgruppen.com

Address:

Østensjøveien 34
0667 Oslo, Norway