



2023

Annual report

HÅNDVERKSGRUPPEN GROUP AS



Håndverksgruppen is the largest and fastest-growing provider of painting, flooring, tiling, and masonry services in Northern Europe.

We excel by uniting top local enterprises in the crafts industry, each distinguished by exceptional customer satisfaction, robust financial performance, and a vibrant corporate culture. Under HG, these companies amplify their strengths through our network effect, leveraging shared best practices and collective expertise to enhance value and drive growth. Together, we are stronger—and we are the proud craftspeople leading the way.

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Embracing Momentum

In an ever-changing market landscape, Håndverksgruppen ("HG") remained resilient and dynamic throughout the year.

With 134 local companies¹ comprising more than 4,200 skilled employees, HG continued its path of growth and creating prosperity.

Maintaining our stride and sustained financial solidity

Throughout 2023, we maintained our commitment to organic growth and including new companies (M&A), a testament to our continuing success and business model. Adding new companies remained a cornerstone of our strategy, with at least one new company on average joining the HG family every two weeks.

Despite a challenging market in 2023, HG stood its ground and delivered a resilient financial performance. Our reported revenues increased by 55% compared with the previous year, which is a testament to our adaptabil-

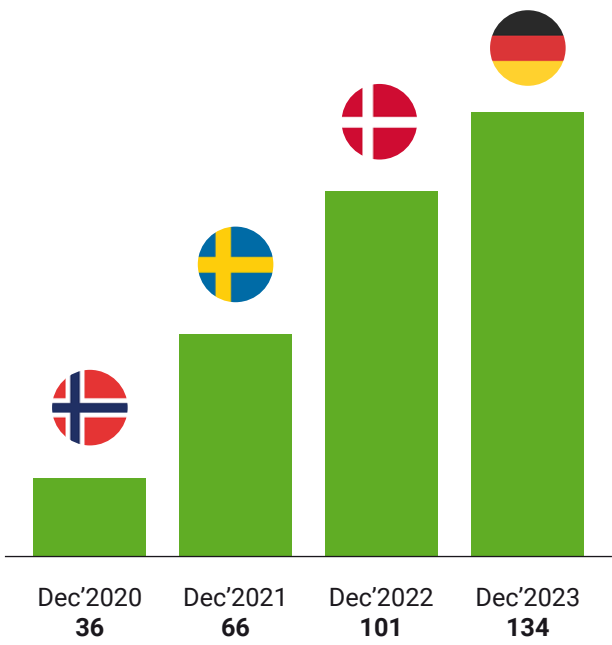
ity and sound strategy. At the same time, our reported EBITDA and EBITA showed a noticeable increase of 29% and 16%, respectively.

Since our inception in July 2020, HG has grown exponentially, a testament to our strategic vision and unwavering determination. Our expansion efforts have extended beyond our traditional markets, with a strong focus on establishing a presence in new countries, including Denmark and now also Germany.

Welcoming new champions and breaking new ground in Germany

In 2023, HG was delighted to welcome 33 new local champions into our fold, each enriching our collective efforts with their unique value and energy. In Sweden in particular, we brought 29 companies¹ on board, significantly expanding our geographic footprint. The integra-

LTM Proforma revenues
(illustrative)



¹ Includes operating companies only

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The year 2023 marked a significant milestone in HG’s journey as we expanded our footprint into Germany.

tion of 14 companies¹ in June, formerly recognised as Dextry, has particularly enhanced our portfolio within the painting and refurbishment sector, further diversifying and strengthening the resilience of our Swedish operations. Our lean, decentralised approach, coupled with a light-touch integration model, has consistently enhanced our attractiveness to potential partners and strengthened our financial performance.

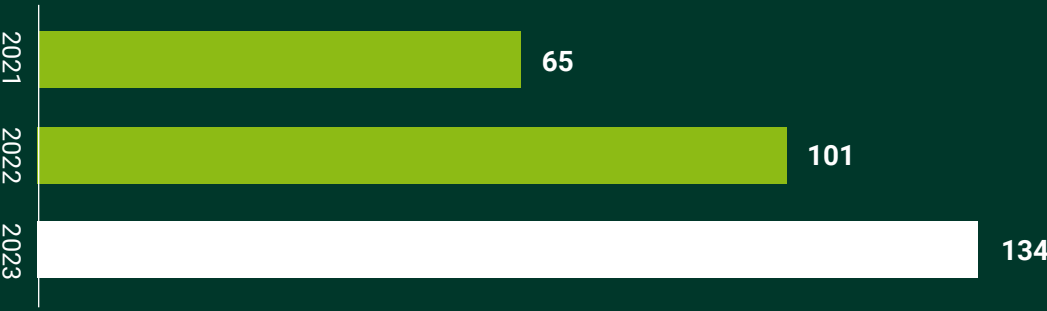
The year 2023 marked a significant milestone in HG's journey as we expanded our footprint into Germany. In May 2023, we celebrated the addition of the first German company, a landmark achievement that underscored our commitment to geographic expansion. In November 2023, our presence in Germany was further strengthened with the addition of our second company,



Highlights 2023

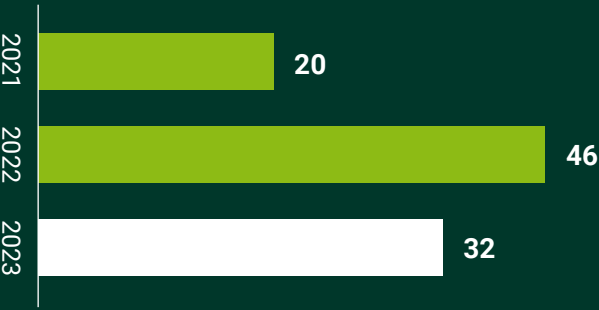
Number of companies*

Growth from 2021 to 2023



Happy employees delivering quality

Employer Net Promoter Score



33

new companies*
joined HG

85%

of Local Companies
ISO 14001 Certified

427

employees
graduating from
our Academy

2

one new
company* every
2nd week

“

With 427 individuals trained – an increase of approximately 100 graduates compared to the previous period – this growth demonstrates the effectiveness of our training programmes in preparing people for continued growth and success with HG.

cementing our prospects of becoming a formidable partner to businesses in the German market.

Empowering our people

At HG, our people are the heart and soul of our organization. In 2023, we continued to invest in their growth and development, with an employee satisfaction of 32, significantly exceeding the industry average of 11. We also saw a healthy increase in the number of apprentices from 229 at the end 2022 to 351 at the end 2023, reaffirming our commitment to developing talent within our ranks.

In 2023, the HG Academy continued to play a vital role in equipping our people with the skills and knowledge they need to succeed. This year saw in the introduction of several new courses, including a dedicated talent

program preparing the next generation of General Managers. With 427 individuals trained – an increase of approximately 100 graduates compared to the previous period – this growth demonstrates the effectiveness of our training programmes in preparing people for continued growth and success with HG.

Strength in unity and aligned incentives

At HG we embody a sense of unity and camaraderie, exemplified by our growing cohort of employee-owners. As our family grows with each new company joining HG, so too does our collective strength and resilience.

In an era of uncertainty, HG remains steadfast in its commitment to strategic foresight and contingency planning. Our proactive approach to risk management and port-

folio monitoring ensure that we meet challenges with poise and agility, safeguarding our long-term success.

As we break new ground and expand our geographical footprint, HG remains committed to the values that have defined us since our inception. Our unique business model continues to garner praise and recognition, serving as a beacon of inspiration and excellence for existing and future partners.

Continuing the next phase of our journey, HG stands ready for sustained growth. With continued dedication and determination, we are ready to navigate challenges and embrace opportunities with optimism. Together, we will continue to redefine quality and shape the future of surface treatment services across Europe.

Our companies* – The local winners!

NORWEGIAN COMPANIES*

Arvid Bendixen

ANDERSSON KJÆRNØ

BLAKSTAD AS

MALERMESTRENE BMV AS

BRODRENE BLINDHEIM Malerfirma a.s

BRODRENE JAKOBSEN AS

BW

Buer Byggningsvern

Malmester Buer Drammen

Malmester Buer

Malmester Buer Bergen

Malmester Buer Østfold

Dokken & Malmester forretning

EILERT & EDVIN HOLME AS

FARGERIKE Alta

INDUSTRIGULV SPESIALISTEN

Industri & Maling AS

H&M malerservice

MALERMESTER JAN LARSEN

JOSTEIN SKJETNE

FARGERIKE Christensen

MALERFIRMA K. NILSEN AS

malermester KJELSEN & TUFT

Khem Hæsvik

Lars E. Strand

LVM

MALERMESTER LINDVIK

LOTHE & MOTZFELDT

M-TEK

M-TETT

MALCO

Maler Anderssen as

MALERMESTER LUNGGUJST AS

MALERBUA

T. KVITTINGEN

Malmestrene

JENSEN

MASTER MALERSERVICE AS

Meurburger

MULTIFLIS

murmester lindgren

Murmester

MURMESTER TOR T. PEDERSEN AS

Johannessen Hagen

nime

NORÈN

BERGEN TAKSTENTER

Hemsedal Malerservice

PROSJEKT & HÅNDVERK AS

RAGNVALD MOE AS

REGNBUEEN

RISANGER & SØNN

Rosenborg

Schwenke

Schwenke

SKANCKE.NO

SKILBREI

sletvold

Stryken og Gudbrandsen AS

MALERMESTER Sture Brækstad AS

Sverresborg

TAPET & MALERCOMPANET AS

FARGERIKE

malermestrene TORE WERNER OLSEN

TFM HÅNDVERK

MURMESTER DAG ARNE NILSEN



SWEDISH COMPANIES*

BBM

BROR ERICSON MÅLERI AB

CITY GOLV

DALARÖ

aj

Björsons Måleri

BRODERNA SILJENDAHLS MÅLERI

DELÉR

Larssons Måleri

Mala

MÅLAB

malmstens

NP

NyMålat AB

P&A Måleri

PAINTAB

SÖDERMALMS

FC

Utför allt inom mureri & plattsättning

GOLV INTERIÖR

GOLVTEAM

HAGMAN & HUBINETTE MÅLERI AB

Haninge Terrazzogolv AB

HP

HOLMSTRÖMS AB

K360°

SE

LD GOLV & PLATT

LÖDDE MÅLERI AB

M

MAGNUS MÅLAR'N

Mats Winlund Måleri AB

M

METODGOLV

Miljönären

MOBERGS

gustaf & björnstam

ÖSTERBERG MÅLERI AB

Öfverbergs Golv & Inredningar AB

STOCKHOLMS GOLVTJÄNST

Sandbybergs

Borås MurningsArbeten

studs malarbros

DANISH COMPANIES*

2komp

Malefirma C. MØLLMANN & CO. A/S

SKILTE- & MALERFIRMAET NIELSEN & KROMANN A/S

rene palm

dsj

Entreprisemaleren A/S

Gørløse Malerfirma A/S

Malerfirmaet Buhr A/S

SANDER & DAMAS

TM

MALERHUSET

Malerfirma Ernst Hansen

JEPPESEN

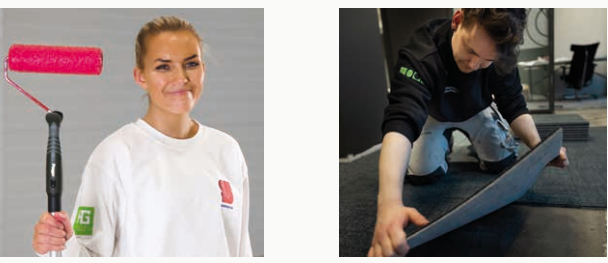
GERMAN COMPANIES*

BECK

hans übelacker

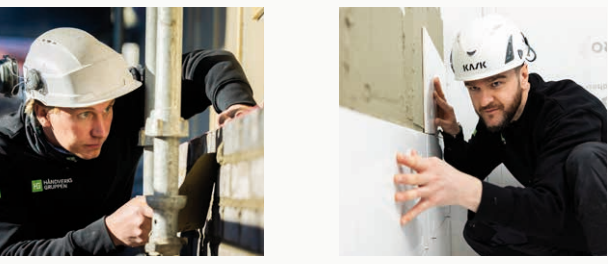
HL

We provide all types of surface services



Painting

Flooring



Masonry

Tiling

Happenings 2023

January

Start of the year with a big win! HG wins a major national contract with ISS in Norway, awarded for quality, process and service understanding over price.



February

Håndverksgruppen Sweden received ISO certification, confirming our commitment to ESG. Meanwhile, the Danish HG companies demonstrated their transition from competitors to partners by working together on a major refurbishment project to revitalise 150 gyms across Denmark, demonstrating HG's expanded service capabilities throughout the region.

March

A historic first! All Danish General Managers gathered for an inspiring meeting in Hirtshals, hosted by the warm Jeppesen duo. March also shone as HG was named FSN Capital's ESG winner for 2023.



April

HG's revenues increased fivefold since inception, a milestone! We also launched a comprehensive Health & Safety and Quality & Assurance library to equip our Norwegian operations with best-in-class knowledge.

May

Welcomed our first German family member, the highly respected Hans Übelacker, with open arms and celebrated this landmark expansion with a board meeting on German soil to further mutual understanding of German culture and market dynamics.



June

Strengthened our presence in Sweden by welcoming 14 dynamic companies*, formerly part of Dextry, into the fold. This move not only broadened our footprint but also deepened our expertise in painting and refurbishment.

July

Refurbishment of 11 Bolia stores across Norway, a decade long tradition of excellence.

August

Signed a national agreement with Storebrand Forsikring, one of the Nordic insurance titans, driven by our unwavering commitment to sustainability.



September

All General Managers gathered in Gothenburg for a dynamic two-day summit, aligning strategic vision and values to further deepen our collaboration. Launched the Swedish recruitment website to facilitate the recruitment process for local companies.

October

Malco, a local company in Kristiansand, Norway, made headlines with its eco-forward approach by signing a significant 7,000 square metre project limiting waste to only 18kg per sqm in Construction City with AF Gruppen, setting new sustainability benchmarks.



November

Stuttgart-based Beck GmbH became the second German company to join the HG family. Meanwhile, the HG Academy in Sweden launches its training for craftspeople and HG Denmark achieves ISO certification, proudly reaffirming our commitment to ESG.

December

AB Golvinteriör joins Håndverksgruppen as the 29th company* in Sweden. A national framework agreement is signed with Norwegian shopping centre operator Alti, which owns 45 centres in Norway. By the end of the year, 26 Swedish companies were ISO certified, which means that 70% of all HG companies are certified.



CEO COMMENTS

Elevating Håndverksgruppen through collective effort

Looking back on 2023, it's clear that this year was another milestone of impressive progress for Håndverksgruppen, despite the challenging market conditions we faced.



Øyvind Emblem
CEO

Achieving positive revenue growth for the companies included in the group as of 31 December 2022 is a testament to our resilience, underpinned by the effective use of our toolkit and a diversified business mix. Our strategic expansion in Sweden, marked by the addition of 29 new local companies¹, has strengthened our market leadership position and enabled us to secure national contracts. In addition, our entry into Germany, with the addition of two companies¹, marks our third successful market entry in as many years.

Our culture has been significantly enriched this year

through the further development of our ESG agenda and the training of over 420 employees at the HG Academy. We've also provided numerous opportunities for our local General Managers to engage, share best practice and foster a cohesive community across the HG family. This sense of togetherness is further strengthened by our shared ownership model, with more than 50 per cent of Håndverksgruppen owned by our employees. As we now have over 600 employee shareholders, the deeply rooted share ownership model ensures that our incentives are perfectly aligned across the Group. It is truly inspiring to work with such a dedicated group of colleagues.

¹ Includes operating companies only



29

new companies¹
in Sweden

2

new companies¹
in Germany

2

new companies¹
in Norway

This year we added 33 new companies¹ to our list, bringing the total number of local companies in our family to 134 by the end of the year. The fact that more than 80 percent of these new companies came through referrals from our own employees confirms our reputation as an ideal growth environment for entrepreneurs. This outreach by prospective members underscores our position as the premier destination for nurturing business ambitions.

Throughout the year, my travels to many of our local businesses have been uplifting, allowing me to engage directly with our craftspeople and discuss how Håndverksgruppen can support their operational and customer service excellence. My visits to our emerging networks in Denmark and Germany were particularly enlightening, demonstrating the appeal of our model across Europe and our ability to navigate new market territories. The General Managers' Meeting in Gothenburg highlighted the collaborative spirit that thrives within our organisation, demonstrating a shared com-

600+

employee
shareholders

“

Our move into Germany was marked by the addition of Hans Übelacker GmbH and BECK GmbH in 2023.

”

Øyvind Emblem, CEO

mitment to mutual growth and excellence.

In line with our vision for a sustainable future and our commitment to lifelong learning, the HG Academy has been instrumental. This investment not only secures the future of our industry, but also enhances the quality and consistency of our services. In addition, our ongoing efforts to minimise our carbon footprint have been significant, with 85 percent of our local companies¹ achieving ISO 14001 certification by the end of the year. Widespread training on our Code of Conduct, completed by over 85 percent of our employees, reinforces our governance standards and delivers commercial benefits while making a positive contribution to society.

Overall resilient performance despite challenging market conditions

Despite the headwinds of the past 12-18 months, our robust performance, with reported revenue up 55 percent to NOK 5.96 billion, is a clear indicator of the resilience of our business model. This growth, both organic and

through new acquisitions, coupled with a reported EBIT-DA and EBITA² margin of 7.1 and 4.6 percent, respectively, even in the midst of strategic investments in Germany and Denmark, underlines our operational strength.

Looking ahead, we are cautiously optimistic about the market recovery and are positioning ourselves to take advantage of the coming upturn. The effectiveness of our toolkit has been proven across all geographies and provides a blueprint for sustainable organic growth and operational excellence.

Demonstrating the power of our organic toolkit across geographies

The strength of our toolkit has never been more evident than in these challenging times. We've seen significant contributions to our revenue growth among the companies included in the Group as of 31 December 2023, particularly through national agreements in Norway that leverage the collective strengths of our local businesses.

Our Swedish operations demonstrate the power of collaboration, turning competition into cooperation and opening up new opportunities, as you can read in the example on Haninge Terrazzo later in the report. In Denmark, our collective bargaining power has secured more favourable purchasing terms from key suppliers, underlining the benefits of being part of HG.

Our move into Germany was marked by the addition of Hans Übelacker GmbH and BECK GmbH in 2023. The pre-existing relationship between these two companies has laid a solid cultural foundation for our operations, embodying our values and facilitating a seamless integration. This cultural synergy, rooted in mutual respect and shared history, enhances our ability to work cohesively towards common goals and promises a vibrant future for HG in the German market.

A focused strategic vision

At the heart of our strategy is the belief that our local businesses thrive as part of a larger collective, while re-

² EBITA represents operating result excluding amortisation and impairment charges related to intangible assets. EBITA margin represents EBITA divided by Total Operating Income.



Our successful entry into Germany strengthens our ability to replicate our Nordic success elsewhere and promises a rich pipeline of opportunities.

taining their unique identities, relationships and market positions. We are creating a distinctive ecosystem for craft businesses, growing both organically and through the addition of new members to our group.

Our toolkit enables local businesses to leverage the strengths of a larger organisation, giving them access to more competitive material prices, best practice sharing, national agreements and employee development opportunities, without sacrificing their operational independence or local connections.

Organic growth of our existing businesses remains a top priority, but our long-term expansion will also come from bringing new businesses into the Group, particularly in Germany and Denmark. This approach allows us not only to enter new markets and broaden our expertise, but also to attract top talent.

We are prepared to maintain our momentum in integrating local companies at a steady pace, as we have done over the past three years. In addition, as HG matures and market conditions improve, we expect to make even greater use of our organic growth tools.

Positioned for further expansion

Our Group's unified commitment to shared values and behaviours is driving our growth and the wider application of our toolkit. We see untapped potential for margin improvement through improved procurement and the adoption of best practices - a vision yet to be fully realised. In addition, the potential to secure national agreements in Norway, Sweden and Denmark offers significant growth opportunities, building on the strong performance of our local companies.

With Germany emerging as the largest opportunity

market of the four countries in which we operate, we are excited by the prospects this presents. Our successful entry into Germany strengthens our ability to replicate our Nordic success elsewhere and promises a rich pipeline of opportunities.

Reflecting on the past year, I am proud of our achievements. Despite the economic headwinds, our collective resilience and strategic collaborations have underscored the fundamental strength of our business, confirming the effectiveness of our strategic direction and the value of our close-knit operational fabric.

We are proud craftspeople leading the way.



CFO STATEMENT

Robust financial performance gives us a clear runway for future growth

Despite a challenging market backdrop, we continued to grow our market position and have welcomed 33 new crafts companies¹ to HG, which has further driven reported revenue growth of 55 percent to NOK 5 959 million and reported EBITDA growth of 29 percent to NOK 423 million and reported EBITA growth of 16% to NOK 273 million.



Gjermund
Söder Vegge
CFO

This performance has allowed us to continue outperforming the market on average. Our reported EBITA margin performance dropped from 6.1 percent to 4.6 percent in 2023. The drop in margin was due to tougher local market conditions, investments in new geographies, such as Germany and Denmark and strategic M&A activities expected to benefit us in the longer term. Given the challenging market circumstances and rapid expansion, we are still pleased with our margin performance.

We remain committed to strong margin performance

and expect our margins to improve again once the market backdrop recovers, but we are already addressing operational performance across our local companies to ensure that all are equipped to fulfil their full potential margin. In addition, we will continue to deploy and exploit our organic toolkit across all companies in all countries which represent a significant opportunity for margin up-lift.

We look to continue including companies to HG at the same rate as we have done previously, both in terms of revenue contributions but also in terms of operational

¹ Includes operating companies only



9%
revenue growth
in Norway.

scale. We see HG's offering continues to attract high quality, high margin businesses, and also at an operational level we are starting to leverage the one-off investments that we have made throughout 2023, particularly in Germany and Denmark.

Country performance

Our reported revenues in **Norway** grew by 9 percent in 2023, outperforming weighted market growth of 2.1 percent³, with approximately 50 percent of our companies seeing an improved EBITDA and EBITA in 2023. Our growth prospects remain strong in the Norwegian market, thanks to an increasing share of our revenues being tied to rehabilitation and maintenance - a market which is growing at 4 percent annually⁴.

Our performance in **Sweden** was strong, despite a challenging market backdrop, thanks to the 29¹ new local companies which have joined us in the country. Reported revenues more than doubled in 2023 to above SEK 2 000 million thanks to these acquisitions. However, prevailing headwinds in Sweden, particularly across the new build sector, put pressure across the whole market resulting in a contraction of the market of 6.1

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We are excited to see our organic toolkit providing significant upside to the performance of our local companies driven by the investment and efforts we have put into it.

percent⁵. Meanwhile, the companies which have joined HG over the past 12 months have increased our proportion of renovation and painting revenues in Sweden. This is particularly illustrated by our acquisition of Dexty Group in June 2023, providing for a more resilient revenue performance in challenging market conditions.

The **Danish** companies joining the Group at the end of 2022 experienced a relatively flat revenue development throughout 2023 which was in line with the wider Danish market performance⁶ and follows a year of outperformance in 2022. Meanwhile, the EBITDA and EBITA margin was on the same level as for Sweden.

We started our journey in **Germany** in 2023 with two acquisitions that fit well with our existing Group, and which put us in a strong position with EBITDA margins above our Group average. We see Germany as a very attractive market, with a market growth in 2023 of 5.3

percent, mainly driven by the refurbishment sector.

Outlook

We expect markets to recover from the somewhat depressed levels of activity seen in 2023 over the course of the coming 12 to 18 months. Regardless of these conditions, we expect to continue to make acquisitions and grow revenue at the same rate as we have done during the past three years, with the aim of making acquisitions at a higher EBITA margin performance than previously.

We are excited to see our organic toolkit providing significant upside to the performance of our local companies driven by the investment and efforts we have put into it. We are excited to continue to leverage the toolkit for the benefit of the local companies. Our M&A team's experience of making acquisitions, onboarding these companies and delivering incremental growth

continues to improve and we expect to see this develop further during the year ahead. We continue to make acquisitions at a competitive transaction multiple.

Germany and Denmark will be the main focus for our acquisitions during 2024, coupled with driving increased market share across Sweden and Norway as well as increasing organic growth rates across these two markets. ESG continues to remain a core focus for our company, and we are committed to deliver on our strategy of taking responsibility for our employees, our customers, our suppliers and our society.

With a deep pool of identified opportunities in our target markets, improving economic conditions, our increasingly efficient acquisitions toolkit and our continued focus on our toolbox; we look forward to another year of exciting progress in 2024.

^{5/6} Prognosesenteret, Management analysis



How to make your business live forever

It is as certain as spring will bring sunshine. One day it will happen.
The General Manager will want to, have to, need to go.

So how does a company keep the culture, clients and competence – when the General Manager for some reason is on his or her way out the door?

The importance of carving out a succession plan

It was about time, actually. After 17 years of running Miljönären, a successful Swedish crafts business, starting at 50 employees, moving up to 220 last spring, it was time for Andreas Söderkvist, the General Manager at large, to take on a new challenge.

He just did not know it himself yet.

Neither Andreas, nor his business partner Klas, had any children who wanted or could have taken over their company. That is why they were quite early aware of the importance of carving out a clear path for the future: They knew that life could happen.

And that is exactly what it did.

A surprising ownership presentation in the forest

Spring of 2023: A farmhouse in the forest near Uppsala, Sweden: In a cozy living room two representatives



“
What HG said about soft values, that people meant more than the numbers and economy had us both interested.

from HG prepared to give a presentation: on why they would be a good fit for Miljönären. The two founders of the company, Andreas and Klas, were not super excited. Why? They were sort of used to this, having had larger companies knocking on their door before, not ever being able to make them nod or agree.

– None of the others ever made us really tick with the way they saw sustainability, the path forward or how to take care of the employers in a way that made sense to us, Andreas says.

But this time, it would be different.

– So we were not really prepared for what we were about to hear, he says.

– What HG said about soft values, that people meant more than the numbers and economy had us both interested. We had always put people first, so their visions aligned with ours, he says.



In the car on the drive back to town we had kind of already decided that HG was going to be the way forward for us.

After a reindeer stew lunch and professional presentation they just looked at each other from across the room.

– In the car on the drive back to town we had kind of already decided that HG was going to be the way forward for us.

One week to decide who would take over the General Manager-position

Nine months later Miljönæren was a part of the HG-family. With Andreas still in the General Manager-seat. But at the very same time last summer, the HG Sweden suddenly grew rapidly. New Regional Managers were needed. Andreas had not foreseen being asked so quickly to take over one of the new HG-titles, but being asked to become HG-leader for the Swedish northern territories was an exciting opportunity both for growing further as a leader, and a wanted new challenge.

Klas for other reasons already had stepped down as



partnering General Manager. Andreas therefore needed to decide if someone else really was going to take over the chair he had been sitting in for 17 years.

And if so: Who?

Both decisions needed to be made fast: Andreas got about one week to decide.

– That would have been a stressful situation. I would probably not have been able to sleep that whole week, but I did, he says. Because he and Klas had together already made a plan.

Miljönæren prepped someone already on the payroll

A plan for succession. It is not really normal within his industry to make a concrete plan for what will happen to a company after the General Manager, the founder or the owner will step aside.

But he and Klas sat down already back in 2016, to discuss what should be done if a huge change would



suddenly – or not so suddenly – happen.

– Back then we knew that in 7 to 8 years one of us would probably want to retire. So the first thing we discussed was: Should we look for a successor outside or inside the company?

The answer for Miljönären was: Inside.

– We soon started training and supporting a group of four-five competent project leaders, good employers who we felt would be a nice fit when the time was right. We lifted them, so to speak. To prepare them for the responsibility that would come in the future.

A succession plan creates trust that promises will be kept

Andreas and his partner Klas started to think about what a possible exit would look like. They wrote down the story of their business, as well as specific things they wanted the next General Manager to think about, to take especially care of and to continue with. In regards to both how to handle the employers and clients and how to maintain the culture they had spent years building up.



– The fact that this plan exists, means our clients and partners can feel safe. They can trust that we will continue to keep what we have promised, no matter who is being called General Manager, says Andreas.

In the end, a very competent project manager, Matias, had been ready for years to take over the role of General Manager – so then, when time was right, he did.

– To make sure our company would live on for eternity, we made a succession plan early, so now it can. And will.

A tested way of leaving your company in safe hands

If the general manager for some reason is moving on the HG method of assisting companies is not some top down corporate best practice. Instead it’s a method local companies have put to the test themselves. HG consists of many local companies with their hubs all over Norway, Sweden, Denmark and Germany. These companies share knowledge on a daily basis and support their colleagues.

– What several local companies have seen is

that by becoming a part of HG all of them are able to engage in methods and experiences done by others in the industry. These are things we have seen actually work, says Thomas Thorsøe, CHRO at HG.

HG actively engages in conversations with the local company discussing the future of the business to define clear short term care takers and more long term successors.

– This is a decentralized model where we always want to learn from everyday stories experienced all the time. Stories that empower us all, he says before he adds:

– Remember, in the safety of HG each local company will be taken extra care of because the General Manager always will have the Regional Manager to back him or her. And everyone can be sure HG systematically works to ensure a good transition of all of the companies as needed, he says.

One of his best tips after gathering a pool of possible successors within the company is:

– Let each candidate try out your shoes while you are still wearing them.



THE HG PHILOSOPHY:

7 ways to plan for the eternity of your business

1 Discuss the future and ambitions of the company

In HG we believe that if you are the head of a company you need to think about the future of your company. We sit down together to discuss the future, growth and prospects of what your company ideally would be looking like in three to five years' time. And then make a plan on how to get there.

2 Announce for your employees that you are seeking leadership talents among them

When looking for a successor you might want to be open and honest from the beginning. It could be smart to let everyone know that you would like to bring them along on the journey of change, so that the transition will go as smoothly as possible. Let everyone know

they are the most important aspect of the company and that you might want to be seeking someone to take over from "inhouse". Everyone would feel included, and could get a chance to step up their game in case they are interested in the General Manager role.

3 Map the organization and select relevant internal candidates for the position

At some point you need to sit down and think through your staff: Where is the potential? Who are the obvious candidates for taking over your position? And are there any talents you have not really seen before, who might surprise you? Being a great General Manager could differ from being a great project manager. A General Manager will have more relations with the clients and therefore need to be extra communicative and open.

4 Create individual development plans for each candidate

Another idea could be to write down a "plus and minus" overview, a one-pager, for each of your selected candidates. At HG, this is done as part of the Greenhouse Program established to develop talents at HG. Questions to ask yourself about the talents: What is their strongest side? Their improvement areas? How would they manage people? How would they deal with budgets? Are they already a good profile in the local community? Could they be?

5 Be a mentor for your potential replacement

Think about what qualities you believe you yourself have as a leader, that definitely should be passed down to the next generation. Then, try to be a guide and a mentor for all the candidates. Follow their journey, and give feedback regularly. They will look to you on how you deal with them, the rest of the team, the clients and probably take mental notes. Their success is your success when you onboard them the right way.

6 Establish a network with peers for your candidates

Often good and trusted support from like-minded people like your peers is key regardless of what position you are in. It can really be helpful for your candidates

to have someone who's wearing their shoes, to discuss and vent with. As sharing everything with a boss is not always everyone's first choice. If you as General Manager can manage to establish a network of similar people, inside or outside the organization, for your candidates to learn from and seek even more guidance from, you have made life easier for both you and your successors. And we notice that our talents in the HG Greenhouse program, really benefit from having someone to discuss and share dilemmas with.

7 Decide on legacy and reputation: What to maintain and develop?

There will soon be a new organization growing out of the old. The culture might change, but how to maintain the best parts of how the company has been run from day one?

It could be smart to write down your wishes and dreams for the future of the organization. What are the most important aspects for you to maintain, so that the company's reputation and legacy will shine and live on forever?



OUR STRATEGY

The New Home for the Crafts Industry

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.

This family does not only preserve the company's heritage but also supports developing current strengths, resulting in a collective collaboration driving mutual growth and stability.

Since we were established as a group in 2020, we have succeeded in increasing our revenues by more than six-fold. This was made possible through positive organic growth, coupled with a targeted and effective strategy of welcoming new companies in Norway, Sweden,

Denmark and now, through successful market entry, also Germany.

With revenues significantly weighted towards renovation and maintenance and a diversified portfolio of companies we ensure that we limit our exposure to fluctuations in the new builds market. Despite short-term market challenges, Håndverksgruppen is well-positioned in attractive and stable markets in Europe with good growth prospects. Nonetheless, we continue to follow market



developments closely and execute on corrective actions, both locally and centrally, when needed.

New companies who join HG almost immediately benefit from improvement in both revenue and profitability. This boils down to the way we operate. Put simply, we leverage our scale to learn from each other's competencies, develop common best practices, share resources and negotiate long-term purchasing agreements.

This is how we intend to continue building the new home for the craft industry in the future.

We're a partner and home for successful crafts businesses

HG operate with a decentralised model and has a selective approach to invite new companies to join the group. For a company to appear on our radar, it must be a well-established winner in its local market. Why so? We recognise the fact that proximity to local, satisfied customers and employees must not be affected by a company joining HG.

Companies that join us retain their identity. Their company name, logo, and offices remain the same. For us, it's a way of preserving several centuries' worth of history in painting, tiling, masonry and flooring. Incorporating

existing companies in this way is an important element in value creation for the group. By welcoming new companies, we increase our geographical presence, opportunities for collaboration and knowledge sharing, as well as diversification.

Many of the companies that join HG have missed being part of something bigger. Either they have lacked a network of colleagues to lean on and learn from, or they have not had the capacity to develop their employees besides in the craft they are performing. This changes when they join the group.

To ensure that operational levers can be pulled quickly and deeply, 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 both eases the transition to HG and enhances opportunities for further growth. The toolkit leverages our scale and includes favourable purchasing arrangements, shared expertise through best practice and resource sharing, and centralised handling of regulatory documentation and requirements.

Being part of the HG network enables companies to bid together for contracts that would be difficult to secure independently. New members quickly experience the benefits of integration into our wider community, benefiting from the guidance of hands-on regional managers who facilitate both formal and informal interactions.

Unleashing the power of best practices

At HG, sharing best practice is fundamental to our success. First and foremost, this involves the sharing of local expertise within the HG network, enhancing our collective capabilities. We also support our local businesses with resources at the service office that provides tools in the areas of pricing, project management, contractual guidelines and sales support. As we are at the beginning of our journey, the full potential of these best practice opportunities remains largely untapped, and we anticipate significant margin growth as we continue to evolve.

The HG Academy is more than just a learning centre for best practice; it's a place where these principles



are deeply embedded in the growth and development of the employees. It 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. This holistic approach provides them with the practical tools they need to succeed and underpins the HG philosophy that knowledge sharing, and continuous learning are key to collective progress and individual achievement.

A national player out of the ordinary

The demand for national contracts within the B2B segment is increasing. The need for transparency and control of the supply chain is also increasing consistently, as is the need for centralised cost and quality control. The growing appeal of being able to manage numerous services across different regions through a single operator may seem challenging, but it presents a promising opportunity for HG to strengthen its competitive edge and expand its presence in the industry. We see that the demand from national agreements remains stable, despite wider market fluctuations.

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With a long-term goal of 12% of our workforce comprising of apprentices, we're investing in the next generation of skilled professionals.

Throughout 2023, the Group has won five large national customer agreements in Norway, which has been a source of great satisfaction for our local companies as it adds profitable local revenue. We have an excellent proposition to serve local markets with local companies through a single point of contact. Looking ahead, there is still untapped potential for national agreements in Norway, but especially significant opportunities for national agreements in Sweden and Denmark. When the time is right, we will follow the same path in Germany.

We invite you to read more about why Storebrand chose HG as their partner in this report.

Eliminating organizational hurdles for organic growth

In our industry, organic growth often hinges on the availability of skilled labour—a challenge we at HG are

determined to overcome through strategic initiatives focused on local recruitment and retention.

We've launched recruiting campaigns and platforms in Norway and Sweden, showcasing HG's dynamic culture through employee stories, attracting talent and enhancing our community spirit. Plans to extend these efforts to other countries are underway. Recognizing the potential in unskilled workers, we offer on-the-job training and apprenticeships, diversifying our talent pool.

At HG, apprentices aren't just trainees; they are our future. With a long-term goal of 12% of our workforce comprising of apprentices, we're investing in the next generation of skilled professionals. Our commitment to their growth and development is unwavering, ensuring they receive the support and guidance needed to flourish.

For more insights into how we work with apprentices, refer to the later sections of this report.

Succession planning is integral to our long-term vision. While our current cohort of local General Managers, with an average age of 49 years, boasts extensive experience, we're mindful of the need for a new generation of leaders. 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.

Our people-centric approach and emphasis on continuous learning have not gone unnoticed. With an Employee Net Promoter Score (eNPS) of 32, well above the industry average of 11, we've cultivated a workforce that's not only engaged but also committed to our shared success. This positive workplace environment



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Our plan for the coming years is to complement our positioning in Norway and Sweden and significantly increase our presence in Denmark and Germany.

not only enhances our ability to attract and retain talent but also strengthens our competitive position in the market.

Growing with one new company every two weeks
On average, we have been joined by a new company every two weeks since our inception. Going forward, we intend to maintain the same average pace in including new companies.

Our plan for the coming years is to complement our positioning in Norway and Sweden and significantly increase our presence in Denmark and Germany. To accomplish this, we are using the expanding network of existing HG companies and a wide variety of databases and other sources to find attractive candidates. The result is a strong pipeline with solid companies in all our focus disciplines and areas.



With the German market being about three times the size of the combined markets of Norway, Sweden, and Denmark, we have a significant growth runway for the years to come. In Germany, we are considered unique from our competitors thanks to our decentralised model and the fact that our people and culture sit at the heart of everything we do.

Looking even further into the future, we believe that the neighbouring countries to Germany could just as well be a good place to continue our journey, having already met with companies who confirm this view.

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 later 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 increasing 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.

We are proud craftspeople leading the way.

Storebrand and HG: Ensuring homeowners peace of mind

In moments of crisis, when things take an unexpected turn, it is then that homeowners, clients of an insurance company, must have unwavering confidence that their chosen provider will give the wisest counsel, the swiftest response, and dispatch the most skilled craftspeople to restore their residence, vacation home, or apartment to its former state.

Our clients need to feel taken care of. So as an insurer, we need to take care of who we work with. They also should feel prioritized and as an insurer it's our duty to be discerning about our partnerships. Clients seek the reassurance of priority service, necessitating collaboration with subcontractors who value our business. In this industry, time is of the essence, says Alexander Asbjørnsen, Chief

Procurement Officer at Storebrand—one of Norway's leading insurance providers.

— When we promise our clients a delivery—tiles laid by 10 AM on Monday, painting completed by Thursday—it's imperative that we deliver on time. We're all familiar with the variability in punctuality across the industry, remarks Alexander, with an affable smile.

And he would know! His insights are rooted in expe-

rience, having previously worked as a mechanic in the industry.

Storebrand must be able to trust craftspeople

The thing is: If insurance companies were to leave the handling of repairs up to the local lowest bidder each time, it could quickly create slow service. With perhaps not the best nor most sustainable local craftspeople



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As Storebrand has customers “in every little nook” of the country, it is important to have national agreements that ensure good, local craftspeople that are able to help their customers quickly, reliably and according to standards.

around. This is why Storebrand has made a national agreement with HG.

– Those agreements ensure excellence and sustainability, that all work is done with the highest standards, Alexander says.

As Storebrand has customers “in every little nook” of the country, it is important to have national agreements that ensure good, local craftspeople that are able to help their customers quickly, reliably and according to standards.

– Nowadays, the assessment of necessary repairs largely falls under the expertise of the skilled craftspeople who arrive at your doorstep, placing significant trust in their professional judgment. And must be able to trust that they know what they are doing, says Alexander.

How to talk, and how to deal with waste

The strategic partnership between Storebrand and HG guarantees peace of mind for Storebrand's clients ensuring that the most effective, friendly and professional help is readily available – irrespective of their residence's location. Because strict regulations are implemented by Storebrand and followed by everyone who works at HG.

Storebrand has established stringent criterias, like: the duration of tasks, the way communication is done by personnel, waste management and sustainability practices, the selection of chemicals utilized, among other considerations. HG's commitment to upholding exemplary standards across these domains, with particular emphasis on safety and Environmental, Social, and Governance (ESG) principles.



– That is why Storebrand is very happy with our fairly new collaboration with HG, says Alexander.

More free time to deal with business critical tasks

Sustainability and transparency laws require Storebrand to report on emissions by sub contractors, and not just accept promises about social and governance standards, but actually receive documentation – like they do from HG.

This is an immense workload that would have taken a significant amount of time where they to deal with many small contractors.

– Instead, we have one contact point: HG. We know they work with the best people out there: people and companies that have contracts in place, fair working conditions, and who really believe in ESG and “think green”. Just like we do, says Alexander who now knows exactly who will be responsible for helping out Storebrand's customers,

This knowledge gives Alexander and everyone at the insurance company more time to use on other things than monitoring progress on a project.

The work will never get any better than the last craftsman present

The partnership between Storebrand and HG fosters clear communication and collaboration, eliminating any informal ‘friendship’ deals that could compromise service quality.

– Such practices could have detrimentally affected client service, says Alexander.

The national agreements serve as a foundation for all minor repairs across Norway, ensuring that every craftsman has access to the necessary digital tools for accurate job reporting.

This is crucial in the insurance industry, where the nature of repairs involves additional stakeholders, steps, and documentation. These standards are maintained through the national agreements between Storebrand and HG.

– The quality of insurance is ultimately reflected in the service and delivery of the last craftsman who restores order in a client’s home, he says.



Being a customer of HG means:

Shared Green Goals

HG takes ESG seriously. Together with a like-minded partner we ensure that work environments and practices are fair and sustainable.

Simplified Communication

A single notification to HG means our partners can handle any job hassle-free. Cutting down on time and effort.

Accurate Reporting

HG's digital tools ensure all jobs are reported correctly, meeting the specific needs of for instance insurance repairs.

Reliable Decision-Making

With HG as a partner you can trust that all future repairs are evaluated and executed by knowledgeable professionals.

High Standards Guaranteed

Partnership with HG means all work always meets strict standards for efficiency, safety, and environmental care.

Support Across Borders

HG's nationwide networks in several countries allows our partners to quickly find qualified local craftspeople across the country, ensuring timely and reliable service.

WELCOMING NEW COMPANIES

The preferred home for crafts businesses

At HG, our family of 134 local winners is the backbone of our success. Together, these companies work towards common goals across Europe, fostering a culture of mutual support and cooperation.

Since our founding in 2020, we have become a preferred partner for crafts businesses looking to become part of something bigger. Our decentralised operational approach enables local autonomy, while fostering a close-knit community of support and trust. In 2023, we welcomed 33 new companies* in Norway, Sweden, and Germany, setting the stage for continued growth in our four current markets.

Culture is key

Beyond financial metrics, cultural fit is paramount in our M&A efforts. Our thorough selection process ensures that incoming companies resonate with the HG culture.

The resounding approval rate of joining companies recommending HG to others (93 percent) attests to the strength of our cultural bonds.

Before entering Germany, we dedicated more than a year to understand local nuances and to ensure seamless integration and cultural harmony for businesses that join our group. The enthusiastic reception from our first German partner, Hans Übelacker, confirms our belief in our cross-border capabilities.

Local referrals are increasingly critical to pipeline development across geographies. With a network of

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 10 percent.
- Share of renovation revenue greater than 50 percent.
- A good reputation in their local market — with satisfied customers.

* Includes operating companies only



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The beauty of joining HG lies in becoming part of a family – a community where you can thrive while preserving your unique identity and operational autonomy.

over one hundred local companies, we have greater access to potential partners and organic inbound interest, with over 80 percent of our acquisitions being self-sourced through our network. Leveraging multiple channels and robust processes, we can quickly capitalise on emerging opportunities.

So, what does it take to be part of HG?

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 the same pace of acquisitions, with strong pipelines in the newer markets of Denmark and Germany, as well as in the more mature markets of Norway and Sweden.

Our streamlined transaction process is based on industry

expertise and continuous refinement and ensures swift and transparent transactions. It rarely takes more than two meetings to advance from initial contact to company mapping and indicative valuations. On average, transactions are completed within four months from initial contact to closing, making the process transparent and as positive as possible fir the companies going through it.

Onboarding with limited impact on day-to-day operations

Recognising the importance of minimising disruption, we prioritise 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 extensive processes unfold during the first year, our emphasis on cultural cohesion ensures a harmonious transition, driving HG’s collective growth and success.

* Includes operating companies only

4200+

skilled craftspeople

134

happy and value based local companies*

New companies in 2023

In 2023, we welcomed 33 new companies* in Norway, Sweden, and Germany.

NEW NORWEGIAN COMPANIES* IN 2023:



NEW SWEDISH COMPANIES* IN 2023:



NEW GERMAN COMPANIES* IN 2023:



* Includes operating companies only

Succeeding in hard times: Haninge Terrazzo's story

Suddenly the six, seven guys working at Haninge Terrazzo, a successful company in Stockholm, Sweden did not have as much to do as they normally would. It was the spring of 2023 and the whole building and construction industry was struggling.

The birds were singing from the clear blue sky once again, but there was still no movement behind the company doors. It was a challenging time for everyone. The employees of Haninge were usually full of energy and would have been driving around, laying floors all day. But now, they were mopping the floors instead.

– I heard a voice saying «hurry, find something, find

work for my people», says Mikael Perez, Project Manager at Haninge Terrazzo.

Employers are like family, so the pressure was immense

He tried to call previous clients to see if there was anything for them to get their hands on, sending emails, talking to people. This small, family-run company had



an option to downsize, of course. As one might have to do in rough times, but Mikael and his father, the General Manager, did not want to let anyone go: so instead they let their people clean and tidy up the garage and storage rooms.

For months.

– I really felt a huge pressure, always, to make sure we could get enough jobs and income for our employees. I see them as family, so that was super important, he says.

Share ideas, share a coffee, share employees

So: How to make more business together as local companies when the times are rough? Haninge Terrazzo became a part of HG: And the stress that had kept Mikael awake at nights, became a «good» type of stress. Why? Because now, Haninge Terrazzo were able to collaborate with four other nearby companies – all a part of the HG family.

– Now, I am stressed because there is almost too much to do, Mikael laughs.

“

When companies collaborate within HG they will instantly get access to more work, and larger projects. Even ad hoc work they previously had to turn down.

The icky pressure in his chest is gone. Often, family-run companies receive calls about large contracts needing quotes, but they have to turn them down because they lack the necessary capacity. That all changed.

– When we became a part of a bigger family, we suddenly could lend out people to other companies. People who we used to have a good relation with, but also could see as sort of competitors, Mikael says.

- Like «frenemies»?
- Yes, exactly, he laughs.
- But now, they are just our friends.
- In what way?
- The most fascinating thing about becoming a part of HG is how we all just call each other, share ideas, share a coffee, share employees almost. We don't look at each other with a «evil eye» anymore. It makes us better, both internally and externally, he says.

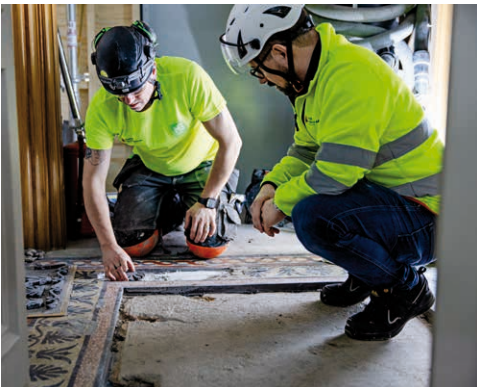
– How did the competing companies talk to each other before?

– The tone was maybe a bit more harsh, if problems surged for example. Now, one problem is everyone's problem, and we work together to find a solution in a more effective and friendly way, he says.

When companies collaborate within HG they will instantly get access to more work, and larger projects. Even ad hoc work they previously had to turn down. This way they also stand stronger on their own, with their employees and their clients. When they share, they grow. Truth is, had HG not been there to support growth at Haninge in the end, they would have had no other choice than letting people go.

They employed three, instead of firing two

Instead, what has happened, less than a year in, is that Haninge Terrazzo – who of course is still locally run



and has kept both their original name, General Manager – has had the chance to employ three more people.

– I know so many people in the industry who are still struggling, and we would have been one of them. But instead we have needed to expand! Before we were six, now we are nine guys. There is just so much to do, says Mikael with a huge smile.

– And this is all thanks to you collaborating with other companies?

– Yes, HG is not «giving» us a project. We are still 100 percent locally driven, but are now «allowed» to work with other similar floor companies, because we all share the same goal, clients and can access a larger network, he says.

A phone call to remember forever

Mikaels professional network expanded overnight. The other day Mikael made a phone call to a General Manager he met at a HG-Academy.

«Hey, buddy, I might have a job for you», Mikael said. The voice on the other end started to laugh out loud. «What?», Mikael, asked with a smile.

“

The fact that we can travel more, and do work in a larger area is really, really cool. And would have never happened if it was not for HG.

«What's so funny?»
«Oh, you know, this is exactly what I love about HG, the network facilitates that you can “randomly” meet with a colleague in the industry one day and the next he calls you up and give you more work», he said.
– He was right, and I will never forget that phone call, says Mikael, who soon will be on his way to Skåne, six hours by train across the Swedish countryside, to have a chat about a new project. Far, far away from where his previously located work circle used to be.
– The fact that we can travel more, and do work in a larger area is really, really cool. And would have never happened if it was not for HG.



4 reasons why collaboration creates more business:

- 1 You can say “yes” to a wider range of projects**
Small companies can say “yes” to larger projects because they can both access reliable workers and competence from companies in the same “family”.
- 2 The pool of possible clients grow**
All local companies will access more clients because another local company within the HG-family will call you in case they need help with their projects.
- 3 You can thrive in tough times**
Even if the rest of the industry is struggling, collaborating companies can grow their business because they share both colleagues and clients – and therefore get trusted with more complex jobs.
- 4 You learn from collaborating companies**
When partnering companies in the industry share their lessons learned, it basically means free education while working. Knowledge sharing is key to a healthy and steady growth.

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.
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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 dynamic environment, the emphasis on responsibility and sustainability has become an imperative and a competitive advantage.

At Håndverksgruppen (HG), our efforts in the crafts sector, which includes tiling, masonry, flooring and painting, are complemented by a deep commitment to abiding by environmental, social and governance (ESG) principles.

Acknowledging the past, shaping the future

The crafts industry has historically relied heavily on human and natural resources, often to the disadvantage of sustainability. Recognising the urgent need for a paradigm shift, HG is at the forefront of driving the industry transition to setting out people first, minimising

waste and optimising efficiency. Our recognition of the past fuels our drive to redefine the future.

The fragmented nature of our industry has often seen smaller companies strive for agility, and in a few cases unconsciously prioritise immediate business performance over E, S and G. HG stands out not only as a leader but also as a unifier, using our scale and forward-looking vision to foster a culture where our local companies understand sustainable practices are fundamental, ensuring the long-term engagement and wellbeing of our people as well as our competitiveness.

When we are exploring opportunities for new local companies to join the Group, having such a strong ESG-led culture is an attractive proposition for many of these companies looking to partner with us. Furthermore, many of our customers value our holistic approach to ESG and we see this as a clear advantage during any tendering process and when competing for national contracts.

ESG leadership and governance

Incorporated into our governance, ESG leadership at HG means a comprehensive commitment to these



principles throughout the organization. The Global Management Team (GMT) sets specific ESG-related policies, targets and initiatives, while our Board of Directors (BOD) endorses the overarching ESG strategy. Led by the GMT, with Managing Directors in Norway, Sweden, Denmark and Germany at the helm, these initiatives are implemented on the ground by the regional managers in collaboration with the local companies, ensuring harmonious and impactful implementation.

At the heart of our ESG work is the ESG Project Team, led by our ESG officer Thomas Thorsøe, it is a critical link between our Board of Directors, the GMT, and the local companies. This dedicated project team leads and develops our sustainability initiatives, ensuring that our efforts are not only strategic, but also aligned with our core values at all levels of our operations.

Our ESG Strategy

Our journey towards a robust ESG strategy began with a comprehensive materiality assessment understanding what’s important to our internal and external stakehold-



ers. This assessment laid the foundation for our strategic priorities. These priorities are seamlessly woven into our overarching business strategy, ensuring tangible progress through action plans and monthly KPI reporting.

In anticipation of refining our strategy for 2024, we will undertake a double materiality assessment according to CSRD. This endeavour aims not only to measure the impact that HG has on the climate, but also to identify the potential effect that these factors may have on HG’s financial performance. This dual perspective ensures a holistic approach to our strategic planning.

Recognizing our core identity as a people-focused business, we have adapted our focus to emphasize the social aspects, leading us to rename our ESG terminology to SEG (Social, Environmental, Governance). This reorientation underlines our belief in the paramount importance of social factors in our sustainability efforts and complements our commitment to promote a positive impact on society, the environment and our governance practices.

S - Putting people first

Fostering a culture of mutual respect and care is fundamental to our identity. We are committed to being an employer of choice, investing in the wellbeing of our people and taking our social responsibilities seriously. Our ambition is clear: to create an unparalleled workplace where diversity is celebrated and everyone, regardless of who they are, feels valued and supported. We are committed to maintaining a safe and inclusive environment that encourages people to be themselves and creating a breeding ground for innovation and fresh ideas.

The cornerstone of our commitment to employee empowerment is the HG Academy, a testament to our commitment to continuous learning and professional development. The Academy serves not only as a hub for skills development, but also as a nurturing space to reinforce a culture of respect, inclusivity and collaboration, throughout the past 12 months, we have trained over 420 employees at the HG Academy.

Our stance on discrimination and bullying is clear – we



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Looking ahead to 2024, we have set a target of having at least 10% of our workforce participating in an HG Academy initiative.

have a zero-tolerance policy. To uphold this standard, we've put in place robust channels and policies that enable our employees to report such behaviour. While we've had instances of whistleblowing in 2023, each has been treated with the utmost sensitivity and appropriate corrective action has been taken. While it's unfortunate that such incidents occur, we are grateful for the vigilance of our employees, whose courage in speaking up enables us to maintain our ethical standards and foster a respectful workplace.

Our commitment to employee safety is unwavering. We believe that every member of our team deserves to return home every day safe and sound. To this end, we enforce strict adherence to safety practices and the use of appropriate equipment, ensuring that the physical safety of our employees is a non-negotiable priority.

HG Academy – investing in the work force

Launched in 2021, the HG Academy is now expanding its educational offering across Norway and Sweden, with programmes currently being developed in Denmark and Germany. The Academy is designed to provide a comprehensive learning experience, with a wide range of microlearning courses and webinars. These sessions cover a wide range of topics, including succession planning, diversity and inclusion, pride in craftsmanship and insights for new managers.

Additionally, we offer face-to-face training on basic management principles, as well as our Greenhouse Talent Programme, which aims to develop the skills of potential successors and key employees. Each course is carefully designed to meet the specific needs of the audience and can be tailored to the participant's role within the organization.

To ensure maximum accessibility, all our courses are offered on demand. This flexibility means that any HG company can access and use these resources as and when they need them. Courses are primarily delivered in the native languages of our operations but our training in Code of Conduct is additionally offered in other languages such as Polish and English available on request. This ensures that all employees, regardless of their primary language, have the opportunity to engage with our content at their convenience.

Looking ahead to 2024, we have set a target of having at least 10% of our workforce participating in an HG Academy initiative. This goal underlines our commitment to fostering a culture of continuous learning and professional development throughout the HG family.



Where are we at today and what are our goals?

9% > 12%

Share of apprentices of total employees.

427

employees graduated from our HG Academy in 2023.

32 > 55

eNPS across all the companies by 2030.

“
... our floor restoration techniques not only revitalize the appearance of floors, but also significantly reduce the time and emissions associated with traditional resurfacing methods.

E - Our plan for the planet

Our environmental strategy is fundamentally based on understanding and subsequently minimizing the environmental impact of our operations. Our business model naturally supports this goal by extending the life of our customers’ properties, thereby reducing the need for new construction. We are strong advocates of the principles of a circular economy, always carefully assessing what waste we are producing in our processes.

We actively seek ways to reduce our operational impact, for example reviewing our travel practices and optimizing our waste management strategies. Our main source of emissions comes from vehicles and we are in the process of moving to a fossil fuel-free fleet to address this issue. Today, the majority of our painting supplies are eco-certified and we continue

to look across our supply chain for environmentally friendly alternatives across all service areas.

As part of our role as a customer facing business, we also encourage our customers to choose more sustainable approaches, for example asking whether they would consider refurbishing existing surfaces rather than opting for replacement and providing them with more environmental options they might not have previously considered. For example, our floor restoration techniques not only revitalize the appearance of floors, but also significantly reduce the time and emissions associated with traditional resurfacing methods. Similarly, through M-TEK and M-TETT, we facilitate the partial repair of heating cables and drains, minimizing environmental impact.

The pursuit of ISO 14001 certification for all our local

operations is a proactive step in strengthening our environmental stewardship. This standard is instrumental in improving our environmental performance and instilling a sense of pride in our teams.

Currently, all local companies report their Scope 1 and Scope 2 greenhouse gas emissions. We are committed to expanding our reporting to include Scope 3 emissions and are exploring the most efficient ways to do this without overburdening our local companies. Looking ahead to 2024, we plan to align with the globally renown Science Based Targets (SBTi) initiative, reinforcing our commitment to assessing our practices against rigorous science-based environmental targets. This forward-looking approach not only underlines our commitment to sustainability, but also positions us as a conscientious leader in the quest for a more sustainable future.



Where are we at today and what are our goals?

7.6t > 30t

annual sqm of flooring solution with lower CO2 emissions per sqm.

85%

of local companies ISO 14001 certified in 2023.

95% > 100%

Share of new vehicles which are emission-free.

“
Our mission is clear: value our people, to care for our planet and conduct our business with absolute integrity.

G - Leading with integrity

At HG, we are committed to managing our local businesses with the utmost transparency and responsibility, with our leadership decisions underpinned by a robust ethical framework. Our commitment to transparency ensures that management is held accountable and ensures every action we take with integrity.

Our commitment to leading with integrity is reflected in the set of policies we've established. These policies cover legal compliance, ethical business practices, human rights advocacy, anti-corruption measures, antitrust compliance, sanctions and careful supply chain management. As a testament to our commitment, all employees receive mandatory ethical training, culminating in the signing of our Code of Conduct. This ensures a consistent understanding and adherence to our ethical standards throughout the organization.

In parallel, we are also extending these responsible practices to our supply chain by insisting that all significant suppliers commit to and comply with our Supplier Code of Conduct. This not only reinforces our ethical stance, but also promotes a ripple effect of positive ESG practices throughout our supply network. Recognizing our influential position within the industry, we also proactively seek out and engage in relevant cross-industry collaborations. Our goal is to promote a unified ESG agenda that leverages collective efforts to drive meaningful change. This approach underscores our belief in the power of collaboration to amplify impact and drive forward positive action; we are committed to expanding our efforts in this direction.

Changing the game

We challenge not only ourselves but also our suppliers and partners to improve their environmental, social and

governance (ESG) efforts. By integrating ESG principles into every facet of our operations, we're moving beyond mere compliance, instead setting a new standard that we hold ourselves, and those we work with to. This resolute commitment redefines industry benchmarks and demonstrates that responsible business practices not only benefit the environment, but also the bottom line over time.

Our mission is clear: value our people, to care for our planet and conduct our business with absolute integrity. Our commitment to these core principles goes beyond making a profit; it's about driving meaningful change. As we move forward, we want you to know that this is just the beginning of our journey towards a more sustainable and responsible future.

We are proud craftspeople leading the way.



Where are we at today and what are our goals?

100%
of existing suppliers signed HG's Code of Conduct during 2024.

85% > 100%
of new hires complete CoC training.

2 > 10
industry collaborations with a positive impact on the ESG factors.

ESG STRATEGY

Hard numbers and facts

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

4

QUALITY
EDUCATION

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).

8

DECENT WORK AND
ECONOMIC GROWTH

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).

11

SUSTAINABLE CITIES
AND COMMUNITIES

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

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

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

13

CLIMATE
ACTION

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

17

PARTNERSHIPS
FOR THE GOALS

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 (2030)
1. We care for each other and aim to be an attractive employer who takes social responsibility	1a. Share of apprentices	1a. 12%
	1b. eNPS	1b. eNPS of 55, WT implemented in all companies*
	1c. Lost time injury freequency rate (LTIFR) (entity build up)	1c. LTIFR of 10 by 2030
	1d. HG academy**	1d. On average 20% of the craftsman workforce receive a training of more than 3 hours / year
	1e. Diversity and inclusion	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 included in Scope 1 and 2	2a. Net zero
	2b. ISO 14001	2b. 100% of companies being certified*
	2c. Annual sqm of flooring solution with lower CO2 emissions per sqm****	2c. 30 000 sqm
3. We govern our business in a responsible way	3a. Continuous improvement of supply chain management	3a. Maintain 100% Supplier Code of Conduct (SCoC) signup rate
	3b. ESG training for employees	3b. 100% of employees undergo regular ESG training
	3c. Collaborations with organizations with positive impact on the ESG factors	3c. 10

PERFORMANCE 2023	ANNUAL TARGET 2024
1a. 9.1%	1a. 10,5%
1b. eNPS of 32	1b. 50% participation rate in Winningtemp; eNPS of 45 in existing users
1c. LTIFR of 18.6	1c. LTIFR of 15
1d. 427 employees completed training in the HG Academy**	1d. 10%* of employees having attended HG Academy and set target for feedback - effect after 3 months
1e. Introduced employee survey related to Diversity and Inclusion	1e. Develop and implement "inclusive Leadership" training in all leadership programs
2a. Mapped scope 1 and 2 for all Local Companies	2a. Commit to SBTi and establish base year
2b. 85% of Local Companies certified	2b. 100% of companies* certified
2c. 7 602 sqm	2c. 20 000 sqm
3a. N/A	3a. 100% of existing suppliers signed HG's Code of Conduct***
3b. 85%	3b. 100% of new hires complete CoC training*****
3c. One ongoing industry collaboration project	3c. Add two relevant industry collaborations

* For all OpCo's closed by 12/2023. OpCos in Norway and Sweden only for 2b).

** 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.

**** Dr Schutz Nordic A/S, compared in FIGR where polishing and waxing are used over a period of 10 years.

***** For OpCo's closed by H1 2023.

7 steps to attract and train great apprentices

Teaching your craft to someone else is the investment you can't afford to miss. This is the way to succeed.

In times of labor shortage and competition for qualified professionals, most companies are desperate for more skilled craftspeople. Everyone knows that apprentices are the workforce of the future, but the challenge has always been to turn fresh hands into skilled workers. Masters of the craft tend to be busy, and who can afford to deal with training apprentices when there is so much to do? As it turns out, you cannot really afford not to.

Apprentice programs more sustainable for your business than short-term labor

– The entire industry is craving for more professional painters, and apprenticeship is the best way to ensure that the high standards of the trade are followed, says Christian Ravn, general manager at C. Møllmann & Co., a Danish painting company founded in 1879.

C.Møllmann & Co. employs more than 100 painters and takes on about 10 apprentices every year. For them



the solution is sticking to a comprehensive apprenticeship program in which young adults follow an educational path alongside day-to-day training at the company.

– The apprentice's first year is the most important. In that time we follow the apprentice closely, study their work, talk about the trade and the apprentice's motivation. The time we spend in the first year is extremely valuable for both the apprentice and the company, Ravn says.

He says that the company is employing apprentices mainly for two reasons:

– First of all, for recruitment. If we want the most talented painters, it's a must to follow an apprenticeship program. Secondly, the apprentices will in their first year get to know the company and the customers, which is crucial knowledge for future assignments.



“

It's almost like investing in a stock: In time the investment will pay off. Today's apprentice is tomorrow's master.

Ravn says that about 95 percent of the apprentices are offered a full-time job at the end of the apprenticeship.

– Most of them stay on at the company for many years and progress to be a painter’s friend for new apprentices in the future.

– I have to say, we are very proud of the work that these young people are doing.

The alternative to employing apprentices has for some companies been to hire short-term labor, which has damaged the industry's reputation and hampered the quality of the work performed, says Henrik Lundberg, master painter at the Danish painting company Nielsen & Kromann.

– The problem with short-term labor is that many don’t have professional credentials. You simply don’t know what you get. That is why an apprentice program is a more sustainable solution, Lundberg says.

Today's apprentice really is tomorrow's master

According to Marianne Twiddy, who organizes apprenticeships for nine companies in the Innlandet region in Norway, you should think of an apprentice as an investment.

– It’s almost like investing in a stock: In time the investment will pay off. Today’s apprentice is tomorrow’s master. The apprentice will learn the skills, become more productive and eventually turn into a benefit, Twiddy says.

Companies at Innlandet introduce apprentices in their work force from day one, ensuring that they have the essential information and basic qualifications to get started, securely aided by a professional mentor. Adding to this, Twiddy has also established a handbook that is used to help recruit more apprentices from painting schools.

– It’s important that companies take responsibility for



their apprentices. In order to get value from apprentices, companies should monitor progress, give running feedback and assign specific roles responsible to do so, she says.

But that’s not all.

– The company’s role is to educate their apprentices and guide them through the process, with the goal of offering them a full-time position at the end of the term. But the managers of the company need to be good ambassadors for their apprentices in order to get the full value of the investment.

Ideally the apprentice comes to the company after completing a basic course in high school, she says. But apprentices who start their education at an older age, can join a company as an apprentice while they are completing high school as a private candidate.

– When the apprentice starts at the company, he or she knows the basic skills and is ready to get up to speed with the standards, Twiddy says.

– Investing in apprenticeships sends a powerful message that the company is committed to professional development and growth. That’s what talented craftspeople are looking for in an employer, Twiddy says.

Recipe for growth: “The HG model”

Thomas Thorsøe, HR manager at Håndverksgruppen (HG), is calling it “The HG model”. The way the apprentices

“
Think of an apprentice as a future co-worker. If you want highly skilled professionals, invest in apprentices.

are prepared, trained and evaluated is unique, he says, and the long-term goal is that apprentices at all times will comprise 10,5 percent of a HG company's workforce.

– A company part of Håndverksgruppen can always count on the support and aid when it comes to apprentices. It's part of our ESG strategy, Thorsøe says.

Over many years he has seen companies grow as a consequence of a strong dedication to an apprenticeship program.

– Make no mistake: Apprenticeships work. It gives great value to the company. Years of experience have shown that. It's an effective and sustainable way of recruitment.

Now he has an advice to company managers:

– Think of an apprentice as a future co-worker. If you want highly skilled professionals, invest in apprentices.



THE HG WAY:

How to make apprentices a priceless resource for your company

As a leader, planning for the use of apprentices is not a one-off effort. Each country or region may have their own specific practices,however, there are some common success factors in this collaborative effort.

A school delivers basic training, your company offers on the job supervised training and the apprentice logs performance for continuous review. As a HG-company you will be given assistance and support in developing apprentices as a priceless resource for your company.

1 A basic course to find those motivated

The apprentice undergoes a foundation course, provided by the school, and gets introduced to the profession, learns theory and basic skills, while finding out if he or she is motivated enough to continue.

2 Expose the apprentice to practical skills at your company

From day one, the apprentice starts practical training at the company, working with professional craftspeople who started out as apprentices themselves.

3 Work starts alongside a mentor - who gives continuous feedback

The mentor provides direct guidance to the apprentice on smaller assignments, and demonstrates techniques and practical tips, as well as giving feedback on the progress.

4 Apprentice tracks progress in logbook

Keep a written logbook to document the progress and note areas for improvement. Evaluations help to tailor the learning experience.

5 The apprentice returns to school every year

The apprentice returns to school for some weeks each year to focus on the steps needed for improvement.

6 Each year, a one year contract is issued

If the first year goes well and progress is good, offer the apprentice a renewed one-year contract at the company. This relatively “short leash” is a way out, for both parties.

7 Add responsibility with increased competence

Over time, as the apprentice demonstrates competence and trust is built, the apprentice is given more independent tasks, but still under supervision from a qualified colleague.

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

Education:

- Master Mechanical Engineering, NTNU, Norway
- Master Business & Administration, HEC, France

Selected work experience:

- MD & EVP Norway Ramirent Plc
- MD, Michelin Benelux and South Korea
- Production manager, ODIM Hitec
- Management Consultnat, McKinsey & Co



Gjermund Söder Vegge

CFO

Born: 1971
Employed by HG since: 2020

Education:

- Master of Business and Economics with specialisation in Finance, BI Norwegian Business School

Selected work experience:

- CFO Umoe Restaurants
- CFO Statoil Fuel & Retail Norway
- Managing Director Statoil Detaljist AS / NK Retail
- Operations Statoil Fuel & Retail, Norway
- Management consultant, PA Consulting



Trond Sigurd Tørdal

CBDO / M&A

Born: 1964
Employed by HG since: 2020

Education:

- Self-taught, self-developed competence

Selected work experience:

- Initiator behind the formation of the Håndverksgruppen Group
- Managing Director, Arvid Bendixen AS
- Board member, FK BodøGlimt
- Regional chairperson, Sparebank 1 Northern Norway



Elisabeth Rustad-Nilssen

CBDO

Born: 1988
Employed by HG since: 2021

Education:

- Master Auditing & Accounting, Norwegian Business School
- BSc (Honours) Financial Economics, University of St Andrews

Selected work experience:

- Investment Director, FSN Capital Partners
- Financial advisor, PwC
- Senior associate assurance, PwC



Thomas Thorsøe

CHRO

Born: 1968
Employed by HG since: 2023

Education:

- Master, MBA, Business Psychology, Business Institute Aalborg
- Master, MBA; Strategic Management, Business Institute Aalborg

Selected work experience:

- CHRO, Kemp & Lauritzen A/S
- CHRO, Flügger A/S
- HR Director, DSV
- HR Manager, Netto, Salling Group
- Production Manager, Xpon Card

Country managing directors



Johan Möller

Manging Director
Håndverksgruppen
Sweden

Born: 1974
Employed by HG since: 2022

Education:

- Master Industrial Engineering & Management, Linköping Institute of Technology, Sweden)

Selected work experience:

- CEO, Apoex AB
- CEO, Svensk Markservice AB
- Business Unit President, Coor Service Management AB
- Deputy Head of Group Business Development, Coor Service Management Group AB



Ronny Pettersen

Managing Director
Håndverksgruppen
Norway

Born: 1975
Employed by HG since: 2023

Education:

- Master Management and organizational science, University of Tromsø
- Krigsskole I og II, The Norwegian Military Academy

Selected work experience:

- Executive Director, ISS Direct ISS Facility Services A/S
- Executive Director, HR/HMS ISS Facility Services A/S
- Head of Human Resources, Deloitte Norway
- Leadership positions, Norwegian Armed Forces



Frederik Stage Olsen

Managing Director
Håndverksgruppen
Denmark

Born: 1983
Employed by HG since: 2023

Education:

- Cand. Merc, International Marketing and Management, Copenhagen Business School

Selected work experience:

- CCO, Elis Denmark
- Country Manager, Berendsen
- Plant manager, Berendsen
- Business Line Commercial Terms and Pricing Manager, Berendsen
- Operationel manager, Berendsen



Michael Mathias

Head of Germany

Born: 1963
Employed by HG since: 2023

Education:

- Dipl. Wirtschaftsingenieur / Industrial Engineer, Hamburg University of Technology

Selected work 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 600 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.



HÅNDVERKSGRUPPEN GROUP AS

The board's annual report 2023

Håndverksgruppen Group AS (HG) is a leading Northern European group that performs all types of surface treatment services – painting, flooring, masonry and tiling.

Nature and place of residence of the business

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). R&M work varies significantly in scope, with everything from painting a wall after an insurance claim to in some rare cases extensive rehabilitation of several buildings, both internal surfaces and external facade rehabilitation. During 2023, the strong growth continued with the inclusion of craft businesses in Sweden, Norway and the first two in Germany into the group - a total of 32 craft businesses (40 companies) were incorporated in 2023. Growth continues as planned in 2024 and in the first quarter 5 craft businesses have been incorporated

into HG - all well-run, profitable and with people and culture that fit in well with HG.

The group was established in July 2020 with 30 Norwegian craft companies which today are wholly owned subsidiaries of HG Håndverksgruppen Norge AS with Håndverksgruppen Group AS as the parent of the group. Since then, until the end of 2023, a further 104 craft businesses have been incorporated in Norway, Sweden, Denmark, and Germany.

The company's operations in Norway have covered the entire country since the formation of the group in 2020. The companies in Sweden are also spread across the country enabling us to deliver on national or regional agreements. In Denmark, two of the companies are lo-

cated in Zealand and two in Jutland. HG's first two craft businesses in Germany were included into the group in 2023 and are located in the south of Germany. 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. During the financial year, the name of the parent company was changed to Håndverksgruppen Group AS from Håndverksgruppen Norge AS.

Statement of the annual accounts

2023 was another good year with strong growth through especially the inclusion of craft businesses into the group, but also a good organic growth in a challenging market. As expected, the market became more demanding throughout the year driven by macro-

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

economic conditions resulting in a decline in new construction activity across all countries where HG is represented. 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. A large number of HG companies improved profits in 2023 compared to 2022. In 2023, the new construction market in Sweden had a weaker development than in Norway. The companies have continued their good cooperation on projects and sharing of best practice across the companies, which improves our resilience in a more challenging market. The increase in raw material prices was more stable than in 2022, however, the price increases continue to cause some challenges for both customers and HG's craft businesses. For the 2023 annual accounts, the group has changed the accounting standard from Norwegian GAAP to IFRS and this is described in more detail in the notes to the financial statements.

Total operating income in the group amounted to TNOK 5 958 605 and the annual profit after tax was TNOK 82 697.

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

Total cash flow from operations in the group was TNOK 392 575, while the operating result for the group amounted to TNOK 248 333. The difference is mainly due to depreciation and amortization expense of non-current assets.

The group's cash and cash equivalents was TNOK 428 571 as of December 31, 2023. The Group's liquidity position is deemed sufficient to fund its growth and operations and is regularly assessed by the treasury function.

Additional loan financing was added in 2023 to support future growth. For more information on our credit financing see the notes to the financial statements.

Total assets at the end of the year was TNOK 4 658 815 and the equity share was 25%.

Own shares

The company does not hold any own shares.

Future development

Håndverksgruppen Group AS works to build a leading, nationwide offer to our customers, and we want to be known for quality, sustainability and responsibility. 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. The effort has produced results through 2023. For example, HG increased the proportion of apprentices from 9.2% to 9.7% and the number who completed the HG school increased from 342 to over 500. Throughout the year, over 7000 m2 of floor was renovated and not replaced, and this saves the environment from large amounts of waste, and the mandatory training of all employees in HG's ethical guidelines are examples of HG's high ambitions and level of activity in sustainability.

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 in the new HG markets, 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. HG will continue to grow within the existing core business; paint, flooring, masonry and tiling, improve the standards for quality and efficiency in the industry and at the same time move the industry in a more sustainable direction. Norway is the largest segment, and the priority has shifted to further develop best practice and increasing turnover on national agreements. In 2023, the strong growth in Sweden continued with the inclusion of 35 companies and this strengthened our presence in the east and west in addition to providing coverage in the south and north. HG entered the Danish market in late 2022 with the inclusion of 13 craft businesses, and 2023 was used in Denmark to establish the foundation for further growth. Cooperation between the Danish companies began quickly, and it wasn't long before they collaborated to tender for and win a national contract for a Danish fitness chain. The



preparatory work for entering into Germany has been going on for some period of time with market analyses and the establishment of contacts with relevant networks in the industry, and in 2023 the first two German crafts businesses became part of HG.

War in Europe and rising interest rates have a slowing effect on the economy in general, which has mainly had an impact on the new build construction market segment. HG is mainly exposed to the R&M market with professional customers (B2B), which has a more stable development. The intensity of competition increases in periods of lower demand, but at the same time HG operates in a customer segment where quality and efficiency are crucial and HG's craft companies have extensive experience delivering in accordance with high customer requirements. The interest rate level now seems to have leveled out and the discussion in the media has shifted to when the first interest rate cut will come. Expectations of lower interest rates and increased property prices are positive drivers for increased activity in HG's markets and HG's companies are preparing for further organic growth.

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, refinancing 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 kronor. 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 such as a result of the war in Ukraine.

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. The objective is for the Group to be able to meet its financial commitments in upswings as well as downturns without significant unforeseen costs.

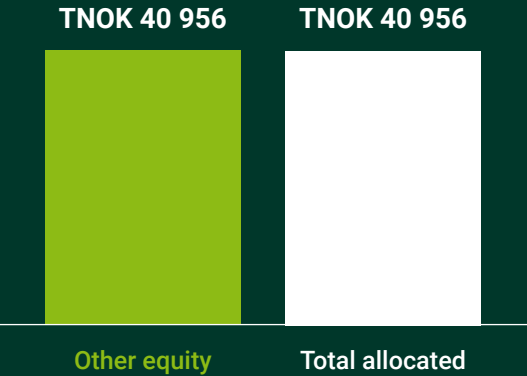
The company considers the liquidity position in the company to be good. The company continues to focus on working capital optimization, especially through faster invoicing and reduction of the credit period.

Going concern

In accordance with Section 3-3a of the Accounting Act, it is confirmed that the prerequisites for going concern are present. The assumption is based on profit and cash flow forecasts for 2024 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

The Board proposes the following disposition of the annual profit in Håndverksgruppen Norge AS:



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



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Work with safety and health 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!

Work environment

Sickness absence in the group was 6.6% of total working hours in 2023 compared to 6.7% in 2022. There are no longer reports of COVID-related absence.

Work with safety and health 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 safety equipment, and the awareness work takes place in several channels including the HG school, craftspeople meetings and general manager meetings to name a few. During 2023, a total of 110 injuries, predominantly minor injuries such as cuts and bruises, have been registered which have

resulted in one day of absence or more. Development of employees and talent development is 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 professions 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 Håndverksgruppen is characterized by strong cohesion within the individual company and between managers in the various subsidiaries. The culture in craft companies 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 seven board members, there are two 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 12% women and 88% men.

The group's work to promote equality and combat discrimination 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.



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.

Environment

Håndverksgruppen has the ambition to be leading and forward-looking in many areas, including the environment, social responsibility, and business ethics. In a world where increasing 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 and contribute to the employees being inspired to meet the desired goals. Our companies must be environmental beacon certified or ISO14001 certified. We will explore solutions that promote re-use, rather than always choosing new materials. The first bid for quality is professionalism, and HG is the Nordic region's largest group within surface treatment



that works targeted towards defined target groups. The HG brand is our seal of quality, and we paint, brick, wallpaper, lay floors and tiles according to the strict requirements. HG has for three years reported on greenhouse gas emissions within Scope 1 and Scope 2. In 2022, we also carried out a screening of Scope 3 and relevant areas for reporting. In 2023, we have continued to work on understanding more about where our greenhouse gas emissions come from, in addition to quarterly reporting on greenhouse gas emissions to be able to measure similar developments throughout the year. The company's statement in accordance with the Transparency Act was made available on the company's website by the statutory deadline of 30 June 2023.

No significant events have occurred after the balance sheet date, with the exception of the incorporation of new companies which HG consider to be part of normal operations.

Oslo, 28.06.2024

Per Wiking Sjöstrand
Chairman of the Board

Trond Sigurd Tørdal
Board member

Christina Hegg
Board member

Erik Nelson
Board member

Eirik Hjeltnes Wabø
Board member

Marina Lønning
Board member

Dirk Brouwers
Board member

Øyvind Ivar Emblem
CEO

Want to read
the financial
information
for 2023?



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

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