2023
Annual Report

Elmera Group

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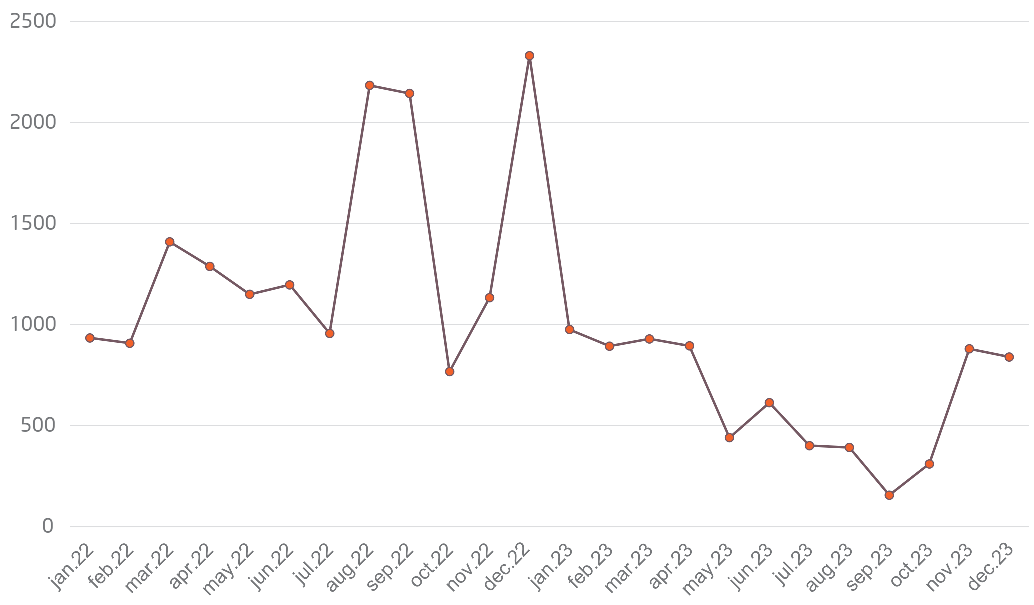
Annual Report
Elmera Group ASA
and the Elmera Group

Key figures

Electricity price (Nord Pool System price) y= NOK/MWh



Key figures

NOK in thousands	2023	2022
Revenue	18 920 598	25 521 514
Net revenue	1 728 071	1 697 995
Net revenue adjusted	1 732 998	1 711 002
EBIT reported	359 202	272 781
EBIT adjusted	513 171	460 054
EBITDA	745 721	662 737
EBITDA adjusted	776 610	717 685
Basic earnings per share (NOK)	1,77	0,67
Diluted earnings per share (NOK)	1,74	0,66
EBIT margin	21 %	16 %
EBIT margin adjusted	30 %	27 %
Net interest bearing debt (cash)	568 729	1 464 739
Capex excl. M&A	52 477	44 328
Volume sold (GWh)	17 873	17 506
# of deliveries ('000) excl. Extended Alliance	920	954

Part 1

1.1 Letter from the CEO

Letter from the CEO

Rolf Barmen, CEO at Elmera Group Photo: Frode Fjellstad

A few months into 2023, the fundamental conditions in the energy markets improved significantly and the price level declined. This was preceded by the extreme conditions in the European energy markets in 2022. These conditions were a consequence of Russia's invasion and war in Ukraine, together with the phasing-out of fossil fuel and conversion to more renewable energy in the energy markets.

Market prices for many energy sources, including electricity, remained high compared to the years before 2022, but volatility decreased significantly during 2023. Gas stocks in Europe have been re-established at a good level and conditions for the hydropower reservoirs in Norway and Sweden were also satisfactory.

The conclusions from the Norwegian Energy Commission and the Power Price Committee's reports, prepared in 2023, highlight a need to develop more renewable energy, and that this must take place as soon as possible. The reports also highlight that the electricity market is generally well-functioning and gives the necessary price signals when there is a risk of shortages. It should also be noted that as an area for improvement the Power Price Committee's report highlights the need for private customers to have better access to electricity agreements with price hedging and payment solutions that spread the cost throughout the year. Elmera Group is developing its service offering to its customers accordingly.

Enhanced compliance

In 2023, we handled significant changes in policy and government regulations as a consequence of the extreme price conditions and volatility that arose in 2022. These market conditions also gave valuable experience that the Group has used in its further efforts to reduce risk and enhance compliance.

The downsizing that took place was a new situation for the Group, but was done in a professional manner and will improve the Group's competitiveness going forward. Surveys from autumn and winter 2023 show a high level of employee commitment within the Group. The focus on costs will continue, including the conversion of Gudbrandsdal Energi and Nordic Green Energy to the Group's joint IT platform. The platform is already used by Elmera Group, Fjordkraft and TrøndelagKraft.

Increase in consumption

Lower electricity prices led to lower supplier switching activity among customers, and customers' electricity consumption increased compared to 2022. This meant our volume sold was higher in 2023 than in the previous year.

The business segment also delivered solid results in 2023. Measures have been taken to reduce costs and improve customer care. The reorganisation of customer centre operations in the business market has so far shown very good results.

Our customer centres in the consumer market have the important task of informing customers about prices and the energy market, and guiding customers on how to use energy more efficiently. A more normalised electricity market reduced the number of enquiries to our customer centres, so that we were ready to serve the customers who did contact us. We are pleased that the Group's companies again came out on top in comparisons with other suppliers' customer service in 2023.

We continuously assess the right cost-efficient and market-appropriate payment for our products and services. Our product strategy throughout the year was to strengthen our own value proposition while accepting price-driven churn for customers in the price hunter segment.

Strengthened Nordic and NGI

After a demanding period, operations in the Swedish/Finnish part of the Group were profitable in 2023. There is a general transition process in the Finnish and Swedish energy markets in terms of contract types in the business market. A high proportion of fixed-price agreements without an agreed volume limit has been commonplace. As a result, the price signals did not reach the customer, with a resulting lack of incentive to save energy. In January 2022, we began to restructure our products in the Swedish and Finnish markets to agreements with financial price hedging whereby the volume in addition to the contractual, pre-hedged volume is based on the spot price. As a consequence, the volatility and risk to the supplier have been reduced significantly, with a strong incentive for the customer to use energy as efficiently as possible. In Norway, around 70 per cent of our business customers already have agreements that include price hedging whereby the consumption volume beyond the agreed volume is pegged to the spot market price.

In the spring of 2023, mobile customers were migrated from Telenor to Telia as their network operator. This is the largest migration ever conducted between telecom operators in Norway. The migration-related churn, was as expected, and the portfolio amounted to around 115,000 customers at year-end. The migration is important to enhance our service offering to customers, as well as operational profitability going forward.

Popular smartphone app

I am particularly pleased to see that the app developed in the Group made incredible progress in 2023. It had 777,000 users in total among Elmera Group's customers and the 14 companies to which we offer the Elmera App as a white label solution.

The app was launched for Finnish customers in March 2023. It has helped to draw a lot of positive attention to Nordic Green Energy and, for private customers, has led to a significant improvement in the customer experience and customer satisfaction. The app will be launched for Swedish consumers in April 2024. We look forward to the app strengthening the value proposition and knowledge of Nordic Green Energy among Swedish private customers. The app provides information that enables customers to take measures to reduce their electricity consumption and keep their costs under control. We expect electric vehicle owners in Sweden and Finland to be particularly keen to become customers and use the app.

More solar and decentralised production

Elmera Group is in a position to accelerate the green transition for 1 million customers in the Nordic region. This will take place through measures in the various business areas. We will continue to work on increasing the use of our app by new and existing customers. We will also continue to work with our suppliers and customers to cut greenhouse gas emissions. We will continue to require our suppliers to be climate committed, and we will offer solar panels and help customers with the production, storage and sale of solar electricity. Our goal is to work for the Norwegian authorities to improve the subsidy schemes for private individuals and businesses who want to produce solar energy from rooftops. Rooftop production does not take up space in nature or create environmental conflicts.

There is a growing need for products and services that facilitate power balancing, alternative grid capacity solutions and decentralised production. The Group is working continuously on solutions and business models linked to the flexibility market and energy optimisation. It is part of our strategy to develop new revenue streams. Operations and ownership will be assessed from an asset management stance and we will continue our search for attractive acquisition portfolios.

The future

AI will have a tremendous impact in many areas, including our business. We are already working on several projects involving AI. Artificial intelligence has been applied within sales follow-up, data collection, power trading and several different IT-related areas.

In 2023, AI also contributed to an improved customer experience and to streamlining our follow-up on customer enquiries, and this work will continue in 2024.

Use of AI is developing extremely rapidly and it will continue to be an exciting topic in our day-to-day operations and also in our strategic work in 2024, and certainly also in the years to come.

The Group is well-positioned as a leading player in the Nordic electricity market with multiple revenue streams and a highly skilled organisation. We are frontrunners in accelerating the green transition for over 1 million customers and our experience and robustness give us courage to continue to develop the Group's activities across the Nordics.

I am proud to state that all of our employees work extremely hard every day, in Norway, Sweden and Finland, to fulfil the Group's mission:

To create the most attractive electricity retailers in the Nordics.

Rolf Barmen , CEO

Part 2

2.1 Elmera Group at a glance

Our business

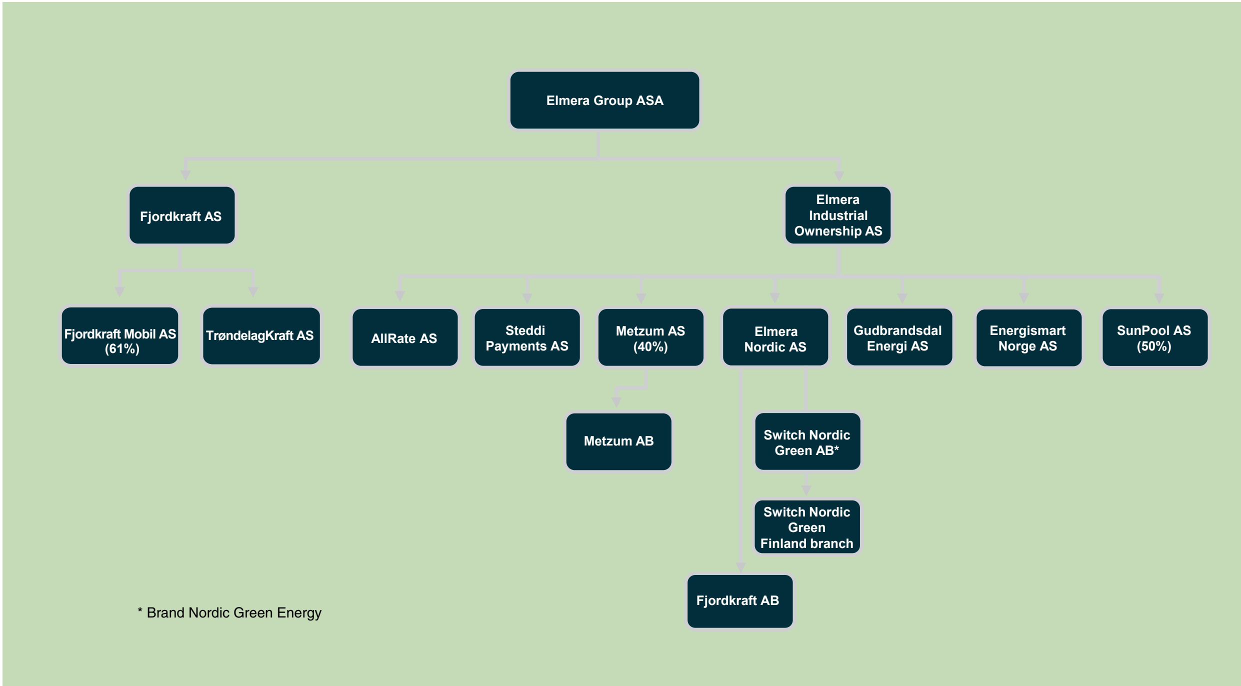
- Fjordkraft
- TrøndelagKraft
- Gudbrandsdal Energi
- AllRate
- KRAFTALLIANSEN
- Steddi
- Nordic Green Energy
- Fjordkraft Mobil
- METZUM
- SunPool

Elmera Group

Providing consumers, businesses and the wholesale market with electricity, billing & rating services and electricity related technology solutions.

PURPOSE To create the most attractive electricity retailers in the Nordics
VISION Supply 3 million people with electricity services at home and at work
VALUES Simplify - Be friendly - Create value

Company Structure:



Our business

Elmera Group ASA uses the following segments in its financial reporting:

- Consumer, Norway
- Business, Norway
- Nordic, electricity sales business in Switch Nordic Green, Sweden and Finland
- New Growth Initiatives (NGI) comprise of other business activities (sale of EV chargers, PV panels, mobile services, power sale and related services to Alliance partners payment solutions and strategic expenditures) which are not considered separate operating segments.

Consumer market, Norway

The Group has several brands, Fjordkraft, TrøndelagKraft, Gudbrandsdal Energi and in total the Group accounted for a total of 667,000 electricity deliveries at the end of 2023 in the Norwegian consumer segment. Its overall market share in the consumer segment in Norway is approximately 24 per cent.

Business market, Norway

Elmera Group is a leading supplier to the business market and accounted for a total of 127,000 deliveries in the Norwegian business market. Its overall market share in the business segment in Norway is approximately 22 % per cent. Products range from straightforward electricity contracts to advanced power portfolio management.

Customers range from energy-intensive industrial manufacturers and large corporations with facilities all over the country to small local businesses. Digital energy reporting and analysis tools help businesses achieve efficient energy use. Elmera Group also offers various power purchase agreements and energy and environmental advice.

Nordic

Elmera Group has a subsidiary called Switch Nordic Green AB. The company sells renewable energy and electricity contracts with guarantees of origin (GoOs) in the cosumer and business markets under the brand name Nordic Green Energy.

At the end of the year, Switch Nordic Green had a combined total of 125,000 electricity deliveries in Sweden and Finland.

NGI – New Growth Initiatives

Mobile

In April 2017, Fjordkraft became a mobile service provider. Fjordkraft offers its customers low-cost mobile services via Telenor's network. The Group had 115,000 mobile subscribers at the end of 2023. Fjordkraft is the largest mobile service provider in Norway without its own telecommunications network.

Elmera Group and Telia entered into cooperation on mobile customers through Fjordkraft Mobil AS. Fjordkraft AS' mobile business was demerged to "Fjordkraft Mobil AS". Fjordkraft AS owns 61 per cent of Fjordkraft Mobil AS, while the remaining shares is owned by Telia Norge AS.

Extended Alliance

Elmera Group delivers billing and payment services for electricity and broadband companies via AllRate AS and the Moment platform. The platform was developed by Fjordkraft and is operated and upgraded by its jointly owned software.

Alliance partners

The alliance concept is Elmera's collaboration model for power producers and electricity retailers in rural areas. Elmera Group provides services related to power trading and market support to electricity companies across Norway. These are electricity retailers, power grid companies and power producers. The alliance concept also provides the company with good insights into the conditions and situations for a wide range of different players and allows us to present a comprehensive picture in our communication with industry associations and the government.

Acquisitions

- On 1 July 2019, Fjordkraft acquired 100

Deliveries

Numbers in thousands	Full year 2023	Full year 2022
Electrical deliveries Consumer segment	667	685
Electrical deliveries Business segment	127	120
Electrical deliveries Nordic segment	125	149
Total number of electrical deliveries*	**920**	**954**
Number of mobile subscriptions	115	144

** Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 003 thousand in 2023 (2022: 1 033 thousand).*

Our business

per cent of the shares in the end-user company Vesterålskraft Strøm AS.

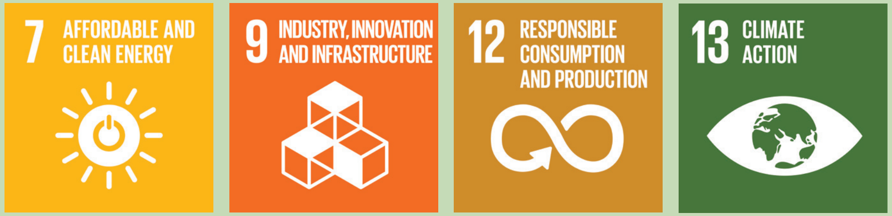
- In February 2018, an agreement was signed to acquire the shares in TrønderEnergi Marked AS, an electricity retailer in the Trøndelag region.
- In August 2018, Fjordkraft completed another transaction with the TrønderEnergi Group, this time acquiring all of the shares in Oppdal Everk Kraftomsetning AS.
- In October 2018, the company completed a transaction with BKK AS to take over the customer portfolio of Etne Elektrisitetslag.
- In September 2020, Fjordkraft completed the acquisition of Innlandskraft AS. Innlandskraft AS comprised the end-user companies Gudbrandsdal Energi AS and Eidsiva Marked AS.
- In November 2020, Fjordkraft acquired 100 per cent of the shares in the Swedish enduser company Switch Nordic Green AB and its branch in Finland, which trade under the brand name Nordic Green Energy.
- In October 2021 Fjordkraft acquired the Sky mobile portfolio of approximately 34,000 mobile clients.

Subsidiaries

- Fjordkraft AS owns 100 per cent of the shares in the electricity retailer TrøndelagKraft AS, which is based in Trondheim.
- Elmera Group through Elmera Industrial Ownership AS owns 100 per cent of the shares in the electricity retailer Gudbrandsdal Energi AS, which is based in Vinstra.
- AllRate AS was established in January 2020. Elmera Industrial Ownership AS owns 100 per cent of the company's shares. AllRate AS delivers rating and billing services across the value chain to end-user companies and grid companies in Norway. The company also aims to win customers in Northern Europe.
- Steddi Payment AS (former Betalservice AS). Predictable payment plans for households are currently offered in cooperation with electricity retailers in the Elmera Group, offering a differentiating value proposition.
- Telia Norge AS holds 39 per cent of the shares in Fjordkraft Mobil AS and Fjordkraft AS 61 per cent.

Joint ventures

In November 2019, the group decided to invest in the technology software company Metzum AS through a joint venture with Rieber & Søn AS. The transaction was completed in 2020. Metzum AS has a Swedish branch in Stockholm. Metzum offers billing and rating software systems to electricity retailers and grid companies in the Nordics.



Elmera Group is in a position to accelerate the green shift for over 1 million customers in the Nordics by:

- Promoting the use of our apps in order to achieve power saving and predictability
- Cutting emissions in cooperation with suppliers and customers
- Offering solar cell installations and assist our customers with the production, storage and sale of solar energy

Ownership structure

Through the acquisition of Innlandskraft in 2020, Gudbrandsdal Energi Holding became a significant owner in Elmera Group, holding about 7 per cent of the total shares outstanding as per year-end 2023. The Government Pension Fund Norway was the largest shareholder at year-end 2023, holding about 9 per cent of outstanding shares.

History

Fjordkraft was founded on 1 April 2001 with the ambition of becoming a leading company in the sale of electricity to the end-user market. Since the outset, the company has striven to increase national competition in the end-user market, introduce forward-looking, customer-friendly solutions, and ensure a level playing field for all the players in the industry. The company was founded as a result of a merger between the power trading operations of BKK Kraftsalg AS and Skagerak Energi AS. The name Fjordkraft was adopted on 1 June 2001.

The General Annual Meeting in 2022 approved changing the company's name from Fjordkraft Holding ASA to Elmera Group ASA. This to avoid confusion with the subsidiary and electricity supplier Fjordkraft AS.

2.2 Management

Organisation

Chief Executive Officer (CEO)
Rolf Barmen

Chief Financial Officer (CFO)
Henning Nordgulen

Chief Strategy Officer (CSO)
Arnstein Flaskerud

Executive Vice President (EVP) and Chief Information Officer (CIO)
Kari Marvik

Executive Vice-President HR&Communications
Jeanne Katralen Tjomsland

CEO Fjordkraft AS
Magnar Øyhovden

Executive Vice-President Power markets and energy supply
Solfrid Fluge Andersen

Executive Vice-President Nordic
Per Heiberg-Andersen
Nordic Green Energy

Executive Vice-President Business
Roger Finnanger

Executive Vice-President Service Companies
Solfrid Kongshaug Aase
Allrate AS, Kraftalliansen, Steddi Payments AS

Rolf Barmen

President and Chief Executive Officer (CEO)

Background: Rolf Barmen, born in 1964, is the President and Chief Executive Officer (CEO) of the Group. Mr. Barmen has been the CEO of Fjordkraft since 2013 until June 2022. He has extensive experience as a chief executive officer within the telecommunication industry including Telering AS from 1999 until 2008, Chess Communication from 2008 until 2011 and NextGenTel from 2011 until 2013. Furthermore, he has experience as regional director at Telenor Telehus and operations manager at IKEA Bergen, as well as the Chairman of Sportsklubben Brann.

Education: Mr. Barmen holds a Master of Science in Economics and Business Administration (siviløkonom) from the Norwegian School of Economics (NHH).

Arnstein Flaskerud

Executive Vice-President (EVP)
and Head of Strategy, Sustainability and M&A

Background: Arnstein Flaskerud, born in 1963, is the Company's Executive Vice-President (EVP) and Head of Strategy, Sustainability and M&A. Mr. Flaskerud has more than 30 years' experience in the electric power industry. He commenced employment with Fjordkraft in 2001 as the Director of Corporate Clients. Mr Flaskerud was a strategic business developer in 2010, Director of the Strategy department in 2013, market manager for BKK Kraftsalg AS from 1997 until 2001 and Market Manager at Bergen Lysverker from 1992 until 1996. Mr. Flaskerud was an engineer at Samkjøring av Kraftverkene in Norway for six years prior to 1992. In 2013, Flaskerud received the industry price for "Influencer of the Year" for his work with common invoicing and the "Supplier-centric Model".

Education: Mr. Flaskerud is an engineer Electric Power Engineering from Bergen University College (HiB) in addition to an Executive Master of Management degree from the Norwegian Business School (BI).

Henning Nordgulen

Executive Vice-President (EVP) and Chief Financial Officer (CFO)

Background: Henning Nordgulen, born in 1965, is the Executive Vice-President (EVP) and Chief Financial Officer (CFO) of the Group. Mr. Nordgulen commenced employment with Elmera Group in 2022. He was previously CFO at Sbanken ASA from 2015 and prior to that CFO at Bergen Group ASA. In addition to that, he has held the position Director of Business at Sparebanken Vest.

Education: Mr. Nordgulen holds a Bachelor's degree from the Norwegian Business School (BI), and has additional education from IMF in Lausanne.

Magnar Øyhovden

Chief Executive Officer, Fjordkraft AS

Background: Magnar Øyhovden, born in 1968, is the Chief Executive Officer (CEO) of Fjordkraft AS. Mr. Øyhovden has been the CEO since august 2022. He has extended experience within the finance industry as CEO of Sbanken ASA (previously Skandiabanken) from 2000 until 2019. From 2020 until 2022 Mr. Øyhovden was the Group Director of Media Bergen AS.

Education: Mr. Øyhovden is an Economist with a degree from the Norwegian School of Economics (NHH).

Solfrid Fluge Andersen

Executive Vice-President (EVP)
and Head of Power markets and energy supply

Background: Solfrid Fluge Andersen, born 1976, was employed at Fjordkraft in 2010 as Chief Accountant Officer. In 2014, she left the company and joined Falck Nutec as CFO. In 2015 she returned to Fjordkraft in the role of Business Developer. In the period 2015 to 2019, she had several different management positions within the invoicing, operations and in the Power Trading department, before she was appointed Executive Vice President for Operations Division in June 2019. The 1st of December 2023 she was appointed to the Head of Power markets and energy supply. Ms. Andersen also has relevant experience from Bergen Energi (Kinect) as Team Manager for Cost Management before she was employed by Fjordkraft, and later Elmera Group ASA.

Education: Ms. Andersen holds a Master of Science in Economics and Business Administration (siviløkonom) from the Norwegian School of Economics (NHH) and a diploma i Hospitality Management from the International College of Tourism & Hotel Management in Sydney, Australia.

Solfrid Kongshaug Aase

Executive Vice-President (EVP)
and Head of Service Companies

Background: Solfrid Kongshaug Aase, born in 1969, is the Company's Executive Vice-President (EVP) and Head of Service Companies. Ms. Aase has more than 20 years' experience in the electric power industry. She held several managerial positions in BKK AS and Fjordkraft in the fields of Business Development, Sales and Portfolio Services. At Fjordkraft, Ms. Aase has, among other positions, worked as Business Manager from 2001 until 2006, as Market Manager for major customers from 2006 until 2008, was appointed Director of Customer Service in 2015 before she was appointed Head of Company Projects in 2017.

Since 2019 until August 2022 Ms. Aase was Head of Alliances.

Education: Ms. Aase holds a cand.polit. degree in Economics from the Univeristy of Bergen (UiB).

Per Heiberg-Andersen

Executive Vice-President (EVP) and Head of Nordic and other end-user companies

Background: Per Heiberg-Andersen, born in 1970, is Executive Vice President responsible for Nordic expansion and fighting brands. Prior to this role, Mr. Heiberg-Andersen was CEO at AllRate, a subsidiary of Fjordkraft.

Mr. Heiberg-Andersen has had a long career in telecoms and IT, and held positions as Regional Manager Western Norway in Telenor, as well as Vice President of both B2B and Consumer Divisions at NextGenTel (a Telia subsidiary). Mr. Heiberg-Andersen has also been a consultant (Director) at KPMG, with many projects in the electric power industry.

Education: Mr. Heiberg-Andersen holds a Master of Science in Economics and Business Administration (siviløkonom) as well as a CEMS Master from the Norwegian School of Economics (NHH) and the University of Cologne.

Roger Finnanger

Executive Vice-President (EVP) and Head of Business

Background: Roger Finnanger, born in 1981, joined Fjordkraft in 2011 as a key account manager. In 2012, Mr. Finnanger became the Sales Manager SME. He has headed the business market venture in the position of Director Business since 2014. In February 2019, Fjordkraft established a separate division for the business market and Mr. Finnanger assumed the position of Executive Vice-President Business. Mr. Finnanger has a background from Coca-Cola Enterprises where he worked for 10 years in a number of positions within sales, management and personnel development.

Education: Mr. Roger Finnanger took a basic course in business economics at the Norwegian Business School (BI).

Kari Marvik

Executive Vice President (EVP) and Chief Information Officer (CIO)

Background: Kari Marvik, born 1970, was employed at Fjordkraft in 2021 as Director Cross Border Development. She has also held other management positions in Fjordkraft AS/ Elmera Group ASA as Manager Operational Excellence and Head of IT and projects. Before entering the Elmera Group Ms. Marvik came from a position as Research director at NORCE and Vice president of Science and Technology at Christian Michelsen Research where she was responsible for industrial research projects towards sectors like Energy, Renewables, Marine and Aquaculture. She also has relevant IT experience from the telecom sector, where she has had different management positions in companies like Telenor and Nextgentel.

Education: Ms. Marvik holds a cand. scient degree from the University of Bergen.

Jeanne K. Tjomsland

Executive Vice-President (EVP) and Head of HR&Communications

Background: Jeanne Katralen Tjomsland, born in 1965. Ms. Tjomsland has over 25 years' experience within the field of communication. She commenced employment with Fjordkraft as Communications manager in 2002, was appointed Director of Human Resources and Security in 2010 (which from 2015 also included a communications role). Jeanne Tjomsland was EVP, CHRO&CCO (Chief communications Officer) in Fjordkraft Holding ASA until August 2022. She then held the position as CHRO, CCO for the Elmera Group in Fjordkraft AS until December 2023, becoming CHRO&CCO in Elmera Group ASA. Ms. Tjomsland was a senior public relations consultant and Deputy Manager at Consilio Kommunikasjon AS from 1997 until 2001.

Education: Ms. Tjomsland holds a Master of Science in Economics and Business Administration (siviløkonom) from Universitetet i Agder (UiA) and an Executive Master of Management degree from the Norwegian Business School (BI).

2.3

ESG-report
Environment - Social - Governance

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About the report

Elmera Group has reported in accordance with the GRI Standards for the period 1.1.2023 – 31.12.2023.

These are internationally recognised standards for reporting on environmental, social and economic responsibilities. We will continue to use the GRI standards as we transition our reporting to be aligned with obligated reporting requirements in EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). CSRD builds on established frameworks such as GRI and TCFD. Elmera Group will be subject to CSRD from the financial year 2025, reported in 2026.

In accordance with the GRI standards, we conducted a stakeholder analysis and materiality assessment to identify the most significant material topics, to us and our stakeholders. We have integrated double materiality into the assessment as a step towards being aligned with the CSRD requirements. This is described in the chapter entitled: **The right balance**. As the highest governance body, the Board of Directors have responsibility for managing Elmera Group's impacts on the environment, people and economy. This responsibility has been delegated to the CEO. The reported information has been reviewed and approved by the Board of Directors. Involving the Board of Directors in the Group's work with ESG and informing them about developments in requirements is a measure to advance their collective knowledge on sustainable development.

The GRI index, published at the end of this report, provides a reference to where reported information for every GRI indicator can be found. The report is in accordance with the GRI reporting principles and the Norwegian Accounting Act's requirement to report on corporate social responsibility. All subsidiaries where Elmera Group holds a majority interest are included in the report. Information has been gathered from relevant resources in each company and is either consolidated or presented for each company respectively where it is deemed more appropriate. It is clearly stated who the reported information applies to. The report was audited with limited assurance by Deloitte. The auditor's statements can be found at the end of this report.

The right balance

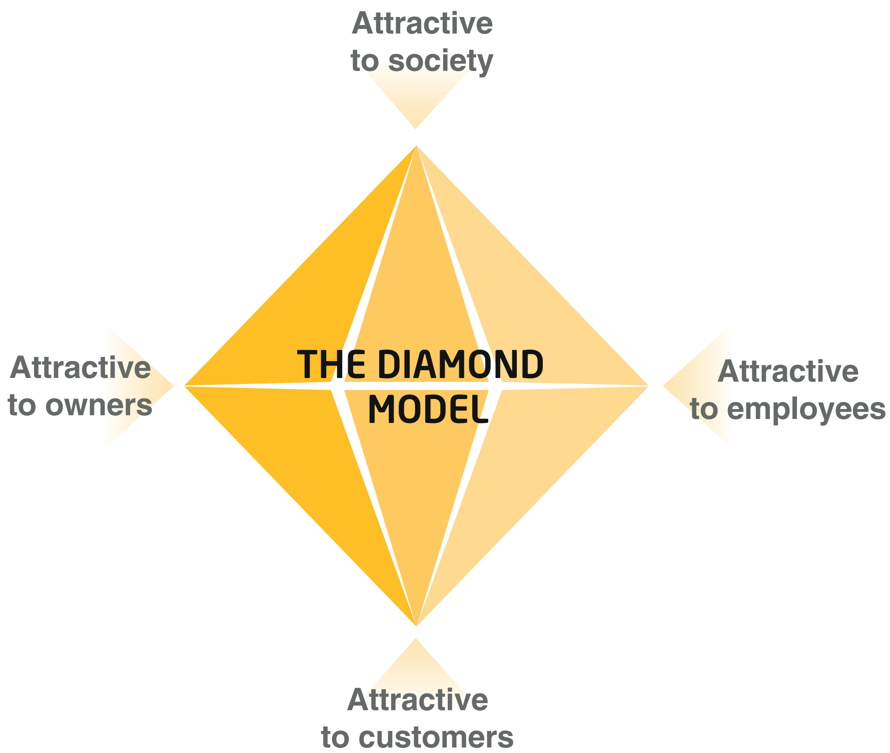
The Norwegian power market was turned upside down in 2021 and 2022, with record high prices – particularly in southern Norway.

2023 was a more stable year. Fewer customers switched electricity retailer than the year before. As part of a wider corporate governance initiative, we introduced a new sustainability policy at the beginning of the year. The policy is vital in ensuring that everyone in the Group works towards the same sustainability targets. The policy helps to strike the right balance in our work.

We intend to help our customers transition to a renewable society – a society where more customers will be self-sufficient. We can see that electricity customers have become more aware of their electricity consumption. The concept of energy efficiency has been firmly adopted by domestic customers and businesses alike in 2023.

As a Group, we need to strike the right balance by being attractive to society, owners, customers and our employees. We must be proactive energy and climate advisors, as demanded by an increasing number of customers.

To concentrate our actions and reporting on the most material topics a materiality assessment was conducted for the first time in 2022. We have now updated our measurement methodology to include double materiality. The double materiality assessment takes into account impact, risk and opportunity of each topic. This is the potential impact by Elmera Group on environmental, social and economic conditions, and the extent to which these may have a financial impact on Elmera Group, including both financial risks and opportunities. The process of updating our materiality assessment to include double materiality has led to changes in material topics. We have adjusted the wording for one of the topics, from "attractive reputation" to "attractive to customers". Originally, attractive reputation was chosen because our reputation reflects how we are perceived by important stakeholders, and thus, is an indication of our attractiveness. Staying attractive in an industry with extreme competitiveness is fundamental to having sustainable operations. Our reputation is, however, not solely influenced by our actions. External factors like the electricity price and the industry's overall reputation also affect our reputation. Therefore, we have changed the material topic to attractive to customers as we believe this to be more accurate in terms of what we are trying to measure. Furthermore, we have included the following material topics; *ethics and integrity, services that provide economic predictability, optimised corporate governance, conscious community engagement, promoting diversity, equity and inclusion and climate change*. Including more material topics is an



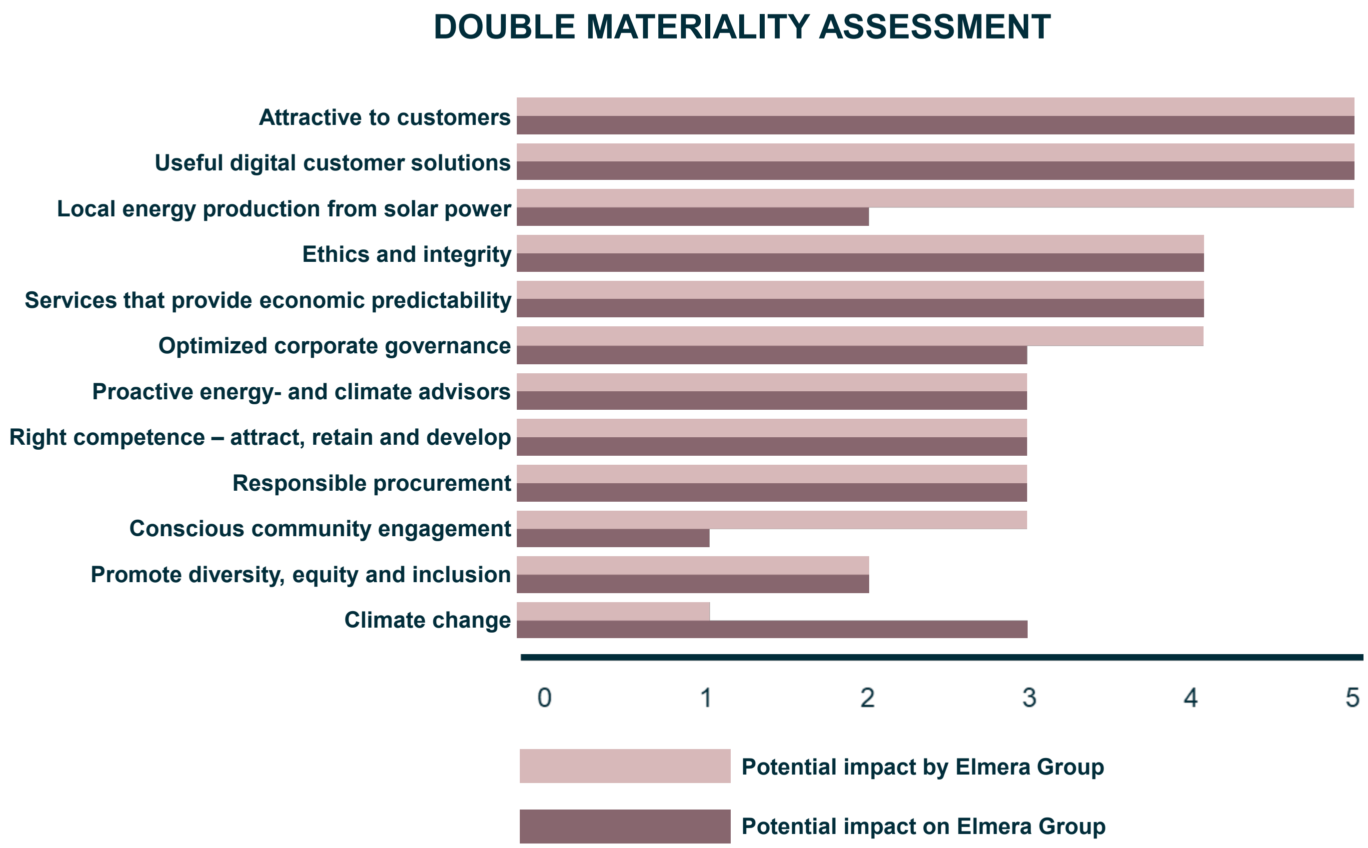
acknowledgement of their importance, and a way of widening our reporting scope. CSRD is increasing the reporting requirements. Thus, including more material topics is part of the preparation to become CSRD-aligned.

The process has been structured like the previous year, building on insights acquired through due diligence activities carried out in compliance with Norway's Transparency Act and stakeholder analysis. Resources from every function with executive responsibilities for ESG have been involved in all steps of the process, including identifying, assessing, and prioritizing Elmera Group's actual and potential impacts on environment, people and economy. The Executive Management has overseen the process and approved the materiality assessment before it was approved by the Board of Directors.

Stakeholder views were collected through interviews with employees in the organization who have direct contact with a stakeholder group. For instance, to cover topics significant to the investors, the Head of Investor Relations were interviewed. In addition to the investors, we have identified employees, customers, suppliers, relevant authorities and the media as our most important stakeholders. The stakeholder groups were identified based on an assessment involving various departments and the Executive Management Group.

Stakeholder	Arenas for engagement	Expectations towards Elmera Group
Employees	• Employee surveys • Appraisal interviews • General meetings • Intranet	• Positive reputation • Job security • Diversity, equity and inclusion • Culture • Promote interaction and cooperation across the Group • Strong sustainability profile
Consumer customers	• Customer surveys • Customer service • Social media • Sales channels	• Cost • Consultative communication • Good digital solutions • Positive reputation • Trust and transparency
Business customers	• Customer surveys • Customer meetings • Customer service • Quarterly and annual reporting	• Cost • Trust and transparency • Good digital solutions • Positive reputation • Good invoicing solutions • Good documentation • Power-price hedging knowledge • Sustainable operations
Suppliers	• Meetings • Conferences • Business networks	• Profitability • Positive reputation • Sustainable reputation • Energy optimization
Investors	• Investor meetings • Quarterly and annual reporting • Conferences • General assembly	• Positive reputation • Sustainable business model • Responsible procurement • Good value propositions • Transparency
Authorities	• Meetings • Consultation responses • Reporting • Industry associations	• Take corporate social responsibility, for example by being an advisor that contributes to energy optimization • Provide simple and unambiguous information to customers • Clear and understandable products • Compliance with applicable laws and regulations
Media	• Phone • Email • Meetings	• Quick response • Compliance with consumer authorities' interpretation of the law • A substantial customer base makes negative customer experiences relevant to many • That commercial actors promote products and services in other channels than the editorial channels

We continuously engage with stakeholders through various channels like customer service and employee surveys. Stakeholder engagement is integral to how we run our business, as it enables us to make informed decisions. Based on our organisational context, and informed by the stakeholder analysis, we listed actual and potential impacts, both positive and negative, within each dimension of ESG. These were then prioritised based on significance. Criteria to judge the significance of negative impacts were severity, scale and scope, and likelihood. Similarly, positive impacts were prioritized based on scale and scope and likelihood. Impacts where we can make the most significant differences were weighted. As mentioned, double materiality implies that every material topic has been considered from two perspectives; potential impact by Elmera Group and potential impact on Elmera Group. Every topic has been ranked on a scale from 0-5 in both perspectives. To measure development related to the material topics and the effectiveness of correlating actions we have attached relevant targets to the material topics. These are existing targets embedded in the Group's strategy, policies or procedures. We are working on setting targets in areas where we don't have existing targets that are sufficient. This is a process that starts with mapping the current situation to gain insights, which in turn will enable us to set appropriate targets, well rooted in the organization. How we perform in relation to the targets is reported to the Board of Directors.



About the key topics and reasons for the assessments

Attractive to customers:
Last year, attractive reputation was a material topic. The reasoning was that reputation largely reflects our actions, and that how we are perceived by customers, investors, employees and authorities affects our ability to deliver on the strategy. Based on the same reasoning, the wording has been changed to 'attractive to customers', as we deem this more appropriate. Creating good customer experiences is the most important success factor, with a good reputation as the natural consequence. This material topic is of fundamental importance, meaning that it is a prerequisite for achieving lasting positive impacts on other material topics.

Rated as the highest impact both **by** and **on** Elmera Group.

GRI-indicators:
417-2, 417-3, 418-1

Goal:
Customer satisfaction above 70 for the brands Fjordkraft, Gudbrandsdal Energi and Nordic Green Energy.

Results from the annual EPSI survey for 2023:
Consumer segment:
Fjordkraft – 65,3
Gudbrandsdal Energi – 69,7
Nordic Green Energy – 74,2

Business segment:
Fjordkraft – 60,5

This is a continuous goal. For more information about how we work to achieve it, see Attractive to customers and Section 3.1 in the annual report – Strategy and strategy planning – Where do we create value.

Useful digital customer solutions:
The electricity price crisis showed how important useful digital solutions are to customers. In 2023, the Elmera apps helped more than 777,000 unique users through insights, automation and notifications. Via the app and Min Bedrift (My Business) we give customers access to services that help them optimise their electricity consumption, both by reducing consumption and by adapting it to the market price and grid tariff model. Digital customer solutions are our most important tools to help customers and contribute to energy efficiency, and thus, have a significant impact on the national energy balance and the environment.

Rated as the highest impact both **by** and **on** Elmera Group.

Goal (measured quarterly):
80 % of customers actively interact with our digital interfaces. Active users are defined as someone who uses the app twice a month.

Results Q4 2023:
67 % of Norwegian consumer customers utilised the app. 22 % of Finnish consumer customers utilised the app.

As the app was only introduced in Finland this year, we expect the number of users to increase, especially considering the positive feedback we have received this far. The app will be introduced in Sweden during 2024.

This is a continuous goal. For more information of our work to increase customer interaction, see Environment – Useful digital customer solutions.

Local energy production from solar power:
Sustainable business models are important to the Group. This includes having sufficient margins and ensuring that our products help create economic value without compromising society or the environment, but also that we take on a greater role in the transition to a renewable society. The Norwegian authorities have set a target to increase solar power production by 8 TWh. Power generation from local solar energy is our opportunity to make a significant contribution to more renewable energy.

We consider this topic to be greatly influenced by Elmera Group. We have the muscle to succeed with our solar initiative and we can make a difference. We also assess that solar has a relatively low impact on Elmera Group at present. We expect the impact on Elmera Group to increase significantly in the coming years. Our ongoing initiatives and investments in solar power are a reflection of this.

Goal:
Number of customers with solar production to be doubled annually.

Result 2023:

Solar installations increased by 43 % in 2023 vs. 2022.

For more information about how we work towards the goal, see Environment – Power generation from local solar energy and Section 3.1 – Strategy and strategy planning.

Ethics and integrity:

To continue to succeed in the long term, in an industry that has experienced reputational challenges, we depend on good ethical conduct by everyone representing the Group. This will safeguard the integrity of both the individual and the company, in meetings with customers, employees, partners, authorities and other stakeholders. Our Strategic Platform, the Management Philosophy and ethical guidelines set clear guidelines for the conduct of representatives of Elmera Group. This topic is of fundamental importance, as unethical conduct has the potential to negatively impact not only the Group, but also customers, employees and other stakeholders.

Rated as high impact both **by** and **on** Elmera Group.

GRI-indicators:

205-1, 205-2, 205-3, 206-1, 415-1

Goal:

100 % of employees should perform dilemma training annually.

100 % of employees should sign a declaration annually, confirming that they have read and act in compliance with the Group's Code of Conduct.

Results 2023:

Dilemma training was not performed in 2023. Employees have not signed a declaration in 2023.

Dilemma training will be completed by all units in 2024, starting in March. The declaration regarding compliance with the Code of Conduct have been sent out in 2024.

For more information about our work with ethics and integrity, see Governance – Ethics and integrity and the Corporate Governance Report.

Services that provide economic predictability:

Geopolitical conditions, such as Russia's invasion of Ukraine and the impact of this on gas supplies in Europe, high CO2 prices, and the transition to renewables that bring more non-regulated power into the system, have led to an extended period of high price volatility. The new normal is expected to be characterised by higher price volatility than before the electricity price crisis. This leads to unpredictability related to electricity costs, perceived as challenging by many in both the private and corporate sectors. Offering good services capable of ensuring economic predictability for customers is therefore important. This could be various hedging products, or through Steddi Payments. In a market characterised by equivalent electricity products, hedging instruments are an important differentiating factor, which will also apply to the consumer market when the electricity support scheme expires at some point.

Rated as high impact both **by** and **on** Elmera Group.

Goal:

70 % of contracts in the Business segment should include risk management.

Customer growth Steddi Payments AS. Numbers in the roadmap for growth are not disclosed due to confidentiality constraints.

Results 2023:

78 % of delivered volume included risk management.

Optimised corporate governance:

Good corporate governance is a prerequisite for qualified decisions that support our strategic goals and ensure sustainable operations. Through the implementation of the corporate governance project, led by Group Finance, 12 policies have been established and reviewed by the Group's management teams. Other employees have been involved in necessary instruction and training. The work gives us important governance mechanisms that are necessary to create the required results.

This is assessed to be greatly influenced **by** Elmera Group and that it has a relatively high impact **on** Elmera Group.

GRI-indicators:

Indicators in General Disclosures section 3 are related to governance.

We have yet to set goals that measure the quality of our corporate governance. For more information about our approach to corporate governance, see the Governance section in the ESG-report and the Corporate Governance report.

Proactive energy and climate advisers:

Electricity has gone from low interest to high interest as a consequence of higher electricity prices. Our customers need good, proactive advisers in the transition to a renewable society, in both private and business markets. This is essential to create good customer experiences and to succeed in delivering energy efficiency to customers. By serving as competent advisers for our customers we will achieve positive impacts for them, by reducing their electricity cost, and for the society at large, by contributing to energy efficiency.

Rated at relatively high impact both **by** and **on** Elmera Group.

Ensuring that we act as good advisors for our customers is a top priority in the organisation. We are working towards setting goals that effectively measure our performance concerning this. For more information about how our subsidiaries strive to be competent advisers to our customers, see Section 3.1 in the annual report – Strategy and strategy planning – Where do we create value.

Right competence – attract, retain and develop:
The competencies of our employees are the Group's most important resource. To deliver on our strategic goals, we need to have the best employees. It is therefore important to be an attractive employer that gives employees room to develop, and that we manage to attract bright new talent. Management competencies are regarded as particularly important.

Rated as relatively high impact both **by** and **on** Elmera Group.

GRI indicators:
401-1, 404-1, 404-2, 404-3

Goal:
Human Capital Index above 25

Result 2023:
Elmera Group ASA - 25,8
Fjordkraft – 25,6

We concluded a pilot project in 2023 named Strategic Competence Development. The initiative was a success and will continue in 2024. The insights from this initiative will enable us to set appropriate goals on how to attract and develop the right competencies. For more information, see Social – Right competence.

Responsible procurement:
As a major player, we can exercise great influence by setting clear requirements for our regular suppliers. This is how we create domino effects. The Group has an established procurement policy that ensures compliance with general and special requirements associated with ESG. A climate-committed value chain is required, whereby suppliers accept and recognise the Supplier Code of Conduct. This code concerns general business ethics, including sustainability, climate, environment, human rights and anti-corruption. In addition, the Norwegian Transparency Act is observed through the Procurement Policy. The Procurement Policy applies to the entire Group.

Rated at a relatively high impact both **by** and **on** Elmera Group.

GRI indicators:
204-1, 308-1, 308-2, 407-1, 408,1, 409-1, 414-1, 414-2

Goal:
All our regular suppliers must sign the Supplier Code of Conduct.

Result 2023:
The Supplier Code of Conduct has not been implemented in existing contracts in Gudbrandsdal Energi and Nordic Green Energy. Implementation is expected to be completed in 2024. It is implemented for the Group's other regular suppliers, and thus, for the majority.

Conscious community engagement:
We will be a strategic partner that contributes more than just financially. When we engage in collaboration, we will be active and contribute with our time, knowledge and networks. Through our strategic partnership with the Church City Mission, we are able to have a positive impact on people who for various reasons face challenges in their life, by involving our employees.

Rated as relatively high impact **by** Elmera Group and low impact **on** Elmera Group.

Goals for 2024:
We will carry out two beach clean-ups every year.

We will assist Skattkammeret "the Treasury" of the Church City Mission with two volunteer employees every week throughout 2024.

Promote diversity, equity and inclusion:
To achieve the best solutions, we need people from different backgrounds and with different experience who can provide new perspectives and ideas. This makes it important that we succeed in having an equitable and diverse workplace where everyone feels included, regardless of background. At Elmera Group, men and women enjoy equal rights, opportunities and pay conditions for the same type of position. The company and the Group work actively to promote the aims of the Act. The activities include recruitment, pay and working conditions, promotion, development opportunities and protection from discrimination or harassment.
Rated at a moderate impact both **by** and **on** Elmera Group.

GRI indicators:
401-2, 401-3, 405-1, 405-2, 406-1

Goals:
The distribution of women and men must be within the range of 40–60 per cent.
The distribution of female and male managers should be equivalent to the overall ratio of women and men in the organisation.

Results 2023:
45 % women and 55 % men.
36 % of managers with personnel responsibility, excluding the Executive Management Group, were women.
The Executive Management Group consists of 4 women and 6 men.

We will map the Group's diversity in 2024 and increase the internal competencies connected to diversity and inclusion. This is the first step towards setting adequate goals for diversity and inclusion.

For more information about our work with diversity, equity and inclusion, see the [Equal Opportunities Report.]

Climate change:
We know that we are heading towards a climate crisis with global warming far above the 1.5°C target in the Paris Agreement, unless immediate action is taken. In its latest report, the UN Intergovernmental Panel on Climate Change describes this as a crucial decade and points out that we have the solutions that are needed. They stress the importance of phasing out fossil fuels quickly. This backdrop affects us in several ways. A higher ratio of renewable energy in the power system increases price volatility, as production will vary according to weather conditions. The price of electricity produced from coal and gas is affected by high CO2 prices. Weather conditions also affect the demand side. Climate change therefore affects key factors such as price and volume. It also drives regulation and increased reporting requirements, as well as the demand for products such as solar panels and guarantees of origin.

Rated at a low impact **by** Elmera Group. Even though we believe we achieve a high effect, in relative terms, by creating domino effects through 'Klimanjaro', the impact of Elmera Group on climate change is still low in the big picture. Rated as relatively high impact **on** Elmera Group.

GRI indicators:
201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

Goal:
All our regular suppliers must be climate committed.

Result 2023:
The climate pledge has not been implemented in existing contracts in Gudbrandsdal Energi and Nordic Green Energy. Implementation is expected to be completed in 2024. The Group's other regular suppliers are deemed climate committed.

Through our strategic partnership with Kirkens Bymisjon (the Church City Mission) we involve our employees. Svenn Erik Steinstad (Partner Sales) and Magnar Øyhovden (Chief Executive Officer at Fjordkraft AS) are volunteering at Skattkammeret in Bergen. At Skattekammeret, people can borrow sports and leisure equipment for free.

Photo: Monica Solheim

Environment

Elmera Group's climate pledge

Elmera Group's climate pledge is: " We pledge that our regular suppliers are climate committed. "

The climate pledge obliges our regular suppliers, but also us. The requirement is followed up in several ways.

Our regular suppliers must prepare greenhouse gas accounts and a list of measures to cut their emissions. This must be uploaded to the climate portal, Klimahub.no. We also encourage them to offset their emissions by purchasing Scope 1 and 2 allowances and Scope 3 upstream activities. We stand by the principle that the polluter should pay.

Suppliers whose Science Based Targets have been approved in accordance with SBTi are also approved as our suppliers.

Why do we do this?

We want to use our influence in a positive way. We can see that by setting these requirements, we can help cut greenhouse gas emissions by far more than we would be able to do alone. We have been doing this ever since we introduced climate requirements for our suppliers through 'Klimanjaro' in 2017. The requirement has changed since then, but we continue to influence our suppliers to take greater responsibility. The domino effect continues.

Klimahub.no

Elmera Group is not the climate police, but based on a desire for greater transparency and the creation of what can become a national register for greenhouse gas accounts, our regular suppliers are required to register greenhouse gas accounts and action lists to reduce emissions on the Klimahub.no climate portal. By the end of 2023, 556 companies had registered their company in Klimahub.no and 408 of them had registered their greenhouse gas accounts in the portal. Klimahub.no is open for all businesses to use.

Here, businesses can create greenhouse gas accounts, free of charge. If they already have greenhouse gas accounts, the business can upload the total figures from Scope 1, 2 and 3 in order to register. The aim is for Klimahub.no to be the register we can use to monitor Norwegian companies' climate footprint. On Klimahub.no, it is also possible to compensate for emissions by purchasing allowances. Business partners and suppliers can also be invited to post their figures on Klimahub.no. This helps to increase the transparency of greenhouse gas accounts.

Gisle Hauge, Head of Legal and Procurement in Elmera Group, talks about our climate pledge to some colleagues. Photo: Elmera Group

Private individuals can use Klimahub.no to exert influence as consumers by choosing climate-friendly companies for their purchases and as their potential employers.

We are working to bring more partners on to Klimahub. Cooperation with other players in different industries makes us stronger.

The goals for 'Klimanjaro' and Klimahub:	
100 per cent of Elmera Group's regular suppliers must be climate committed	🟡
100 per cent of Elmera Group's regular suppliers must register on Klimahub.no	🟡
We will have 1,000 registered companies on Klimahub.no by the end of 2023	🟡

UN Sustainable Development Goals

We focus particularly on four of the UN Sustainable Development Goals that we will work even harder to achieve. These are the four we believe are closest to our business operations.

Number 13: Climate Action

This is the most important goal we are working towards achieving. By exerting our influence and setting requirements for suppliers and sponsorships, we have created a domino effect and reduced greenhouse gas emissions significantly. We will be a beacon for others and will continue to lead the way.

Number 7: Affordable and Clean Energy

Energy is the largest contributor to climate change, through emissions of CO2 and other greenhouse gases. The solution is renewable energy such as hydroelectric power, wind power and solar energy. Renewable energy is sustainable. We are part of the solution.

Number 9: Industry, Innovation and Infrastructure

Through innovation, we develop new and sustainable solutions for private customers and businesses. We ensure value creation.

Number 12: Responsible Consumption and Production

Today, we consume more than what is environmentally sustainable. To ensure good living conditions for current and future generations, every consumer has to change their lifestyle. With the help of the app, Puls meter, Målbart (energy metering), Min Bedrift (My Business), customer service, climate footprint etc., we help customers to make their consumption more efficient.

This is Elmera Group's prioritization of our chosen SDGs.

Everyone at Elmera Group works to achieve the goals. If any of our business units want to work to achieve additional UN Sustainable Development Goals, they can do so. They just have to give a good reason.

Power generation from local solar energy

The transition to the renewable society requires that more of our customers, both private individuals and businesses, produce more of their own energy. Therefore, in 2022, Elmera Group set a goal for the expansion of local solar energy to our customers.

The goal is as follows:

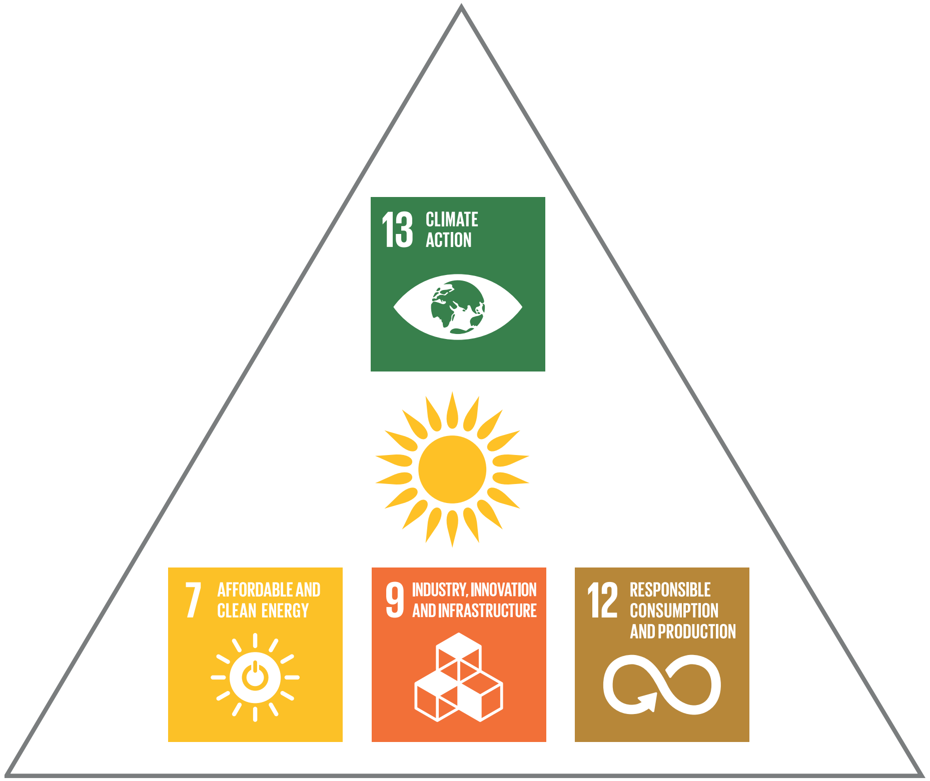
Number of customers with solar production to double annually.

The number of solar installations in 2023 increased substantially compared to 2022, but we did not manage to double it, and thus, did not reach the target for 2023. Installations increased by 43 % YoY.

Sustainable business models are important for the Group. This includes having sufficient margins and ensuring that our products help create economic value without compromising society or the environment, but also that we take on a greater role in the transition to a renewable society.

Power production from local solar energy is therefore one of our focus areas going forward. It aligns with all four of the UN Sustainable Development Goals that are most closely linked to our business strategy. By capitalising on our large customer base, we have the opportunity to make a significant contribution to more renewable energy.

The SunPool company was founded in February 2023. The purpose of the company is to carry out activities within operational leasing/PPA of solar cell systems for private households, housing cooperatives and commercial buildings. This will continue in 2024.



Internal climate and environmental measures

We require our regular suppliers to be climate committed, but what do we do internally in Elmera Group to reduce our own emissions?

For the past two years, we have had an internal sustainability group that looks at various measures we can take within climate and the environment.

Working with our greenhouse gas accounts, we create an action list each year that shows where to reduce our own emissions. Our overall goal is to halve our carbon footprint per employee by 2030, based on the footprint from 2019, the last year before the pandemic.

We adhere to our own climate commitment and focus on reducing our own greenhouse gas emissions. We buy electricity with a guarantee of origin and compensate for residual emissions from Scope 1, Scope 2 and upstream activities in Scope 3 by purchasing European Union Allowances (EUA).

We publish our greenhouse gas accounts in Klimapartner Vestland's annual emission report and on our own web portal, Klimahub.no. On the latter, our greenhouse gas accounts and updated measures for further reductions can be viewed throughout the year. Klimahub.no is a register where people can check the climate footprint of Norwegian companies and use the information to make sustainable choices.

In 2019 we could already see that our travel activities account for our greatest emissions. We therefore set a target to cut emissions from air travel by 40 per cent per employee by the end of 2023. We also have a dedicated travel policy with clear guidelines for employees. We managed to reduce emissions from air travel by 41 % per employee, reaching our target.

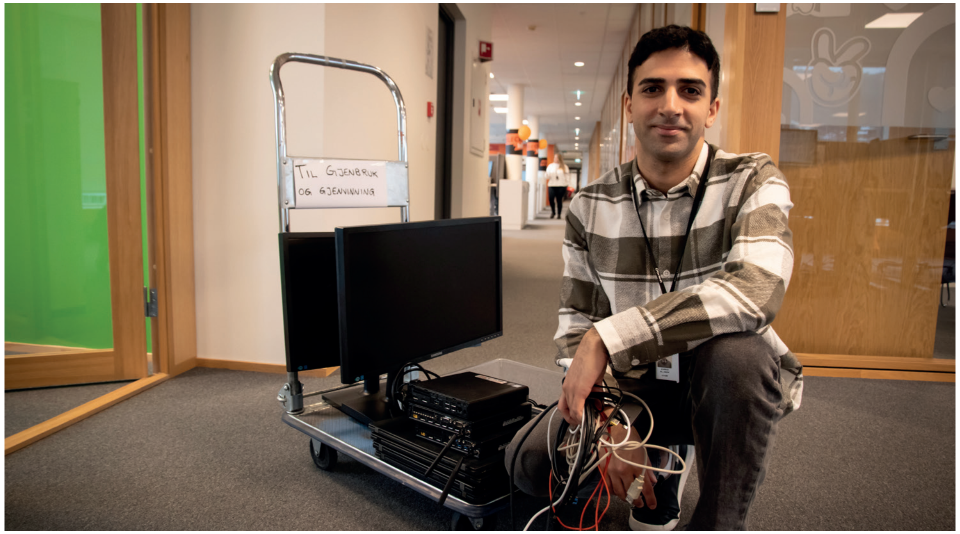
We have worked to become a fossil-free company while waiting for the oil-fired heating of our head office in Bergen to be replaced by district heating. This finally happened in the end of 2023.

In terms of waste, we set requirements for our property owners and, in 2023, we introduced collection of food waste at all our locations.

The IT department has worked to ensure that 100 per cent of our used IT equipment is reused or recycled. They managed to achieve this in 2023 through agreements with Atea and their 100 % club, and the company Dustin. The IT department also has strong focus on buying less new equipment than before. Instead, they issue used machinery and equipment to employees. They have achieved this thanks to the dedicated efforts of the IT department's teams.

Elmera Group is expanding both in Norway and in the Nordic region. This will increase the Group's total carbon footprint in the years ahead. But the goal of halving emissions per employee is nonetheless maintained.

In 2023, we saw a large increase in our total greenhouse gas emissions. This is because, for the first time, we include the downstream and the upstream solution figures in Scope 3, i.e. sale of electricity.



Jamal Al-Abdi and his colleagues at our IT department ensure that 100 per cent of our used IT equipment is reused or recycled. *Photo: Frode Fjellstad*

Targets for greenhouse gas reductions:	
100 per cent of Elmera Group's regular suppliers must be climate committed	
100 per cent of Elmera Group's suppliers must register with Klimahub.no	
We must have 1,000 companies registered with Klimahub by the end of 2023	
ENERGY	
100 per cent of the electricity we consume must be purchased with a guarantee of origin.	
TRANSPORT	
We have a dedicated travel policy stating that employees must always consider whether a journey is necessary, from a climate and cost perspective.	
Our vehicle fleet must be fossil-free	
We will cut emissions from air travel by 40 per cent per employee by the end of 2023 (zero point in 2019) – Emissions from air travel per employee has been reduced by 41 %	
WASTE	
100 per cent of our used IT equipment must be reused or recycled.	
We require landlords to sort waste at source	
We will have sorting of food waste in place at all locations	
OTHER	
Our locations in Bergen, Trondheim and Sandefjord are Eco-Lighthouse-certified. We want the office at Vinstra to be certified by the end of 2025. At the Oslo and Sortland offices, there are so few employees that we will not carry out certification. Our offices at Hamar, Stockholm and Wasa do not have the same certifications.	
We use technology to streamline communication between our locations.	
Reuse must always be considered when purchasing products.	
Employees who walk, cycle or travel by public transport to work receive financial compensation of NOK 500.	
The internal sustainability group has created a recycling group on Workplace (intranet) called Give Away – Exchange – Buy – Sell. Here, employees can give away, exchange, buy or sell things they no longer need.	
We have an internal sustainability academy for employees.	

Elmera Group 2023		Fjordkraft 2019	
Number of employees	457	Number of employees	293
Emissions from air travel per employee	0,46 tCO2e	Emissions from air travel per employee	0,79 tCO2e
Total emissions per employee	0,6 tCO2e	Total emissions per employee	1 tCO2e

Two employees in Bergen; Ingvild Dimmen and Alice Lavik Lammetun, with the new recyclebin for foodwaste. *Photo: Frode Fjellstad*

Climate Accounts

Input to the climate accounts has been gathered from all our locations in Norway, Sweden and Finland, covering all companies and employees in the Group.

The majority of input has been converted to CO2 equivalents through Klimahub, our software solution developed in compliance with the Greenhouse Gas Protocol. Conversion factors used in Klimahub can be downloaded here: klimahub.no/about. Klimahub' s main source for conversion factors is the Department for Environment, Food & Rural Affairs (DEFRA – a UK ministerial department) set of conversion factors for 2023. The calculation of CO2 equivalents includes greenhouse gases CO2, CH4, N2O, as stated in DEFRA's conversion factor set. The conversion factor for electricity comes from DNV and is specific to Norway. Therefore, emissions from consumed and sold electricity in Sweden and Finland have been calculated based on conversion factors from AIB for product mix and residual mix in both countries.

Downstream emissions from sold electricity have been calculated for the first time for 2023. To be able to compare the climate accounts for 2023 and 2022 total emissions with and without downstream emissions are included in the table. Emissions from sold electricity are not compensated by emission allowances.

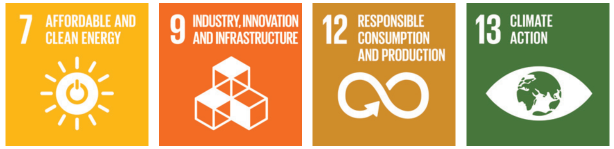
Scope 3 emissions have been categorised according to the GHG protocol. Previously, emissions from "Flights", Mileage allowance" and "Other business travel" have been reported separately. These are now reported under Category 6: Business travel.

In the previous report, we calculated emissions from air travel for 2022 to 232 tCO2e. Since we have discovered that some of the air travels were double-counted. When adjusting for this mistake, emissions from air travel in 2022 amount to 145,7 tCO2e.

GRI DISCLOSURE 302-1	
Energy consumption from renewable sources	**MWh**
Electricity from hydropower	829
Energy consumption from non-renewable source	**MWh**
District heating	109
Gas	30

CLIMATE ACCOUNTS (TONNES CO2E.)	Elmera Group ASA 2023	Elmera Group ASA 2022	Difference 2022-2023
Scope 1			
Fuel (vehicles and other consumption)	5,4	1,9	184 %
Paraffin, propane and gas	5,2	8,8	-41 %
Total direct emissions (Scope 1)	**10,6**	**10,7**	**-1 %**
Scope 2			
District heating/cooling	19,1		
Electricity location based	16		
Electricity market-based	0	0	**0 %**
Total indirect emissions from purchased energy - location based (Scope 2)	**35,1**		
Total indirect emissions from purchased energy - market based (Scope 2)	**19,1**	**0**	**0 %**
Scope 3			
Category 1: Purchased goods and services	20,6	3,6	472 %
Category 3: Fuel and energy related activities*	8 999 140		
Category 5: Waste generated in operations	0,2	0,2	0 %
Category 6: Business travel	222,4	161,7	38 %
Category 7: Employee commuting	19,9	11,6	72 %
Total other indirect emissions excl. category 3 (Scope 3)	**263,1**	**177,2**	**48 %**
Total other indirect emissions (Scope 3)	**8 999 666**		
Total emissions - market-based, excl. downstream eissions	**292,8**	**187,9**	**56 %**
Total Emissions - market-based	**8 999 696**		
Total offsetting	**293**	**274**	**7 %**
KEY FIGURES			
Number of employees	459	440	4 %
Total energy consumption - MWh (fossil fuel + purchased energy)	968,7	946,6	2 %
Heated area (m2)	9074	9074	
CLIMATE AND ENERGY DISCLOSURES			
Total emissions per employee excl. process emissions (tCO2e/employee)	0,6	0,4	50 %
Energy consumption for heating premises (kWh/m2)	106,8	93,9	14 %

**Included for the first time. Read more at page 33.*



Climate risk

Assessment of climate risk is part of Elmera Group's overall risk management and reporting. This takes place on an annual basis.

Photo: Shutterstock

Many different factors have contributed to high price volatility for a sustained period. These include geopolitical conditions, such as Russia's invasion of Ukraine and the consequences of this for gas supplies in Europe, high CO2 prices, and the transition to renewables that bring more non-regulated power into the system. Going forward, the new normal is expected to be characterised by higher price volatility than before the electricity price crisis. This leads to unpredictability related to electricity costs, perceived as challenging by many in both the private and corporate sectors.

This in turn has put the spotlight on our industry in recent years, from the media, politicians and our customers. Many have become more aware of prices, consumption and opportunities for energy efficiency. As a consequence, more customers than before want to monitor electricity prices more closely, preferably in real time.

Customers have become more aware of their own electricity consumption, which is very positive in terms of fulfilling SDG 12, which states that we will have responsible consumption and production. In turn, as a Group we have been challenged to put in place even better technical solutions, for example in the various apps that our subsidiaries offer to customers. A lot of work was done on this in 2023.

In the future, we will make it easier for more of our customers to become more self-sufficient in local electricity We therefore began a new initiative towards the end of 2022 for more power generation from local solar energy. If more customers become self-sufficient in electricity in the years to come, this will have consequences for us. There are opportunities for us as advisers to customers, but also as an innovative company that can offer services to help our customers transition to a renewable society.

Changes in customers' consumption patterns as a consequence of high prices, the changing international energy markets, and the composition of energy carriers have a direct impact on us and our customers. This is also true of EU climate goals, the phasing-out of fossil energy production, a high CO2 price, and investment in renewable energy. Investments in wind and solar power have made the European power market increasingly weather-dependent.

Consumers have a low tolerance for high power prices, which entails risks for Elmera Group.

Climate risk

Risk categorisation	Risk assessment	Conclusion
Physical risk *Physical risk involves costs associated with physical damage due to climate change.*	Elmera Group has very few assets that could be physically damaged as a consequence of climate change. The increased frequency of extreme weather conditions could result in significant damage to grid owners' infrastructure, which could affect Elmera Group's reputation in the event of prolonged power outages. Society has a low tolerance for disrupted power supplies.	**Low risk**
Transition risk *Transitional risk involves economic uncertainty related to the transition to a low-emission society, and is divided into four categories:* • Technology • Market • Policy • Reputation	**Power prices** are affected by many different elements. The EU climate goals and the phasing-out of fossil energy production, as well as investment in renewable energy, with a significant wind power element, mean that the European power market is becoming increasingly weather-dependent. High CO2 prices also influence power prices. The war in Ukraine has less impact on prices now than at the start of the war, but it is causing greater fluctuations than normal. **Challenges** After several years of unstable prices, consumers have a low tolerance for high power prices. High prices draw more negative attention and increase the industry's reputational challenges. Wider fluctuations in electricity prices make power purchases/hedging more demanding. There is a higher risk related to agreements that are based on price hedging. As a consequence of intermittent high power prices, there is also a risk of political intervention in the market. **Opportunities** The transition to a renewable society creates business opportunities for Elmera Group. Greater electrification leads to increased demand for products closely linked to Elmera Group's core business. Variations in electricity prices favourably affect the demand for hedging products. Elmera Group has strong power trading expertise, which enables us to offer hedging products that provide customers with more predictable prices. The transition to a low-emission society also gives us good opportunities to invest more in local electricity production, such as solar energy.	**Medium risk**

Climate risk

Risk categorisation	Risk assessment	Conclusion
Transition risk *Involves economic uncertainty related to the transition to a low-emission society, and is divided into four categories:* ' • Technology • Market • Policy • Reputation	Elmera Group is a major, reliable player that can offer customers deferred payment and repayment plans when electricity prices are high. We use our market-leading position in a positive way and hope this can help create trust over time. In the long term, far greater expansion of renewable energy is expected in Europe, with more stable energy production, leading to lower power prices. **Challenges:** Customers that are more self-sufficient in electricity can be a threat to the company in the long term. This relates to increased investment in solar energy, development of batteries and new storage technology. **Opportunities:** We see great opportunities in solar energy. When electricity prices are high, this is a more attractive solution for households and businesses. If more people become self-sufficient in energy, this can also reduce pressure on the market and be beneficial to the green transition. We broker solar energy sales and joined forces with Solcellespesialisten to start SunPool. This is and will remain a major focus area for us in the years to come. **Energy management tools** offer opportunities in the short term, although increased energy efficiency represents volume risk in the long term. Taxonomy, the EU classification requirement, will come into force for us as from 2025, when the new EU sustainability directive, CSRD, also comes into force for our Group.	**Medium risk**
Third party risk *Claims for damages related to decisions or a failure to make decisions that can somehow be linked to climate policy or climate change.*	Through our work with 'Klimanjaro', where we started setting climate requirements for our suppliers in 2017, we initiated a positive domino effect. The climate requirement has been upgraded in a new climate pledge, but the domino effect continues. We set requirements for our suppliers, and several of them pass on these requirements to their suppliers. We also use the Klimahub.no climate portal to focus on how companies should maintain an overview of their own greenhouse gas emissions and opportunities to cut emissions. Klimahub can be used to cut emissions both within and outside the company's value chain.	**Low risk**

Task Force on Climate-Related Financial Disclosure (TCFD) report

#	Governance	
1	**Describe the board's oversight of climate-related risks and opportunities.**	The Board is informed of the Group's most significant risks, including climate risk, through risk reporting, as described in the risk management section. The Board is informed of the results of the group executive management's annual climate risk assessment.
2	**Describe management's role in assessing and managing climate-related risks and opportunities.**	The responsibility for incorporating climate risk lies with the Group Risk Manager and Head of Sustainability. Climate risk is specifically included on the group executive management's agenda on an annual basis. Every year, the Group Risk Manager and Head of Sustainability arrange a climate risk workshop with the group executive management where it is discussed how climate-related threats and opportunities affect the Group's businesses, strategy and financial planning. This forms the basis for the Group's climate risk assessment. The management is informed of the Group's most significant risks, including climate risk, through quarterly risk reporting, as described in the risk management section.
	Strategy	
3	**Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.**	See the table "climate risk" above for assessment of climate-related threats and opportunities.
4	**Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.**	Climate-related risks and opportunities are defined as part of the Group's overall and annual strategy process. The group executive management and line management identify threats and opportunities and assess the impact these can have on Elmera Group's businesses, strategy and financial planning. See the table "climate risk" above for assessment of climate-related risks and opportunities.
5	**Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.**	Elmera Group's strategy has not been stress-tested against the different climate-related scenarios, but it is considered and assessed as a part of our scenario planning document.

#	Risk Management	
6	**Describe the organisation's processes for identifying and assessing climate-related risk.**	Climate risk is part of Elmera Group's framework for enterprise risk management. The Group has a structured process for identifying and assessing risk on a quarterly basis. All risk categories, including climate risk, are part of the overall risk management process. Risks that are considered to have a material impact on the Group's objectives and strategy are reported quarterly to the group executive management and semi-annually the Board. If climate risk is considered to have a material impact on the Group's overall objectives and strategy, it will be included in the reporting to the group executive management and the Board. Climate risk is assessed at least annually, as described in the section on governance.
7	**Describe the organisation's processes for managing climate-related risk.**	Risks that are considered to have a material impact on the Group's objectives and strategy are reported quarterly to the group executive management. The management prioritises risks based on the severity in relation to the Group's risk appetite, and the prioritisation forms the basis for the management's risk management. This is reported to the Board.
8	**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.**	Climate risk is an integral part of the Elmera Group's overall risk management framework, as described above.
	Metrics and Targets	
9	**Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process**	For Elmera Group, climate-related risks and opportunities are closely linked to the spot price of electricity, as described above. It is therefore natural to monitor developments in spot prices, but also other factors that influence price determination in the market. The most important factors now are hydrological balance, production of wind power on the continent, gas prices and how much is exported via export cables to the UK and Germany. Elmera Group's Power Trading Department closely monitors the development of these factors and assesses risk on an ongoing basis.
10	**Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.**	The Elmera Group reports climate accounts that include Scope 1, Scope 2 and Scope 3 upstreams activity. Historical figures are published together with the year's results in order to measure developments.
11	**Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.**	Elmera Group aims to reduce emissions from air travel by 40 per cent by 2023, where 2019 is the zero point. The reason is that air travels stands for a majority of our internal emissions.

Useful digital customer solutions

App in the consumer market

In 2023, more than 777,000 unique users started using an app provided by Elmera Group. We launched five new apps in 2023 and now have 18 apps in our portfolio.

In March 2023, we launched an app for Nordic Green Energy (NGE) in Finland. This is the first time we have launched an app outside Norway and in a different language. In November, NGE climbed to third place in the Finnish EPSI* ranking. They scored high on value for money.

The apps give customers access to insights that help them optimise their own consumption. They gain a full overview of how much electricity they have used so far in the current month, and an estimate for the full month, as well as their live electricity consumption, if they have the real-time Puls meter. They get an overview of the month's total costs so far, including grid tariff and electricity subsidy. They can also see their capacity level in the grid tariff model, how close they are to moving to the next level, and the costs associated with the various capacity levels. They can also see today's and tomorrow's electricity price, as well as a spot price forecast for the next five days. Based on this insight, consumption can be adjusted according to prices. Customers can do this themselves, but we also have services to help them by managing their electricity consumption automatically.

By connecting a compatible electric car or electric car charger to one of our apps, you can charge smartly via the app. Then you can put the car on charge, decide when the car should be fully charged, and we will calculate during which hours it will be cheapest to charge within this time frame. In 2024, we will launch a new and smarter version of smart charging that also takes the capacity level into account, if you have a Puls meter, thereby ensuring the lowest possible total cost. We will also launch smart heating management and Smart VVB. Smart heating management is a service whereby customers can connect compatible panel heaters, underfloor heating thermostats and heat pumps in the app and automatically reduce the temperature during the three hours with the highest electricity price. The customer chooses how much the temperature should be lowered. Smart VVB is a component that is connected to an existing water heater and the app. The service will then be able to adapt the water heating to consumption patterns and electricity prices. Both services can exercise control according to the capacity level, provided that you have a Puls meter.

In 2023, we launched a new alert service for those with Puls meters, called Live Spending Limit. By activating the service in the app, the customer will receive notifications if their consumption means that they are about to exceed the capacity level in the grid tariff. For most customers, the capacity level is calculated on the basis of the average of the three hours with the highest consumption. By getting live notifications before they have exceeded the limit for the next level, the customer can adjust their consumption and avoid higher costs.

It is interesting to note how in 2023, customers used the apps more actively than before.

App for Fjordkraft, TrøndelagKraft, Gudbrandsdal Energi and Nordic Green Energy. The NGE app was launched in Finland in Q1 2023.

**An EPSI rating spotlights which areas create customer satisfaction and loyalty in many different sectors.*

With higher grid tariffs and intermittently high electricity prices, more people focus on not using too much electricity – or using too much electricity at the same time. We can see that app users have become better at shifting their electricity consumption to the hours when electricity is cheaper. Customers are also satisfied with the services we provide in the app, which is clearly apparent from how the Fjordkraft app went from scores of 2.0 and 2.1 to 4.3 and 4.4, respectively, in App Store and Google Play during 2023.

The apps have made it possible for more car brands to convert charged volumes into monetary amounts. At Gudbrandsdal Energi alone, customers saved NOK 420,000 (including VAT) on smart charging throughout 2023. The same customers also moved 4.7 GWh from expensive to cheaper hours. This shows that active use is made of the app.

Min Bedrift (My Business)

All business customers have access to ‘Min Bedrift’ (My Business) at Fjordkraft.no. This was relaunched in 2023. Here, the business customer can get a full overview of costs related to electricity consumption and grid tariffs, consumption together with associated reports, and important information about their customer relationship. Active use of ‘Min Bedrift’ is an important tool to reduce a company’s electricity consumption. By using the reports to adjust electricity consumption and avoid price spikes, a company can achieve significant savings in terms of both electricity prices and grid tariffs, for example by analysing consumption against a temperature and power analysis of the hourly output at each individual plant.

Two subscriptions are offered: Min Bedrift Basic and Min Bedrift Plus.

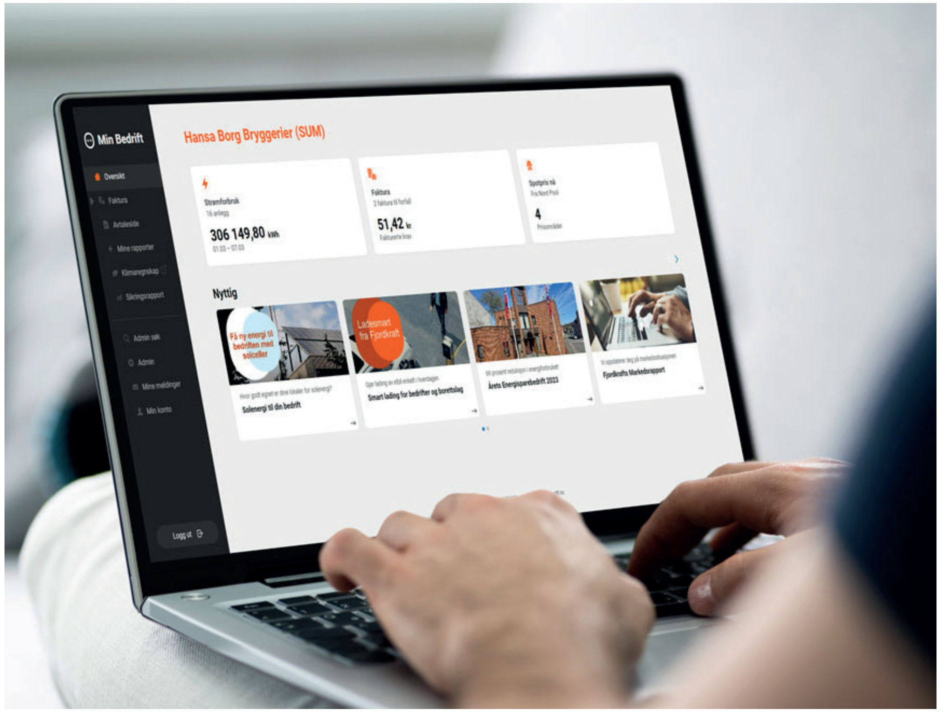


Photo: Elmera Group

Products and services for the low-emission society

Marketplace

Marketplace linked more closely to the app, with focus on the sale of physical products that reduce electricity consumption. Marketplace is a digital shopping centre where one of the most important products is the real-time Puls meter. The Puls meter is connected to the power meter via the HAN port and transmits power consumption data in real time. The Puls meter is compatible with the apps of Fjordkraft, TrøndelagKraft and Gudbrandsdal Energi. Marketplace includes several other products, such as reconditioned mobile phones and charging cables for mobile devices.

Fjordkraft sells Apia's charging cable, which has plant-based plastic insulation and 100 per cent recycled packaging. In 2023, we explored more opportunities to increase recycling.

Energy footprint

Fjordkraft's app includes a function that displays the energy footprint of customers' electricity use. This was developed in collaboration with Ducky AS in 2021. The energy footprint is the sum of all greenhouse gas emissions from the customer's energy consumption. We measure this in CO2 equivalents (kgCO2e). Both CO2 and other greenhouse gases are included. To discover the size of the individual customer's footprint, we multiply the energy consumption in kilowatt hours by a factor that describes how much CO2 the energy emits.

Together with their energy footprint, customers get good tips on how to reduce it. For example, did you know that using a tumble dryer three times less per week over a full year will reduce your annual CO2 consumption by 300–500 kWh? This enables annual savings of 500 kWh, or 198 kgCO2e per customer.

Solar cells for private customers

In collaboration with Solcellespesialisten (specialising in solar panels), Fjordkraft designs solar panel systems in dialogue with customers in order to make the best possible use of the system for private households.

An online solution includes a solar map that displays which of the home's roof surfaces are suitable for solar panels. It can also estimate what proportion of the home's energy consumption could be replaced with self-produced solar energy. Customers choose between panel types with varying power output, appearance and price levels, and can see the size of the Enova subsidy they are entitled to.

'Plus Customers' (i.e. customers who in some periods produce more electricity than they use) can sell their surplus production to Fjordkraft. Plus Customers can choose between selling their surplus production immediately at the market price, or using Solkonto (a Sun Account).

Solkonto functions like a virtual battery whereby customers can save kWh for use at a later date. Since they are saving kWh, customers can achieve a profit by storing surplus production from the summer months for use when their production drops and electricity prices rise in the winter months. Customers thereby avoid having to invest in physical batteries. Subject to certain conditions, the customer can manage savings and withdrawals via the Fjordkraft app.

Photo: Dronetec/Fjordkraft

Climate-smart solutions for the business market

The companies in Elmera Group want to be an energy partner to the business community. Under the Klimasmart umbrella, we offer innovative products and services that help companies achieve more energy-efficient day-to-day activities. Common to the solutions is that they are local and sustainable, so they make a difference for the environment and for the company's energy costs.

Solar energy is an important energy source to meet future energy needs. We offer solar panels to companies as an 'Energy-as-a-Service' solution and as purchased systems. The Energy-as-a-Service solution involves the building owner making their roof available, combined with establishing a long-term agreement to purchase electricity from the system. By handling project design, financing, installation and operation, we eliminate the entry barriers for companies. The customer benefits from green electricity and predictable electricity prices, without making any investment themselves. Solar panel systems can also have a positive effect on a building's energy classification.

Other concepts under Klimasmart include charging solutions for electric cars (Ladesmart), energy metering systems (Målbart) and local energy plants with innovative heat pump technology (Energismart). We have also run an ongoing pilot project together with ECO STOR, where we offer environmentally friendly battery storage systems for industry and commercial buildings. With the aim of being at the forefront of the energy ecosystem of the future, this project will show how industrial and commercial buildings can reduce power peaks and relieve pressure on the power grid, and increase the use of renewable power from solar panels while reducing the energy costs for the end customer. The Klimasmart concept is offered across our Norwegian companies: Fjordkraft, Gudbrandsdal Energi and TrøndelagKraft.

In Ladbart (Chargeable), we reuse batteries from electric cars as stationary energy storage devices in buildings. This is a very exciting initiative whereby the customer can, among other things, use the battery to cut power peaks in electricity consumption and locally store their own surplus energy production. Since the batteries are in their second life cycle, Ladbart is also virtually emission-free.

Business customers are also offered guarantees of origin, advisory services, energy labelling and energy surveys. All buildings over 1,000 m² must undergo energy labelling every ten years and hold a valid energy performance certificate. This is mandatory for anyone selling or renting commercial buildings. Energy surveys involve more comprehensive surveying of a building's energy consumption and how to reduce it.

We offer all our customers the opportunity to create greenhouse gas accounts in the Klimahub.no climate portal. This can be accessed directly or via 'Min Bedrift'.

Home chargers for electric cars

Home chargers for electric cars

We offer home chargers for electric cars and plugin hybrids to private customers. The Norwegian Directorate for Civil Protection and Emergency Preparedness (DSB) recommends that electric car owners acquire an approved wall charger for home charging. Using a normal wall socket for regular charging is not permitted due to earthing faults and the fact that they are prone to overload. Nevertheless, regular charging via normal wall sockets is extremely widespread. In addition to facilitating the use of chargeable vehicles, we want to make it easier for customers to charge their cars safely. Home chargers for electric cars are offered via Marketplace. Fjordkraft also offers smart EV charging using the Fjordkraft app. Activating smart EV charging enables you to choose the exact time you want your car to be fully charged. The app will identify the cheapest hours within the set time-

We offer home chargers for electric cars via our Marketplace. *Photo: Kristian Pletten/Partnerstudio* span and charge your car accordingly. You can monitor the process in the app and also get an overview of your savings. Charging your car when prices are at their lowest helps save both money and the environment.

Ladestasjoner.no

Fjordkraft provides the ladestasjoner.no service, which is available online and as a separate app. Using our charging map, which retrieves data from Nobil, users can easily find charging points nearby and get an overview of which charging points are suitable for the different types of cars. The charging map provides a list of more than 10,000 charging points in Norway and the Nordic countries. At ladestasjoner.no, users can also find tips and advice on rapid charging and everything else they need to know about charging their electric car.

In 2023, Ladestasjoner had a total of 268,000 users, of whom 97,000 were users via apps and 171,000 were users via ladestasjoner.no.

Thermal camera rental

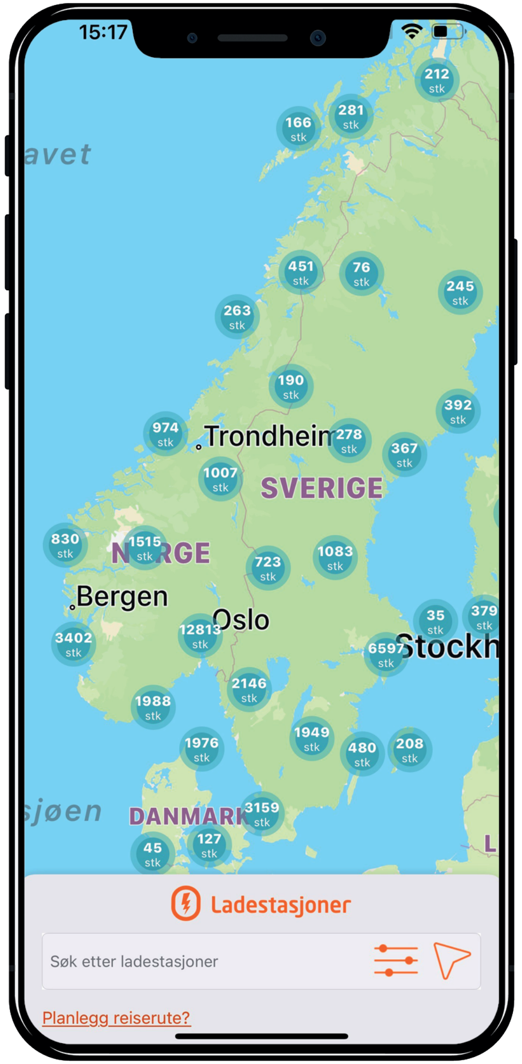
In October, Gudbrandsdal Energi started renting out thermal cameras. In the last months of the year alone, 378 customers rented this equipment. In winter-cold Norway, heat loss from our homes is the biggest power thief we have. GE is the first electricity company in Norway to rent out thermal cameras to customers, to identify where they are losing heat from their homes.

Guarantees of origin from Norwegian Hydropower

Guarantees of origin are an electricity labelling scheme designed to show the electricity customer that a quantity of power is generated from a specified energy source. The scheme was introduced with the first EU renewables directive in 2001, to give consumers a choice between renewable and non-renewable power. Power producers that sell guarantees of origin receive at the same time an extra income from their renewable power generation.

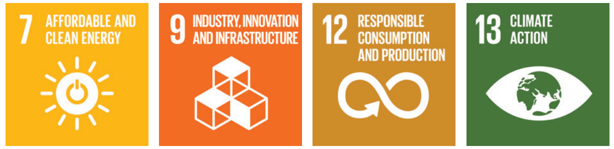
While purchasing electricity with guarantees of origin is widespread in the business market, there has been limited demand in the private market. Elmera Group has offered guarantees of origin under the collective designation of renewable energy sources included in selected power agreements.

In 2020, Fjordkraft launched a new solution for the purchase of guarantees of origin in the private market, called Norsk Vannkraft. This is an optional service that can be combined with all power agreements. The price was NOK 0.119/kWh at the end of 2023. Electricity customers can view pictures and information about their local hydroelectric power station in the app or on 'Min side' (My page). GE and NGE have equivalent offers under their agreements.



The charging station app had 97 000 users in 2023.

Social



Our people

At Elmera Group, we are committed to building a healthy corporate culture.

We are also committed to having good ethical guidelines and to setting requirements for our suppliers. How we work with each other and the requirements we set internally and externally are becoming more and more important, not least after the Norwegian Transparency Act came into force on 1 July 2022.

The Groups Leadership Philosophy
On the initative from then CEO the Groups first leadership philosophy booklet was produced in 2013 and revised in 2018 and 2023. The booklet is based on basic principles of what often is referred to as "the Nordic leadership model" and expresses the expectations for leaders in the Group.

The leadership philosophy is closely linked to the Groups strategy model. Many of our employees are involved in our strategy processes. We develop the companies' collective business acumen via these processes.

Our leaders are important role models and thereby creators of our corporate culture. When you, as a leader, put the leadership philosophy into practice and are familiar with the Groups strategic platform, and teach this to others, you are making a vital contribution to creating the culture we want in the Group.

Our leadership philosophy, and our values and other strategic guidelines provided via the strategic platform and sub-strategies, policies and other guidelines, together constitute a safety net that helps our leaders make good choices and protects us from "getting it wrong". It is also the basis for the culture we want everyone in the Group to represent – and which should be evident to all.

<u>The Leadership Philosophy consists of four core areas:</u>

HUMAN RESOURCES LEADERSHIP
To unlock the organisation's potential, everyone who is a leader is expected to know and understand the basic principles necessary for people to perform and develop, and to ensure their mental well-being.

The Self-Determination Theory (Deci & Ryan) is a recognised research theory based on the idea that everyone needs to achieve recognition and experience mastery, have a sense of affiliation, and exert an influence. By stimulating these drivers, we can promote the individual's commitment and job satisfaction.

PERSONAL LEADERSHIP
Our leaders are important role models and thereby creators of our corporate culture. The phrase "It's always showtime" reminds us that in each and every situation, we are seen and send out signals that are observed, interpreted – and taught to others. This requires an awareness of one's own role, clear, shared values, and personal integrity.

DECISION LEADERSHIP
Before making a decision, leaders must consider how and according to which criteria a decision should be made. Afterwards,we must evaluate the decision-making process and our own role. There are several ways and decision making styles. As a leader, you are expected to be familiar with the company's overall strategy and key activities, so that you can use this to assess whether activities and partners fit the company's business model. The market and its surrounding environment are constantly changing and evolving. This means that collecting and evaluating information is important. All business activities are associated with risk-taking. Without taking risks, we cannot create value. But the risks we take must be calculated and assessed, and we must choose good advisers in our decision-making process.

PERFORMANCE LEADERSHIP
In addition to being able to meet goals, leaders must set goals, follow up and back up. A leader is expected to take action if the results are not delivered as expected and to decide which action to take. A leader's performance-based leadership determines whether they can drive development forward. As leaders, we must stimulate our employees to be concerned with results and to take calculated risks. The results we achieve and the way they are achieved must always be in line with the company's purpose, values and ethical guidelines.

Our leaders are expected to be familiar with the principles that underlie promise-based leadership and to take account of our experience with the application of this methodology over the years.

In November, 16 cheerful employees took part in the Americano padel tournament in Bergen.

Working environment, absence due to illness, and well-being

After several years of the pandemic and remote working, most of the Group's employees were back in the office in 2023. For some, returning fully to the office was a big transition, while for others it was keenly anticipated. To strengthen the corporate culture after several years of remote working, in 2023 there was extra focus on culture building, besides a focus on close relations. This work will continue into 2024.

In 2023, Elmera Group ASA and Fjordkraft AS conducted two employee surveys, in Q1 and Q3, respectively. The target is a Human Capital Index (HCI) score of 25 or better. In 2023, we scored 25.6 for both surveys. Gudbrandsdal Energi uses a qualitative study. The Group's Nordic company, Nordic Green Energy, uses an employee survey with a scale of 1 to 5. The results for 2023 were 4.46 for NGE Sweden and 4.11 for NGE Finland, and 4.16 for the company overall.

In 2023, the Group had a total rate of absence due to illness of 7.6 per cent. For 2023, the target for absence due to illness in Elmera Group was set at below 4.9 per cent. In 2023, absence due to illness was the following in the various companies: Elmera Group ASA: 5.1 per cent (company), Fjordkraft AS: 10.0 per cent, Gudbrandsdal Energi: 1.9 per cent, Fjordkraft Mobil AS: 2.8 per cent and NGE: 4.3 per cent.

Elmera Group has an active corporate sports team that works to promote everyday activity and reduce absence due to illness through support for exercise activities and organisation of keep-fit sessions.

Equal opportunities

Elmera Group has the following gender equality goals:

- The proportions of women/men in Elmera Group must be within the range of 40-60 per cent.
- The proportion of women/men in executive positions should match the proportion of female/male employees.

At the end of 2023, women accounted for 42.6 per cent of employees in the Norwegian part of the Group. In NGE, women accounted for 58.1 per cent at year-end.

In Elmera Group ASA (company), the proportion of women with personnel responsibility as of 31 December 2023 was 18.2 per cent (women in the Group Management are not included in this figure). As of 31 December 2023, there were 18 women with personnel responsibility in Fjordkraft AS, accounting for 43.9 per cent. Gudbrandsdal Energi had four managers with personnel responsibility, all of whom were men. In Nordic Green Energy, female managers accounted for 37.5 per cent at the end of 2023.

The Group management team consists of ten people; four women and six men. The Board of Directors of Elmera Group consists of eight people; four women and four men.

Link to the gender equality report.

SCAN ME

Link to Equality & Deversity Report 2023

Right competence – attract, retain and develop

Our skilled employees are the Group's most important resource. It is crucial for our competitiveness that we are able to further develop this expertise, while also attracting the expertise we need both now and in the future. We are dedicated to this mission, as reflected in, among other things, the Group's strategic key activities and each unit's sub-strategy.

Elmera Group encourages competence development and wants to facilitate this. Through our student support scheme, permanent employees can apply for scholarships for continuing education. They can apply for support for individual subjects or a full degree at Master's or Bachelor's level. Support is granted for one semester at a time, but Elmera Group helps to facilitate completion of the programme. In the grant allocation process, there is emphasis on whether the education programme is relevant for the Group. In this way, the scheme will contribute to the required competence development. In 2023, there was a welcome increase in the number of employees applying for student support at Group level. There were 13 applicants for the spring semester, of which ten applications were granted, and 12 applicants for the autumn semester, of which seven applications were granted.

The Strategic Competence Development Pilot was launched in the Commercial Business unit in February 2023 and ran throughout the year. The aim of the pilot was to ensure a course for both individual competence development and development across departments, based on common strategic focus areas.

For the company, the work will, among other things, ensure the greater accuracy of competence measures, a good structure in competence-building work, and proud employees with high employee engagement and positive personal development.

At the end of the year, all employees in the Commercial unit had an individual development plan that had been followed up over six months, and had participated in several competence-developing activities based on their development plan. For example, the unit conducted Soldagen, with a focus on climate-smart services, to increase competence in the unit and for the individual. It was particularly gratifying that the initiative spread further throughout the organisation, and resulted in the participation of the Sales, Private and Customer Service units.

The head of the commercial unit reports that he feels that the benefit of the work is increased expertise across departments of Fjordkraft Bedrift, and that a systematic approach has been established to maintain this development over time. The Strategic Competence Development pilot was successful and will be conducted in additional units in 2024.

Focus on competence enhancement is important for Elmera Group with its subsidiaries, to ensure the right competence in the right place, both today and in the years to come.

Through the right focus and priorities, we will ensure motivated employees in successful professional development.

As an employer, we are positive about employees developing their knowledge, and the company has spent considerable funds on this over the years. Competence development concerns everything from courses and studies to learning through everyday assignments and challenges. The employee's line manager ensures continuity and the individual's development. As of today, Elmera Group with subsidiaries does not have systems that provide an overview of the number of hours of competence building per year, broken down by gender and job category. Reporting on this issue therefore presents a challenge. In this section and in 404-2 a), we will therefore mention the key measures we implemented in 2023.

- Competence sharing takes place within and between teams continuously through the way we are organised. This applies to the entire Group.
- Student support: Through our student support scheme, permanent employees can apply for scholarships for continuing education. All permanent employees are eligible to apply for support for individual subjects, or a full degree at Master's or Bachelor level.
  Support is granted for one semester at a time, but Elmera Group seeks to facilitate that programmes are completed.
  In the support allocation process, there is emphasis on whether the education programme is relevant for the Group. In this way, the scheme will contribute to the required competence development.
- Elmera Group and Fjordkraft: In 2023, there were 13 applicants for the spring semester and 12 applicants for the autumn semester. Overall student support in Fjordkraft for 2023 amounted to NOK 400,000, is an increase from the previous year.
- Gudbrandsdal Energi: In 2023, one employee was in the final stages of completing a Master's thesis with partial support from the company. This will be completed in 2024.
- In NGE and Finland, applications are submitted to the authorities for student support, which includes all study expenses and salary during the study period. NGE decides on the granting of the actual study leave, which is very widely granted. There are restrictions on what can be applied for. If someone has been employed for three months or more, they can apply for five days' study leave. For seniority of more than 12 months, up to two years of study leave spread over five years can be granted. The company thereby has no direct costs associated with the employees' studies, but must cover indirect costs with a replacement employee during the period in question.
- Attendance of courses, webinars, seminars and various certifications etc. is ongoing throughout the year. Funds for this are granted to the individual manager and the individual team, and the funds are used for the measures most relevant for the department's needs today and in the future, as well as what is right for the individual's development. This applies to the entire Group.
- Team development is offered to all teams in the Group. HR facilitates workshops mainly based on Big5 via the provider Assessio, but also based on the DISC model when this is the right tool. In some parts of the Group, the occupational health service is also used for this. The intention is for each employee to get to know themselves and those with whom they work closely on a daily basis even better. The output is measures for a smoother and more effective working life, in interaction with the rest of the team, by getting to know each other better and finding even better ways to collaborate and develop.
- Measures such as secondment are also used in parts of the Group. Specifically, in Gudbrandsdal Energi there are, for example, customer service employees who participate in the everyday work of other departments, as well as in interdisciplinary gatherings where appropriate.
- The management team in Elmera Group regularly share information and expertise at meetings where all managers in the company are gathered. This is shared across units and organisations.

Any manager with personnel responsibility must undertake regular follow-up of their employees, to ensure employee commitment and professional development.

Each unit is responsible for ensuring this for its employees. This means that we do not have records of everything that has been completed at unit level.

Since May 2023, Elmera Group have conducted monthly Lunch & Learn across the Group. This has resulted in nine different topics with contributions from employees of the Group and external partners. Participants have represented all of the company's locations and units. A total of 468 seats have been occupied for competence development and learning. Lunch & Learn has become established as a forum for sharing expertise across the company. The aim of Lunch & Learn is not for everyone to participate in everything, but for all employees to find something relevant for them in their particular role.

As examples of further competence-enhancing measures that have been implemented, we can mention activities such as the Fjordkraft Way of Sales for all salespeople in the Private area, and the Business Academy for all employees in Fjordkraft's Business area. Customer service staff at Fjordkraft had 125 hours of training time and professional updating per employee in 2023. Gudbrandsdal Energi holds monthly professional evenings for all Customer Service employees, where relevant topics and issues are shared and discussed. In NGE, the focus has been on the electricity crisis affecting Norway. Competence development and transfer have taken place from partners and hired consultants.

In 2023, managers with personnel responsibility attended our semiannual leadership development seminars. In spring 2023, the core competences of personnel management and performance leadership were on the agenda, with topics related to performance management, culture and the organisation's values, among others. In autumn 2023, the core competences of performance management and personal leadership were the main focus, with topics related to the revised version of our management philosophy and OKR (objectives and key results) as a methodology. The seminars were held with personal attendance at each location, to ensure even greater professional benefit, sharing of experience, networking and strengthening of existing relationships. At NGE, leadership development is linked to the employee satisfaction survey, including leadership days where, among other things, managers work with Fjordkraft's leadership philosophy to strengthen the managers in their roles.

At company level, all employees and teams are followed up on this via our employee satisfaction survey, HKI. Examples of questions include 'I have the necessary resources to do the job in a good way', and 'I have the opportunity to do what I am best at every day at work'.

Employees also have the opportunity to share their thoughts and opinions in an open comment field. These are anonymised and cannot be traced back to the respondent, but can still provide useful learning for the team. At Gudbrandsdal Energi, similar questions are used, both in the employee satisfaction survey and in performance appraisal interviews. The safety representative also has an important role here, related to the working environment and the employee's well-being. In NGE, Humbol was launched in 2023, whereby employees are followed up monthly in relation to central, relevant topics. There are monthly team discussions with the manager to map workload, well-being, facilitation and similar issues. Quarterly meetings are intended to highlight measures and goals, and ensure the right direction for the work, going forward. Every November, a seminar is held with focus on individual development. Here, the wishes and needs of the various employees for the coming year are clarified.

Expertise is shared across the Group's companies, for example on data protection and team development.

Elmera Group has a strong focus on employees' life phases, as well as support in demanding phases of their working lives.

Employees approaching retirement age:

- All employees of Elmera Group and Fjordkraft are offered the opportunity to attend a pension preparation course. This takes place every other year, to ensure that everyone who wants to participate has this opportunity. The most recent course was held in Q1 2022. The course includes information about our pension schemes and tips on retirement life. This is a popular course with relatively high attendance.
- Gudbrandsdal Energi: As retirement age approaches, employees are offered follow-up and individual consultations by the pension provider.
- NGE: Pensions are also in focus, but to date no employees have taken retirement. No employees were approaching retirement age in 2023.

Termination of employment:

- Elmera Group assists employees in processes where an employment relationship is to end. This involves support from either the line manager, HR, or another relevant resource, or several of these in combination. Career guidance tips are given by NAV (the Norwegian Labour and Welfare Administration) in relevant cases. We also offer career guidance via a provider chosen by the employee in cases where the employment relationship is terminated on the basis of the employer's circumstances. This applies to the entire Group.

Fjordkraft has used pledge-based management since 2004. This means that all employees make pledges to support the company's overall goals. In this way, everyone in the company can progress in the same direction, by working on a targeted basis. We use performance and follow-up interviews (abbreviated to ROS) between the manager and the employee to follow up the performance of the individual and to clarify the needs and expectations of the individual employee. These are carried out once every quarter and together with pledge-based management are an important instrument for maintaining the required competence level and achieving good results.

All managers in the Group and the companies have a special responsibility for and must regularly follow up on their employees, where the focus also includes follow-up on deliveries and career development. Elmera Group, Fjordkraft and Gudbrandsdal Energi facilitate this follow-up through processes in Simployer.

Throughout the year, the following interviews must be conducted as a minimum:

- Q1: ROS – interview (Result and follow-up interview) and Pledge follow-up
- Q2: Performance appraisal interviews and updating pledges
- Q4: ROS – interview and Pledge follow-up

In NGE, follow-up is carried out via Humbol, with monthly and quarterly conversations. This has changed from annual to monthly conversations for both individual follow-up and follow-up in the team. Each response given in the survey contributes to the summary of discussion points. The surveys are not anonymous, which leads to good, open and honest discussions that lead to concrete and useful measures. This has yielded good results for both employees and the company. The company's overall results are summarised monthly at management meetings and general meetings, and trends are followed up. The target for the green light is 75, the average result for the year was 78.

In addition, managers conduct shorter or longer appraisal interviews with their employees to ensure that adopted plans are implemented and adjusted for any necessary changes. This is also followed up at team level in e.g. departmental meetings.

Performance appraisal interviews:
All managers are assigned a process in Simployer, with deadlines for conducting performance appraisal interviews with all their employees. The status is continuously updated in the system by the manager. These processes are monitored by HR, to ensure that all managers and units are covered.

Gudbrandsdal Energi conducts four performance appraisal interviews during the year, where the first interview has particular focus on competence development and a personal development plan.

In NGE, conversations as described above are conducted using Humbol.

When hiring, the manager is responsible for ensuring that the new employee receives a thorough introduction to work tasks and procedures, as well as relevant training. Employees are followed up extra closely during the first six months. Via ROS and the ongoing dialogue, the manager must identify the need for competence-enhancing measures for all employees and allocate resources where deemed necessary. The Group possesses diverse and good expertise. Internal competence sharing is therefore important. Managers can also bring in external expertise in the form of courses and advisory services.

Managers must not only facilitate the skills

Annual Cycle Management tasks

- Add new promises
- On 1 January, flexihours above the limit are deleted

- Q1 ROS interview and promise follow-up
- Q1: Update job description

- Ordinary meeting with status of promises

- Q2 Appraisal interview before the deadline
- Pay settlement submissions
- Deadline for applications for continuing education

- Follow-up from employee surveys
- Planning summer holidays
- Check your teams hourly balance and remaining holiday

- Ordinary meeting with status of promises
Succession planning

- On 1 July, flexihours above the limit are deleted
- Writing section-strategy

- Ordinary meeting with status of promises

- Preparing promises for goal-setting (Målting)
- Follow-up from employee surveys
- Check your hourly balance and remaining holiday
- Budget process

- Målting
- Q4 ROS interview and promise follow-up

- Deadline for applications for continuing education

ROS: Performance and follow-up interviews and performance appraisals

- An appraisal interview is a more comprehensive meeting that takes place in Q2, and has its own form.
- A performance and follow-up interview is a shorter meeting for status and feedback on promises and tasks – and any other follow-up.
  - Takes place as a minimum in Q1 and Q4. We also recommend conducting this in Q3, to plan the autumn goals and tasks.

Other activities:
- Business Review
- Department meetings
- Department and unit meetings
- Safety inspections
- Health and Safety inspections

development of others. As good role models, they must also ensure that they safeguard their own development. The company's managers participate in a leadership development programme that spans several meetings. Here, managers have the opportunity to share experience and are challenged through discussion and case solving, in addition to presenting professionally relevant content. This applies to the entire Group.

Below is the circular calendar used for management tasks throughout the year. This is periodically adjusted to match the company's management philosophy.

Internal culture building

One of the Group's strategic focus areas for 2023 was to 'Live the values, proud employees and high employee engagement'. Culture building was therefore a natural focus area for the Group once again this year.

There has been a weekly 'Say It Forward Talk', a relay where a colleague has been praised and gets to say it forward by praising a colleague. This has taken place on our Workplace intranet. The person who is praised receives a video greeting from a colleague. Then the person who has been praised picks another colleague they feel should be praised for their work effort and conduct. It all started when the HR department challenged an employee to pass the 'praise baton' for the first time. The column has been viewed by nearly 300 employees every week. Together with Kahoot, this takes place every other Friday, and has received a lot of positive feedback internally. It has had a unifying effect on the Group, and we have got to know each other better.

An autumn party was also held across locations, as well as Måltinget. The former was conducted as a hybrid event, where all locations were connected via Teams during parts of the party. Måltinget, which is our annual strategy meeting and Christmas party, was an in-person event attended by a large majority of the Group's employees, including executives from GE and NGE.

Smaller activities include Valentine's Day, Mingling & Food, Easter, Halloween and Christmas. Our SoMe team, established in early 2023, has taken responsibility for this together with HR. The SoMe team is a group focusing on social media and employer branding.

Attractive for young people

In 2023, the IT department brought in five newly qualified developers via Experis Academy. They attend an intensive course lasting around three months at Experis Academy, then go out to businesses for a trial year, with the possibility of permanent employment after completing the contract. We have made use of this in recent years. It provides a great opportunity for graduates to gain work experience, and an excellent opportunity for us to recruit young talent. All five developers gained permanent employment in 2023, after completing Experis Academy.

The Group is also an attractive workplace for young people who want to combine their studies with a part-time job. At the end of 2023, we had five employees who were temporarily employed alongside their studies (in the Norwegian part of the Group), of whom one was in a 100 per cent position and the others in 10 per cent positions.

Of the 122 new employees in 2023, 75 temporary staff were hired for permanent positions. This is partly related to new Norwegian rules for hiring from employment agencies with effect from 1 April 2023.

Monica Solberg at our HR-department is one of the persons that was praised by a colleague.
Photo: Frode Fjellstad

Business partners and certifications

Eco-Lighthouse

Elmera Group's offices in Bergen, Trondheim, Sandefjord and on Hamar are certified under the Eco-Lighthouse certification scheme Being an Eco-Lighthouse involves having to work systematically on measures aimed at ensuring more eco-friendly operations and a good working environment. Each year, the various business units must prepare a climate and environmental report in which the effect of the initiatives is measured and new goals are set. Eco-Lighthouse is recognised by the EU.

Klimapartnere Vestland

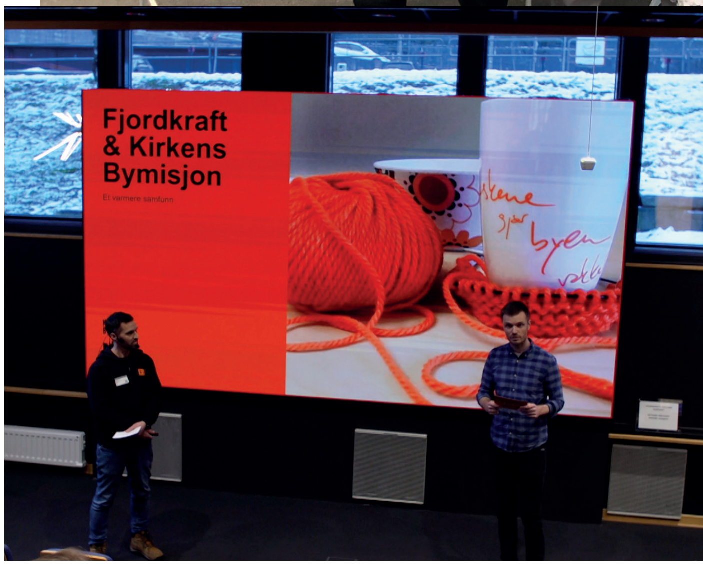
Elmera Group is a member of the regional network project Klimapartnere Vestland, which works to reduce greenhouse gas emissions and stimulate green social and business development in the county of Vestland. The network consists of more than 80 public and private enterprises. Klimapartnere Vestland publishes an annual report on its members' overall emissions.

Kirkens Bymisjon - The Church City Mission

We have been a strategic partner of Kirkens Bymisjon - the Church City Mission since 2019, and it has always been a goal that we should contribute more than financial support. We started cautiously with knitting efforts, but as from autumn 2023 we have also contributed volunteers in the Treasury (Skattkammeret). This is the Church City Mission in Bergen's shop where anyone can come and borrow free leisure equipment. Since October, two employees have been volunteering in the Treasury one afternoon a week. This will be continued throughout 2024.

'Our efforts in the Treasury have contributed to increased employee engagement, brought us closer to the Church City Mission and given us more to talk about. We look forward to the continuation and will also consider whether employees can become involved in more ways in 2024,' says communications manager Jon Eikeland of Fjordkraft.

We also contributed knowledge lectures for employees of the Church City Mission, and collected festive clothes for those in need, before Christmas. We hope to do more in the way of sharing knowledge and warm encounters with people in 2024.



Before christmas we collected festive clothes from our employees for those in need. We also had a knowledge lecture about Kirkens Bymisjon for our employees.
Photo: Elmera Group

FUTURE-PROOF

In 2022, Group CEO Rolf Barmen signed the FUTURE-PROOF poster on behalf of the entire Elmera Group ASA. The poster was prepared by the Rafto Foundation for Human Rights and Bergen Chamber of Commerce and Industry. It shows that we stand together for human rights. Our commitment to FUTURE-PROOF demonstrates the following:

1) By sharing our own knowledge and experience, we will contribute to the FUTURE-PROOF initiative, where challenges are raised, discussed and resolved together.

2) We take our shared responsibility to respect human rights seriously. We do this by complying with the UN Guiding Principles on Business and Human Rights.

Skift – the greenwashing poster

The greenwashing poster consists of ten principles designed to prevent companies from greenwashing their activities. The poster was produced by Skift, Zero, WWF and Fremtiden i våre hender (Future in our hands). Elmera Group has thereby announced that we must do our utmost to abide by the poster's principles in all of our marketing and communication.

Ten principles for green purchasing practices

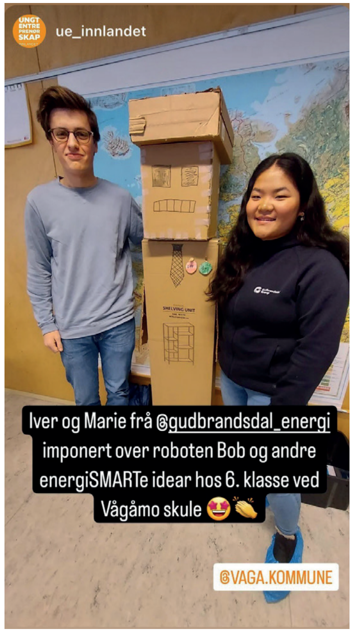
In 2021, we signed the Skift initiative "Ten principles for green purchasing practices". The principles are intended as a simple guide that all enterprises can aim to follow. For us, this will be a supplement to our climate neutrality requirement for all our regular suppliers.

Young Entrepreneurship Vestland

Elmera Group participated as judges and presented the award for the best youth enterprise in the sustainability category at the County Championship for Ungt Entreprenørskap (Youth Enterprises) in Bergen in March. This is held by Young Entrepreneurship Vestland and gathered 670 students and 110 experts from the labour market and business community in Western Norway at the Amalie Skram upper secondary school.

Gudbrandsdal Energi has an agreement with Ungt Entreprenørskap Innlandet. They provide jury members for the presentations under the EnergiSmart programme for grades 4-6 in elementary schools. The partnership started in 2022 and runs through 2024. For Innlandet, we also present awards during the County Championship and participate in jury work.

Per Heiberg-Andersen, Mette Nygård Havre and Henrik Eliassen from Elmera Group, participated as judges and presentet the award for the best youth enterprise in the sustainability category at the Country Championship for Ungt Entreprenørskap (Youth Enterprises) in Bergen.
Photo: Ungt Entreprenørskap



Iver Nyhus Solli og Marie Brumillom Leirdalen from Gudbrandsdal Energi were jury members for Ungt Entreprenørskap Innlandet at the EnergiSmart programme for grades 4-6 in elementary schools.

Governance

Corporate governance is about establishing sensible guidelines to help owners, the board and management to manage and develop the company's resources in the best possible way. In Elmera Group, corporate governance is the foundation for sustainable operations aimed at creating long-term value for our investors and other stakeholders. The Executive Management Group has defined areas that are critical in securing a holistic and sustainable approach to operating the Group. For each area, it is defined clear governance principles, along with roles and delegation of responsibility. This is operationalised through training programs.

Our corporate governance is aligned with NUES, The Norwegian Code of Practice for Corporate Governance. For additional information about corporate governance in Elmera Group, read the Corporate Governance Report.

Responsible procurement

Through its subsidiaries, Elmera Group holds the position as Norway's leading electricity retailer.

Through its subsidiaries, Elmera Group holds the position as Norway's leading electricity retailer. With that position comes substantial purchasing power, which we strive to manage in a way that benefits society at large. This includes setting strict requirements for social and environmental conditions in our supplier contracts. Some services are not covered by supplier contracts, and subsequently, are not subject to our climate pledge or social requirements. This typically applies to software licenses from global companies and other one-time purchases limited to 100.000 NOK. In spend, these instances make for less than one per cent of the total. The suppliers in question are still considered in our due diligence processes.

In addition to the requirements set through the "Klimanjaro"-initiative, Elmera Groups climate pledge, suppliers are required to comply with the Groups Supplier Code of Conduct, hereunder operate in compliance with the ILO conventions and specific policies for pay and working conditions. Additionally, the Group have a strict anti-corruption policy. All new suppliers are screened using the mentioned social and environmental criteria. Non-compliance with these contractual terms may be subject to sanctions. The strongest form of sanctions is immediate termination of the contract. This means that if Elmera Group uncover breaches of environmental or social requirements, the supplier agreement may be terminated. In cases where human rights are at stake, the termination clause will only be used as a last resort if repeated attempts to remedy the negative impacts have proved unsuccessful. No contracts have been terminated due to non-compliance with environmental or social criteria during 2023.

The Group's Supplier Code of Conduct is yet to be implemented in all existing contracts in Nordic Green Energy and Gudbrandsdal Energi. We have communicated the requirements and expect them to be implemented by the end of 2024.

Respect for human rights

The Group has a responsibility to ensure that the human rights of our employees and others affected by our activities are protected and respected. Elmera Group aspire to be an inclusive workplace where everybody is welcomed regardless of race, gender, age, religion or sexual orientation. We focus on facilitating a good, safe, and secure working environment. We support and respect all internationally recognised human rights and work to comply with the UN Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines and the ILO's Core Conventions. This means that we strive to not commit or contribute to human rights violations through our activities, and that we will act immediately if we detect violations of the guidelines. We work to avoid, and mitigate, negative impacts on human rights in activities directly linked to our operations through our suppliers and partners. All suppliers are obliged to respect the eight core ILO Conventions:

- Freedom of association and protection of the right to organise (No. 87)
- Right to organise and collective bargaining (No. 98)
- Prohibition of forced labour (No. 29 and no. 105)
- Prohibition of discrimination relating to the workplace and pay (No. 100 and no. 111)
- Minimum age for starting employment (No. 138)
- Prohibition of the worst forms of child labour (No. 182)

Our suppliers must also ensure that any sub-contractors that contribute to fulfil the contract with Elmera Group also comply with these conventions.

Reporting on the Transparency Act

The Group's commitment to respecting human rights is adopted by the board through a statement where the company commits to promote and respect human rights and decent working conditions. The declaration obliges Elmera to work actively and continuously with human rights and decent working conditions in its operations and the company's supply chains. The statement briefly sets out Elmeras approach to the challenge and describes Elmeras continuous work in the area.

In general, Elmera is conscious of its responsibility to stop actual negative consequences and to limit significant risks of negative consequences in our supply chain. Risk for adverse impact on fundamental human rights and decent working conditions is integrated into the procurement policy. All new suppliers must document their supply chain and significant risks of negative consequences before contract implementation, and guidelines, expectations and commitments are set out in the Supplier Code of Conduct. This is part of the guidelines and procedures that are followed in the procurement processes.

A thorough human rights due diligence was conducted in 2022, in compliance with the Norwegian Transparency Act. Read more about the process in our due diligence report (in Norwegian). Human rights due diligence is an ongoing process that requires continuous assessment of human rights impacts. We consider it to be no significant changes in our value chain since 2022, and thus, have not produced a new due diligence report. When mapping our entire value chain, service providers and suppliers to Fjordkraft Marketplace were identified as two segments associated with the most significant risks of adverse impact. The two segments were divided into supplier categories and scored based on probability and severity of potential human rights breaches. The assessment concluded that production of solar panels and IT equipment, including mobile phones, are associated with significant risks of severe human rights violations. The risks are mainly linked to the extraction of polysilicon, a critical component of solar panels, and cobalt, a critical component in batteries used in computers and mobile phones. Around 40 per cent of the world's total supply of polysilicon comes from Xinjiang Uyghur Autonomous Region. More than half of the world's total supply of cobalt comes from the Democratic Republic of the Congo. Both operations are linked to extensive human rights violations, including child labour and forced labour. Consequently, Elmera Group made immediate inquiries and engaged in dialogue with two relevant suppliers to make sure that components were sourced responsibly.

The Group's main supplier of solar panels has addressed the issue with stakeholders in the supply chain. They have conducted on-site inspections in China during 2023 and have pledged to keep monitoring their suppliers' ESG performance closely.

Risk associated with the extraction of cobalt that is used in batteries is a global issue that requires joint forces to solve. However, we are pleased with how thoroughly our main supplier of IT equipment has addressed this issue.

There is still a way to go to eliminate all potential breaches, but the work has gained focus and will commence. Elmera will continue to monitor and assess these risks together with our suppliers.

Notification routines are available on the webside: www.fjordkraft.no/apenhetsloven.

Ethics and integrity

Elmera Group has a clear attitude towards anti-corruption. Corruption undermines integrity and ethical business activities and poses a threat to our operations, reputation, individuals, and society at large. We have zero tolerance for corruption and strongly oppose conduct that violates anti-corruption legislation. Through the Group's Code of Conduct, employees, and everyone else representing Elmera Group receive guidance in ethical business activities and anti-corruption. The guidelines are based on national and international standards. They are approved by the Board of Directors annually. All employees must sign a declaration each year confirming that they have read and act in compliance with the guidelines. As part of the anti-corruption work, each department is meant to perform dilemma training annually. This was not the case in 2023. Training will commence in March 2024. By simulating situations where internal guidelines are violated, employees can discuss and practise how to resolve them. Through good preparation, employees will be better equipped to act in line with the desired behaviour, thereby maintaining the integrity of the company. The Group's Code of Conduct can be found here:

SCAN ME

Link to The Group's Code of Conduct.

Elmera Group sets strict requirements for ethical business activities within the organisation and expects the Group's partners to live up to these high standards. The Group wishes to send a clear signal that corruption is unacceptable in all parts of its operations. This is communicated to all business partners, including the Group's suppliers through a mandatory Supplier Code of Conduct. The requirements for zero tolerance of corruption are extended to the supplier's employees and subcontractors to ensure maximum impact. Prior to establishing new partnerships, the employee responsible for the agreement must evaluate the potential for conflict of interest and risks of corruption. The Group is in its rights to terminate an agreement if suppliers are convicted or fined for violation of this requirement. No violations of the Code of Conduct have been discovered internally or externally during the reporting year.

Good whistleblowing procedures and risk management are essential to uncover foul behaviour out of line with expected ethical conduct. The company have guidelines that define how employees can report situations that violates the Code of Conduct, legislation or generally accepted ethical norms. Risk related to corruption is defined as operational risk and is part of the Group's extensive risk management and internal control. Risk is continuously monitored and reported to the group executive management. To reduce risk associated with corruption in the supplier sector, Elmera Group avoids suppliers from countries with high corruption risk. Today, a large majority of regular suppliers are located in the same areas as our Norwegian operations. Thus, we strongly contribute to local value creation. Along with the other Scandinavian countries, Norway is among the highest ranked on Transparency International's Corruption Perception Index. Choosing well-established players from countries that are considered to have low corruption risk is a risk-reducing strategy to compensate for the fact that Elmera Group cannot constantly monitor compliance because of capacity constraints.

Attractive to customers

We operate in an industry characterized by strong competition and low margins. Thus, economy of scale is a premise for sustained success.

That means that our ability to stay attractive to customers, making sure they choose us amid strong competition, is fundamental to having sustainable operations, hence the classification as the most material topic.

A prolonged period with high electricity prices compared to historical data has increased public awareness of energy consumption and the associated costs. Consequently, customer needs have changed towards products and services that help optimise consumption and reduce the overall cost. Additionally, there is a need for economic predictability, as varying electricity bills can be difficult to cope with. Delivering on these needs is key to staying attractive to customers. Our in-house digital ecosystem, in collaboration with our electricity retailers, works constantly to improve existing products and services, and to develop new ones that deliver customer value.

Moreover, we have taken several measures in the last two years to improve the customer experience and to accommodate regulations. We wish to be perceived as trustworthy and transparent. These measures are all part of a holistic and continuous approach to providing the best customer journey, which serves towards our greater goal of having the most attractive electricity retailers in the Nordics. The measures include:

- Simplifying our product portfolio by drastically reducing the number of electricity contracts available.
- Discontinued the sale of variable contracts in the Consumer segment. Price volatility combined with the introduction of the electricity support scheme and increased regulations have increased risk associated with the product substantially, and thus, harmed the value proposition. Existing customers have been advised to re-evaluate their choice of contract and have been recommended a spot contract.
- Stopped door-to-door sales. We want to meet the customers in their preferred sales channels. Renewables Norway, the industry organization for production, distribution and trading of electricity, have since made it a requirement in the certification scheme Trygg Strømhandel to have no door-to-door sales.
- An overview of all active and inactive contracts along with information about them are available on our Norwegian companies' website.
- Invoicing fee reduced to cost price in Norway.

Privacy protection and information security

As a leading player in the Norwegian electricity market, in addition to having substantial customer portfolios in Sweden and Finland, Elmera Group processes large amounts of personal data. We therefore have a great responsibility to manage the personal data of our employees, customers, and other partners safely and securely. We are committed to safeguarding the individual's rights and maintaining integrity and confidentiality associated with private information, in line with the Personal Data Act and the General Data Protection Regulation (GDPR). Elmera Group have established procedures and processes to ensure that personal data is used solely in accordance with the legislation.

In 2023 it is registered 9 security cases concerning data privacy. We reported two of the cases to the authorities – one to the Norwegian Data Protection Authority and one to the Finnish Data Protection Authority. Both cases involved wrongful sharing of information and were reported by Elmera Group. Both cases are closed without any sanctions. The remaining cases concerned very few customers and had little to no consequences for the parties involved. Thus, they were not reported to the relevant national government bodies.

Incidents of potential non-compliance

The Group Companies have not been subject to any non-compliance with regulations resulting in payment of fine or penalty. However, there have been some issues relating to the Norwegian part of the consumer electricity market addressed by the Norwegian

Consumer Authorities. These cases are in particular related to the Marketing Control Act, the Cancellation Act and product reporting to the authorities. In 2023 the Consumer Authorities carried out inspections of the majority of the electricity suppliers resulting in reactions from the Consumer Authorities to 19 electricity suppliers in Norway, including some of the Group companies. The matters related to specifics in some of the group companies' price lists and presentation of information about electricity agreements and cancellation by the customers available on the companies' website and online ordering system. The Group Companies adhered to the decisions and rectified the situation without challenging the legal perception of the Norwegian Consumer Authorities.

In addition, Consumer Authorities addressed their concern regarding Fjordkraft's implementation of payment for a postponement service made available to the consumer customers (Fast Utsatt Forfall). Fjordkraft decided to cease payment of such service.

In 2023 The Norwegian Regulatory Authorities (RME) required that Trøndelagkraft made changes to the invoice layout, stating that the "contract period is ongoing", in cases where the contractual duration is unregulated. The error arose due to Fjordkraft/Trøndelagkraft believing that information of the duration of a contract only was required for agreements with duration limitations. Fjordkraft/Trøndelagkraft rectified the situation immediately upon RMEs request. In addition, RME regularly monitors the power supply companies reporting of the product portfolio (power supply agreements) to Strømpris.no and the companies implement measures in order to comply with RMEs practice and requirements.

In Norway, there is an independent tribunal (Elklagenemnda "EKN") handling consumer complaints related to electricity supply. In 2023, Fjordkraft/TrøndelagKraft were filed in 98 cases. Being the largest electricity retailer in Norway, it is natural that Fjordkraft receives more complaints than smaller companies and in percentage, the number of complaints is very low. In 2023 the customer was successful or partially successful in 4 cases, 1 case was rejected by EKN and 41 cases were solved directly with the customer without EKN decisions.

In 2023 the Consumer Authority notified some business segments in Norway within telecom, of their understanding of the new requirements in the Financial Agreements Act from 1.1.2023 regarding invoicing fees. The Group companies reduced the invoice fees in 2023 and will take further steps if required in 2024 to comply with any new requirements when clarified by the Consumer Authority.

Nordic Green Energy Sweden had 17 cases reported to the Swedish Consumer Agency and 9 cases reported to the National Board for Consumer Disputes (ARN). The Swedish Consumer Agency only registers complaints without further action. Of the cases reported to ARN, 7 were rejected and a settlement solved the other two.

Nordic Green Energy Finland had two cases reported to the Finnish Consumer Disputes Board. The company believe they have acted in compliance with applicable policies.

Certified through Trygg Strømhandel

Fjordkraft, TrøndelagKraft and Gudbrandsdal Energi are certified members of the certification scheme Trygg Strømhandel. The scheme was initiated by the industry organisations Renewables Norway and DistriktsEnergi and is a voluntary certification scheme for electricity retailers. Certified companies have to adhere to several requirements involving personnel training, marketing, products, sales, billing and customer service. The certification body is DNV, an international quality assurance and risk management company headquartered in Norway. In 2023 Fjordkraft, TrøndelagKraft and Gudbransdalen Energi were re-certified by DNV.

GRI - reporting 2023 - Elmera Group ASA

GRI reference	Description of the GRI standards	Comments	Reference	Omission
GRI 2 : GENERAL DISCLOSURES 2021 - THE ORGANIZATION AND ITS REPORTING PRACTICES				
2-1	Organizational details	Legal name: Elmera Group ASA. Headquarter: Folke Bernadottes vei 38, 5147 Fyllingsdalen. Operations in Norway, Sweden and Finland.	Our Business	
2-2	Entities included in the organization's sustainability reporting	Entities consolidated in the financial statements are included in the sustainability reporting	Note 25	
2-3	Reporting period, frequency and contact point	Reporting period: 1.1.2023-31.12.2023. Reporting cycle: Annually, in addition to financial quarterly reports. Publication date: 22.03.2024. Contact point		
2-4	Restatements of information	Emissions from business air travel were double counted in the 2022 climate accounts. This has been rectified. There is no more restatements.	ESG report - Environment - Climate accounts	
2-5	External assurance	Assurance report from Deloitte AS	Auditor's report, Corporate Governance Report - 15. Auditor	
GRI 2 : GENERAL DISCLOSURES 2021 - ACTIVITIES AND WORKERS				
2-6	Activities, value chain and other business relationships		Our Business, Strategy and strategy planning, Board of Director's report, Due diligence report on human rights	2-6-d: N/A
2-7	Employees		Equal opportunities report	
2-8	Workers who are not employees		Equal opportunities report - Section 1.4 - Temporary employment, employees in part-time positions and average number of weeks of leave of absence and Part 3	
GRI 2 : GENERAL DISCLOSURES 2021 - GOVERNANCE				
2-9	Governance structure and composition		Corporate Governance Report - 8. Corporate assembly and board of directors: composition and independence and 9. The work of the board of directors, Board of Directors	2-9 -c-vi N/A
2-10	Nomination and selection of the highest governance body		Corporate Governance Report - 7. Nomination committee and 8. Corporate assembly and board of directors: composition and independence	
2-11	Chair of the highest governance body	The chair of the highest governance body, Steinar Sønsteby, is not a senior executive in the organisation		2-11-b N/A
2-12	Role of the highest governance body in overseeing the management of impacts		ESG report - The right balance, Corporate Governance Report - 2. Business and 9. The work of the board of directors	
2-13	Delegation of responsibility for managing impacts		ESG report - About the report, The Board of Directors' Report, Board of Directors' Report - Ownership and legal form	2-13-a-ii N/A
2-14	Role of the highest governance body in sustainability reporting		ESG report - About the report	2-14-b N/A
2-15	Conflicts of interest		Corporate Governance Report - 9. The work of the board of directors, 2.5 Board of Directors, Note 17 Share capital	

GRI reference	Description of the GRI standards	Comments	Reference	Omission
GRI 2 : GENERAL DISCLOSURES 2021 - GOVERNANCE Continue				
2-16	Communication of critical concerns		Corporate Governance Report - 10. Risk management and internal control	
2-17	Collective knowledge of the highest governance body		ESG report - About the report and TCFD report	
2-18	Evaluation of the performance of the highest governance body	2.18-c: No actions taken	Corporate Governance Report - 9. The work of the board of directors	
2-19	Remuneration policies	The Executive Management Group does not have remuneration policies that relate to their objectives and performance in relation to the management of the Group's impacts on the economy, environment and people.	Corporate Governance Report - 11. Remuneration of the Board of Directors and 12. Remuneration of executive personnel, Guidelines for remuneration	
2-20	Process to determine remuneration	2-20-b: The Board of Directors' guidelines for remuneration to directors were presented and approved at the General Meeting 21st of April 2021. A summary stipulated that 59,946,972 shares (with a corresponding number of votes) were represented at the meeting, which represents 52,46 % of all issued shares in the company. This was not up for vote in 2023.	Guidelines for remuneration	
2-21	Annual total compensation ratio	2-21-a: Ratio of annual total compensation of the CEO to the average annual total compensation for Employees in Fjordkraft (1), Elmera Group ASA (2), Gudbransdal Energi AS (3) and Nordic Green Energy: 5,82 (1), 4,04 (2), 5,03 (3) and 5,76 (4). Currency rates used: SEK to NOK - 1.01 EUR to NOK - 11.43	Report on salaries and other remuneration to executive personnel for 2023 will be published here	Information unavailable/incomplete: average annual fixed compensation used instead of median. NGE not included in 2-21-b.
GRI 2 : GENERAL DISCLOSURES 2021 - STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy	investor.elmeragroup.no/corporate-social-responsibility/ethics-at-elmera-group/	Board of Directors report - ESG	
2-23	Policy commitments		ESG report - Governance - Responsible procurement	
2-24	Embedding policy commitments		ESG report - Governance - Responsible procurement, Due diligence report on human rights	
2-25	Processes to remediate negative impacts		ESG report - Governance - Responsible procurement, Privacy protection and information security, Attractive to customers - Incidents of potential non-compliance, Due diligence report on human rights	
2-26	Mechanisms for seeking advice and raising concerns		ESG report - Governance - Responsible procurement - Ethics and integrity	

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GRI reference	Description of the GRI standards	Comments	Reference	Omission
GRI 2 : GENERAL DISCLOSURES 2021 - STRATEGY, POLICIES AND PRACTICES		**Continue**		
2-27	Compliance with laws and regulations		ESG report - Governance - Attractive to customers - Incidents of potential non-compliance	
2-28	Membership associations		ESG report - Social - Business partners and certifications	
GRI 2 : GENERAL DISCLOSURES 2021 - STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement		ESG report - The right balance	
2-30	Collective bargaining agreements	All employees in Norway and Finland are covered by collective bargaining agreements. In Sweden, working conditions and terms of employment are not determined based on collective bargaining agreements.		
GRI 3 : MATERIAL TOPICS 2021				
3-1	Process to determine material topics		ESG report - The right balance	
3-2	List of material topics		ESG report - The right balance	
MATERIAL TOPIC: ATTRACTIVE TO CUSTOMER				
3-3	Management of material topics		ESG report - The right balance, Governance - Attractive to cus-tomers	
TOPIC STANDARD: GRI 417 - MARKETING AND LABELING				
417-2	Incidents of non-compliance concerning product and service information and labeling		ESG-report - Governance	
417-3	Incidents of non-compliance concerning marketing communications		ESG-report - Governance	
TOPIC STANDARD: GRI 418 - CUSTOMER PRIVACY				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		ESG report - Governance - Attractive to customers - Privacy protection and information security	418-1-c: N/A
ELMERA DISCLOSURE				
Elmera 1	Customer satisfaction above 70 for all brands		ESG-report - The right balance	
MATERIAL TOPIC : USEFUL DIGITAL CUSTOMER SOLUTIONS				
3-3	Management of material topics		ESG report - The right balance, Governance - Attractive to cus-tomers	
ELMERA DISCLOSURE				
Elmera 2	80 % of customers actively interact with our digital interfaces	Interacting with our digital interfaces means using our app services.	ESG-report - The right balance - Useful digital customer solutions	

GRI reference	Description of the GRI standards	Comments	Reference	Omission
MATERIAL TOPIC : LOCAL ENERGY PRODUCTION FROM SOLAR POWER				
3-3	Management of material topics		ESG report - The right balance, Environment - Local energy production from solar power	
ELMERA DISCLOSURE				
Elmera 3	Number of customers with solar production to be doubled annually		ESG report - The right balance, Environment - Local energy production from solar power	
MATERIAL TOPIC : ETHICS AND INTEGRITY				
3-3	Management of material topics		ESG report - The right balance, Governance - Responsible procurement	
TOPIC STANDARD: GRI 205 - ANTI-CORRUPTION				
205-2	Communication and training about anti-corruption policies and procedures		ESG report - Governance - Ethics and integrity	
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents		205-3-a-d: N/A
TOPIC STANDARD: GRI 206 - ANTI-COMPETITIVE BEHAVIOUR				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly ractices	No cases		206-1-b: N/A
TOPIC STANDARD: GRI 415 - PUBLIC POLICY				
415-1	Political contributions	No contributions		415-1-b: N/A
ELMERA DISCLOSURE				
Elmera 4	100 % of employees should perform dilemma training annually		ESG report - The right balance	
Elmera 5	100 % of employees should sign a declaration confirming that they have read and act in compliance with the Group's Code of Conduct.		ESG report - The right balance	
MATERIAL TOPIC : SERVICES THAT PROVIDE ECONOMIC PREDICTABILITY				
3-3	Management of material topics		ESG report - The right balance	
ELMERA DISCLOSURE				
Elmera 6	70 % of customers in the Business segment should have an agreement that includes risk management		ESG report - The right balance	
Elmera 7	Customer growth Steddi Payments AS		ESG report - The right balance	Confidentiality constraint: Numbers in roadmap for g*rowth* not disclosed

GRI reference	Description of the GRI standards	Comments	Reference	Omission
MATERIAL TOPIC : OPTIMIZED CORPORATE GOVERNANCE				
3-3	Management of material topics		ESG report - The right balance, Governance, Corporate Governance Report	
MATERIAL TOPIC : PROACTIVE ENERGY AND CLIMATE ADVISORS				
3-3	Management of material topics		ESG report - The right balance, Environment - Products and services for the low-emission society, Governance - Attractive to customers	
ELMERA DISCLOSURE				
Elmera 1	Customer satisfaction above 70 for all brands		ESG-report - The right balance	
MATERIAL TOPIC : RIGHT COMPETENCE - ATTRACT, RETAIN AND DEVELOP				
401-1	New employee hires and employee turnover		Equal Opportunities report - Section 1.2 and Part 3	
TOPIC STANDARD: GRI 404 - TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee		ESG report - Social - Right competence	Information incomplete: We are unable to provide information on hours of training per employee.
404-2	Programs for upgrading employee skills and transition assistance programs		ESG report - Social - Right competence	
404-3	Percentage of employees receiving regular performance and career development reviews		ESG report - Social - Right competence	
ELMERA DISCLOSURE				
Elmera 8	Human Capital Index above 25	NGE and GE uses a different survey. This target is therefore not directly applicable for them. However, performance is tracked and reviewed in the same manner.	ESG-report - The right balance	Information incomplete: NGE and GE uses a different survey and reports on a different scale.
MATERIAL TOPIC : RESPONSIBLE PROCUREMENT				
3-3	Management of material topics		ESG report - The right balance, Governance - Responsible procurement	
TOPIC STANDARD: GRI 204 - PROCUREMENT PRACTICES				
204-1	Proportion of spending on local suppliers	Local defined as suppliers located in the same city as our locations	ESG report - Governance - Ethics and integrity	
TOPIC STANDARD: GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT				
308-1	New suppliers that were screened using environmental criteria		ESG report - Governance - Responsible procurement	
308-2	Negative environmental impacts in the supply chain and actions taken		ESG report - Governance - Responsible procurement	

GRI reference	Description of the GRI standards	Comments	Reference	Omission
TOPIC STANDARD: GRI 407 - FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		ESG report - Governance - Responsible procurement - Reporting on the Transparency Act	
TOPIC STANDARD: GRI 408 - CHILD LABOR				
408-1	Operations and suppliers at significant risk for incidents of child labor		ESG report - Governance - Responsible procurement - Reporting on the Transparency Act	
TOPIC STANDARD: GRI 409 - FORCED OR COMPULSORY LABOR				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		ESG report - Governance - Responsible procurement - Reporting on the Transparency Act	
TOPIC STANDARD: GRI 414 - SUPPLIER SOCIAL ASSESSMENT				
414-1	New suppliers that were screened using social criteria		ESG report - Governance - Responsible procurement	
414-2	Negative social impacts in the supply chain and actions taken		ESG report - Governance - Responsible procurement - Reporting on the Transparency Act	
ELMERA DISCLOSURE				
Elmera 9	All our regular suppliers must sign the Supplier Code of Conduct		ESG report - The right balance	
MATERIAL TOPIC : CONSCIOUS COMMUNITY ENGAGEMENT				
3-3	Management of material topics		ESG report - The right balance	
MATERIAL TOPIC : PROMOTE DIVERSITY, EQUITY AND INCLUSION				
3-3	Management of material topics		ESG report - The right balance and Social	
TOPIC STANDARD: GRI 401 - EMPLOYMENT				
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		Equal Opportunities report - Section 1.4 - Temporary employ-ees and Part 3	
401-3	Parental leave		Equal Opportunities report - section 1.4 - Parental leave and Part 3 - Parental leave	401-3-d Information not available: We do not have sta-tistics for employment status 12 months after parental leave ended as we do not se the relevance in the connection.

GRI reference	Description of the GRI standards	Comments	Reference	Omission
TOPIC STANDARD: GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees		Board of Directors, Equal Opportunities report - Section 1.2 and Part 3	
405-2	Ratio of basic salary and remuneration of women to men		Equal Opportunities report - Section 1.3 and Part 3	
TOPIC STANDARD: GRI 406 - NON-DISCRIMINATION				
406-1	Incidents of discrimination and corrective actions taken	No reported incidents		
ELMERA DISCLOSURE				
Elmera 8	Human Capital Index above 25	NGE and GE uses a different survey. This target is therefore not directly applicable for them. However, performance is tracked and reviewed in the same manner.	ESG-report - The right balance, Social - Working environment, absence due to illness and welfare	Information incomplete: NGE and GE uses a different survey and reports on a different scale.
MATERIAL TOPIC : CLIMATE CHANGE				
3-3	Management of material topics		ESG report - The right balance	
TOPIC STANDARD: 201 ECONOMIC PERFORMANCE				
201-2	Financial implications and other risks and opportunities due to climate change		ESG report - Environment - Climate risk, Part 3 - Strategy and strategy planning at Elmera Group - Strategic focus areas - New Business	
TOPIC STANDARD: GRI 302 - ENERGY				
302-1	Energy consumption within the organization		ESG report - Environment - Climate accounts, Key figures	
302-3	Energy intensity	The intensity ratio uses energy consumption within the organisation and includes electricity, district heating and heating from gas.	ESG report - Environment - Climate accounts	
302-4	Reduction of energy consumption		ESG report - Environment - Climate accounts	
TOPIC STANDARD: GRI 305 - EMISSIONS				
305-1	Direct (Scope 1) GHG emissions		ESG report - Environment - Climate accounts	
305-2	Energy indirect (Scope 2) GHG emissions		ESG report - Environment - Climate accounts	

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GRI reference	Description of the GRI standards	Comments	Reference	Omission
TOPIC STANDARD: GRI 305 - EMISSIONS				
305-3	Other indirect (Scope 3) GHG emissions		ESG report - Environment - Climate accounts	
305-4	GHG emissions intensity		ESG report - Environment - Climate accounts	
305-5	Reduction of GHG emissions		ESG report - Environment - Climate accounts	
ELMERA DISCLOSURE				
Elmera 10	All our regular suppliers must be climate committed.		ESG report - The right balance	

ADDITIONAL REPORTED TOPIC STANDARDS				
ECONOMIC TOPICS				
TOPIC STANDARD: GRI 201 - ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed		Financial statement Elmera Group	
201-3	Defined benefit plan obligations and other retirement plans		Notes Elmera Group - Note 17	
201-4	Financial assistance received from government		Notes Elmera Group - Note 15	

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To the Board of Directors of Elmera Group ASA

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON ELMERA GROUP ASA SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Board of Directors of Elmera Group ASA on selected Environmental, Social and Governance ("ESG") information (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the 2023 ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work
Elmera Group ASA has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the 2023 ended 31 December 2023 is as follows:

GRI Index 2023.	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

Board of Directors responsibilities
The Board of Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

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Our responsibilities
We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management
We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Key procedures
We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Bergen, 22 March 2024
Deloitte AS

Jill Øsa-Svanberg

Jill Øsa-Svanberg
State Authorised Public Accountant

2.4 Corporate Governance Report

Corporate governance report

1. Implementation and reporting on corporate governance

This corporate governance report is prepared by the Board of Directors of Elmera Group ASA ("Elmera" or the "Company" or the "Group"). The report is designed to cover all sections of the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"). The Code of Practice is available from the Norwegian Corporate Governance Board's website nues.no. The Code of Practice is not revised in 2023.

The corporate governance report follows the Code of Practice. The Group's business is described in chapter two. Chapter three contains descriptions of equity and dividends. Chapter four contains descriptions of the equal treatment of shareholders and transactions with close associates. Furthermore shares and negotiability (chapter five), General Meetings (chapter six), the nomination committee (chapter seven), the composition and independence of the corporate assembly and Board of Directors (chapter eight) and the work of the Board of Directors (chapter nine) are also described. Risk management and internal controls are described in chapter ten, followed by a description of the remuneration of the Board of Directors (chapter eleven) and executive personnel (chapter twelve). Finally there are descriptions of information and communication (chapter thirteen), take-overs (chapter fourteen) and the auditor (chapter fifteen). The report reflects the revised Code of Practice from October 2021. Except for a minor deviation in chapter six, there are no deviations from the Code of Practice.

The Board is aware of its responsibility to ensure that the Company conducts its business in accordance with the applicable principles for good corporate governance. It is also responsible for the implementation of internal procedures and regulations aimed at ensuring that the Company and its subsidiaries comply with the Code of Practice.

2. Business

The Company's business, as defined in its articles of association, is the sale of electricity and other forms of energy in the retail market, in addition to other related business, including participation in other companies. The articles are available on investor.elmeragroup.no. Elmera Group ASA is a public limited liability company organised under Norwegian law and subject to the provisions of the Norwegian Public Limited Liability Companies Act.

Our purpose is to create the most attractive electricity retailers in the Nordics. Based on our core values "simplify", "be friendly", and "create value", our goal is for Elmera Group to deliver electricity services to 3 million people, both at home and at work.

Elmera Group aims to create long-term value for its shareholders through revenue from the sale of electricity and other services to both consumers and businesses. We make sure that social and environmental aspects are taken into account for all our products and services, and we aim to conduct our business in the most sustainable way possible.

In order to achieve this goal, we have based our strategy on the following:

- Revenue growth
- Cost efficiency
- New business

The Board of Elmera Group ASA conducts an annual evaluation of the Group's current strategy and goals and adopts a strategy plan for the coming period. Risk is an integral part of the strategy process, and attitudes and limits are defined for each individual category of risk factor. Half-yearly risk reports are produced for the Audit Committee.

Elmera Group has a clear code of conduct that defines what we consider acceptable and unacceptable behaviour, both internally and externally, for all our employees, board members, contracted personnel, consultants, agents and others who act on behalf of the Group. The code of conduct is updated regularly and approved by the Board of Elmera Group ASA on an annual basis. The group also has guidelines for whistle-blowing that define how our employees should report situations that breach our code of conduct, the law, or generally accepted ethical norms.

The Group have for many years set climate neutrality as a condition in all supplier agreements, in line with the EU initiative Climate Neutral Now. However, Climate Neutral Now have changed. Climate neutrality is no longer in the initiative's scope. We have changed our climate pledge accordingly. Our revised climate pledge states that all regular suppliers must be climate committed. This implies that suppliers are required to deliver climate accounts, make a list of measures to reduce their emissions, and compensate their emissions with carbon offsets. Additionally, companies with approved science-based targets in line with the Science Based Targets initiative are also considered climate committed and accepted as a supplier. All of the Company's contractual partners have to sign a letter of intent regarding climate commitment. If they fail to do so, Elmera Group will seek alternative partners.

Deviations from the Code of Practice: None

3. Equity and dividends

Shareholders' equity

At the General Meeting in 2023, the Board was granted the following authorities:

- The authority to increase the Company's share capital by up to NOK 3,430,554 through issuance of a maximum of 11,435,180 new shares each per nominal value of NOK 0.30. The authority can be used to issue shares in connection with potential mergers and acquisitions. The authority covers capital increases in other assets than cash. The authority also covers the right to incur special obligations for the Company, ref. § 10-2 of the Public Limited Companies Act. Subject to the aggregated amount limitation the authority may be used in more than one occasion. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Companies Act may be set aside. The authority also comprises changes in the articles of association as the share increase will require. The authority will remain valid until the General Meeting in 2024, however it will expire no later than 30 June 2024. As per 31 December 2023 there has not been an issuance of new shares.
- The authority to increase the Company's share capital by a maximum of NOK 378,000 through issuance of a maximum of 1,260,000 new shares each per nominal value of NOK 0.30. The authority can only be used related to the Company's share option programme. Subject to the aggregated amount limitation the authority may be used more than one occasion. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Companies Act may be set aside. The authority also comprises changes in the articles of association as the share increase will require. The authority will remain valid until the General Meeting in 2024, however it will expire no later than 30 June 2024. As per 31 December 2023 there has not been issued new shares related to the authority.
- The authority to acquire shares in the Company, on one or several occasions, up to a total nominal share value of NOK 1,715,227. The authority may only be used in connection with the Company's bonus programme, in connection with acquisitions, mergers, de-mergers or other transfers of business, or for the purpose of subsequent deletion of shares by reduction of the registered share capital with the General Meetings resolution. The lowest and the highest price that can be paid for the shares according to authorisation are respectively NOK 0.3 and NOK 300 per share. The Board will decide at their own discretion how the shares are acquired or disposed of. The authorisation shall be valid until the Company's ordinary General Meeting in 2024, though no longer than until 30 June 2024. As per 31 December 2023 the Group holds a total of 5,680,189 treasury shares.

At the General Meeting in 2022, the Board was granted the following authorities:

- The authority to increase the Company's share capital by up to NOK 3,430,554 through issuance of a maximum of 11,435,180 new shares each per nominal value of NOK 0.30. The authority can be used to issue shares in connection with potential mergers and acquisitions. The authority covers capital increases in other assets than cash. The authority also covers the right to incur special obligations for the Company, ref. § 10-2 of the Public Limited Companies Act. Subject to the aggregated amount limitation the authority may be used in more than one occasion. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Companies Act may be set aside. The authority also comprises changes in the articles of association as the share increase will require. The authority will remain valid until the General Meeting in 2023, however it will expire no later than 30 June 2023. As per 31 December 2022 there has not been an issuance of new shares.
- The authority to increase the Company's share capital by a maximum of NOK 343,055.40 through issuance of a maximum of 1,143,518 new shares each per nominal value of NOK 0.30. The authority can only be used related to the Company's share option programme. Subject to the aggregated amount limitation the authority may be used more than one occasion. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Companies Act may be set aside. The authority also comprises changes in the articles of association as the share increase will require. The authority will remain valid until the General Meeting in 2023, however it will expire no later than 30 June 2023. As per 31 December 2022 there has not been issued new shares related to the authority.
- The authority to acquire shares in the Company, on one or several occasions, up to a total nominal share value of NOK 1,715,227. The authority may only be used in connection with the Company's bonus programme, in connection with acquisitions, mergers, de-mergers or

other transfers of business, or for the purpose of subsequent deletion of shares by reduction of the registered share capital with the General Meetings resolution. The lowest and the highest price that can be paid for the shares according to authorisation are respectively NOK 0.3 and NOK 300 per share. The Board will decide at their own discretion how the shares are acquired or disposed of. The authorisation shall be valid until the Company's ordinary General Meeting in 2023, though no longer than until 30 June 2023. This authority was fully utilised in the share buyback program which was completed in June 2022.

Capital structure

As at 31 December 2023, the Group's total non-current assets amounted to NOK 3,323 million and total current assets to NOK 8,362 million. The Group's total non-current liabilities amounted to NOK 1,799 million, total current liabilities to NOK 5,044 million and shareholders' equity to NOK 1,519 million. The management and the Board regularly evaluate whether the Group's capital structure is appropriate for its objectives, strategy and risk profile. The Board considers this to be satisfactory in relation to its expressed goals, strategy and risk profile.

Dividend policy

Elmera Group's initial target ambition is to distribute minimum 80% of its net income, adjusted for certain cash and non-cash items. In determining the annual dividend level, the Board of Directors will take into consideration, among other things, the expected cash flow, capital expenditure plans, covenant restrictions in its financial loan agreements, financing requirements (including for any mergers and acquisitions activity) and appropriate financial flexibility. There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount will be as contemplated above.

Deviations from the Code of Practice: None

4. Equal treatment of shareholders and transactions with close associates

Elmera Group ASA has only one class of shares, and each share represents one vote at the General Meeting. Existing shareholders have priority rights to subscribe to shares in the event of a share capital increase.

Any purchase or sale by the Company of its own shares is carried out through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

Any transaction between the Company and a close associate will be at arm's length. In the event of a material transaction between the Company and a shareholder, parent company of a shareholder, board member, executive management personnel or any close associates of the aforementioned, which does not form part of the ordinary course of business, the Board will arrange for a third party valuation of the transaction.

Deviations from the Code of Practice: None

5. Shares and negotiability

The Company's shares are listed on the Oslo Stock Exchange. All shares in the Company have equal rights and may be traded freely. Elmera Group's articles of association do not contain any restrictions on the negotiability of its shares.

Deviations from the Code of Practice: None

6. General meetings

Elmera Group ASA was listed on the stock exchange on 21 March 2018. In 2022 the Board has held twelve meetings and in addition two meetings by e-mail circulation of documents. The Company's annual General Meeting took place on 26 April 2023. In addition the Board has held a seminar devoted to strategy.

The General Meeting serves as a democratic and effective body for the views of the shareholders and the Board. Elmera Group encourages all its shareholders to attend General Meetings.

The Board has taken the following steps to facilitate this:

- A notice calling the Meeting with comprehensive supplementary information on the resolutions to be considered at the General Meeting, including the recommendations of the Nomination Committee, was made available on Elmera Group's website at least 21 days prior to the date of the General Meeting.
- All shareholders who are registered in the Norwegian Central Securities Depository (VPS) will receive notification of the General Meeting. This includes information on how to vote by proxy and the deadline for registering their intention to attend the General Meeting.
- The registration deadline for attendance by a shareholder has been set as close to the date of the General Meeting as possible.
- Shareholders who are unable to attend the General Meeting in person may vote by proxy.

The annual General Meeting approves the annual financial statements and annual report, the Board of Director's report and any dividend proposed by the Board. The annual General Meeting also approves the remuneration of members of the Board and the Nomination Committee, as well as the external auditor. The meeting agenda may also include authorisation to purchase own shares, increase the share capital, elect members of the Board, the Nomination Committee or the external auditor, and any other matters listed in the notice of the General Meeting.

Minutes from annual General Meetings will be made available on Elmera Group's website immediately after the General Meeting.

All shares have equal voting rights at General Meetings. Resolutions at General Meetings are normally passed by simple majority (more than 50 per cent). However, Norwegian law requires a qualified majority for certain resolutions, including resolutions to waive preferential rights in connection with any share issue, approvals of mergers or demergers, amendments to the articles of association, or authorities to increase or reduce the share capital. Such matters require the approval of at least two-thirds of the share capital represented at the General Meeting.

Link to the articles of association: *investor.elmeragroup.no/board-of-directors-and-coporate-governance/articles-of-associations/*

Deviations from the Code of Practice: The Code of Practice recommends that the Board and chairman of the Nomination Committee be present at General Meetings. Elmera Group has not deemed it necessary to require all board members to be present at General Meetings. The Chairman of the Board, the Company's external auditor, the chairman of the Nomination Committee, the CEO and other members of management are always present at General Meetings.

7. Nomination committee

Pursuant to the articles of association, the Company shall have a Nomination Committee that shall consist of one to three members. All current members are independent of the Board of Directors and the Group's executive management. The current members of the Nomination Committee are Ms. Lisbet Nærø (Chair), Ms. Ragnhild Stolt-Nielsen and Mr. Brede Selseng.

The annual General Meeting elects the members of the Nomination Committee. The members of the Nomination Committee are normally elected for a term of two years.

The Nomination Committee submits its recommendations to the annual General Meeting for the election of board members and the Board's remuneration.

The General Meeting has stipulated guidelines for the duties of the Nomination Committee, which are available from Elmera Group's website.

All shareholders are entitled to propose candidates for the Board and the Nomination Committee through the Company's website.

Deviations from the Code of Practice: None

8. Corporate assembly and board of directors: composition and independence

Corporate assembly

As of today Elmera Group has no corporate assembly. An agreement has been reached between the Company and a majority of the employees that the Company will not have a corporate assembly in accordance with the Section 6-35(2) of the Public Limited Liability Companies.

Composition of the Board

The Board consists of eight members, of whom five are elected by the General Meeting and three are representatives of the employees. More than the minimum required two board members elected by the shareholders are independent of the Company's largest shareholders. Board members can be elected for a period of two years.

The Board must at all times represent sufficient diversity in terms of background, competence and expertise to ensure that it can satisfactorily perform its duties. Elmera Group's Board will always consist of at least 40 per cent women. Value creation for the shareholders of the Company will always be the Board's highest priority, both financially and reputationally speaking.

Independence of the Board

Operating as a collegiate body to promote value creation in the interests of the various stakeholders is key. The Board shall represent all stakeholders and not promote individual interests at the cost of the Company or any of its affiliates. Hence, the majority of the members elected to the Board are independent of the Company's executive management and its main business connections. Four of the members elected to the Board by the General Meeting are independent of the Company's major shareholders. None of the Group's executive management are members of the Board. This is intended to ensure that the interests of the shareholders are always properly represented. Once a board member has been in office for a certain period, an assessment will be made of whether the person can still be regarded as independent of the executive management or not.

The General Meeting elects the Chairman of the Board.

Elmera Group encourages board members to hold shares in the Company to create a commonality of financial interest between themselves and the shareholders. The shares held by board members in 2022-2023 are listed in the notes to the financial statements in the Annual Report 2023.

Board members, including their CVs, are presented in this Annual Report and on the website: investor.elmeragroup.no. The Board is of the opinion that it has sufficient expertise and capacity to perform its duties in a satisfactory manner.

Deviations from the Code of Practice: None

9. The work of the board of directors

The Board is responsible of determining the instructions for their work and instructions for the executive management. The internal division of responsibilities and duties must always be clear. Instructions have been drawn up for the Board's work and these have been approved by the Board. The Board is responsible for supervising the day-to-day management and activities in general. They must also delegate authority and nominate board committees when this is seen as expedient and more efficient. The Board is responsible for ensuring that the Group's activities are soundly organised and for approving all plans and budgets for the activities of the Group.

Attendance from Board members elected by the General Meeting: Three representatives gave notice of absence at one meeting in 2023.

Elmera Group has prepared guidelines ensuring that board members and executive management personnel notify the Board in the event that they, directly or indirectly, have a significant interest in any agreement entered into by the Group.

In the event of a matter that is material in nature and in which the Chairman of the Board is, or has been, personally involved, the consideration of this matter is chaired by another board member to ensure impartiality in the decision-making process.

In accordance with the Norwegian Public Companies Act the Board has appointed an Audit Committee. More information about this can be found in Section 15 - Auditor. The majority of the members of this committee shall be independent.

The Board has established a Remuneration Committee. The committee prepare items for consideration by the Board and its authority is limited to making such recommendations.

The Board evaluates its own performance on annual basis and assures itself that its mix of board members possesses the competence and expertise necessary to govern the Company in a professional and appropriate matter. Details of any board committees appointed and/or newly appointed board members is presented in the annual report. No board committees were appointed during the year to consider particular matters other than the Audit Committee and Remuneration Committee.

Deviations from the Code of Practice: None

10. Risk management and internal control

It is the Board's responsibility to ensure that the Group practises proper internal control and has systems for risk management that are appropriate in relation to Elmera Group's activities. The Board carries out annually reviews and approval of the Group's governing principles, including governing principles for risk management and internal control.

The Board has delegated responsibility for monitoring and following up current risk exposure to the executive management. The CEO is responsible for ensuring compliance with the governing principles. The CEO is also responsible for carrying out risk assessments from a Group perspective.

The Group's CFO bears executive responsibility for the management and follow-up of the Group's risk management and internal control.

Risk management and internal control are centrally governed processes, but the responsibility for day-to-day risk-management and control activities is placed with the business- and staff units. Elmera Group uses the principles of the "three-lines model" to organize the Group's governance and help the Board carrying out its governance responsibility. This means responsibility for managing risk is placed in the first line with the business managers as risk owners.

The centralized risk management unit consist of several expert functions (second line roles) within risk management which provide assistance with managing risk, including risk oversight. The unit is the key facilitator of the risk management system and assists the Board with implementing and maintaining the Group's risk management framework to support managing and reporting all types of risk. The centralized risk management unit further coordinates the Group's risk management activities and consolidates the risk reporting.

The third line roles consist of the internal audit which provides independent and objective assurance and advice on the adequacy and effectiveness of governance, risk management and internal controls. The internal Audit reports directly to the Audit Committee.

Guidelines for risk management and internal control

Elmera Group's governing principles and policies define the main principles as well as clarify roles and responsibilities within governance, risk management and internal control. The Group focuses on building a strong risk and internal control culture where every employee is aware of their responsibility to ensure good risk management and internal control.

ISO31000 provides the basis for Elmera Group's risk management framework. This means that risk is to be understood as "the impact of uncertainty related to goals". Generally, this means that risk is to be understood as the effect of uncertainty related to Elmera Group's strategy plan as approved by the Board, while risk at business unit and staff level is to be understood as uncertainty related to the achievement of goals defined in sub-strategies.

Elmera Group practises a general principle that risk is not to be avoided but taken consciously and controlled while optimising it in relation to earnings. Elmera Group takes a systematically approach towards risk and risk management is an integrated part of the Group's operational and strategic management.

Risk management is an integral part of the Group's strategy process and the performance review process.

Internal control in Elmera Group shall be established at a reasonable and appropriate level, in line with Elmera Group's values and risk appetite.

Risk appetite

Risk appetite describes how much risk Elmera Group is willing to assume to achieve its strategic goals. The Board sets the Group's risk appetite with specific exposure limits and principles within key risk dimensions and carries out annual reviews. The CEO and the business managers in first line are accountable to ensure that risk exposure is in line with the limits and principles provided. Violations of frameworks and principles shall be reported to the Audit Committee.

Risk-based internal control

Elmera Group shall take a risk-based approach towards internal control work to ensure appropriateness and efficiency. This means that the internal control work shall, as far as possible, correspond to the risks identified in connection with the Group's risk management process.

Risk and internal control reporting

Risks that are considered to have a material impact on the Group's strategic goals and strategy are reported at least quarterly to the group executive management and semi-annually the Audit Committee. For those risk categories where specific exposure limits have been set, the report includes how these limits has been utilised.

Each year, the centralized risk management function compiles a report to the executive management and the Audit Committee on the internal control work performed the past year, and a plan for internal control activities to be performed the coming year.

The Group has implemented a contingency plan for handling critical concerns. There has been no such critical concerns in 2023.

Financial reporting

The Board and the executive management are responsible for establishing and maintaining adequate internal control for financial reporting. The internal control of financial reporting is supervised by the CFO. The process is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Audit Committee monitors financial reporting and its related internal controls, including the application of accounting policies, estimates and judgements.

The Group has a monthly reporting process where the financial results are presented and reviewed in a management report. Extended controls are carried out as part of the quarterly and year-end reporting processes.

The Board is of the opinion that the Group has sufficient expertise to perform proper and efficient financial reporting in accordance with IFRS and the Norwegian Accounting Act.

Deviations from the Code of Practice: None

11. Remuneration of the board of directors

The remuneration paid to Board members is decided annually at the General Meeting, based on a proposal from the Nomination Committee. The remuneration shall reflect the Board's responsibilities, expertise, time commitment and the complexity of the Company's activities. The fee paid to Board members are fixed for the year and dependent on the role the member has on the Board, and is not linked to the Company's performance. The remuneration paid to each Board member is disclosed in the notes to the financial statements in the annual report. The increase in fees from 2022 to 2023 was compensated to Board members entirely with shares in Elmera Group ASA.

Stock options in the Company are not held or issued to the Board of Directors.

Board members and/or companies they are associated with shall ordinarily not take on specific assignments for Elmera Group in addition to fulfilling their responsibilities as a Board member. Any such situations must be disclosed to the full Board, and any remuneration for such additional assignments must be approved by the Board.

Deviations from the Code of Practice: None

12. Remuneration of executive personnel

The Board has established guidelines for the remuneration of the members of the executive management. It is a policy of the Group to offer the executive management competitive remuneration based on current market standards, and group and individual performance. The remuneration consists of a basic salary element combined with a performance-based bonus programme. The performance-based compensation is limited up to a certain percentage of basic salary. The management is covered by the Group's insurance policies and each member is entitled to certain additional benefits, such as a set car allowance. A special statement on the remuneration of executive personnel is prepared for the General Meeting.

The CEO and the other members of the executive management may terminate their employment with the Group with 6 months' written notice. The CEO is entitled to severance payment for a period of 12 months following termination of employment.

In accordance with the Public Limited Liability Companies Act, the Accounting Act and the NCGB Code of Practice, the details of the remuneration is disclosed in the notes to the financial statements. The remuneration to be paid shall be understandable and receive the general acceptance of relevant stakeholders.

Deviations from the Code of Practice: None

13. Information and communications

All reporting of financial and other information is based on transparency and takes into account the requirement for the equal treatment of all participants in the securities market. The Board establishes guidelines for the presentation of this information. A financial calendar and shareholder information is published on Elmera Group's web page: investor.elmeragroup.no. All communication with regards to investor relations is published on the company's website, including quarterly reports, public presentations and the payment date for any dividends.

Information shared with the company's shareholders is published on Elmera Group's website at the same time as it is sent to the shareholders.

Deviations from the Code of Practice: None

14. Take-overs

Elmera Group's articles of association do not contain any restrictions on the negotiability of its shares, nor will the Board seek to hinder or obstruct any public bid for the Company's business or shares unless there are particular reasons for doing so.

In the event of a take-over bid, the Board will issue a statement to the shareholders in which they will make a recommendation as to whether shareholders should or should not accept the bid. This statement will include a valuation from an independent expert, including detailed explanations.

Deviations from the Code of Practice: None

15. Auditor

In accordance with Norwegian law, the Board delegates authority to an Audit Committee that pre-approves the external auditor's audit plan. The auditor presents the main features of the audit plan to the Audit Committee each year. A review of the Group's internal control procedures is presented to the Audit Committee at least once a year and the auditor reports any identified weaknesses and other areas for improvement.

The auditor is invited to participate in meetings held by the Board when annual accounts are being discussed, and attends every meeting held by the Audit Committee. At these meetings the auditor will report on any material changes to the Group's accounting policies and material accounting estimates. The auditor will also report on any material matters in which there has been disagreement between Elmera Group's executive management and the auditor. The auditor must be present and present the auditor's report when the annual report is approved by the General meeting.

The Board must, at least once a year, hold a meeting with the auditor at which neither the CEO nor any other member of the executive management is present.

Guidelines have been established by the Board regarding the use by the Group of the auditor for non-auditing services. These are intended to make the Group's executive management more aware of the auditor's independence.

The remuneration paid to the auditor is reported by the Board at the annual General Meeting. This includes details of the fees paid for the audit itself, as well as any fees paid for other specific assignments. The remuneration paid is also disclosed in the notes to the Group's financial statements.

Deviations from the Code of Practice: None

2.5 Board of Directors

Steinar Sønsteby

Chair of the Board and Chair of the Remuneration Committee

Chair from 21 April 2021
Member since 21 March 2018

Background: Steinar Sønsteby was born in 1962 and lives in Bærum. He was elected to the Board of Directors by the General Meeting on 27 February 2018 with effect on and from the date of Listing. Mr. Sønsteby is currently the Chief Executive Officer of Atea ASA. Mr. Sønsteby is an IT and technology expert and has been instrumental in establishing the IT infrastructure industry in Norway. He has since 1996 held the position of Chief Executive Officer and Chief Operating Officer of entities that have since been combined with Atea ASA, including Merkantildata (Norway and Sweden). Prior to this, Mr. Sønsteby has held several managerial positions, including CEO of Skrivervik Data AS and Section Manager NPC Civil AS. Mr. Sønsteby has extensive M&A and integration experience, having been involved in over 50 acquisitions.

Mr. Sønsteby is Board Member of various entities in the Atea Group.

Education: Mr. Sønsteby holds a Master of Science in Mechanical Engineering (Civil Engineering) from the University of Utah and is a Business Candidate in finance from the Norwegian Business School (BI).

He currently holds 18,668 shares in Elmera Group ASA.

Per Oluf Solbraa

Board Member and Member of the Remuneration Committee

Member since March 2021

Background: Per Oluf Solbraa was born in 1962 and lives in Sør-Fron in Gudbrandsdalen. He is the CEO of Gudbrandsdal Energi Holding AS and has been deputy Managing Director of Gudbrandsdal Energi Holding AS 2012-2019. From 2005 until 2012 he was an executive director in the municipality of Nord-Fron and has since 1989 held several positions within the administration of the municipality of Nord-Fron. Per Oluf Solbraa was elected as Board Member by the general meeting in 2021.

Mr. Solbraa is a member of the Board of Directors in Gudbrandsdal Energi AS and On Energi AS. He has former experience as member of the Board of Directors in Innlandskraft AS and Eidsiva Marked AS, Gudbrandsdal ski- og fritidssenter AS and a deputy member of the Board of Directors in Sparebank 1 Gudbrandsdal.

Mr. Solbraa holds a master's degree in business administration from the Norwegian University of Life Sciences (NMBU) 1985-1989. He attended the AFF management programme in 2014.

He represents Gudbrandsdal Energi Holding AS and personally holds 4,254 shares in Elmera Group ASA.

Heidi Theresa Ose

Board Member and Member of the Audit Committee
Member since
14 May 2019

Background: Heidi Theresa Ose was born in 1983 and lives in Oslo. She has served as board member of Fjordkraft Holding ASA/ Elmera Group ASA since 14 May 2019. Heidi Theresa currently holds the position of CEO of Store Norske Energi AS. Ms. Ose was appointed CEO of Akerhus Energi Sol AS from April 2021. From 2018 to 2021 she worked in SN Power where she held the positions as Director Business Development Asia (2019-2021) and Director of Hydropower Development (2018-2019). Ms. Ose was employed at Sweco Norway in 2009 and has broad experience from hydropower projects in South-America, Africa and Asia. She has been Senior Vice President of Hydropower and Dams in Sweco Norge AS (2017-2018) and Area Manager for Hydropower (2013-2016), Project Manager and Hydropower Planner (2011-2013), Trainee in hydropower (2009-2011). She has worked for Statkraft AS with hydropower in Albania (2008-2009).

Education: Heidi T. Ose helds a Master of Science in Energy and Environment from the Norwegian University of Science and Technology (NTNU). She has studied Energy Systems for Developing Countries at Makerere University in Uganda. She has also studied Project Management at Oslo University of Applied Science and Management Competence at Board Level at the Norwegian Business School (BI).

She currently holds 3,181 shares in Elmera Group ASA.

Live Haukvik

Board Member and Chair of the Audit Committee
Member since 21 March 2018

Background: Live Haukvik was born in 1963 and lives in Tønsberg. Ms. Haukvik was elected to the Board of Directors by the General Meeting on 27 February 2018 with effect on and from the date of Listing. Live Haukvik currently holds the position as CFO in ENRX Group. Ms Haukvik has been Assistant Professor at the University of South-Eastern Norway and is the owner of Haukvik Konsult. She has been COO of Komplett Group 2017-2019. Ms. Haukvik has extensive experience as an executive and director of a diverse range of listed and fast-growing companies. She has been CEO of Goodtech ASA (2000–2005), CFO of Tandberg Data ASA (2006–2007), CFO of Grenland Group ASA (2007–2008) as well as CFO of Komplett Group (2012–2017). She also has experience as partner at Considium Consulting Group from 2008 until 2011 and as supervisor and manager at KPMG.
Ms. Haukvik ha been Member of the Board of Directors in Komplett Bank ASA since 2013 and was Chairman of the Board from December 2013 until August 2019. Ms Haukvik has extensive board experience from several blue-chip companies including, amongst others: Eksportfinans, Agasti ASA, Kvaerner ASA, BI Norwegian Business School, SpareBank 1 BV (Buskerud Vestfold).

Education: Ms. Haukvik holds a Master of Finance (liz.rer.pol.) from Université de Fribourg, Switzerland, and a Master of Management, with specialisation in Service Management, Cognitive Psychology and Scenario Building from The Norwegian Business School (BI).

She currently holds 6,870 shares in Elmera Group ASA.

Anne Marit Steen

Board Member
Member since June 2023

Background: Anne Marit Steen was born in 1961 and lives in Bergen. Anne Marit Steen held the position as CFO in the Eviny Group (formerly BKK) for 8 years, from 2015 to 2023. Prior to that she held the position as Head of finance in DNB Livforsikring from 2008 to 2015. She has 8 years of experience as finance director in GC Rieber, from 2000 to 2008 and has held several positions in GC Rieber Eiendom and the property department of Vital Forsikring.

Ms. Steen has extensive experience within finance. Ms. Steen has been responsible for finance and performance management in Eviny and represented the administration in the Audit Committee. Systems for integrated financial reporting and ESG reporting has been a key focus area over the last years. Ms. Steen has been a member of several board of directors, both within and outside the Eviny group.

Education: Anne Marit Steen holds a Master of Science in Economics and Business Administration (siviløkonom) from Bodø and an MBA from the Norwegian School of Economics (NHH). She also holds a Master of Science in Construction Engineering (sivilingeniør) from the Norwegian University of Science and Technology (NTNU) and has participated in NHH's board program.

She currently holds 6,681 shares in Elmera Group ASA.

Frank Økland

Board Member (employee representative) and Member of the Audit Committee

Member since 15 December 2017

Background: Frank Økland was born in 1969 and lives in Bergen. He has served as Board Member of Fjordkraft Holding ASA since 15 December 2017 and as a board member and employee representative of Fjordkraft AS since May 2003 in various periods. Frank Økland currently holds the position as Manager of Market and Partnerships in Elmera Group ASA. Mr. Økland has been a sales manager in the Alliances and Concessionary division of Fjordkraft since 2014 and was a Key Account Manager for major customers from 2006 until 2014. Mr. Økland has held secretarial positions with Fjordkraft from 2000 until 2004, with BKK Kraftsalg from 1996 until 1999 and with Bergen Lysverker AS from 1993 until 1996. He also has work experience from Heffermehl Inkasso AS, Forsvaret, Bergen Kommune and Nordbye Engros AS.

Education: Mr. Økland holds two diplomas, one from the Norwegian School of Information Technology (NITH) in computer science and one from the Norwegian School of Economics (NHH) in mathematics and statistics.

He currently holds 1,149 shares in Elmera Group ASA.

Magnhild K. B.Uglem

Board Member (employee representative)

Member since June 2023

Background: Magnhild Uglem was born in 1980 in Trøndelag, and lives in Bergen. She has served as board member and employee representative of Elmera Group ASA since 13th of June 2023. Ms. Uglem has worked as a senior project manager in Elmera Group since January 2020, and has taken on large projects such as IT system implementation projects, M&A initiatives, product development projects and acquisition migration projects. Her previous experience spans from revenue management in the Hotel business to project management in the oil- and gas business.

Education: Ms. Uglem holds a bachelor in management, with specialization in project management, from Handelshøyskolen BI.

She currently holds 1,261 shares in Elmera Group ASA

Stian Madsen

Board Member (employee representative)
Member since June 2023

Background: Stian Madsen was born in 1978 and lives in Bergen. He has served as a member of the board since June 13, 2023. Mr. Madsen has worked in Elmera Group since 2019 and currently holds the position as Director of Public and Government Relations.

Prior to joining Elmera Group he has spent several years in financial institutions such as DNB, Vital and Pareto Securities, where he has held various managing positions within the fields of Asset Management, life insurance and banking services.

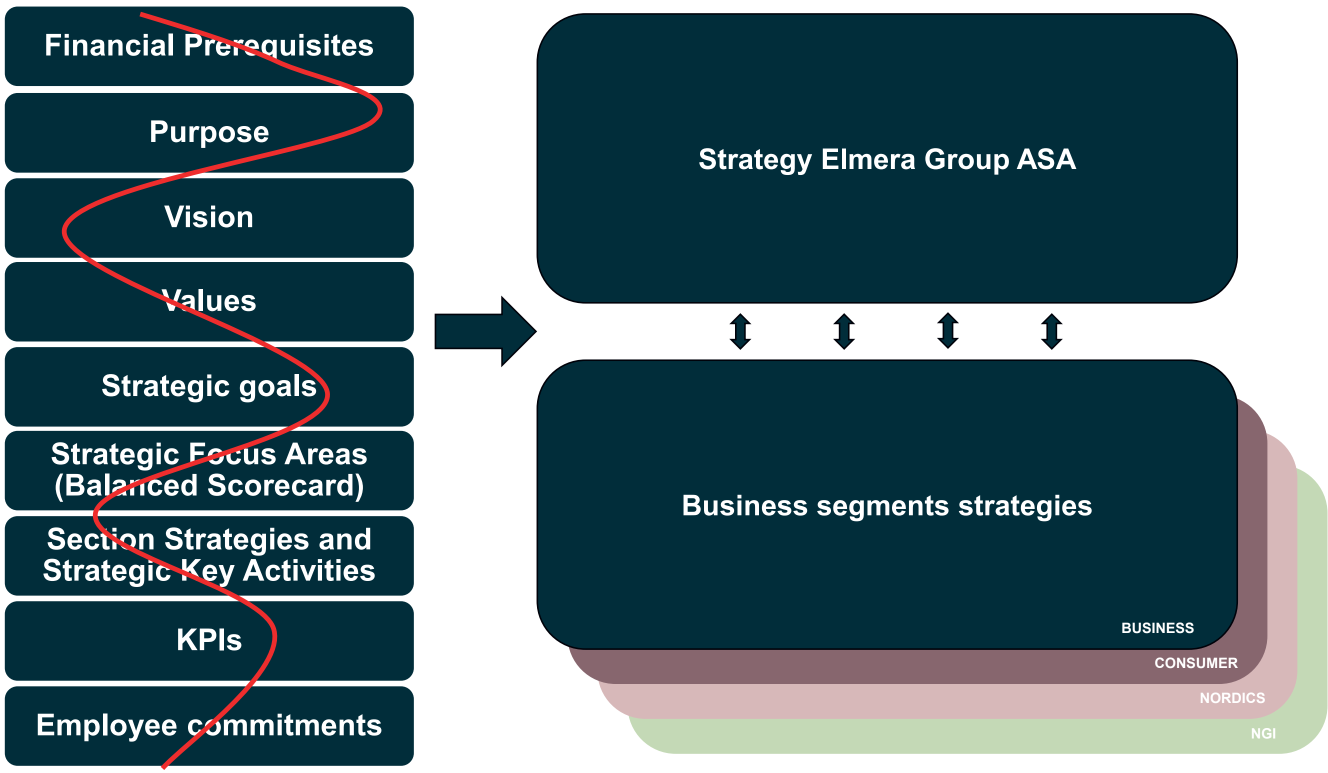
Education: Mr. Madsen holds an MBA from the Norwegian School of Economics (NHH), a master's degree in international finance from Griffith University (AU) and a bachelor's degree in IT-management from BI Norwegian Business School.

He currently holds 2,009 shares in Elmera Group ASA.

Part 3

3.1 Strategy and strategy planning at Elmera Group

The Elmera Group's strategy process is closely related to our management philosophy, ensuring that the strategy work is broad-based on the collective insight and knowledge of the Group and not an exclusive province of the senior management. An important element of a good strategy is to be prepared for different future scenarios. To enable the Group to foresee, monitor and prepare for different future outcomes, scenario planning is an important part of our strategy work. Elmera's strategy addresses how the Group will optimise and develop its current competitive advantages and earnings, our approach to developing new competitive advantages and business areas, and how we approach partnerships and working with strategic partners.



In our strategy process, we focus both on the Group and the individual companies and brands. The Group strategy needs to be ambitious and set the overall direction.

Our philosophy

Elmera Group's strategy work is based on a high degree of involvement, in which we focus on defining collective ambitions in all areas of the organisation. This process ensures continuity from our overarching strategic choices right down to the individual employees' activities. Strategy work provides us with motivation, direction, and differentiation. The strategy plan also serves as the basis for decisions in our everyday work, providing us with the power to implement changes and to take a long-term perspective. Rapid changes due to digitalisation, market conditions, and regulative changes mean all managers must be strategists for their area. They must be familiar with the best practices and always be looking ahead. The development of sub-strategies and key activities ensures there is a clear focus on strategic challenges and opportunities within all key areas. Our proprietary strategic planning process is a hybrid model where strategy and tactics are merged throughout the organisation. Elmera Group wants to continuously adapt to trends and surroundings. We firmly believe that creating economies of scale will be a critical success factor going forward. We will optimise our business operations to ensure we are always rigged to be able to deliver satisfactory returns to our owners, regardless of the price pressure in the industry.

Scenario planning

The electricity market is evolving rapidly, in part because of the electrification of society and adjustments to the framework conditions. This clearly underlines the importance of having a comprehensive and well-aligned strategy in place; decisions one takes today could be vital for the value proposition and customer relationships in the future. In such circumstances, conventional strategy plans with a 2–3-year perspective are not always sufficient. Scenario planning is an approach that extends beyond this. By isolating selected risk elements and opportunities, we have pointed out some potential outcomes for the power market in 2030.

Working on the 2030 scenario has given the organisation greater confidence and the capacity to follow through and a better understanding of which factors we can and cannot control. In addition, thinking about how we will act in different scenarios means adaptation to new realities can be implemented quickly. We have also acquired a good basis for testing the robustness of our strategy against the various scenarios. By making the driving forces behind the scenarios visible, we are better able to consider them and adapt our strategy accordingly.

In this context, we have prepared clear "flags" describing which events might trigger the individual scenarios. The events are related to the critical uncertainties in the scenario model, and the scenario flags are evaluated and reported quarterly.

Additionally, we have utilized a digital platform called GamePlan in the strategy process. Through gamification, GamePlan uses Business Wargames, a strategic planning tool, to simulate a competitive environment. This allowed us to pre-test our new strategies and make adjustments based on the insights. The process led to increased involvement, better insights, and a measured improvement in strategy quality.

Strategic context

The electricity market is highly complex and is influenced by several factors. The strategy process must be designed to comprehend and utilize the contextual factors that surround our operations.

The electricity market was heavily affected by geopolitical conditions in Europe, as the Russian invasion of Ukraine made Russian energy a pawn in a political standstill between Russia and Europe. Russia was at the time of the invasion Europe's largest supplier of gas. A stark reduction in deliveries following the invasion escalated the European energy crisis, causing energy prices to skyrocket. As the Nordic market is connected to other European countries through overseas power cables we have experienced extreme price volatility also in the Nordic countries.

Political interventions

The challenging market conditions have led to increased political risk and several political interventions, to ease the economic burden of high electricity prices on households and businesses. The Norwegian government launched an electricity support package for households at the end of 2021. The Norwegian Minster of Finance has announced that the scheme will be prolonged to be in place at least throughout 2025. Initially, the scheme would provide a deduction based on the average monthly market rate for electricity. 90 per cent of the average monthly market rate that exceeded 87,5 øre/kWh including VAT was deducted until March 2023. Then, the deduction was reduced to 80 per cent before the scheme was revised from September 2023. Since September financial support has been calculated based on hourly electricity prices. Households received a deduction of 90 per cent of the hourly electricity price exceeding 87,5 øre/kWh including VAT from September to December 2023. From January 2024 the threshold for support has increased to 91,25 øre/kWh including VAT. The change that was put in place in September, going from calculating financial support based on the average monthly market rate to the hourly market rate, is hurting the incentive to adapt consumption based on the price signal. Before the change, all households in the same price area would get the same deduction per kWh through the support scheme, and thus, would still be incentivized to optimize their consumption. As long as the market rate exceeds the threshold for support there is little incentive to adjust consumption with the new calculation model. However, as the electricity price varies, with examples of negative prices, solutions like smart charging can still provide substantial cost reductions. We are currently developing an improved smart charging solution that adjusts for grid tariffs as well as electricity prices, allowing customers to optimize consumption even further.

The support scheme for businesses had an application deadline on the 11th of December 2022. The scheme paid approximately 2.8 billion NOK to just short of 3200 businesses, meaning that the majority of Norwegian businesses did not receive support.

In addition to compensating those who suffer from increased prices, the Norwegian government decided to demand higher taxes from those who profit from them. Thus, they proposed an increased resource rent tax for hydropower and introduced it for onshore wind power in 2022. Resource rent tax for wind power was later postponed and is now proposed to be implemented from 2024. Furthermore, they introduced a windfall tax from wind and hydropower, meaning a tax of 23 % of the part of the price that exceeds 70 øre per kWh. This was eliminated in the national budget for 2024 with effect from 1st of October 2023. This has been a positive development for the liquidity on the future market and the access to hedging instruments.

Regulatory changes

The Price Disclosure Act entered into force from November 2022, introducing stricter requirements for electricity suppliers in how they inform their customers. The customer must be notified of any contractual change 30 days in advance, an increase from 14 days prior to the new act. This means that price changes for our variable contracts must be announced 30 days in advance, while the customers can change to another contract at any time. The asymmetric risk distribution, combined with the support scheme for households, continues to hamper the variable product. Resultingly, it is still taken out of sale.

Enova increased the financial support for power production solutions substantially in 2022. The support was then reduced in 2023, which combined with lower electricity prices in Norway led to a lower demand for solar panels.

Strategic focus areas

Based on the evolvements described above and other insights we have identified three strategic focus areas which we believe will lead to sustainable growth going forward.

Revenue growth

We will utilize our experience and track record from the Norwegian electricity market to increase penetration in Sweden and Finland, both in the consumer and business segments. By introducing proven concepts and solutions we will replicate the success of our Norwegian brands.

We have revised our product strategy in the Consumer segment, tailoring it for today's market conditions. As a risk-mitigating measure, we have reduced complexity and enhanced transparency connected to all our products and services.

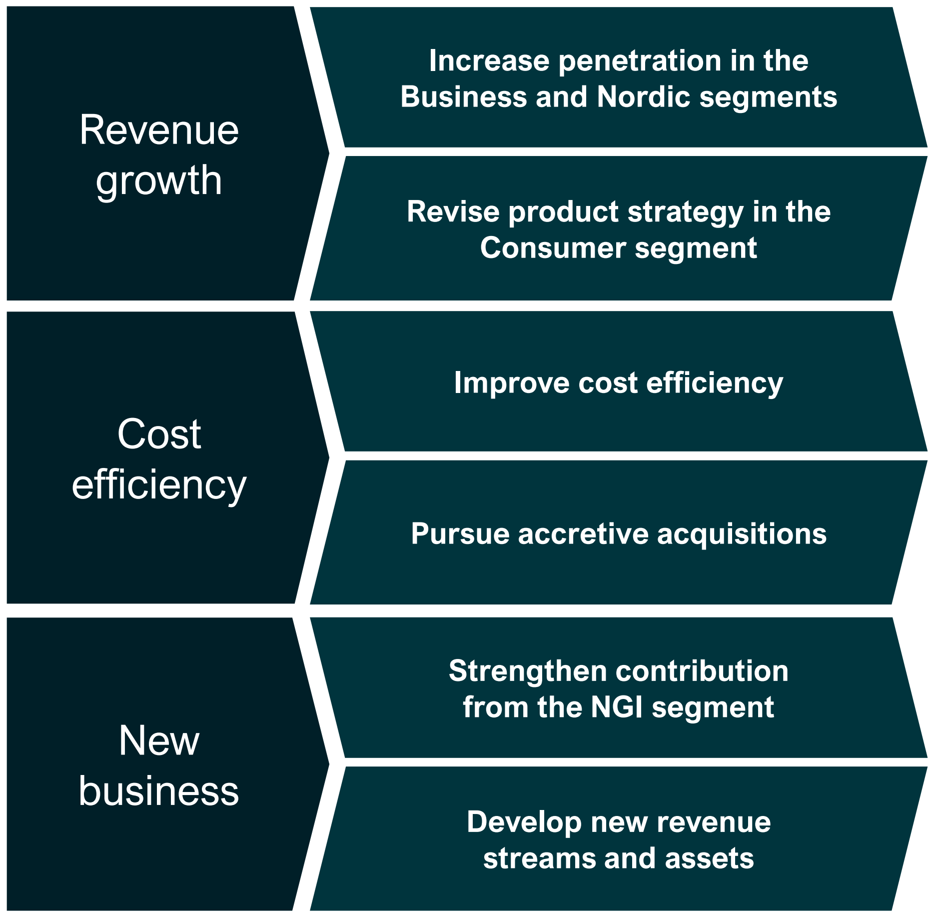
Cost efficiency

In order to further improve our competitiveness, we have increased our efforts to become more cost-efficient. A cost reduction programme was conducted in 2023, reducing the annual run-rate of adjusted operating expenses by 100 MNOK, and we will continue to take measures to improve cost efficiency in 2024. We focus on scalability in tech and operating platform solutions. Thus, we have initiated a project which will unite all subsidiaries on the Elmera platform. We will pursue M&A opportunities and capitalize on this scalability.

New Business

We will strengthen the contribution from the NGI segment by capitalising on our partnership with Telia in Fjordkraft Mobil, establish AllRate as a service provider to the grid companies, and by growing Steddi Payments through our electricity retailers.

We will develop new revenue streams and build assets by utilizing our distribution power in new markets. By capitalizing on the strengths of two industry leaders in Elmera Group and Solcellespesialisten, we will develop SunPool into a substantial contributor to more local energy production, taking a bigger role in selling and leasing solar panels.



Where do we create value?

Elmera Group works continuously to optimise the value proposals and services we offer to our various customer segments. We are focusing on four segments:

Consumer segment

The Consumer segment comprises energy sales to private households across Norway. Fjordkraft, as the largest player, has a nationwide presence and a leading market position with the most well-known brand in the Norwegian consumer market. Fjordkraft operates the brand TrøndelagKraft with a regional focus in Trøndelag. The Elmera Group also operates the brand Gudbrandsdal Energi as a strong fighting brand with a nationwide approach. Gudbrandsdal Energi is known for having the industry's most satisfied customers.

During 2023, we have focused on streamlining our electricity products in the consumer segment to mitigate complexity and simplify the decision-making process for our customers. As part of this initiative, we have introduced a comprehensive price list that transparently presents all available products along with their corresponding prices and terms for each brand, available on their website. Our offering to new customers has focused on spot products and our digital services that help customers optimise their consumption.

The Elmera digital ecosystem has a wide range of apps and websites serving specific roles and solving specific tasks for our customers. This includes apps and websites for Fjordkraft, TrøndelagKraft and Gudbrandsdal Energi. We work continuously to improve our apps, both by increasing their stability, making them capable of handling the extreme growth in users, and by developing new relevant services. In 2023 more than 700.000 unique users have gained insights about their electricity consumption by using an app from either Fjordkraft, TrøndelagKraft or Gudbrandsdal Energi.

The new hour-based compensation for high electricity prices, introduced 1st of September 2023, has been a relief to consumers, and electricity usage has increased in 2023 compared to 2022. However, app users are still more likely to reduce their usage compared to non-users.

To help consumers get even more insight into their electricity habits and help them save energy and electricity costs, we offer the Puls meter, available for all brands. This unit can be connected to the smart meter in the house and give real-time data of their electricity usage straight into the app's of Fjordkraft, TrøndelagKraft and Gudbrandsdal Energi. A survey of Puls users revealed that more than 75 % feel they have better control over their consumption, and they have a high satisfaction score.

Private household customers' savings on moving consumption to the cheapest hours have been reduced because of the hour-based price compensation, and the main savings come from staying on the right grid tariff. Elmera Group is developing services that control the power usage of household devices such as EV chargers, water heaters and other devices used for heating, automatically distributing the electricity consumption to adjust for electricity price and grid tariff, to ensure cost-efficiency. Adjusting for grid tariff requires real-time data, and thus, a Puls meter. The services will still be available without a Puls meter but will then only adjust for electricity price. SmartVVB, smart heating and smart charging that accounts for grid tariff will be launched in 2024.

Our Marketplace was launched in early 2021 and is based on a platform business model. It is currently available through Fjordkraft and TrøndelagKraft and scheduled to be launched for Gudbrandsdal Energi in 2024. We are offering quality goods from 3rd part vendors and have created an attractive distribution channel for our partners and at the same time we keep our position as an intangible service provider, letting the customers control their hardware through the apps. The demand for household appliances and gadgets that can be connected and controlled has increased along with the adoption of IoT in consumers' homes.

The Marketplace will play a strategically significant role going forward in helping customers reduce and optimise their electricity consumption. We will be selling products that can be controlled through the apps and have many exciting new partners set to be launched in 2024. Additionally, the marketplace will be selling electricity and mobile subscriptions, as these can be purchased directly on the platform when acquiring a physical product. This introduces a new approach to selling our products and services.

Fjordkraft

Fjordkraft has a leading market position as a recognized brand. This is proven by various consumer surveys and the fact that we were the most chosen electricity retailer in 2023. In the consumer segment, Fjordkraft is the largest and most well-known electricity retail brand in Norway. We offer an attractive range of products and value-added services that match varied consumer preferences combined with an industry-leading loyalty program.

Being a market leader in the industry, we know that excellent customer service is a competitive advantage. We are proud to be voted Norway's best in the Customer Service Award "Best in Test" in the Energy category for 2023. Additionally, we won Service Company of the year in Bergen, across all industries. The score was impressive 95 out of 100 achievable points.

In 2023 Customer service carried out a successful reorganization and reduced customer service operations from five to two locations. We have hired new customer advisors and team leaders in Sandefjord and Bergen, and the management group in Customer service has been reduced from eight to four people. We left 2023 with 26 % FTEs fewer than at the start of the year, resulting in a significant cost reduction. However, we still managed to strengthen deliveries and increase customer satisfaction, supported by reduced complexity and improved digital communication.

In addition to the traditional spot contracts, we offer spot with trading, allowing consumers to capitalise on the Group's power trading competence. Furthermore, we have an attractive product range tailored for customers affiliated with one of our collaborative organisations.

Furthermore, in 2023 we have systematically focused on enhancing customer satisfaction. This effort has been organized, with a quarterly implementation of a customer satisfaction day, involving participation and commitment from all business units to execute measures for the benefit of customers. The Customer Satisfaction Index has shown an increase over the past year, and our score has not been this high since 2021.

The Fjordkraft cash point program, launched in 2022, has been a success with customers saving up more than 7 million kroner in cash points during 2023. The points can within a time limit of 15 months be used to pay their electricity bill or get a discount on products at Fjordkraft's online Marketplace.

In 2023, we discontinued collaborations that customers did not find relevant in the Fjordkraft benefit program. Instead, we have focused on onboarding new partners who are digital, environmentally friendly, and offer nationwide advantages in Norway. Furthermore, we have placed a greater focus on cash points and our own Fjordkraft Marketplace. We will continue to work towards creating the most appealing customer loyalty program within the industry in 2024.

In 2023 we have ensured that the products offered through the Marketplace will be products that complement and strengthen our core value proposition. We have been focusing on the sales of Fjordkraft Pulse, mobile phones, EV chargers and heat pumps. During 2023 we also launched a campaign in collaboration with the Bergen Municipality, allowing customers to receive support for purchasing heat pumps. Our sales representatives and customer service team can now directly offer Fjordkraft Pulse from the marketplace through their systems, making the customer journey even better. This is an initiative we plan to further develop in 2024 to fully leverage our distribution capabilities.

During 2023 we have launched a wide range of new app services that have significantly increased customer engagement and satisfaction. We enhanced the customer journey for Fjordkraft Pulse, leading to a substantial increase in overall customer satisfaction. Furthermore, we introduced 24-hour monitoring of energy usage, both for customers with and without Fjordkraft Pulse, accompanied by relevant notifications to encourage the consumer to take measures regarding their electricity consumption and grid rent. It is noteworthy that customers who have activated notifications express higher satisfaction compared to those who have not. Additionally, we pioneered the introduction of spot price forecasts, allowing customers to anticipate their spot prices for the next 7 days. The continuous focus on improvements has led to new all-time high scores for the Fjordkraft app in Google Play and App Store.

More services will follow, which all help customers to a more friction-free daily life. With the Fjordkraft app, we put ourselves in a great position to develop and launch more attractive products and services as customer demands evolve.

Gudbrandsdal Energi

Gudbrandsdal Energi is the most awarded electricity retailer in Norway, having won the EPSI rating five times and the Norwegian customer barometer eleven times, including in 2023, based on customer satisfaction. Our customer service was also deemed the best in the industry in 2023 by Norway Customer Service Index.

In addition to offering competitive products and prices, we believe that one of our most important tasks is to help customers save electricity and reduce their costs.

GE has helped Wattlet AS introduce SmartVVB to the market, a device controlling old water heaters. The product will be tightly integrated into the power control system.

By leading the way in the development of digital solutions and new smart services, GE shall be in front of understanding and offering the customer relevant and attractive products and services, related to the core product electricity. Through insight and innovative technological solutions, we assist the customer in using an increasingly complex electricity product in a smarter and more cost-efficient way.

Business segment

The business segment consists of the B2B part of our Norwegian brands Fjordkraft, TrøndelagKraft and Gudbrandsdal Energi.We have a strong position in the business segment and a leading brand position through Fjordkraft, which is the best known electricity retailer brand in Norway with 89 % awareness in the B2B segment and the highest top-of-mind score in the industry.

Approximately 20 Norwegian players are working on a national scale. Fjordkraft, along with two other competitors, are the only ones operating in the entire Business segment, which includes SOHO (small office/home office), SMEs, Large Customers and Public Entities. This is a strength for us, and it contributes to our awareness and our position as a professional player.

Our biggest competitive advantage is our distribution power and our national presence. Our presence does reflect a segmented and a national commitment. Including Gudbrandsdal energi and our activities in the Nordic segment through Nordic Green Energy in Sweden and Finland, we are well positioned to increase our B2B market position in the Nordics.

The business segment is characterised by higher complexity and greater volums, compared to the consumer segment, and thus, have a higher margin per kWh. Therefore, we have a higher net revenue per delivery compared to the Consumer segment. Our Portfolio is highly diversified. We recognize that different customers need different solutions, and we are targeting specific segments of the market with a wide range of products designed to meet their needs.

Our main product is Spot including Risk Management. Many business customers have a great need for predictable power costs, therefore they choose electricity plans that include risk management. We experience a higher loyalty and satisfaction from the customers that have electricity plans that includes risk management in combination with other value adding services. We have a very low risk associated with risk management products, because the customers fully own their positions.

Value adding services are becoming more important to differentiate us from our competitors and to attract new customers. Through our online customer portal - Min Bedrift, we offer reports on consumption, comparison of consumption with temperature, cost reports, price forecasts and risk management reports.

We offer local “energy as a service” - solutions in the form of solar panels, giving our customers the possibility to implement sustainable energy solutions without the need of a major capital investment. In our portfolio of “climate smart”-products, we also offer systems for energy optimalization in buildings, charging for electrical cars and solar panels for sale. In late 2022, we launched a new beta-project, using second-life batteries from electrical cars as local storage units for energy.

We will continue to expand this portfolio with new products that help our customers reduce their energy costs and emissions.

We have transitioned from an electricity supplier to an energy partner with value adding services that reduce our customers emissions. This attracts an even larger share of business customers. As a pan-Nordic retailer, we experience new opportunities for further growth within both our core offering and climate smart services. Elmera Group is well organized and positioned for further growth in the business segment!

Nordic segment

Through the acquisition of Switch Nordic Green AB in 2020, Elmera Group entered the Swedish and Finnish markets through the Nordic Green Energy brand. The Nordic segment comprises both B2C and B2B activities for this brand. We are a challenger in these markets with growth ambitions in both Sweden and Finland. Due to the energy crisis, both markets changed fundamentally. Nordic Green Energy stopped selling fixed price products early 2022. Instead, spot-based products are offered and the fixed price volume has decreased from approximately 80 per cent to approximately 20 per cent of the total. The risk in the portfolio has been reduced fundamentally.

Nordic Green Energy launched the Elmera Group app and several digital services in Finland in March 2023, with great success. Customers are pleased and a lot of positive media has followed. As a consequence, Nordic Green Energy received third place in the Finnish EPSI rating for 2023. In Sweden, we are about to relaunch in the consumer segment with the same services as in Finland and Norway.

In 2024 we will prepare for migration of Nordic Green Energy onto the Elmera Group technological platform scheduled for Q1 2025. This will also enable further development of our cross-border B2B activity in the Nordic. 2023 has been a year concluding the turnaround of the Swedish-Finnish portfolio with corresponding risk reduction as well as re-establishing profitability in the segment. We will focus on continuing the positive trend in 2024.

New Growth Initiatives segment (NGI)

The NGI segment includes our mobile service offering, the Alliance concept, AllRate AS, Steddi Payment AS and the Marketplace. With a strong brand, award-winning customer service and by offering used mobile phones through Fjordkraft Marketplace, Fjordkraft Mobil will challenge the Norwegian mobile phone market.

Fjordkraft Mobil has competitive prices for all customers. Those who also have their electricity delivery through Fjordkraft will get added value. Customer surveys show that customers with both products, mobile subscription and electricity delivery, are more satisfied than customers with only one product.

In January 2023 Fjordkraft Mobil was separated from Fjordkraft as a legal entity and Telia entered into an ownership share of 39 percent. Customers were migrated from Telenor to Telia’s network in spring 2023, resulting in better terms which will benefit both Fjordkraft Mobil and the customers. Additionally, customers from Gudbrandsdal Energi Mobil have been migrated to Fjordkraft Mobil. By the end of the year, Fjordkraft Mobil had approximately 115 thousand subscriptions.

Our Extended Alliance concept offers operating services within data exchange, account settlement, invoicing and payment collection for alliance partners, capitalising on economies of scale in our IT platform. The platform has been developed to digitalise and simplify the Group’s account settlement, invoicing, and payment collection processes. Additionally, members of the Extended Alliance who are using AllRate’s settlement services are offered the opportunity to use the Elmera app with their branding. Currently, 14 members of the Extended Alliance offer the Elmera app to its end-users.

AllRate is expanding its technology platform by developing services for distribution network operators (DNOs). Currently, the platform delivers settlement services for electricity, broadband, and district heating. The service is being developed in cooperation with two DNOs who have functioned as pilot customers. Furthermore, AllRate has signed agreements with other suppliers necessary to complete the service offering to DNOs. The pilot has been ongoing throughout 2023. The first delivery of services is expected to start in the second quarter of 2024, to one of the pilot customers. If this goes according to plan, AllRate will be fully focused on expanding its presence in the SME segment for DNOs.

Steddi Payments offers predictable payment plans for households. With a normal payment plan, electricity bills vary from month to month. For customers with a predictable payment plan their future electricity costs are calculated and distributed over the next year, helping them budget their electricity costs. Customers with a predictable payment plan will always know how much their electricity bill will be the next month. Increased predictability goes hand in hand with reduced uncertainty and fewer negative surprises, which has led to higher customer satisfaction during a period with volatile electricity prices.

How do we find new sources of growth?

Customer pains are often a good starting point when looking for new opportunities. Solving customer pains is at the centre of our innovation agenda. We want to build an attractive ecosystem of products and services that are solving customer problems that together are adding more value to our customers, and thereby increasing customer loyalty.

Elmera Group have experienced that solar production, smart building, and EV charging are vital interest areas for electricity customers in the Nordics. Consequently, it is essential for modern electricity retailers to deliver good value propositions in these areas. Elmera Group have developed several new services within these areas over the years, ensuring that our electricity retailers are well-positioned closest to the customer. With an in-house digital ecosystem that continuously works to improve existing services, as well as develop new ones, we will keep delivering customer value.

Identifying opportunities that are commercially viable and can be developed into value-adding products and services is key when it comes to finding new sources of growth. In a world where digitalisation is accelerating and customer needs are changing fast, we have chosen an open innovation approach as we acknowledge that there are many bright opportunities outside the Group. This means that the Group doesn't just rely on our internal knowledge, expertise and resources for innovation, we also actively look for potential collaboration partners outside the group that can help us identify and develop new growth areas. By choosing partners who are experts in their field and offering them market access through our digital ecosystem and Marketplace, we can deliver on customer needs faster and more efficiently.

When it comes to investing, we are willing and able to invest in promising ideas and start-ups that fit into our ecosystem and strengthen our customer offerings. We are taking a more proactive role in the green transition and are investing in the extended value chain. As an active industrial owner, we will add competence, distribution power, and increased revenue to the companies we choose to invest in. We have made successful spinoffs from within the Group in the past few years through Metzum AS, AllRate AS, Steddi Payments AS and SunPool AS.

Metzum AS is a software development company where Elmera Group controls a minority stake of 40 per cent. Metzum have developed a cloud-based software solutions called Moment which aims to efficiently handle rating and billing processes with major transaction volumes through automation. The company provides solutions to both electricity retailers and DNOs. Major actors not associated with Elmera Group have chosen Metzum as their service provider on rating and billing, and the company have Nordic growth ambitions going forward.

Elmera Group established SunPool AS in 2023, together with Solcellespesialisten AS. By capitalizing on Elmera Group's distribution power and positioning closest to the end-user, and Solcellespesialisten's experience and expertise from the solar power industry, SunPool will accelerate solar power generation in Norway, contributing towards the governments ambition of 8 TWh of new solar power by 2030.

ESG

Elmera Group is a multinational group consisting of several electricity retailers in the Nordic countries of Norway, Sweden, and Finland. To manage all parts of our organisation well, we are continuously developing our governance model and IT-infrastructure design. This will secure us leveraging synergies and further achieve economies of scale across our group, while ensuring that our companies continue to understand the uniqueness of their local markets. Thus, we will have a scalable foundation for increased profit and growth across the Nordics in the years to come.

In terms of ESG, our strategy process is designed to make sure the Group is compliant with relevant standards and reporting requirements. All relevant standards are identified and analysed, and the implications of these provides important guidance for the upcoming strategy period. Since 2020, the company has reported on sustainability indicators in accordance with the GRI standards. Since the financial year 2021, GRI reporting has been reviewed by the auditing firm Deloitte in accordance with the requirements for auditor-approved reporting.

With the introduction of the Corporate Sustainability Reporting Directive (CSRD) from the EU, the reporting requirements will change. The European Sustainable Reporting Standards (ESRS), the standards which companies subject to CSRD must report on, have been formally adopted by the European Commission. As of now, Elmera Group will be subject to CSRD from the financial year 2025. We will use the next year to gain insights into the requirements that ESRS brings and start the transition to become compliant with CSRD.

To learn more about our ESG work and reporting, please view the ESG section in this report.

Part 4

4.1 Board of Directors' Report

Elmera Group ASA and Group

The Group achieved an operating profit (EBIT adjusted) of NOK 513 million in 2023. The equivalent figure for 2022 was NOK 460 million. While 2022 resulted in a decline in volume, lower prices and colder weather contributed to higher volumes in 2023. The segments gave strong performance throughout the year and the Group's cost savings programme reached the intended results.

Summary of the figures for 2023

The Group's total revenues in 2023 amounted to NOK 18,921 million, compared to
NOK 25,522 million in 2022. EBIT adjusted was NOK 513 million, up from NOK 460 million in 2022. The reduction in elspot prices was the main reason for lower total revenues and direct cost of sales in 2023. In total, the Group had 1,003 thousand electricity deliveries at year-end 2023. This is a decrease of 38 thousand electricity deliveries from 2022. The Group's total volume sold amounted to 17.9 TWh, up from 17.5 TWh in 2023.

The financial statements for 2023 have been prepared in accordance with the IFRS accounting standards.

The Group's overall operations

Elmera Group ASA provides consumers, businesses and the wholesale market with electricity, mobile telephony, billing and rating services and electricity related technology solutions. Customers are end users of electricity in the private and business markets, the wholesale market and energy companies in Norway, Sweden and Finland.

The head office of Elmera Group ASA is located in Bergen, Norway.

The Group comprises four electricity retailers, three of which operate in Norway: Fjordkraft AS, TrøndelagKraft AS and Gudbrandsdal Energi AS.

In Finland and Sweden, the Group owns the electricity retailer Switch Nordic Green AB, branded Nordic Green Energy.

The subsidiary Elmera Industrial Ownership AS (EIA) owns AllRate AS, Steddi Payments AS, Gudbrandsdal Energi AS, Energismart Norway AS and Elmera Nordic AS which is the mother company of Switch Nordic Green AB. EIA also owns 40 per cent of the software company Metzum AS. SunPool AS was established in 2023 and the group holds 50 per cent ownership.

The subsidiary Fjordkraft AS is Norway's largest electricity retailer and owns TrøndelagKraft AS.

Fjordkraft AS also owns 61 per cent of Fjordkraft Mobil AS, while the remaining share is owned by Telia Norge AS.

In 2023, Elmera Group's financial reporting was divided into the following segments:

- Consumer, Norway – sale of electricity and related services
- Business, Norway – sale of electricity and related services
- Nordic region – sale of electricity and related services in Finland and Sweden.
- New Growth Initiatives – purchase and sale of electricity for other energy companies – Kraftalliansen, mobile telephony, sale of solar panels, billing and rating services through AllRate AS, and other products in Norway.

Wholesale market and fundamental conditions

Since 2019, Elhub has been a national neutral data hub in Norway that handles all metering data and market processes in the Norwegian power market. Denmark has implemented Datahub. In Finland, Datahub was introduced in 2022. In Sweden, the work on a Datahub has been postponed indefinitely.

While total electricity consumption in Norway fell from 2021 to 2022, it increased again in 2023. Consumption was 136.1 TWh in 2023, compared to 134 TWh in 2022. Norwegian power consumption is expected to increase sharply in coming years, in order to meet climate targets. Power generation in Norway was at a high level in 2023, with production of 154 TWh, compared to 146 TWh in 2022.

Significant variation in area prices and hourly rates

The average price on the Nordic power exchange was 64.2 øre/kWh for 2023, compared to 137.3 øre/kWh for 2022 and 63.4 øre/hWh for 2021. The system price is a theoretically calculated average price for the Nordic and Baltic countries. Norway and Sweden are divided into respectively five and four different price areas for power flows. The area prices may deviate significantly from the system price, depending on transmission capacity, and production and consumption within the price range. Finland is one price range. The most expensive months in Norway (NO1) were January and November, in Sweden January and February (SE4), and in Finland the first and last months of the year.

Also in 2023, there were intermittent large area- and hourly price-differences in the Nordic power market. The highest hourly rate in Norway occurred on 5 December and amounted to 387.4 øre/kWh for the NO1, NO3 and NO4 price ranges. In November, Finland experienced enormous price differences on a few days, with large intraday variations in the spot price for electricity in connection with a brief reduction of nuclear power production. On 21 November, converted to Norwegian kroner the cheapest hour cost 106.9 øre/kWh and later that day the price was 912 øre/kWh.

The business areas

The Consumer, Business and Nordic segments in the Elmera Group sold a total volume of 17.9 (17.5) TWh of electricity in 2023. In addition, a volume of 6.5 TWh, reported in the New Growth segment, comes from power procurement and the management of production and yield of power due to concession on behalf of the companies in the Alliance segment.

Consumer segment

The Consumer business area is a separate profit unit, which comprises the private customers in Fjordkraft AS, TrøndelagKraft AS and Gudbrandsdal Energi AS. For many years, power agreements and power consumption were a low-interest product for most consumers. This has changed since the start of 2022, due to higher electricity prices, as well as heightened national and international awareness of energy supply and prices.

Norwegian households' total consumption increased from 35 TWh in 2022 to 38 TWh in 2023, an increase of 7.3 per cent according to Elhub. In 2022, households reduced their consumption, since high prices gave an incentive to save energy. Despite the increased consumption in 2023, the level was lower than in 2021.The figures are before temperature adjustment and do not take account of the increasing number of electric cars and their home charging.

Electricity price affects reputation and satisfaction

The electricity industry's reputation score strengthened throughout 2023 both due to lower electricity prices and increased transparency.

The Norwegian Customer Barometer is published annually in May and measures customer satisfaction with their own supplier among Norwegian electricity customers. In total, eight regional and national suppliers are measured. For customers to be characterised as satisfied, the total score must exceed 70. For the 11th time, Gudbrandsdal Energi came out as an industry winner in this survey, with 74.8 points for satisfaction. Fjordkraft improved its score by 5, achieving 65.2 and a shared 7th place.

The annual survey published by EPSI Norway in November 2023 also measures Norwegian electricity customers' satisfaction with their own supplier. The survey includes regional and national electricity retailers and shows an industry average of 67.1 points, up by 1.9 points from the previous survey. The supplier with the highest score achieved 72.7 points. Gudbrandsdal Energi was in 5th place with 69.7 points. Two of the players with the highest score are regional, with the majority of their customers in the price areas that in 2023 had unusually low electricity prices. Fjordkraft gained 65.3 points, a decrease of 0.5 point from the previous survey, and is thereby number 8 on the list of 10 electricity retailers in total. The largest of the other national retailers are placed as number 9 and 10, respectively.

The electricity retailers in the Group are continuously working on various measures to improve the customer experience and our reputation. In 2023, a number of measures were taken to simplify customer communication, reduce the number of power agreements and clarify the terms and conditions. Customer surveys show that the satisfaction of our own customers, based on their own experience, increased during the year, with satisfaction at a favourable level. In terms of general reputation among the population, there is still a long way to go to improve this.

Customer service awards

In April, customer service in Fjordkraft and Gudbrandsdal Energi won awards in the Best Customer Service and Best Customer Experience categories, respectively. Thirteen electricity retailers were included in the assessment. The company SeeYou nominates winners in different industries, based on "mystery calls".

In October, Fjordkraft's customer service centre was named the best service company, in competition with 38 companies operating call centres in Bergen

The Trygg Strømhandel certification scheme

IIn 2021, the industry associations Renewable Norway (formerly known as Energi Norge) and Distriktsenergi introduced a voluntary certification scheme for electricity retailers. The certification scheme is called Trygg Strømhandel. The scheme sets a number of requirements concerning the sale of electricity, and for information and transparency in products and customer communication. The scheme includes auditing and deviation reporting processes, to stimulate continuous improvement.

The Group's electricity companies operating in Norway carried out the recertification process in the summer of 2023 under the auspices of the DNV certification company. The Group has in 2023 appointed a compliance officer with ongoing responsibility for monitoring internal follow-up of the certification requirements.

Change in product portfolio

In the beginning of 2023, the Group's Norwegian electricity retailers decided to discontinue the sale of "variable" electricity agreements. Regulations introduced in 2022 requiring 30 days' advance notice of price changes significantly increased the retailer's acceptance risk, since the customer could switch electricity retailer within a significantly shorter timescale. For customers, it has become an advantage to have an electricity agreement that follows the spot price, because the government's electricity subsidy is pegged to the spot price. Consequently, the share of customers with variable contracts has decreased to below 7 per cent of the portfolio at year-end.

IT project

The Group is committed to enhancing economies of scale from the IT infrastructure, operation of invoicing and payment collection, and the system platform. In 2024, a project will run to migrate Gudbrandsdal Energi to the

Elmera Group's IT platform. We also prepare for migrating the customers in Nordic Green Energy early in 2025.

Right of cancellation
Private customers have a regulatory right of cancellation when entering into electricity agreements. In 2023, the Norwegian Consumer Authority inspected the electricity retailers to check that the right of cancellation is correctly communicated to customers, and that customers have received the right of cancellation forms in a durable format. The Group's electricity retailers have reviewed their procedures for this and complied with the Consumer Authority's requirements for issue and verification to affected customers.

App important for customers
In total the app developed had 777,000 (unique users) at the end of 2023. Of these 702,000 are the Group's electricity customers and family members (unique users) in the Norwegian consumer market. The app is used for checking electricity prices throughout the day/night, and smart charge electric cars in the cheapest hours of the day/night, as well as other services. The app raises customers' awareness of their own electricity consumption and provides the knowledge customers need to be able to adjust their consumption. With media attention on electricity prices, the number of app users is increasing.

The Group's Norwegian electricity customers can monitor prices, electricity price forecasts, and charge automatically when the electricity price is at its lowest. They can also check their own electricity consumption, monitor production from solar panels on their own roof, control their heat pump, use their customer benefits, check outdoor temperatures, keep track of invoices, receive power saving tips, check their climate footprint and order additional services. For Fjordkraft customers, the same app provides an overview of their own mobile phone use, and enables them to order additional services. In 2023, several new app services were launched to provide an overview of the grid tariff costs, and to avoid increased costs associated with payment for the power element in the grid tariff.

By choosing additional services to the electricity agreement, customers can offset any large variation in their monthly invoice amounts due to the normally significantly higher electricity consumption and prices in the winter season. The service is provided by Steddi Payments AS to Fjordkraft AS and TrøndelagKraft AS.

Business segment

The Group's Business area is the leading player in the Norwegian B2B market. The Business area is a separate profit unit in the Group containing financial results from activities in the Norwegian brands. The area also holds operational responsibility for B2B sales in the NGE brand operating in Sweden and Finland, financial reported under the Nordic segment.

Like the consumer market, the business market for power agreements and portfolio management of electricity is fragmented, with many providers. The Group's business customers range in size from large companies and energy-intensive enterprises to small and medium-sized local production and service companies. The Group's electricity retailers have a wide distribution network due to a presence and sales offices in Bergen, Hamar, Oslo, Sandefjord, Trondheim, Vinstra, Stockholm and Vasa.

Climate-smart services and energy monitoring systems for the business sector account for a steadily more important part of the offering and expertise when electricity contracts with major electricity consumers are established.

Financial instruments and fixed price agreements
A high proportion, 78 per cent, of the Group's business customers have electricity management agreements that reduce the exposure to price fluctuations by ensuring that some elements of the business' consumption volume are financially hedged via the Group's products. The financial power exchange, Nasdaq, provides electricity retailers and customers with the instruments to be able to offer this.

In 2023, the Norwegian government changed the tax calculation model for power production to provide an incentive for large power producers to offer fixed-price agreements to business customers. The agreements were launched in the market in December 2022, are offered via electricity retailers and have a duration of 3, 5 or 7 years. Fjordkraft has intermediated the long-term agreements from Statkraft.

The producers offer fixed-price agreements on market terms. So far, there has been relatively little interest in these agreements. Customers are sceptical about entering a long-term commitment while prices are running high, and a lot of businesses already have electricity agreements with financial price hedging to dampen fluctuations in electricity prices. As future prices have fallen, interest has increased somewhat.

Nordic segment

Switch Nordic Green AB (Nordic Green Energy)
Switch Nordic Green AB sells renewable energy and electricity contracts with guarantees of origin (GoOs) under the Nordic Green Energy (NGE) brand name. In Sweden, the customer group is business customers, while in Finland it is both private and business customers.

In March, the launch of the app for electricity customers in Finland's private market received a lot of attention among customers and from the media. The aim is to attract new customers from the customer segment who run electric vehicles. The app was developed on the basis of the platform and interface for the Fjordkraft app. Customers using the app experience good value for their money as electricity customers, according to a customer survey conducted by EPSI in the autumn of 2023.

In this year's survey, Nordic Green Energy climbed to 3rd place among 18 suppliers and increased its score from the previous year by 6.3 points to 74.2 for customer loyalty. The app is assessed to be a major reason for the improvement.

Fixed-price agreements without committed volume restrictions have traditionally been the most common electricity agreement for business customers in Sweden and Finland. This entails a high-volume risk for the electricity retailer. Nor does it give any incentive for efficient energy utilisation and energy savings by the customer. Since the first quarter of 2022, the company has taken measures to reduce the volume of this type of agreement and has increased the ratio of electricity agreements that are pegged to the spot price. This has also become a more general trend in the Swedish and Finnish markets.

Just as for Gudbrandsdal Energi, a Group project is underway to move NGE onto the Elmera Group's IT platform. The project includes PCs and infrastructure, operating environment and system platform, and will prepare for migration of customers early in 2025.

New growth initiatives segment

This segment consists of new strategic initiatives and other business areas.

Kraftalliansen (the Power Alliance): Services for other electricity companies

One of the Group's business areas is the operation of an alliance concept comprising several small and medium-sized Norwegian electricity companies that purchase various market, advisory and power trading services from Elmera Group and related companies. The concept also includes the purchase of production from smaller power producers, and the purchase of licensed power, as well as grid losses and the power grid companies' supply obligation. The consept operates under the brand name of «Kraftalliansen" and the companies included represents approximately 200,000 customers. The potential for future growth in service sales is assessed to be good, both within and outside Norway. In total, by the end of 2023, the app for electricity customers in the private market is designed for 14 companies that are not part of Elmera Group.

AllRate AS

AllRate AS offers billing and rating service to electricity, broadband and district heating providers. During 2023 the company has also run a pilot towards grid companies offering designated billing and rating services.

The billing and rating services handles every process, including metering, settlement, billing, payment collection and message exchange with Elhub. The platform is scalable, with the capacity to handle higher transaction volumes resulting from acquisitions, to support the company's consolidation ambitions.

Steddi Payments AS

In 2022, the company changed its name from Betalservice AS. Steddi Payments provides services related to payments from private consumers to the Group's electricity retailers. In a rapidly changing electricity market with increased price volatility, customers request predictability with respect to their monthly payments. Steddi Payment's primary service is to provide customers with even billing of electricity over time. Such service deliveries entail a need for different approaches and systems to those used by electricity retailers. The aim is also to provide services to companies outside Elmera Group.

Fjordkraft Mobil AS

Fjordkraft AS and Telia Norge AS joined forces in 2023 to create Fjordkraft Mobil AS. Fjordkraft AS owns 61 per cent and Telia Norge 39 per cent of the company. Fjordkraft AS started its mobile activities to private consumers in 2017 as part of the electricity sales company's operations. Fjordkraft AS continues to provide services and customer services to Fjordkraft Mobil AS.

Fjordkraft Mobil AS is the largest mobile telephony provider without its own telecommunications network. During the year, customers were migrated from Telenor's to Telia's mobile network. The aim was to strengthen the competitiveness of the largest independent mobile operator in Norway, and to facilitate more attractive offers and services to customers.

Joint ownership with Telia Norge of Fjordkraft Mobil AS ensured the favourable development of mobile activities in 2023, and from the third quarter this represented a marked improvement in the results from the mobile operation. Services to customers and profitability are developing as intended for this cooperation.

PPA for solar business

Through their partners, the Group's electricity retailers can facilitate more rapid establishment of solar panel systems and new heat pump technology in the business market, by offering Power Purchase Agreements (PPA).

Under a PPA between an electricity retailer and owners of commercial properties, the electricity retailer purchases energy from the property company that is generated from solar panels on the roof, or from heat pumps, at an agreed, guaranteed price for a given period of time. This provides a predictable income for the power producer or building owner. In this business model, the customer undertakes to purchase energy from the energy source, and Fjordkraft or Gudbrandsdal Energi, with associated partners, arrange installation, financing and operation. Fjordkraft also offers solar panel installation and a virtual battery solution, the solar account, to private customers.

Organisation

Employees

As a consequence of the Group's cost reduction programme, Fjordkraft AS discontinued three of the customer centres for private customers and consolidated customer centre operations at the head office in Bergen and at the office in Sandefjord. Employees were offered jobs at the continuing customer centres and were also offered severance packages.

In addition to the measures involving customers service, other parts of the Groups organisation was affected by downsizing.

The total number of employees that left the Group was 50 full time employees.

The Board experienced very good and constructive dialogue with the staff representatives during this process. The process was concluded during 2nd quarter.

In the business market, the customer service operating model was converted to a pooling of 1st and 2nd line requests, and an external partner was commissioned to handle the 1st line requests. To achieve full impact in the operating model, AI-powered automation is used. The results so far are very positive in terms of efficiency and customer satisfaction.

As a consequence of the change in the rules for hiring of manpower in Norway, the number of contract employees for customer service and telemarketing in Fjordkraft was reduced and positions were converted to permanent positions.

In overall terms, Elmera Group's wholly-owned companies, including operations in Sweden and Finland, had a total of 459 permanent employees at the end of 2023, equivalent to 433.9 FTEs. In Norway, there were 385 permanent employees in total at the end of 2023, equivalent to 369.3 FTEs. At the end of 2023, the parent company Elmera Group ASA had a total of 95 employees and 93.4 FTEs.

Part-time work is described in the 2023 Equality and Diversity Report.

At the end of 2023, the Group had a total of 16.6 FTEs covered by staff contracted from manpower agencies. Hiring from a manpower agency took place mainly to cover a temporary need and to provide extra capacity during sick leave in customer service and telemarketing.

In Norway, the Group is covered by the collective agreements for the Electricity and IT Union, the Norwegian Union of Municipal and General Employees (NUMGE) and NITO. Switch Nordic Green AB in Sweden and Finland is not covered by collective agreements.

The figures for sick leave are not comparable to the previous year as a major organisational change was implemented in August 2022. The total absence due to illness for the Group's companies was 7.6 per cent in 2023. This exceeded the goal of an absence rate below 4.9 per cent. Absence due to illness in Elmera Group ASA was 5.1 per cent in 2023. Absence due to illness in Fjordkraft amounted to 10 per cent and in Gudbrandsdal Energi to 1.9 per cent.

The general rate of absence due to illness in society has increased after the pandemic. Prevention and follow-up of absence due to illness was an important task in 2023. The reason for the absence is complex and measures will also be worked on in 2024 in relation to prevention.

In 2023, two employee surveys were conducted in the Group to investigate how employees experienced their work situation and the extent to which they identified with the Group's and the companies' goals and values. Satisfaction among our employees is high and the employees generally have a strong commitment to their workplace. In the parts of the Group that have been through a downsizing and cost reduction process, measures have been implemented to strengthen identification with the workplace and employer branding.

Equal opportunities

The purpose of the Norwegian Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights, and prevent discrimination. In Elmera Group, men and women enjoy equal rights, opportunities and pay conditions for the same type of position. The company and the Group work actively to promote the aims of the Act. The activities encompass recruitment, pay and working conditions, promotion, development opportunities and protection against discrimination or harassment.

A full statement on gender equality is part of the 2023 Equality and Diversity Report.

The ratio for shareholder-elected Board members in Elmera Group is 60 per cent women and 40 per cent men. Including employee-elected members, the proportion of women on the Board totals 50 per cent. Furthermore, the Group's objective is for the ratio of female/male managers to be equivalent to the ratio for the general distribution of women and men among the employees. Elmera's Group management team had a total of ten members at the end of the year, and the distribution between women and men is 40 and 60 per cent, respectively. The distribution between women and men employed by the company is 45 per cent and 55 per cent. For management positions with personnel responsibility in Elmera Group ASA at senior management level, and for those reporting to Group management, the distribution is that 36 per cent of these positions are held by women.

Ownership and legal form

The Board of Directors has eight members, of whom five are elected by the shareholders, and three are elected by the employees. As from the annual general meeting on 21 April 2021, Steinar Sønsteby has been Chairman of the Board of Directors.

The composition of the Board is in line with the recommendations of the Norwegian Corporate Governance Board (NUES).

A full statement on Corporate Governance and the work of the Board of Directors is part of this Annual Report.

The Board held a total of 12 meetings during the year. In addition, two Board meetings were held as the circulation and signing of documents via email. No Board committees involving only a selection of Board members were used during the year over and above what is required by law in the form of an audit committee and a remuneration committee. In March 2023, the Board conducted an evaluation of its work.

Elmera Group ASA has taken out Board liability insurance. Coverage applies to members of the Board of Directors, the general manager and other employees with independent management responsibility. The Board liability insurance also concerns the subsidiaries. The insurance thus covers the insured's liability for damage to assets due to claims against the insured during the insurance period.

For 2023, an executive remuneration report was prepared for submission to the annual general meeting. The report is available on the company's website prior to the annual general meeting: elmeragroup.no

Strategy

Throughout the year, the Board has been regularly engaged in the revision of the Group's strategy plan for the 2024-2026 strategy period. The strategy work was adapted to the increase in the number of companies in the Group and to ensuring synergies in the Group.

The strategy provides the basis for the Group's collective ambitions, decisions and activities for owners, the Board, managers and employees in the company. All ordinary Board meetings include strategy assessments and discussions.

The strategy plan of the Elmera Group plays an important role in the managers' and employees' planning and everyday work. Managers at several levels help to shape the strategy for their areas of responsibility. Every year, as part of its evaluation and audit process, the Group chooses one priority area from the strategic plan which it subjects to particular scrutiny to test the validity of the assumptions. The company has a well proven strategy process and evaluates annually how to develop and adapt the process.

Over time, the company has developed a good process for involving and building commitment to the strategy plan from the company's middle management and other employees. The company's strategy process is linked to the Group's management philosophy. Since 2004, promise-based management has been an important element of the company's culture and working methods to ensure that the strategy is converted to action in each employee's everyday work.

The Group's strategy concerns defending and maintaining the current competitive advantages and earnings, and developing new advantages and business areas. Scenario modelling is an important tool in the strategy work. The company has developed strategy accounts, which it has used for several years to measure and document its capacity for implementing strategic decisions and objectives.

For more information, see the strategy chapter in the Annual Report.

Investor Relations

Elmera Group ASA has been listed on the main list of the Oslo Stock Exchange since 21 March 2018. The share price (ticker ELMRA) increased by 89 per cent in the period from 1 January to 31 December 2023. The main index of the Oslo Stock Exchange rose by 10 per cent in the same period. The company's market capitalisation at year-end was around NOK 3.3 billion.

The company had around 8,500 shareholders at the close of the year. A list of the company's 20 largest shareholders is available at elmeragroup.no

In 2023, the company operated its investor relations activities in line with the strategy adopted for the area.

CSR/ESG

The ESG Report is included as a separate chapter of this Annual Report and concerns the initiatives on which the company has been working, as well as its GRI reporting. The GRI reporting has been reviewed by the Group's auditor, Deloitte. The report includes climate risk and greenhouse gas accounts.

Throughout the year, the Board regularly included ESG-related topics as part of its agenda. Climate risk, climate goals and sustainability were included in the Board's discussions and work in connection with the Group's strategy. Elmera Group has chosen four of the UN Sustainable Development Goals as the Group's focus areas.

The Group has low greenhouse gas emissions as a consequence of the companies' activities. Target figures for reductions have been set; see the ESG Report.

In 2024, Elmera Group will work on its ambition to play an important business role in achieving the objective set by the Norwegian government for electricity generated from solar panels to amount to 8 TWh by 2030.

The Board believes that companies such as Elmera Group ASA can contribute to the EU sustainability goals to stop climate change and curb global warming. Meanwhile, the company can make the greatest contribution to, and have the biggest impact on, reducing global warming and achieving the EU climate goals by stipulating requirements for its suppliers and, not least, by working to ensure that other companies do the same. The company can achieve annual cuts in carbon emissions though the suppliers that multiplies the figure achieved by just cutting its own emissions.

Klimanjaro and Klimahub.no

At the UN climate conference in Katowice in 2018, Fjordkraft's climate initiative "Klimanjaro" was chosen as one of the winners of UN's Momentum for Change climate action award. Fjordkraft is the first and only Norwegian company to win this award. Klimanjaro won the award in the Climate Neutral Now category Trough Klimanjaro, the company used its purchasing power and set climate neutrality as a requirement for those who wished to supply goods and services to Fjordkraft. The UN has since changed Climate Neutral Now, the initiative which Klimanjaro was based upon. Climate neutrality is no longer in the initiative's scope. Therefore, Klimanjaro was changed accordingly.

The revised climate pledge states that all regular suppliers must be climate committed. This implies that suppliers are required to deliver climate accounts, make a list of measures to reduce their emissions, and compensate their emissions with carbon offsets. Additionally, companies with approved science-based targets in line with the Science Based Targets initiative are also considered climate committed and accepted as a supplier In 2020 we launched the web portal Klimahub.no. Users can check Norwegian companies' climate footprints, produce corporate climate accounts and invite partners to do the same. We aim to formalise partners to Klimahub in 2024.

Greenhouse gas accounts

Greenhouse gas accounts for 2023 have been prepared for the Group and for the companies comprising Fjordkraft, Elmera Group ASA, TrøndelagKraft, Gudbrandsdal Energi and Switch Nordic Green AB concerning Scope 1, 2 and 3 emissions. The operations are exclusively office-based and do not include any production processes or premises. The business does not cause emissions to the air or water beyond what is consumed by the company's employees' use of the offices and travel related to their work. Electricity consumed in the company's premises has guarantees of origin (GoOs) from hydroelectric power. This is described in the ESG chapter of the Annual Report, Greenhouse Gas Accounts.

Climate risk assessment

Elmera Group undertakes climate risk assessment as part of the overall risk management and reporting in the Group The company is preparing for the introduction of the stricter formal requirements for how climate risk should be analysed and reported in accordance with the Task Force on Climate Related Financial Disclosures (TCFD).

Based on the company's deliveries and customer base, climate change is not believed to represent any critical risks or significant threats to the company's operations and customer base in the short term. In the long term, it is assessed that new guidelines from the authorities, the taxonomy and the new EU Sustainability Directive can result in regulation with a stronger impact on the company and the Group.

There is a direct link between global climate challenges and the electricity price level in the Nordic region. High electricity prices lead to changes in customers' consumption and have a direct impact on the company. Volatile electricity prices will increase demands for sustainable products and investments in the future. The climate risk in relation to the company's ability to implement its strategy is assessed to be low.

See Chapter on Climate Risk in the ESG Report and in the notes to the financial statements.

Ethics and compliance

Elmera Group's Corporate Governance Report is part of the company's Annual Report for 2023. The report is prepared to describe all elements of the Norwegian Code of Practice for Corporate Governance.

As from 1 July 2022, the Transparency Act entered into force in Norway. The Act promotes businesses' respect for fundamental human rights and decent working conditions, and ensure access to information for the general public. The Act imposes a disclosure obligation on companies in Norway and a duty to undertake due diligence assessment of suppliers. The company has published its first due diligence assessment in accordance with the Act, available on the webside: fjordkraft.no/apenhetsloven. The company is aware of the issues related to suppliers of solar panels with production in China, including the risk of child labour and human rights issues.

The company satisfies the requirements of the eight core conventions of the International Labour Organization (ILO) regarding the right to organise, prohibitions against discrimination and forced labour, prohibitions against child labour, as well as provisions for preventing corruption, and requires the company's suppliers to do the same.

The Group's ethical guidelines are discussed and addressed by the Board. The Group's ethical guidelines include a duty for employees to notify any censurable conditions, including breaches of internal guidelines, and statutory and regulatory provisions, and procedures for how such information is to be provided.

Finances

Group results

Adjusted operating profit (EBIT adjusted) amounted to NOK 513 million in 2023, an increase from NOK 460 million in 2022. In the Consumer segment, adjusted operating profit increased by NOK 14 million from 2022, driven by cost reductions through the Group's cost efficiency program and a revision of the segment's product strategy. Through these measures, the segment's financial robustness has increased, and the associated market risk has been reduced. The Business segment delivered strong results also in 2023 and maintained the position as the leading player in the Norwegian B2B market. Adjusted operating profit decreased by NOK 54 million from an all-time high 2022 due to increased IT expenses and extraordinary tailwind from high elspot prices in 2022. The Nordic segment increased adjusted operating profit by NOK 69 million from 2022. The majority of legacy fixed price contracts with price and volume risk has been phased out and this was the key driver for the increased profitability from 2022. In the New Growth Initiatives segment, the adjusted operating profit increased by NOK 24 million from 2022. The improvement was driven by the Group's mobile service provider business, where the migration to Telia's mobile network had a significant positive impact.

The operating profit in 2023 was NOK 359 million compared to NOK 273 million in 2022. Net profit for the year was NOK 197 million up from NOK 74 million in 2022.

Financial statements

The consolidated financial statements for Elmera Group include the operations of Elmera Group ASA and its subsidiaries Fjordkraft AS, TrøndelagKraft AS, Gudbrandsdal Energi AS, Fjordkraft Mobil AS, Energismart Norge AS, Elmera Industrial Ownership AS, AllRate AS, Steddi Payments AS, Elmera Nordic AS, Fjordkraft AB and Switch Nordic Green AB.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB).

The going concern assumption is the basis for the statements, and according to the Board of Directors the financial statements provide a true and fair view of the Elmera Group's assets and liabilities, financial position, and result of operations.

The Group's total revenues in 2023 amounted to NOK 18,921 million, compared to NOK 25,522 million in 2022 and direct cost of sales amounted to NOK 17,193 million in 2023 compared to NOK 23,824 million in 2022. The reduction in elspot prices was the main reason for lower total revenues and direct cost of sales in 2023. Total personnel and other operating expenses amounted to NOK 997 million, compared to NOK 996 million the previous year.

The Group's profit before tax was NOK 238 million (NOK 129 million). Tax expenses was NOK 41 million (NOK 55 million). Profit after tax for 2023 was NOK 197 million (NOK 74 million). The 2023 operating revenue of the parent company Elmera Group ASA was NOK 223 million (NOK 86 million) and operating expenses was NOK 339 million (NOK 132 million).

The 2023 operating revenue in Elmera Group ASA are revenues from providing management-, IT, and other support services to Group companies.

The parent company's profit before tax was NOK 404 million (2022: NOK 124 million). Tax expenses was NOK 28 million (2022: NOK 11 million). Profit after tax for 2023 was NOK 376 million (2022: NOK 112 million). The increase in profit is primarily due to an increase in dividends from subsidiaries, which are recognised as Income from investments in subsidiaries.

Allocation of the year's profit

As per IFRS accounting rules, the IFRS financial statements for 2023 show no provisions for dividends on 31 December 2023. The board has proposed a dividend of NOK 2.30 per share to be approved by the General Meeting.

Statement of financial position

The assets in the Elmera Group mainly consist of current assets in the form of trade receivables and derivative financial instruments, and non-current assets in the form of goodwill and intangible assets. Current assets amount to approximately 60 per cent of the Group's total assets, while non-current assets correspond to 40 per cent. Due to variations in electricity price and consumption, the value of total assets varies significantly from period to period. Total assets have decreased with NOK 6,037 million in 2023, mainly due to a reduction in trade receivables and derivative financial instruments. In 2023, equity has increased by NOK 279 million from NOK 1,240 million to NOK 1,519 million.The Group's equity ratio has increased from 9 per cent on 31 December 2022 to 18 per cent on 31 December 2023. Total current liabilities have decreased by NOK 4,950 million from 2022. This is largely related to decreased trade and other payables and derivative financial instruments. Total non-current liabilities have decreased by NOK 1,366 million. The main reasons are reductions in derivative financial instruments and onerous contract provisions.

In 2023, Elmera Group ASA's total assets have decreased with NOK 243 million, mainly due to a decrease in Receivables from group companies, which are the amounts the Group companies have drawn on the group account system. The parent company is the holder of the group account system, which is connected to the Group's Overdraft facility. Drawing under the facility decreased with NOK 534 million in 2023. Compared to 2022, Interest-bearing long-term debt has decreased with NOK 44 million, liabilities to related parties has increased with NOK 91 million, and Interest-bearing short-term debt was unchanged. Elmera Group ASA's equity has increased with NOK 142 million, and the equity ratio has increased from 46 per cent on 31 December 2022 to 54 per cent on 31 December 2023.

Key figures

In total, the Group had 1,003 thousand electricity deliveries at year-end 2023. This is a decrease of 38 thousand electricity deliveries from 2022. The number of mobile subscribers in the Group was 115 thousand. There has been a 7 per cent increase in total volume delivered to the Consumer and Business segments, from 14.6 TWh in 2022 to 15.7 TWh in 2023.

The Nordic segment delivered 2.20 TWh in 2023. ROE (Return on equity) was 14 per cent in 2023, compared to 5 per cent in 2022.

Cash flow analysis

Due to fluctuations in price and consumption, both between years and within a year, the cash flow analysis can vary significantly. Net cash from operating activities has increased from NOK -370 million in 2022 to NOK 1 018 million in 2023. The increase was mainly driven by change in trade receivables and trade payables. Net cash used in investing activities was NOK 65 million in 2023 compared to 24 million in 2022.

Corporate Finance

The governance of the Elmera Group is based on the Norwegian Code of Practice for Corporate Governance (NUES). See separate chapter in the report, Corporate Governance report, for more about the governance principles and practice.

Financial risk management

The Group classifies the following categories of financial risks:

- Climate risk
- Market risk
- Credit risk
- Liquidity risk

Climate risk

In preparing Elmera Group's annual financial statements, a comprehensive evaluation of climate-related risks was conducted to accurately reflect the Group's financial position and outlook. This evaluation considered the potential impacts of physical risks, such as extreme weather events and shifts in climate patterns, as well as transition risks associated with the global move towards a low-carbon economy.

Physical risk involves costs associated with physical damage due to climate change. Elmera Group has very few assets that could be physically damaged as a consequence of climate change. The increased frequency of extreme weather conditions could result in significant damage to grid owners' infrastructure, which could affect Elmera Group's reputation in the event of prolonged power outages. The Group's exposure to physical risk is considered to be low.

Transitional risk involves economic uncertainty related to the transition to a low-emission society, and is divided into four categories: Technology, Market, Policy and Reputation.

As we are transitioning towards a low-emission society, the mix of production sources will change, which again can affect commodity prices. This is further described under "market risk – commodity prices".

Elmera Group is operating in a renewable industry and the demand for electricity is expected to increase going forward. Increased penetration of solar panels among consumers can reduce the customers' consumption of electricity through the electricity retailers, but also represents growth opportunities for the Group, as the Group is both a distribution channel of solar panels and facilitates solutions for i.a. insight and virtual storage of production. This area is an important focus area for the Group in the years to come.

The various aspects of climate risk mentioned above have been assessed for their potential influence on the recognition, measurement, depreciation profiles and impairment considerations of the Group's assets and liabilities, and it was concluded that, as of the current reporting period, climate-related risks do not have material effects on the Group's financial statements.

The Group's ESG-report contains more information about climate risk and how these are managed.

Market risk

Market risk is the risk of losses arising from movements in market prices. The Group is primarily exposed to the market risks of changes in commodity prices, climate risk, interest rates, security prices and foreign currency exchange rates.

Market risk – commodity prices

The commodity price risks related to sales of electricity to end-users are primarily related to market prices for electricity, but also to market prices of el-certificates and guarantees of origination (GoOs).

The market price for electricity (spot price) is the hourly price from the Nordic power exchange Nord Pool Spot. Norway, Sweden, and Finland are geographically divided into different electricity price areas. The spot price is determined by Nord Pool Spot within each of these price areas by the balance between demand and supply.

Different factors have contributed to high price volatility for a sustained period. These include geopolitical conditions, such as Russia's invasion of Ukraine and the consequences of this for gas supplies in Europe, high CO_2 prices, and the transition to renewables that bring more non-regulated power into the system. Going forward, the new normal is expected to be characterised by higher price volatility than before the electricity price crisis. This leads to unpredictability related to electricity costs, perceived as challenging by many in both the private and corporate sectors. A higher ratio of renewable energy in the power system also increases price volatility. Production will vary according to weather conditions.

The price of electricity produced from coal and gas is affected by high CO_2 prices. Weather conditions also affect the demand side. Climate change therefore affects key factors such as price and volume. It also drives regulation and increased reporting requirements, as well as the demand for products such as solar panels and guarantees of origin. The Group's ESG-report contains more information about climate risk and how these are managed.

When selling electricity to end users, the Group offers a large scale of different product types with different pricing structures. The product types vary from spot-priced products, where the sales prices are connected to the spot price the Group pays when purchasing the electricity in the spot market, to variable price and fixed price contracts where the sales price is a fixed price for a fixed period.

The different product types expose the Group to different risks, including price risk, profile risk, and volume risk. Profile risk arises when using standardised electricity derivatives, where the contractual price is fixed for all hours during the contractual period, to hedge power sales in the retail market where power prices vary from hour to hour throughout the day and week.

The majority of end-user-sales in Norway are from spot-priced product types, where there is no price-, profile- or volume risk. Variable price contracts offer the customers a set price with no volume limitation. The price in the variable price products in the consumer segment can be changed with a 30 days' notice period. In the business segment the notice period is seven days. In the Consumer segment, the Group has initiated a soft phase-out of these contracts and year-end 2023 this contract type represents less than 7 per cent of the customers in the segment.

A portion of end-user sales in the Nordic segment are at fixed price contracts. The volume of fixed price power contracts has decreased during the year due to a phase-out of the product and movement to solely spot-based products for new customers. These legacy fixed price contracts were contracts without fixed volume, exposing the Group to both price-, profile-, and volume risks. The Group ended new sales of this type of fixed price contracts in the Nordic segment during the first quarter of 2022. Since then, new sales of fixed price contracts are contracts where the customer carries the price-, profile-, and volume risks. Thus, the Group's exposure to these risks was significantly decreased in 2022 and further decreased through 2023, as fixed price contracts expired.

Whenever Elmera enters into customer contracts where the electricity sales price is fixed or partially fixed, the related price risk is managed by purchasing financial electricity derivatives for hedging purposes. When hedging the price risk from fixed price contracts without fixed volume, the electricity volume expected to be delivered on the fixed price contracts is estimated. To manage the volume risk in these customer contracts the volume estimates are periodically updated, and the portfolios of hedging derivatives are rebalanced accordingly. The remaining risk exposure is taken into account when pricing these customer contracts.

The Group offers large business customers and Alliance partners to enter into financial power contracts, enabling them to utilize the market for financial trading of electricity to hedge the price risks in (parts of) their electricity purchases and/or sales. Any financial derivative sold to a business customer is hedged back-to-back by purchasing a corresponding financial derivative from a third party, thus any price or volume risk on these financial customer contracts is eliminated. The Group's financial electricity trade is mainly conducted through agreed bilateral frameworks with Statkraft as the main trade counter party.

When selling electricity to end users in Norway and Sweden, the Group is required to purchase and cancel el-certificates. Further, when selling electricity on products including guarantees of origination, the Group is required to purchase and cancel GoOs. To manage risk exposure towards fluctuations in el-certificate and GoO market prices, the Group purchases el-certificates and GoOs, either in the spot market, or by purchasing forward contracts.

Market risk – interest rates

The Group's exposure to interest rate risk arises from the Group's variable rate credit facilities. The long-term loans, the revolving credit facility, the guarantee facility and the overdraft facility, are all variable rate facilities. In addition, interest rate risk is related to short-term trade payables towards Statkraft related to purchase of electricity, and short-term receivables for customers who choose to extend their payment terms. Variable rate credit facilities, trade payables, and trade receivables expose the Group to cash flow interest rate risks. The Group has set out parameters to actively monitor this risk going forward.

Market risk – security prices

The Group is indirectly exposed to security price risk through its defined employee benefit obligations where parts of the pension plan assets are invested in securities. This risk is managed through investment in diversified portfolios managed by external insurance companies.

Market risk – foreign exchange rates

Following the acquisition of Troms Kraft Strøm AS and its subsidiaries' operations in Sweden and Finland, the Group increased its exposure to foreign exchange risk (primarily the Swedish Krone and the Euro). The acquisition was financed by a term loan denominated in NOK, and cash in hand.

The Group's operations however still have limited exposure to foreign exchange currency fluctuations, as the vast majority of local revenues, operating expenses and financial expenses are denominated in local currency. Through its agreement with Statkraft, the Group has the opportunity to conduct all of its physical and financial purchase of electricity in local currency.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, equals the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables consists of a large number of receivables on end-user customers, mainly households and business customers spread across diverse industries in Norway, Sweden and Finland. The Group uses an external credit scoring system to assess the potential customer's credit quality before accepting any new customer. The Group uses publicly available financial information and its own trading records to rate its business customers.

In addition to invoicing electricity sales and other services provided to customers, the Group provides re-invoicing to customers in Norway related to grid rent on behalf of the grid owners ("gjennomfakturering"). This contributes to an increase in credit risk as the amount of trade receivables increases with the re-invoiced grid rent. However, the Norwegian power support scheme ("strømstøtteordningen") has significantly reduced the amounts which are re-invoiced, and thus the related credit risk. The power support scheme has been revised by the Norwegian government and extended to include the year 2024. The government has recognised the need for extension also throughout 2025, but no final decisions will be made before fall 2024.The Group is required to provide letters of credit to the grid owners, guaranteeing their settlement of re-invoiced grid rent. However, the grid owners are not required to reimburse the Group for any re-invoiced grid rent not settled by the customer.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Derivative financial contracts are traded either bilaterally with third party counterparties (mainly Statkraft), or customers (mainly large business customers and Alliance partners). Credit risk associated with derivative financial contracts with Statkraft (and other third parties) is considered to be limited as these counterparties are highly rated state-owned enterprises. The credit risk related to derivative financial contracts with customers is managed by only offering financial contracts to customers with a sufficient credit rating, or by requiring security from the customer in the form of a deposit or a letter of credit.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves, bank overdraft facilities and reserve credit facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Electricity purchased under the Group's electricity purchase agreement with Statkraft, which is the Group's most significant purchase agreement, are invoiced monthly in arrear, with a 45-day payment term. In addition, the agreement in Norway includes a right for the Group to postpone these payments for additional 15 days if the volume weighted average price excl. VAT exceeds NOK 1.00 per kWh.

Outlook

National and international energy situation

While 2022 was an extreme year for the energy markets, the situation changed a lot during 2023. There are still periods with high electricity prices, but the supply side in the European energy markets is back at a level with sufficient access to electricity and gas to address the ongoing needs. There is still a great need for continued investment in and development of electricity production from renewable energy sources nationally and internationally.

In October, the Extraordinary Power Price Committee presented its report on the energy and electricity market that was commissioned by the Norwegian government. The report can be summarised to state that Norway generally has a well-functioning electricity market and that there is an urgent need to increase the production of renewable energy. The report points out that expansion with greater production capacity is delayed by long processing times, and that climate change and environmental issues are set off against each other.

The Norwegian debate in 2023 also concerned infrastructure and how to obtain sufficient transmission capacity in the grid to increase electrification. As of today, capacity limitations in the electricity distribution network impose establishment barriers for the business sector in some regions, and the investment requirement in the transmission network is significant. From the perspective of Elmera Group, this also entails a number of opportunities. There will be a need for products and services that facilitate power balancing, alternative solutions for grid capacity and decentralised production. The Group will strengthen its services related to solar energy, the flexibility market and energy optimisation.

Regulatory framework conditions

With the special situation from 2023 as a backdrop, it is natural that power generation, capacity in the transmission grid, predictability of electricity costs for businesses, and consumer rights have been the subject of a number of consultations launched by authorities and in reports. Power and energy-related issues have been important in the open political discussion and within the political parties.

Throughout this year, the Group has taken a very active role in its governance work and has strengthened its dialogue with trade associations, authorities and politicians. Elmera Group is a major player in both the business and consumer market, with operations in Norway, Sweden and Finland. The company believes that a positive dialogue can be achieved by contributing relevant expertise on the key issues, and through a willingness to consider different aspects of a case and enable sound and feasible solutions to specific challenges. The company's innovation experience, and experience with the formulation of guidelines, and as a representative of the Norwegian industry in Eurelectric, means that the company is listened to as a source of expertise by various political, regulatory and other professional environments.

Among the most important issues for the Group to work on are the following: The framework conditions must facilitate a well-functioning financial market for electricity trading. The power market is expected to remain volatile going forward. It is very important to maintain a liquid, transparent and well-functioning market for trading in financial electricity contracts. The financial market provides risk mitigation for major consumers of electricity, private customers, power producers and electricity retailers.

The Group will also work to improve the subsidy schemes for energy efficiency and local electricity production. If the national energy efficiency goals and new local production are to be achieved by 2030, sales-triggering subsidy schemes must be in place. These must also include known technologies in functioning markets, although they may be marginally profitable.

In 2022 and 2023, the consumer market in Norway received considerable attention from the government and other politicians, the regulator, the Energy Commission, the Consumer Authority and the Consumer Council. Several clarifications and changes in the regulations for consumers in the Norwegian electricity market were introduced during the year. Today's system of government electricity subsidies will last for the rest of 2024 and the Government has recognised the need for continuation through 2025. Final decision is expected to be announced during fourth quarter.

The company has provided input to authorities of relevance to the introduction of new regulations. For Elmera as a large and serious player it is important to contribute expertise and experience from the market.

Cybersecurity and artificial intelligence

The risk of cyberattacks and compromising of business data is a worldwide threat. Throughout the year, the Board engaged in risk assessments related to cyber security and preventive measures against attacks. This is something the Board will also follow closely in the future.

The use of generative artificial intelligence (AI) is expected to lead to major changes over the next few years. AI creates both major challenges and great opportunities. Increased threats to companies' data security, dissemination of misinformation, and privacy and copyright violations are some of the possible negative effects. There is also reason to expect positive effects both on the top and bottom line. These are technological changes that require great human capacity for change and a willingness to leverage innovations to increase competitiveness.

The Group is working on multiple projects related to the use of generative AI, both within customer relations, forecasting of consumption and power purchasing.

The Board's focus in this area will be to choose good strategies for protection against cyberattacks and for how artificial intelligence should be exploited for business purposes in the Group.

Continued consolidation

The Group did not make any acquisitions in 2023. Assuming that the right opportunities are in place, the Board wishes to continue the Group's consolidation strategy in Norway and the Nordic region in the coming years.

The future

Authorities and companies align with the need for decarbonisation, increased renewable production and more efficient energy utilisation. Climate targets are part of most companies' business operations. This leads to demand for climate-friendly products and services. The Group is adapting its organisation and innovation portfolio to leverage these opportunities.

Elmera Group's companies will continue their efforts to further develop the value propositions adapted to the green transition with products and services that create increased predictability, and opportunities for local energy production, energy saving and management.

With its size, resources and expertise, Elmera Group is well-prepared for further development and operation. The Board wishes to thank everyone who works for the Group for their efforts and contributions to this year's results.

The Board of Directors of Elmera Group ASA, Bergen, 22 March 2023.

Steinar Sønsteby
Chairman

Anne Marit Steen
Board member

Magnhild K. B. Uglem
Board member

Heidi Theresa Ose
Board member

Per Oluf Solbraa
Board member

Stian Madsen
Board member

Frank Økland
Board member

Live Bertha Haukvik
Board member

Rolf Barmen
CEO

4.2 Financial statements Elmera Group

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Consolidated statement of profit or loss

NOK in thousands	Note	2023	2022
Continuing operations			
Revenue	3, 4	18 920 598	25 521 514
Direct cost of sales	3, 5, 18	(17 192 526)	(23 823 519)
Personnel expenses	3, 10, 17, 22	(454 622)	(421 029)
Other operating expenses	3, 11	(542 277)	(574 946)
Depreciation and amortisation	3, 4, 14, 15, 24	(386 519)	(389 956)
Impairment of intangible assets and cost to obtain contracts	15,18	14 548	(39 282)
Operating profit		**359 202**	**272 781**
Income/loss from investments in associates and joint ventures	27	750	429
Interest income	6	32 069	26 952
Interest expense lease liability	24	(1 621)	(1 934)
Interest expense	6	(148 268)	(156 876)
Other financial items, net	6, 11	(4 555)	(12 660)
Net financial income/(cost)		**(121 625)**	**(144 089)**
Profit/(loss) before tax		**237 577**	**128 692**
Income tax (expense)/income	12	(41 030)	(54 845)
Profit/(loss) for the year		**196 546**	**73 847**
Profit/(loss) for the period attributable to:			
Non-controlling interest	25	4 258	-
Equity holders of Elmera Group ASA		192 288	73 847
Basic earnings per share (in NOK)	13	1,77	0,67
Diluted earnings per share (in NOK)	13	1,74	0,66

Consolidated statement of comprehensive income (loss)

NOK in thousands	Note	2023	2022
Profit/(loss) for the year		**196 546**	**73 847**
Other comprehensive income:			
Items which may be reclassified over profit or loss in subsequent periods:			
Hedging reserves, cash flow hedges (net of tax)	9	57 270	16 209
Currency translation differences		42 923	(756)
Total		**100 193**	**15 454**
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on pension obligations (net of tax)	12, 17	24 504	3 610
Total		**24 504**	**3 610**
Total other comprehensive income/(loss) for the year, net of tax		**124 698**	**19 064**
Total comprehensive income/(loss) for the year		**321 244**	**92 911**
Total comprehensive income/(loss) for the period attributable to:			
Non-controlling interest	25	4 258	-
Equity holders of Elmera Group ASA		316 986	92 911

Consolidated statement of financial position

NOK in thousands	Note	2023	2022
Assets			
Non-current assets			
Deferred tax assets	12	37 466	34 990
Right-of-use assets property plant and equipment	24	57 121	66 195
Property, plant and equipment	14	5 315	8 198
Goodwill	15	1 439 389	1 418 776
Intangible assets	15	454 051	558 325
Cost to obtain contracts	4	265 350	295 980
Investments in associates and joint ventures	27	21 484	14 234
Derivative financial instruments and firm commitments	6, 7, 8	878 524	1 863 551
Net plan assets of defined benefit pension plans	17	30 900	4 178
Other non-current financial assets	6, 28	133 665	48 285
Total non-current assets		**3 323 265**	**4 312 711**
Current assets			
Intangible assets	15	3 854	763
Inventories		371	460
Trade receivables	6, 21	3 989 741	7 551 433
Derivative financial instruments and firm commitments	6, 7, 8	666 196	2 370 117
Other current assets	20	12 471	66 025
Cash and cash equivalents	6	338 746	70 548
Total current assets		**5 011 380**	**10 059 347**
Total assets		**8 334 645**	**14 372 058**
Equity and liabilities			
Equity			
Share capital	16	32 601	32 590
Share premium	16	993 294	993 294
Other equity		371 839	214 241
Non-controlling interests	25	121 175	-
Total equity		**1 518 911**	**1 240 126**

Consolidated statement of financial position

NOK in thousands	Note	2023	2022
Non-current liabilities			
Net employee defined benefit plan liabilities	17	63 921	79 780
Interest-bearing long term debt	6	537 617	629 169
Deferred tax liabilitites	12	82 843	100 280
Lease liability- long term	24	40 945	49 477
Derivative financial instruments and firm commitments	7, 6, 8	872 366	1 492 743
Onerous contract provisions	18	68 383	784 239
Other provisions for liabilities	28	132 884	29 619
Total non-current liabilities		**1 798 961**	**3 165 307**
Current liabilities			
Trade and other payables	6, 21	3 246 231	5 828 373
Overdraft facilities	6	-	534 112
Interest-bearing short term debt	6	368 700	368 700
Current income tax liabilities	12	82 910	50 506
Derivative financial instruments and firm commitments	6, 7, 8, 9	599 909	1 692 584
Social security and other taxes		125 608	313 504
Lease liability- short term	24	19 391	20 284
Onerous contract provisions	18	24 879	285 336
Other current liabilities	6, 19	549 145	873 227
Total current liabilities		**5 016 773**	**9 966 625**
Total liabilities		**6 815 734**	**13 131 932**
Total equity and liabilities		**8 334 645**	**14 372 058**

The Board of Directors of Elmera Group ASA, Bergen, 22 March 2024.

Steinar Sønsteby
Chairman

Anne Marit Steen
Board member

Frank Økland
Board member

Magnhild K. B. Uglem
Board member

Heidi Theresa Ose
Board member

Live Bertha Haukvik
Board member

Per Oluf Solbraa
Board member

Stian Madsen
Board member

Rolf Barmen
CEO

Consolidated statement of changes in equity

NOK in thousands	Issued capital	Treasury shares	Share premium	Hedging reserves	Foreign currency translation reserve	Retained earnings	Attributable to owners of parent	Non-controlling interests	Total
Balance at 1 January 2022	**34 291**	**-**	**992 094**	**(71 347)**	**(67 775)**	**787 005**	**1 674 269**	**-**	**1 674 269**
Profit/(loss) for the year	-	-	-	-	-	73 847	73 847	-	73 847
Share-based payment (note 26)	-	-	-	-	-	4 790	4 790	-	4 790
Other comprehensive income/(loss) for the year, net of tax	-	-	-	16 209	(756)	3 610	19 064	-	19 064
Total comprehensive income/(loss) for the period incl. share-based payment	**-**	**-**	**-**	**16 209**	**(756)**	**82 247**	**97 701**	**-**	**97 700**
Share buyback (note 16)	-	(1 715)	-	-	-	(131 112)	(132 827)	-	(132 827)
Share capital increase (note 13)	15	-	1 200	-	-	-	1 215	-	1 215
Dividends paid (note 13)	-	-	-	-	-	(400 231)	(400 231)	-	(400 231)
Transactions with owners	**15**	**(1 715)**	**1 200**	**-**	**-**	**(531 343)**	**(531 843)**	**-**	**(531 843)**
Balance at 31 December 2022	**34 306**	**(1 715)**	**993 294**	**(55 137)**	**(68 531)**	**337 909**	**1 240 126**	**-**	**1 240 126**
Balance at 1 January 2023	**34 306**	**(1 715)**	**993 294**	**(55 137)**	**(68 531)**	**337 909**	**1 240 126**	**-**	**1 240 126**
Profit/(loss) for the year	-	-	-	-	-	192 288	192 288	4 258	196 546
Share-based payment (note 26)	-	-	-	-	-	2 828	2 828	-	2 828
Other comprehensive income/(loss) for the year, net of tax	-	-	-	57 270	42 923	24 504	124 698	-	124 698
Total comprehensive income/(loss) for the period incl. share-based payment	**-**	**-**	**-**	**57 270**	**42 923**	**219 620**	**319 814**	**4 258**	**324 072**
Sale of treasury shares (note 16)	-	11	-	-	-	736	747	-	747
Transactions with non-controlling interests (note 25)	-	-	-	-	-	-	-	116 917	116 917
Dividends paid (note 13)	-	-	-	-	-	(162 951)	(162 951)	-	(162 951)
Transactions with owners	**-**	**11**	**-**	**-**	**-**	**(162 215)**	**(162 204)**	**116 917**	**(45 287)**
Balance at 31 December 2023	**34 306**	**(1 704)**	**993 294**	**2 133**	**(25 608)**	**395 315**	**1 397 736**	**121 175**	**1 518 911**

Condensed consolidated statement of cash flows

NOK in thousands	Note	2023	2022
Operating activities			
Profit/(loss) before tax		237 577	128 692
Adjustments for:			
Depreciation	14, 15	172 280	183 760
Depreciation right-of-use assets	24	20 230	20 303
Amortisation of cost to obtain contracts	4	194 008	185 893
Impairment of intangible assets and cost to obtain contracts	15	(14 548)	39 282
Interest income	6	(32 069)	(26 952)
Interest expense lease liability	24	1 621	1 934
Interest expense	6	148 268	156 876
Income/loss from investments in associates and joint ventures	27	(750)	(429)
Change in long-term receivables	6	21 686	25
Share based payment expense	26	2 828	4 790
Change in post-employment liabilities	17	(11 165)	(13 607)
Payments to obtain a contract	4	(140 991)	(237 550)
Changes in working capital (non-cash effect):			
Impairment loss recognised in trade receivables	6	(10 245)	4 402
Provision for onerous contracts	18	(1 048 166)	(39 256)
Change in fair value of derivative financial instruments	6, 7	1 120 697	12 182
Changes in working capital:			
Inventories		90	1 686
Trade receivables	6, 21	3 596 368	(2 385 823)
Purchase of el-certificates, GoOs and Climate Quotas	15	(93 300)	(38 527)
Non-cash effect from cancelling el-certificates, GoOs and Climate Quotas	15, 19	90 209	45 373
Other current assets	20	54 472	(26 609)
Trade and other payables	6, 21	(2 571 647)	1 297 999
Other current liabilities	19	(528 744)	515 278
Cash generated from operations		**1 208 709**	**(170 276)**
Interest paid		(172 046)	(123 449)
Interest received		32 069	26 952
Income tax paid	12	(50 336)	(103 339)
Net cash from operating activities		**1 018 397**	**(370 112)**

Consolidated statement of cash flows

NOK in thousands	Note	2023	2022
Investing activities			
Purchase of property, plant and equipment	14	(627)	(3 325)
Purchase of intangible assets	15	(52 124)	(41 007)
Net cash outflow on acquisition of shares in associates	27	(6 500)	-
Net (outflow)/proceeds from non-current receivables	6	(3 716)	6 474
Net (outflow)/proceeds from other long-term liabilities		(2 010)	13 485
Net cash used in investing activities		**(64 977)**	**(24 373)**
Financing activities			
Proceeds from overdraft facilities	6	(534 112)	534 112
Proceeds from revolving credit facility	6	150 000	275 000
Repayment of revolving credit facility	6	(150 000)	-
Proceeds from issuance of shares	13	-	1 215
Dividends paid	13	(162 951)	(400 231)
Purchase of treasury shares	16	-	(132 827)
Sale of treasury shares	16	747	-
Instalments of long term debt	6	(93 700)	(93 700)
Transactions with non-controlling interests	25	116 917	-
Payment of lease liability	24	(20 606)	(20 245)
Net cash used in financing activities		**(693 705)**	**163 324**
Net change in cash and cash equivalents		**259 715**	**(231 162)**
Cash and cash equivalents at 1 January		70 548	306 627
Effects of exchange rate changes on cash and cash equivalents		8 483	(4 918)
Cash and cash equivalents at 31 December		**338 746**	**70 548**

4.3 Notes Elmera Group

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Note 1 Accounting policies

General information

These consolidated financial statements for Elmera Group ASA for the year ended 31 December 2023, was approved by the Board of Directors on 22 March 2024.

Elmera Group ASA and its subsidiaries (together 'the Group', "Elmera" or "the Elmera Group") is a supplier of electrical power in Norway, Sweden and Finland. The company is listed on Oslo Stock Exchange. The Group's core business is the purchase, sale and portfolio management of electrical power to households, private and public companies, and municipalities. The Group is also a provider of mobile phone services to private customers in Norway.

Elmera Group ASA is incorporated and domiciled in Norway. The entity name was changed from Fjordkraft Holding ASA to Elmera Group ASA in 2022. The address of its registered office is Folke Bernadottes Vei 38, 5147 Bergen, Norway.

This note discloses material accounting policy information for the accounting policies adopted in the presentation of these consolidated financial statements to the extent they have not been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS® Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB).

New and amended standards adopted by the group

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Group during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Group's 2023 financial statements:

- Amendments to IFRS 17 – Insurance Contracts and Initial Application of IFRS 17 and IFRS 9 – Comparative information
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International tax reform – pillar two model rules
- Amendments to IAS 1 – Disclosure of Accounting Policies and IFRS Practice Statement 2

These amendments have not had a material impact on the Group's consolidated financial statements in the current reporting period.

New standards and interpretations not yet adopted

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. The Group will adopt new amendments and interpretations, if relevant, when they become effective.
Below is a list of new amendments not yet effective:

- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Basis of consolidation

These consolidated financial statements include the accounts of Elmera Group ASA and its subsidiaries (note 25).

Going concern

The Group's consolidated financial statements are prepared on a going concern basis. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other service contracts, debt service and obligations. After making such assessments, management has a reasonable expectation

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that the Group has adequate resources to continue its operational existence for the foreseeable future.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets recognised at fair value through profit or loss, fair value through other comprehensive income, derivative financial instruments, and defined benefit pension plans, which are measured at fair value. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

Principles of consolidation

Subsidiaries and subsidiaries with non-controlling interests

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent company.

Non-controlling interests are measured and recognized by the Group at fair value on the acquisition date. At each reporting period, the Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests.

Joint ventures and associates

The Group's investments in joint ventures and associates are accounted for by using the equity method of accounting. Under this method, the investment is initially recognized at cost. Goodwill relating the associate or joint venture is included in the carrying amount of the investment and not tested for impairment individually. The income statement reflects the Group's share of the net result after tax of the associate or joint venture. Any depreciation or amortization of the Group's excess values are included in the net result from the joint ventures. Any change in other comprehensive income of the associate or joint venture is presented separately in the Group's other comprehensive income.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting principles in line with those of the Group.

The Group determines whether it is necessary to recognize an impairment loss on its investments in joint ventures or associates. At each reporting date, the Group determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount and the carrying amount of the investment. Any impairment loss is recognized as 'share of profit or loss from joint venture and associates'. The recoverable amount is the higher of value in use and fair value less cost to sell. The entire carrying amount of the investments are tested for impairment as one single asset.

Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Business combinations and goodwill

In order to consider an acquisition as a business combination, the acquired asset or groups of assets must constitute a business (an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors). The combination consists of inputs and processes applied to these inputs that have the ability to create output.

Acquired businesses are included in the financial statements from the acquisition date. The acquisition date is defined as the date on which the company obtains control of the acquiree, which is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree. For convenience, the group may designate the acquisition date to the date at the end or the beginning of the month, rather than the actual acquisition date, unless events between this "convenience date" and the actual acquisition date result in material changes in amounts recognised.

Comparative figures are not adjusted for acquired, sold or liquidated businesses. For accounting purposes, the acquisition method is used in connection with the purchase of businesses.

Acquisition cost equals the fair value of the assets used as consideration, including contingent consideration, equity instruments issued and liabilities assumed in connec-

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tion with the transfer of control. Acquisition cost is measured against the fair value of the acquired assets and liabilities. Identifiable intangible assets are included in connection with acquisitions if they can be separated from other assets or meet the legal contractual criteria. If the acquisition cost at the time of the acquisition exceeds the fair value of the acquired net assets (when the acquiring entity achieves control of the transferring entity), goodwill arises.

If the fair value of the net identifiable assets acquired exceeds the acquisition cost on the acquisition date, the excess amount is recognised in profit or loss immediately.

Goodwill is not depreciated, but is tested at least annually for impairment. In connection with this, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from synergy effects of the acquisition. The allocation of goodwill may vary depending on the basis for its initial recognition.

The estimation of fair value and goodwill may be adjusted up to 12 months after the takeover date if new information has emerged about facts and circumstances that existed at the time of the takeover and which, had they been known, would have affected the calculation of the amounts that were included from that date.

Acquisition-related costs, except costs to issue debt or equity securities, are expensed as incurred.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are presented in the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (NOK), which is Elmera Group ASA's functional and presentation currency. The functional currency in all Norwegian subsidiaries in the Group is NOK. The functional currency in the subsidiary Switch Nordic Green is Swedish Kroner (SEK) for its operations in Sweden, and Euro for its branch operating in Finland.

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currency) are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other financial items.

Non-monetary items that are measured at fair value in a foreign currency are converted to NOK using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not subsequently revaluated.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in a foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

The Group recognises revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

The Group applies the following five step method outlined in IFRS15 Revenue from Contracts with Customers, to all revenue streams:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognise revenue when (or as) the Group satisfies a performance obligation.

The Group only applies the five-step model to contracts when it is probable that the Group will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of IFRS 15, the Group assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The

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Group then recognises as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. For a complete discussion of accounting for revenue, see Note 4 - Revenue Recognition.

A proportion of the final settlement of the Group's sale of electrical power is made after the Group has finalised its annual financial statements. Revenues related to sale of electricity are estimated based on the volumes that have been physically delivered during the period. The physically delivered volume is apportioned in accordance with consumption forecasts for each customer group and price plan. The model is rooted in historical information however there is a degree of estimation uncertainty attached to the volume apportioned to the various price segments that requires judgment by management when assessing.

Income tax

Income tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

The cash flow statement is prepared using the indirect method. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables, loans and other receivables

Trade receivables, loans and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 6 and 8 for further information about the Group's accounting for trade receivables, loans, other receivables and credit risk.

Financial assets

1. <u>Classification</u>

The Group classifies its financial assets in the following measurement categories:

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- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

See note 6 and 8 for details about each type of financial asset.

The Group reclassifies debt investments when and only when its business model for managing those assets change.

2. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in IFRS 9. The Group only applies the following measurement category for debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

3. Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 6 and 8 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of the ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

At derecognition the difference between the asset's carrying amount (including any cumulative gain or loss that previously has been recognised in other comprehensive income and accumulated in equity) and the sum of the consideration received is recognised in profit or loss.

Energy contracts and hedging activities

Energy contracts that are entered into and continue to be held for the purpose of the receipt or delivery of the power in accordance with the Group's expected purchase or sale are accounted for as "own use" contracts. These contracts do not qualify for recognition in the statement of financial position in accordance with IFRS 9 but are accounted for as revenue from contracts with customers in accordance with IFRS 15 or as cost of sales.

Energy contracts that are electricity derivatives and qualify for recognition in the statement of financial position in accordance with IFRS 9, are measured at fair value through profit and loss (unless they are designated as hedging instruments - see below). This includes the following types of energy contracts:

- Physical power sales contracts which are considered as readily convertible to cash and are not entered into for own use.
- Financial contracts to purchase and sell energy-related products classified as derivatives.
- Embedded derivatives are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract, and the host contract is not measured at fair value.

Electricity derivatives

All of the Group's financial electricity derivatives are either financial customer contracts, or purchased for the purpose of hedging physical or financial customer contracts. Hence electricity derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criterias, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end

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of the reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in

- Revenue - when the derivative instrument is a financial custumer contract, or
- Direct cost of sales - when the derivative instrument is purchased for the purpose of hedging physical or financial customer contracts.

See note 6, 7, 8 and 9 for details about each type of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast power purchase transactions (cash flow hedges).

Cash flow hedges that qualify for hedge accounting

The Group uses forward contracts to hedge forecast power purchase transactions. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Direct cost of sales.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

The fair values of derivative financial instruments designated in hedge relationships, and movements in the hedging reserve in shareholders' equity are shown in note 9.

Fair value hedges that qualify for hedge accounting

The Group designates certain derivatives as fair value hedges of power price risk associated with certain firm commitments. The firm commitments which are the hedged items are fixed price power purchase contracts, where the price is fixed for the delivery of a fixed volume in a fixed delivery period in a designated price area. The hedging instruments are fixed price power sales contracts classified as financial electricity derivatives. The objective of the economic hedging arrangements is to hedge the exposure to changes in the fair value of the fixed price purchase contracts. The hedge ratio is 1:1 as the critical terms of the hedged items and the hedging instruments are identical. The fair value hedges are expected to be highly effective.

In a fair value hedge the value change in unrealised gains or losses of the hedging instrument will meet the corresponding change in value of the hedged item and it is presented on the same line item in the statement of profit or loss. Ineffectiveness is recognised in profit or loss. Accumulated unrealised gains or losses on the hedged items are recognised as firm commitments in the line item Derivative financial instruments and firm commitments in the statement of financial position.

El-certificate foward contracts

The sale of electricity to end users in Norway and Sweden gives rise to an el-certificate cancellation liability. The Group enters into forward contracts to purchase el-certificates to be remitted to the government as settlement for the el-certificate cancellation liability. As a result, the Group's contracts to purchase and sell electricity, and to purchase and remit el-certificates is delivered in quantities that will be used or sold in the Groups' normal course of business. Hence, the contracts have been accounted for under the "own use" exemption, are considered executory contracts, and are recognised in the consolidated financial statements when the underlying purchase or sale has occurred.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are disclosed in note 14.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the

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asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss.

Leases

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The group has chosen not to revalue the right-of-use buildings held by the group.

Short-term leases and leases of low value assets

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Intangible assets

1) Intangible assets acquired separately

1. El-certificates and Guarantees of Origination (GoOs)

Holdings of el-certificates and GoOs are recognised as intangible assets in accordance with IAS 38 - Intangible Assets and measured using the cost model. The el-certificates have an infinite life and are acquired to be used to settle the el-certificate cancellation liability by remitting the respective numbers of certificates to the government (refer to accounting policy 'Provision of El-certificate cancellation liability').

2. Software

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets if, and only if all of the following conditions have been demonstrated:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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3. Customer portfolios
Customer portfolios are recognised at fair value in the consolidated statement of financial position at the time of acquisition. The customer portfolios have a limited useful economic life and are recognised at cost less deductions for accumulated depreciation. Depreciation is calculated using a straight-line method where estimated useful life is based on the expected customer churn rate. Fixed price elements of customer contracts are recorded as separate assets.

4. Fixed price customer contracts
When customer portfolios are acquired the fixed price elements of the customer contracts in the customer portfolios acquired are recognised as separate assets. Unless the fixed price element of customer contracts meets the definition of a derivative financial instrument (and recognised accordingly), they are recognised as intangible assets at fair value at the time of acquisition. The fixed price customer contracts have defined contract periods and are recognised at cost less deductions for accumulated depreciation. Depreciations follow a pattern that reflects how the acquisition value of the contracts are distributed over the remaining contract periods.

5. Tradenames
Tradenames acquired in a business combination are recognised at fair value at the acquisition date. Tradenames that due to contractual agreements have a finite useful life are subsequently carried at cost less accumulated amortisation and impairment losses. Tradenames that have an indefinite useful life are not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Tradenames are included in Other intangible assets in note 16.

6. Goodwill
Goodwill is reported as an indefinite life intangible asset at cost less accumulated impairment losses. Cost of Goodwill acquired through business combinations is measured as residual amount after allocation of purchase price to identifiable assets at fair value. All intangible assets with indefinite useful lives are tested for impairment at least once every year. Single assets can be tested more often in case there are indications of impairment.

2) Internally generated intangible assets

1. Software
Internal development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets if, and only if all of the following conditions have been demonstrated:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of software includes directly related employee costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditures as well as development expenditures that do not meet the criterias above are recognised as expenses within other operating expenses in the consolidated statement of profit or loss, as incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period.

Refer to note 15 for details about amortisation methods and periods used by the Group for intangible assets.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews whether there are indication that the carrying amount of the Group's tangible and intangible assets have suffered an impairment loss.

Tangible and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (the net present value of a cash flow or other benefits that the asset is expected to contribute to the generation of, through its use by the Group).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Trade and other payables

These amounts represent liabilities for goods

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and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and credit facilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss within the line Other financial items, net.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Transactions costs incurred when establishing bank overdraft facilities, revolving credit facilities, and guarantee facilities are capitalised and amortised on a straight line basis over the period from establishing the facilities to the termination date. These capitalised transaction costs are included in Other non-current financial assets in the Statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Onerous contract provisions are presented as non-current in the statement of financial position when the onerous contracts are not intended to be settled within 12 months of the reporting date.

Provision for El-certificate cancellation liability

The Group's electricity retailer operations in Norway and Sweden are subject to the Norwegian-Swedish El-certificate scheme, which requires the group to purchase and cancel a fixed annual quota of El-certificates for every MWh of power sold to end users in Norway and Sweden.

The annual quotas are determined by the Norwegian and Swedish governments before the relevant year starts. All el-certificates necessary to meet the Group's certificate obligation are either purchased in the spot market, or by entering into forward contracts.

Provisions for the el-certificate cancellation liabilities are estimated based on actual delivered volume required to be covered by el-certificates. The Group accounts for these provisions using the net liability approach. There is no specific guidance on such schemes under IFRS; however, the net liability approach is one of the commonly used approaches adopted. Hence, the part of the cancellation liability that is covered by the Group's holdings of el-certificates is measured at the cost of acquired el-certificates, the part covered by forward contracts is measured at contractual price of el-certificates, while any liability in excess of those amounts is recognised at fair value of the el-certificates that are required to be purchased (applicable when level of el-certificates acquired directly or through forward contracts are not sufficient to offset estimated number of certificates to be handed over to the government).

The cancellation liability is presented within other current liabilities and any el-certificates on hand at year end are presented as part of Intangible assets. The corresponding cost is recorded as part of Direct cost of sales as it is considered an incremental cost of power purchased.

Employee benefits

Pension schemes and pension obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined benefit pension plans

Defined benefit schemes entitles employee members to defined future benefits. These benefits are normally dependent on the

Note 1
Accounting policies

number of years of service, the salary level at retirement age and the portion of benefits that are paid by the national insurance. The defined benefit pension obligations may be covered by plan assets invested through an insurance company (funded plan).

The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of any plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Pension expenses which is part of Personnel expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed defined contributions into a separate entity (a fund). The entity has no further payment obligations once the contributions have been paid. The contributions are recognised in Pension expenses which is part of Personnel expenses in the statement of profit or loss when they are due.

Share-based compensation

Employee share options at Elmera Group represents rights for employees to buy shares in the company at a future date at a predetermined exercise price. To exercise the option, the employee must remain an employee of the Company or an affiliated company at the end of the vesting period.

The fair value of the employee services received in exchange for the allotment of options is recognised as an expense over the vesting period based on the fair value of the options. On each balance date, the Group revises its estimates of the number of options that are expected to be exercisable. Any adjustments will be recognised in the income statement and corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Dividends

Provision is made for the amount of any dividend declared, appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Earnings per share

1. Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares in issue during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 14)

2. Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Government grants

Companies within the Group may be entitled to claim refunds / grants for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research & Development tax incentive scheme "SkatteFUNN").

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the consolidated statement of profit and loss on a systematic basis over the periods in which the Group recognises the corresponding expenses for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised by deducting the grant from the carrying amount of the asset. The grant is

Note 1
Accounting policies

recognised in the Consolidated statement of profit or loss over the life of the depreciable asset as a reduced depreciation expense.

Government grants that are receivable as compensation for expenses or losses already incurred with no future related costs to be incurred by the Group are recognised in the Consolidated statement of profit or loss in the period in which they become receivable.

Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

Comparable figures and reclassifications

The consolidated statements of profit or loss, comprehensive income, financial position, equity, cash flow and notes provide comparable information in respect of the previous period. The following changes have been made in comparative figures at 31 December 2022:

Presentation of instalments on long term loan due within 12 months

The instalments on term loans that are due within 12 months from the reporting date has in previous reporting been reported in Other current liabilities in the statement of financial position. From 2023 the amounts of term loan that are due within the next 12 months are reported in Interest-bearing short term debt. Comparative figures have been reclassified to align with current presentation increasing Interest-bearing short term debt / decreasing Other current liabilities with NOKt 93 700 at 31 December 2022.

Change in statement of financial position from reported in quarterly financial statement

Due to reclassification of balances in trade receivables to other current liabilities, total assets and total liabilities are both decreased by NOKt 27 220, compared to the figures reported in the Q4 2023 quarterly financial statement.

Note 2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The areas involving significant estimates or judgements are:

1) Onerous contract provisions

At each reporting date, management assesses if there are contracts in which the unavoidable costs of meeting the Group's obligations under the contract exceed the economic benefits expected to be received in accordance with IAS 37.

The Group has certain portfolios of fixed price power contracts with end user customers, mainly in the Nordic segment, in which the volume is not fixed. These customer contracts do not qualify to be recognised as financial instruments. The price risk in these fixed price customer contracts are hedged with financial electricity derivatives which however are recognised as financial instruments. When hedging the price risk from these fixed price contracts, the electricity volume expected to be delivered on the fixed price contracts is estimated. To manage the volume risk in customer contracts without fixed volume the volume estimates are periodically updated, and the portfolios of hedging derivatives are rebalanced accordingly. The remaining risk exposure is taken into account when pricing these customer contracts. Please see note 8 for more information regarding the Group's different product types and related market risks.

Fixed price customer contracts are assessed as onerous contracts if the estimated unavoidable costs of purchasing the estimated power volumes to be delivered on these contracts exceed the fixed price to be received from the custumers. The hedged forward power prices in the corresponding portfolios of derivative hedge contracts are however not taken into consideration when estimating the unavoidable costs as hedge accounting is not applied. Please see note 18 for details of the movement in provisions for onerous contracts.

2) Impairment of goodwill and intangible assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once every year. Single assets can be tested more often in case there are indications of impairment. The recoverable amounts of the cash-generating units are determined based on value in use calculations. The cash-generating units equal the reportable segments.

Value in use is calculated using the discounted cash-flow model and based on a five-year forecast made by Group management. Management has projected cash flows based on financial forecasts and strategy plans.

The preparation of the forecast requires a number of key assumptions such as growth in net revenue and operating expenditure. The cash flow for the fifth year is used as the base for the sixth year and onwards in perpetuity. The discount rates used are, amongst other things, based on risk-free 10-year government bond rate, observed market risk premium, industry-specific risk premium and the Group's cost of debt. For the calculation of the in-perpetuity value, Gordon's growth model is used. According to Gordon's model, the terminal value of a growing cash flow is calculated as the starting cash flow divided by cost of capital less the growth rate. Please see note 15 for more details regarding impairment testing of goodwill at year end, including a sensitivity analysis for significant assumptions.

3) Recognition of deferred tax asset for tax losses carried forward

Deferred tax assets include an amount which relates to carried-forward tax losses of the subsidiary Switch Nordic Green AB. The subsidiary has incurred substantial accumulated tax losses in its operations in both Sweden and Finland in periods prior to when the Group acquired this entity in November 2020. The Group has concluded that a portion of the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The majority of tax losses carried forward are losses in Sweden which can be carried forward indefinitely and have no expiry date. The tax losses in Finland expires after ten years. Please see note 12 for more details regarding deferred tax asset recognised in the Statement of financial position.

Note 2
Significant accounting judgements, estimates and assumptions

4) Defined benefit occupational pension scheme

The Group has a defined benefit pension scheme for employees born before 1963, and a defined contribution pension scheme for employees born from 1963.

The cost of the defined benefit pension scheme and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the reporting date. Please see note 17 for details of the assumptions used in the actuarial valuation of defined benefit pension obligations, and a sensitivity analysis for significant financial assumptions.

5) Gross vs. net presentation

When evaluating the classification and presentation of revenue transactions with customers, management make judgement to what extent the Group in fact controls the specific goods and services before it is transferred to the customers. In making the judgement, management applies indicators set out in IFRS 15, of which key indicators are:

- is the Group primarily responsible for fulfilling the promise to provide the specified goods or services,
- does the Group have inventory risks before or after transferring goods or services to the customer,
- does the Group have discretion in establishing prices for the specific goods or services.

Following the detailed evaluation of these criteria, management is satisfied that the classification and presentation of revenue from sale of our various products and services are appropriate.

6) Determining the amortisation rate of cost to obtain contracts with customers

In determining which sales commissions represents incremental costs to obtain a contract, management evaluates the various type of sale commissions. A determining factor is to what extent the costs have led to a new contract being signed by the customer. Management also make judgment in determining the amortisation rate that provides the best match for the economic benefits the Group derives from these new contracts. A detailed analysis have been carried out to identify how long the various customers remain with the signed contract before cancelling the contract. Following the detailed review and evaluation of the historical behavior of these customers, management is satisfied that the amortisation method used provides the best allocation of these costs.

7) Hedge accounting

The group applies hedge accounting when accounting for financial electricity derivatives which are designated to hedge the area price risk associated with forecast power purchase expenses in each of the five different price areas in Norway (NO1, NO2, NO3, NO4, and NO5). The designated financial electricity derivatives are in general forward contracts with an underlying asset that is either
i) the Nordic system price (system price forward contract),
ii) an area price (area price forward contract), and / or
iii) the difference between the Nordic system price and an area price (EPAD contract).

Assessing whether the qualifying criterias for hedge accounting are met requires the use of judgment, in particular when
a) assessing whether system price risk constitutes a risk component of area price risk in accordance with IFRS 9.6.3.7.a, and
b) when assessing whether hedging of area price risk in price areas NO3 and NO4 will be sufficiently effective (IFRS 9.6.4.1.c) when system price forward contracts are the designated hedging instruments.

When assessing IFRS 9.6.3.7.a, the Group's assessment is that when hedging area price risk in price areas where the difference between area price and system price is expected to be positive, system price forward contracts does qualify to be designated as a hedging instrument to hedge the area price risk in forecast cash flows for power purchases, but only for variability due to change in system price. This assessment applies to the price areas NO1, NO2, and NO5 (in southern Norway). The assessment does however not apply when designating system price forward contracts to hedge the area prices in price areas NO3 and NO4 in northern Norway.

When system price forward contracts are designated for hedging area price risks in forecast power purchases in NO3 and NO4, the hedged item is therefore defined to include all variability in the forecast cash flow. In 2021 the Group's assessment was that there was a sufficient economic relationship between the hedging instrument and the hedged item (all variability in the area price) for the hedging relationship to qualify for the hedge effectiveness requirement in IFRS 9.6.4.1.c. Due to changes in market conditions the correlation between the Nordic system price and area prices in NO3 and NO4 has been significantly weakened. Thus from the beginning of 2022 the Group does no longer assess such hedging relationship to qualify for this hedge effectiveness requirement. The Group's strategy when hedging the future cash flows related to power purchases in price areas NO1, NO2 and NO5 has from 2022 changed towards using area price forward contracts as hedging instruments, rather than Nordic system price forward contracts. Please see note 9 for details and further description regarding hedge accounting.

Note 3 Segment information

Disaggregation of revenue from contracts with customers

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Board of Directors examines the Group's performance from a type of services perspective. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The Group's reportable segments under IFRS 8 - "Operating Segments" are therefore as follows:

- Consumer segment - Sale of electrical power and related services to private consumers in Norway
- Business segment - Sale of electrical power and related services to business consumers in Norway
- Nordic segment - Sale of electrical power and related services to consumers in Finland and Sweden.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. No operating segments have been aggregated in arriving at the reportable segments of the Group. The principal categories of customers are direct sales to private consumers, business consumers and alliance partners.

The segment profit measure is adjusted operating profit which is defined as operating profit earned by each segment without the allocation of: acquisition related costs and other one-off items, estimate deviations from previous periods, unallocated revised net revenue, unrealised gains and losses on derivatives, impairment of intangible assets and cost to obtain contracts, depreciation of acquisitions, and change in provisions for onerous contracts. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as the Group's accounting policies.

All of the Group's revenue is from external parties and is from activities currently carried out in Norway, Sweden and Finland. There are no customers representing more than 10% of revenue.

The tables below is an analysis of the Group's revenue and profit by reportable segment. New growth initiatives comprise of other business activities (sale of EV chargers, PV panels, mobile services, power sale and related services to Alliance partners and payment solutions and strategic expenditures) which are not considered separate operating segments.

Note 3
Segment information

2023

NOK in thousands	**Consumer**	**Business**	**Nordic**	**Total reportable segments**	**New growth initiatives**	**Total**
Revenue adjusted**	7 409 534	7 706 514	1 873 940	16 989 988	332 907	17 322 895
Direct cost of sales adjusted	(6 588 585)	(7 157 803)	(1 667 498)	(15 413 886)	(176 011)	(15 589 897)
Net revenue adjusted	**820 949**	**548 711**	**206 442**	**1 576 102**	**156 896**	**1 732 998**
Personnel and other operating expenses adjusted	(468 820)	(251 824)	(114 829)	(835 473)	(120 915)	(956 388)
Depreciation and amortisation adjusted	(172 370)	(28 575)	(56 546)	(257 491)	(5 948)	(263 439)
Total operating expenses adjusted	**(641 190)**	**(280 399)**	**(171 375)**	**(1 092 964)**	**(126 863)**	**(1 219 827)**
Operating profit adjusted	**179 759**	**268 312**	**35 067**	**483 138**	**30 033**	**513 171**
Other one- off items						(6 434)
Depreciation of acquisitions *						(123 080)
Estimate deviations						(1 924)
Unrealised gains and losses on derivatives						(1 085 244)
Change in provisions for onerous contracts						1 048 166
Impairment of intangible assets and cost to obtain contracts						14 548
Operating profit (EBIT)						**359 202**

*Depreciation of acquisitions consists of depreciations of customer portfolios acquired seperately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.

NOK in thousands	**2023**
TrønderEnergi Marked acquisition	(4 927)
Oppdal Everk Kraftomsetning acquisition	(1 275)
Vesterålskraft Strøm acquisition	(1 093)
Innlandskraft acquisition	(66 907)
Troms Kraft Strøm acquisition	(35 620)
Other customer acquisitions	(13 258)
Depreciation of acquisitions	**(123 080)**

** Refer to note 4 for a reconciliation of revenue from segments to reported revenue in the Consolidated statement of profit or loss.

Note 3
Segment information

2022

NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total
Revenue adjusted**	13 122 968	11 095 287	2 228 015	26 446 270	360 006	26 806 277
Direct cost of sales adjusted	(12 215 674)	(10 535 045)	(2 100 425)	(24 851 144)	(244 130)	(25 095 275)
Net revenue adjusted	**907 294**	**560 242**	**127 590**	**1 595 126**	**115 876**	**1 711 002**
Personnel and other operating expenses adjusted	(565 940)	(209 153)	(114 243)	(889 336)	(103 979)	(993 315)
Depreciation and amortisation adjusted	(175 347)	(28 983)	(47 712)	(252 042)	(5 591)	(257 633)
Total operating expenses adjusted	**(741 287)**	**(238 136)**	**(161 955)**	**(1 141 378)**	**(109 570)**	**(1 250 948)**
Operating profit adjusted	**166 007**	**322 106**	**(34 365)**	**453 748**	**6 306**	**460 054**
Other one- off items						(2 660)
Depreciation of acquisitions *						(132 323)
Estimate deviations						(4 472)
Unrealised gains and losses on derivatives						(47 791)
Change in provisions for onerous contracts						39 256
Impairment of intangible assets and cost to obtain contracts						(39 282)
Operating profit (EBIT)						**272 781**

* Depreciation of acquisitions consists of depreciations of customer portfolios acquired seperately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.

NOK in thousands	**2022**
TrønderEnergi Marked acquisition	(5 761)
Oppdal Everk Kraftomsetning acquisition	(1 702)
Vesterålskraft Strøm acquisition	(1 492)
Innlandskraft acquisition	(83 343)
Troms Kraft Strøm acquisition	(32 572)
Other customer acquisitions	(7 453)
Depreciation of acquisitions	**(132 323)**

** Refer to note 4 for a reconciliation of revenue from segments to reported revenue in the Consolidated statement of profit or loss.

Note 4 Revenue recognition

The following table summarises revenue from contracts with customers:

Revenue from segments

Over time:

NOK in thousands	2023	2022
Revenue - Consumer segment	7 340 946	13 025 916
Revenue - Business segment	7 650 047	11 041 944
Revenue - Nordic	1 873 940	2 228 015
Revenue - New growth initiatives	311 425	340 764
Total	**17 176 358**	**26 636 639**
At a point in time:		
Revenue - Consumer segment	68 588	97 053
Revenue - Business segment	56 467	53 343
Revenue - Nordic	-	-
Revenue - New growth initiatives	21 482	19 242
Total	**146 537**	**169 638**
Total revenue from segments	**17 322 895**	**26 806 276**

Other revenue

Over time:

NOK in thousands	2023	2022
Estimate deviations	8 965	-
Unrealised gains and losses on derivative customer contracts	1 554 634	(1 284 761)
Total other revenue recognised over time	**1 563 599**	**(1 284 761)**
At a point in time:		
Other revenue - Nordic Segment*	34 104	-
Total other revenue recognised at a point in time	**34 104**	**-**
Total other revenue	**1 597 703**	**(1 284 761)**
Total revenue	**18 920 598**	**25 521 514**

* Other revenue - Nordic Segment is related to customers in the Nordic segment that have breached their agreement with Nordic Green Energy, where Nordic Green Energy is entitled to a termination fee.

Note 4
Revenue recognition

Sale of electricity

The Group supplies electricity to both private and corporate end-user customers pursuant to agreed upon rates. Services are billed on a rate/kWh for the total volume consumed per month. Pursuant to the terms of the agreement, the Group has the right to invoice the customer in an amount that directly corresponds with the value to the customer of the Group's performance to date, accordingly the Company recognises revenue based on the amount billable to the customer.

Electricity Procurement Services

The Group has contracts with 'alliance partner' customers to jointly procure electricity from Statkraft AS in Norway. Services are billed on a rate per kWh of electricity procured on behalf of the alliance partner. The rate stipulated in the contract with alliance partners is based on the market price for electricity in the Norway electricity wholesale market plus a fixed markup. The Group is the agent in this transaction as it does not have control over the electricity being procured on behalf of the 'alliance' customers and accordingly recognises revenue, over time, equal to the amount of the markup billed to the alliance partners.

In addition, the Group provides certain additional services, namely procurement of el-certificates, electricity purchase contracts and derivative forward contracts and options contracts on behalf of the alliance partner, all related to the electricity management strategy of the alliance partners. Services related to procurement of electricity and related instruments are billed on a rate per kWh of volume of electricity under contract. The rate stipulated in the contract with alliance partners is based on the market price for electricity and respective instruments in the Norway electricity wholesale market plus a fixed markup. Similar to procurement above, the Group is the agent in these transactions as it does not have control over the electricity being purchased and instruments being purchased on behalf of the 'alliance 'customers. Accordingly the Group recognises revenue, over time as these services are delivered, equal to the amount of the markup billed to the alliance partners.

The Group also provides invoicing, revenue reporting, collection and closely related services for some of the alliance partners. The fees depend on the type of service and can be fixed monthly, fixed annually and / or fixed fees per transactions. With respect to these deliveries the Group is not an agent and revenue is recognised, over time or at a point in time corresponding to the Group's performance obligations for respective services.

Subscription – mobile phone services

The Group offers mobile phone subscriptions to private consumers, and charges a fixed price per month for use of text messaging, call and data services. The customers pay a monthly fixed amount on each subscription and any unused data can be rolled over to the next month. The data that is rolled over can not exceed the total data amount indicated in the customers subscriptions. The customer is invoiced monthly in advance for the fixed amount, while any consumption not included in the fixed monthly price is invoiced in arrears. Data usage is accounted for as a separate performance obligation and fixed monthly fee is allocated to data services based on estimated expected cost plus margin.

Customers that have a contract for delivery of electricity with the Group, are also provided with a discount on their mobile phone subscription. In accordance with IFRS 15.82, the monthly discount is allocated exclusively to mobile phone services on a stand-alone selling price basis, as the same discount is also offered to other customers on a regular basis.

Revenue from messaging and call services are recognised in the month they are billed, reflecting the consumer's consummation of the services as the customer receives a fixed amount to use each month and cannot transfer unused amounts to the next period. Revenue from data is recognised over time reflecting the actual use of data by the customer. To the extent the customer do not use all of the data in a given period, the Group recognises a liability, unearned revenue, which is released to revenue as and when the customer consummate this data.

Other Services

Other services revenue consist primarily of revenues from:

- Insurance sales;
- Subscription revenue - tools; and
- Other miscellaneous products and services.

As it relates to insurance sales, the most significant judgment is determining whether the Group is the principal or agent for insurance sales made by the Group. The reported revenues from these transactions are made on a net basis because the performance obligation is to facilitate a transaction between the third party insurance company and end users, for which the Group earns a commission for connecting the customer with the insurance company and a markup for the invoicing and collection on behalf to the insurance company. Consequently, the portion of the gross amount billed to end users for premium that is remitted to the insurance company is not reflected as revenues.

Note 4
Revenue recognition

The Group charges a fixed fee for access to tools and these contracts are typically on a month-to-month basis (with no specified minimum term). Accordingly the Group recognizes revenue for the monthly amount billable to the customer.

Contracts with Multiple Performance Obligations

The Group periodically enters into contracts, or multiple contracts at or near the same time, with its customers in which a customer may purchase a combination of Electricity services and other services, such as procurement solutions or professional services. These contracts include multiple promises that the Group evaluates to determine if the promises are separate performance obligations. Once the Group determines the performance obligations, the Group determines the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. The Group then allocates the transaction price to each performance obligation in the contract based on a relative stand-alone selling price method or using the variable consideration allocation exception if the required criteria are met. The corresponding revenues are recognised as the related performance obligations are satisfied as discussed in the revenue categories above.

Cost to obtain Contracts

The Group capitalises commission expenses paid to external sales personnel that are incremental to obtaining customer contracts. The judgments made in determining the amount of costs incurred include whether the commissions are in fact incremental and would not have occurred absent the customer contract. Costs to obtain a contract are amortised over the expected period of benefit that has been determined to be approximately 36 months, presented as part of Depreciation and amortisation.These costs are periodically reviewed for impairment.

The following table summarises assets recognised from the cost to obtain a contract:

NOK in thousands	2023	2022
Balance as at 1 January		
Balance as at 1 January	295 980	287 728
Additions	140 991	237 550
Amortisation during the year	(194 008)	(185 893)
Impairment*	14 548	(39 282)
Currency translation differences	7 840	(4 122)
Balance as at 31 December	**265 350**	**295 980**

*See note 18 for more details regarding impairment of cost to obtain contracts.

Contract Balances

The Group receives payments from its customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due, and may require deferral of revenue recognition to a future period until the Group performs its obligations under these arrangements. Amounts are recorded as accounts receivable when the Group's right to consideration is unconditional (when the customer obtains control of promised goods or services).

The Group does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised goods or services to the customer will be one year or less.

Note 4
Revenue recognition

The following tables present changes in the Group's contract assets and liabilities during the year ended 31 December, 2022 and 2023:

Contract assets

NOK in thousands	**2023**	**2022**
Balance as at 1 January	5 829 272	3 831 626
Revenue recognised from performance obligations satisfied in previous periods	8 965	-
New contract assets during the period less transfer to receivables	(3 230 575)	2 007 670
Currency and other effects	22 061	(10 024)
Balance as at 31 December	**2 629 723**	**5 829 272**

Contract liabilities

NOK in thousands	**2023**	**2022**
Balance as at 1 January	31 978	47 280
Revenue recognised that was included in opening balance	(31 978)	(47 280)
New contract liabilities less transfer to revenue	27 354	31 978
Currency and other effects	-	-
Balance as at 31 December	**27 354**	**31 978**

Transaction Price Allocated to Future Performance Obligations

IFRS 15 requires that the Group disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as 31 December 2023 and 31 December 2022. The guidance provides certain practical expedients that limit this requirement. Majority of the Groups contracts meet either of the following practical expedients provided by IFRS 15 and accordingly the Group has applied this practical expedient.

1. The performance obligation is part of a contract that has an original expected duration of one year or less.
2. The entity recognizes revenue from its satisfaction of the performance obligations in the amount billable to the customer in accordance with paragraph B16 of IFRS 15.

Concentrations of Credit Risk

The Group does not have any customers that comprised more than 10% of the Group's revenue for year ended 31 December 2023 and 31 December 2022.

As of 31 December 2023 and 31 December 2022 the Group does not have significant customers that comprises more than 10% of accounts receivable.

Note 5 Direct cost of sales

NOK in thousands	2023	2022
Purchase of electrical power and el certificates	15 420 220	24 804 557
Other direct cost of sales	180 595	295 188
Change in provisions for onerous contracts	(1 048 166)	(39 256)
Unrealised gains and losses on derivative hedge contracts	2 639 877	(1 236 970)
Total direct cost of sales	**17 192 526**	**23 823 519**

Note 6 Financial assets and financial liabilities

The Group holds the following financial instruments:

Financial assets

NOK in thousands	Notes	2023	2022
Financial assets at amortised cost			
Trade receivables *	6(a)	1 360 019	1 722 161
Other non-current financial assets	6(a)	133 665	48 285
Cash and cash equivalents	6(d)	338 746	70 548
Derivative financial instruments			
Derivative financial instruments at fair value through OCI	7,8,9	-	2 077
Derivative financial instruments at fair value through profit or loss	7,8	1 281 063	4 231 590
Firm commitments	7,8	263 657	-
Total financial assets		**3 377 150**	**6 074 662**

* Excludes contract assets.

Financial liabilities

NOK in thousands	Notes	2023	2022
Liabilities at amortised cost			
Trade and other payables	6(b)	3 246 231	5 828 373
Overdraft facilities	6(c)	-	534 112
Interest-bearing short term debt	6(c)	368 700	368 700
Interest-bearing long term debt	6(c)	537 617	629 169
Lease liability- long term	24	40 945	49 477
Lease liability- short term	24	19 391	20 284
Derivative financial instruments			
Derivative financial instruments at fair value through OCI	7,8,9	(2 735)	72 772
Derivative financial instruments at fair value through profit or loss	7,8	1 366 362	3 112 556
Firm commitments	7,8	108 648	-
Total financial liabilities		**5 685 159**	**10 615 440**

Note 6
Financial assets and financial liabilities

Offsetting financial assets and financial liabilities:

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where Elmera currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. When offsetting financial assets and liabilities, the unit of account applied is the individual identifiable cash flows of the financial instruments. The unit of account for offsetting Electricity derivatives is thus monthly settlements of such derivatives.

The following table presents the recognised financial instruments that are offset.

2023
Financial assets

NOK in thousands	Gross amount	Gross amount set off	Net amount
Derivative financial instruments and firm commitments			
Electricity derivatives	1 791 461	(510 399)	1 281 063
Firm commitments	165 473	98 184	263 657
Total derivative financial assets and firm commitments	**1 956 934**	**(412 214)**	**1 544 720**

Financial liabilities

NOK in thousands	Gross amount	Gross amount set off	Net amount
Derivative financial instruments			
Electricity derivatives	1 874 025	(510 399)	1 363 627
Firm commitments	10 463	98 184	108 648
Total derivative financial liabilities and firm commitments	**1 884 489**	**(412 214)**	**1 472 275**

Financial Statement Impact:
The Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the statement of profit or loss:

NOK in thousands	Notes	2023	2022
Interest from assets held at amortised cost		32 069	26 952
Interest expense from liabilites at amortised cost		(148 268)	(156 876)
Net impairment expense recognised on trade receivables*	6(a)	34 613	40 258
Unrealised gains and losses on derivative financial instruments **	4,5	(1 085 244)	(47 791)
Total net foreign exchange gains(losses) recognised in other financial items	11(b)	2 185	(3 351)
Total financial income and expense		**(1 164 645)**	**(140 809)**

* Impairment expense on trade receivables is recognised as “Other operating expenses” in the Consolidated statement of profit or loss.
** Unrealised gains and losses on derivative financial instruments are recognised in a) Revenue - when the derivative instrument is a financial custumer contract (see note 4), or b) Direct cost of sales - when the derivative instrument is purchased for the purpose of hedging physical or financial customer contracts (see note 5).

6(a) Trade receivables and Other non-current financial assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. Trade receivables are generally due for settlement within 30 days. No interest is charged on outstanding trade receivables, unless it is past due date.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). For customers in the business segment, the expected credit losses on trade receivables are estimated using a provision matrix by grouping trade receivables based on reference to past default experience for the group of customers. For customers in the consumer segment, the expected credit losses on trade receivables are estimated by an individual assessment of each specific customer performed by the Group's Debt Collection Service provider. The customer's current financial position, adjusted for factors that are specific to the customers', general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, are all factors that are taken into account when measuring ECL.

There has been no changes in the estimation techniques or significant assumptions made during the year.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one years past due, whichever occurs earlier. The trade receivables that have been written off are still subject to collection processes.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

2023				**Loss allowance provision - Days past due**				
NOK in thousands	**Current**	**31-60 days**	**61-90 days**	**91-120 days**	**121-180 days**	**More than 180 days**	**Total**	**Gross nominal amount**
Trade receivables - Power sales - Consumer customers	2 514	252	100	592	197	7 116	10 772	216 335
Trade receivables - Power sales - Business customers	1 128	123	1 220	6 891	1 113	18 482	28 957	1 181 583
Trade receivables - Mobile sales - Consumer customers	-	-	38	34	48	97	217	2 047
Total Loss allowance provision	**3 642**	**374**	**1 359**	**7 517**	**1 358**	**25 695**	**39 947**	**1 399 965**

2022				**Loss allowance provision - Days past due**				
NOK in thousands	**Current**	**31-60 days**	**61-90 days**	**91-120 days**	**121-180 days**	**More than 180 days**	**Total**	**Gross nominal amount**
Trade receivables - Power sales - Consumer customers	3 956	849	436	1 404	545	17 170	24 360	428 187
Trade receivables - Power sales - Business customers	2 089	257	3 990	3 366	2 244	12 762	24 706	1 341 488
Trade receivables - Mobile sales - Consumer customers	14	0	38	33	57	201	342	1 894
Total Loss allowance provision	**6 058**	**1 105**	**4 463**	**4 803**	**2 845**	**30 133**	**49 408**	**1 771 569**

6(a) Trade receivables and Other non-current financial assets

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS:

NOK in thousands	2023	2022
Opening balance, 1 January	49 408	45 213
Loss allowance recognised in profit or loss for the period	(10 245)	4 403
Currency translation difference	784	(208)
At 31 December	**39 947**	**49 408**

During the year, the following gains/(losses) were recognised in profit or loss in other expenses in relation to impaired receivables:

NOK in thousands	2023	2022
Receivables written off	53 174	39 518
Movement in provision for impairment	(10 245)	4 403
Received payment on previously written off receiavbles	(8 316)	(3 663)
Net impairment expense recognised on trade receivables	**34 613**	**40 258**

Other non-current financial assets

The other non-current financial assets in the consolidated statement of financial position comprise of the following:

NOK in thousands	2023	2022
Loans to employees*	10 837	14 076
Other long term receivables from customers**	-	21 686
Capitalised transaction costs***	2 504	6 190
Other****	120 324	6 333
Total	**133 665**	**48 285**

* Loans to employees include next year's instalments. Instalments in 2024 amount to NOKt 1 990.
** The Group has previously had a scheme for customers with home chargers for electrical cars where the customer has been able to pay off the cost of the home charger over the electricity bill. The repayment plan was set to 36 months and the Group had a lien in the home charger until it was paid off. The scheme for the sale of home chargers with a repayment plan over the electricity bill was discontinued in 2023. The residual value of the repayment plans is to be repaid in 2024 and is presented as part of trade receivables as of 31 December 2023.
*** Transaction costs related to establishing the RCF, the guarantee facility and the overdraft facility, see more details in note 6(c).
****Included is an indemnification asset of approx. SEK 101m against Troms Kraft AS, see more details in note 28.

6(b) Trade and other payables

Current liabilities

NOK in thousands	2023	2022
Trade and other payables	3 246 231	5 828 373

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

The Group's main supplier is Statkraft Energi AS. Of the total Trade and other payables at 31 December 2023 the outstanding balance with Statkraft Energi AS was NOKt 2 712 546 (31 December 2022: NOKt 5 249 292). The payment terms of the Group's power purchase agreement with Statkraft Energi AS are 45-days with agreed intention to pay before due date in order to reduce credit exposure and interest cost. In addition, the agreement in Norway includes a right for the Group to postpone payments for an additional 15 days if prices exceed an agreed upon price level. The power purchases under this agreement are invoiced monthly in arrear and are interest bearing. The agreement expires 31 December 2024.

Fair value of trade and other payables
The carrying amount of trade and other payables are considered to be the same as their fair values due to their short-term nature.

6(c) Credit facilities

NOK in thousands	Effective interest rate	2023	2022
Term loan	NIBOR 3 months + 1,75 %	632 475	726 175
Revolving credit facility	NIBOR 3 months + 1,75 %	275 000	275 000
Total principal amounts		**907 475**	**1 001 175**

Credit facilities agreement
Elmera Group's facilities agreement with DNB includes the following credit facilities;
- a NOKt 1 000 000 term loan - the acquisition facility
- a NOKt 500 000 revolving credit facility
- a NOKt 2 250 000 guarantee facility
- a NOKt 1 300 000 overdraft facility

The termination date of the term loan facility, the revolving credit facility, and the guarantee facility has been extended until 31 December 2024. The agreement also includes an option to extend the termination date to 2 January 2025.

The term loan - NOKt 1 000 000 - The acquisition facility
Each term loan drawn upon the facility is to be repaid in quarterly repayments of 2,5 % of the original amount of the term loan, with the remainder being repaid in full on the termination date. The reference interest rate is NIBOR. The term loan principals are being repaid in quarterly instalments of total NOKt 23 425. At 31 December 2023 the remaining term loan principal balance is NOKt 632 475. The loan instalments of NOKt 93 700 that are due the next twelve months are reported in interest-bearing short term debt in the statement of financial position. As the agreement includes an option to extend the termination date to 2 January 2025, the remaining balance is reported as interest-bearing long term debt.

The revolving credit facility - NOKt 500 000 - The RCF
The revolving credit facility is available up until one month before the termination date. Any drawings for the purpose of financing permitted acquisitions shall be converted into term loan drawings with the same repayment profile as the acquisition facility, and amounts so converted shall not be available for re-drawing. The Group drew NOKt 275 000 on this facility in 2022, and another NOKt 150 000 in Q1 2023. The latter was repaid in Q2 2023, thus NOKt 225 000 remains undrawn at 31 December 2023. The revolving credit facility is classified as interest-bearing short term debt in the statement of financial position.

The guarantee facility - NOKt 2 250 000
The purpose of the guarantee facility is the issuance of guarantees and letters of credit for the general corporate and working capital purpose of the group, hereunder gurantees related to re-invoicing agreements with grid owners, property rental agreements and so on. At 31 December 2023 guarantees of total NOKt 2 093 015 were issued under the guarantee facility.

6(c) Credit facilities

The overdraft facility - NOKt 1 300 000
The overdraft facility has been extended until 31 December 2024. The overdraft facility was increased from NOKt 1 000 000 to NOKt 1 300 000 in 2022. At 31 December 2023 the Group had not drawn on the overdraft facility.

Transaction costs
Transactions costs of NOKt 9 570 related to establishing and extending the Term loan facility are recognised as part of amortised cost of the Term loan. Transaction costs of NOKt 18 072 related to establishing and extending the RCF, The guarantee facility, and the overdraft facility are amortised on a straight line basis over the period from establishing the facilities to the extended termination date.

Security
The Group's trade receivables have been pledged as security for all credit facilities under the facilities agreement. See note 23.

Financial covenant
Under the credit facility, there is a leverage covenant that applies at all times, and which shall be calculated quarterly based on consolidated numbers. A leverage ratio is to be calculated as total long term interest bearing debt (term loan) deducted free cash to rolling 12 month EBITDA adjusted. The leverage ratio shall not exceed:
- more than 2,5 in respect of more than one quarter-end during any financial year, and
- more than 2,0 in respect of the remaining three quarter-ends during any such financial year.

The Group is in compliance with the covenant at the end of this reporting period.

Liabilities from financing activities

NOK in thousands	Interest-bearing long term debt	Interest-bearing short term debt	Lease liability	Overdraft facilities	Total
Balance at 1 January 2022	720 009	93 700	86 314	-	900 023
Cash flows	(93 700)	275 000	(20 245)	534 112	695 167
New leases	-	-	3 638	-	3 638
Foreign exchange adjustments	-	-	54	-	54
Other changes	2 860	-	-	-	2 860
Balance at 31 December 2022	**629 169**	**368 700**	**69 761**	**534 112**	**1 601 741**

NOK in thousands	Interest-bearing long term debt	Interest-bearing short term debt	Lease liability	Overdraft facilities	Total
Balance at 1 January 2023	629 169	368 700	69 761	534 112	1 601 741
Cash flows	(93 700)	-	(20 606)	(534 112)	(648 418)
New leases	-	-	11 077	-	11 077
Foreign exchange adjustments	-	-	105	-	105
Other changes	2 149	-	-	-	2 149
Balance at 31 December 2023	**537 617**	**368 700**	**60 336**	**-**	**966 653**

6(d) Cash and cash equivalents

Current assets

NOK in thousands	2023	2022
Cash at bank and in hand	338 746	70 548
Total	**338 746**	**70 548**

The above figures equals the amount of cash shown in the statement of cash flows at the end of the financial year.

Classification as cash equivalents
Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted cash
Please refer to note 23 for information about restricted cash.

Note 7 Fair value measurement of financial instruments

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2023

NOK in thousands	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	1 433 738	110 982	1 544 720
Total financial assets at fair value	**-**	**1 433 738**	**110 982**	**1 544 720**
Financial liabilities				
Derivative financial instruments	-	1 358 890	113 384	1 472 275
Total financial liabilities at fair value	**-**	**1 358 890**	**113 384**	**1 472 275**

Recurring fair value measurements At 31 December 2022

NOK in thousands	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	4 073 672	159 996	4 233 668
Total financial assets at fair value	**-**	**4 073 672**	**159 996**	**4 233 668**
Financial liabilities				
Derivative financial instruments	-	3 032 664	152 663	3 185 327
Total financial liabilities at fair value	**-**	**3 032 664**	**152 663**	**3 185 327**

Note 7
Fair value measurement of financial instruments

There were no transfers between level 1 and 2 for recurring fair value measurements during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs to a fair value valuation are not based on observable market data, the instrument is included in level 3.

Valuation techniques used to determine fair values

Specific valuation techniques used to value derivative financial instruments, in majority electricity derivatives, include present value of future cash flows based on forward power prices from Nasdaq Commodities at the balance sheet date. In the case of material long-term contracts, the cash flows are discounted at a discount rate calculated by using interest rates on Government bonds with matching maturities, added a risk premium of 0,2 percentage points. Valuation method is used for bilateral forward contracts and option contracts associated with purchase and sale of electricity. Key inputs to the valuation are expected power prices (Nordic system price and area prices in the power price areas in Norway, Sweden and Finland), contract prices and discount rates.

Level 3 inputs consist of expected power prices for delivery periods without an observable market price:

- Nordic system price for delivery periods beyond the next 10 calendar years,
- Area prices for price areas in Norway for delivery periods beyond the next 3 calendar years,
- Area prices for price areas in Sweden and Finland for delivery periods beyond the next 4 calendar years.

The Group does not hold electricity derivatives with maturities beyond the next 10 calendar years at 31 December 2023, hence all level 3 derivatives are long term area price contracts.

Note 7
Fair value measurement of financial instruments

Assets and liabilities measured at fair value based on level 3

At 31 December 2023

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 January 2023	159 996	152 663	7 333
Transferred to level 2	(90 575)	(83 377)	(7 198)
Additions or derecognitions	-	-	-
Unrealised changes in value recognised in profit or loss	41 561	44 099	(2 537)
Closing balance 31 December 2023	**110 982**	**113 384**	**(2 402)**

Net realised gain (+) / loss (-) recognised in profit and loss 2023	**-**

Sensitivity analysis of factors classified to level 3

NOK in thousands	10 % reduction	10 % increase
Net effect from power prices	(481)	481

Fair value of other financial instruments

The Group also has financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. A significant difference between fair value and carrying amout at 31 December 2023 has not been identified.

Note 8 Financial risk management objectives

The Group classifies the following categories of financial risks:

- Climate risk
- Market risk
- Credit risk
- Liquidity risk

Climate risk

In preparing Elmera Group's annual financial statements, a comprehensive evaluation of climate-related risks was conducted to accurately reflect the Group's financial position and outlook. This evaluation considered the potential impacts of physical risks, such as extreme weather events and shifts in climate patterns, as well as transition risks associated with the global move towards a low-carbon economy.

Physical risk involves costs associated with physical damage due to climate change. Elmera Group has very few assets that could be physically damaged as a consequence of climate change. The increased frequency of extreme weather conditions could result in significant damage to grid owners' infrastructure, which could affect Elmera Group's reputation in the event of prolonged power outages. The Group's exposure to physical risk is considered to be low.

Transitional risk involves economic uncertainty related to the transition to a low-emission society, and is divided into four categories: Technology, Market, Policy and Reputation.

As we are transitioning towards a low-emission society, the mix of production sources will change, which again can affect commodity prices. This is further described under "market risk – commodity prices".

Elmera Group is operating in a renewable industry and the demand for electricity is expected to increase going forward. Increased penetration of solar panels among consumers can reduce the customers' consumption of electricity through the electricity retailers, but also represents growth opportunities for the Group, as the Group is both a distribution channel of solar panels and facilitates solutions for i.a. insight and virtual storage of production. This area is an important focus area for the Group in the years to come.

The various aspects of climate risk mentioned above have been assessed for their potential influence on the recognition, measurement, depreciation profiles and impairment considerations of the Group's assets and liabilities, and it was concluded that, as of the current reporting period, climate-related risks do not have material effects on the Group's financial statements.

The Group's ESG-report contains more information about climate risk and how these are managed.

Market risk

Market risk is the risk of losses arising from movements in market prices. The Group is primarily exposed to the market risks of changes in commodity prices, climate risk, interest rates, security prices and foreign currency exchange rates.

Market risk – commodity prices

The commodity price risks related to sales of electricity to end-users are primarily related to market prices for electricity, but also to market prices of el-certificates and guarantees of origination (GoOs).

The market price for electricity (spot price) is the hourly price from the Nordic power exchange Nord Pool Spot. Norway, Sweden, and Finland are geographically divided into different electricity price areas. The spot price is determined by Nord Pool Spot within each of these price areas by the balance between demand and supply.

Different factors have contributed to high price volatility for a sustained period. These include geopolitical conditions, such as Russia's invasion of Ukraine and the consequences of this for gas supplies in Europe, high CO_2 prices, and the transition to renewables that bring more non-regulated power into the system. Going forward, the new normal is expected to be characterised by higher price volatility than before the electricity price crisis. This leads to unpredictability related to electricity costs, perceived as challenging by many in both the private and corporate sectors.

A higher ratio of renewable energy in the power system also increases price volatility. Production will vary according to weather conditions. The price of electricity produced from coal and gas is affected by high CO_2 prices. Weather conditions also affect the demand side. Climate change therefore affects key factors such as price and volume. It also drives regulation and increased reporting requirements, as well as the demand for products such as solar panels and guarantees of origin. The Group's ESG-report contains more information about climate risk and how these are managed.

When selling electricity to end users the Group offers a large scale of different product types with different pricing structures. The product types vary from spot-priced products, where the sales prices are connected to the spot price the Group pays when purchasing the electricity in the spot market, to variable price and fixed price contracts where the sales price is a fixed price for a fixed period.

The different product types expose the Group to different risks, including price risk, profile risk, and volume risk. Profile risk arises when using standardized electricity derivatives, where the contractual price is fixed for all hours during the contractual period, to hedge power sales in the retail market where power prices vary from hour to hour throughout the day and week.

The majority of end-user-sales in Norway are from spot-priced product types, where there

Note 8
Financial risk management objectives

is no price-, profile- or volume risk. Variable price contracts offer the customers the predictability of a fixed price without a fixed volume. The price in the variable price products in the consumer segment can be changed with a 30 days' notice period. In the business segment the notice period is seven days. In the Consumer segment, the Group has initiated a soft phase-out of these contracts and year-end 2023 this contract type represents less than 7% of the customers in the segment.

A portion of end-user sales in the Nordic segment are at fixed price contracts. The volume of fixed price power contracts has decreased during the year due to a phase-out of the product and movement towards spot-based products for new customers. These legacy fixed price contracts were contracts without fixed volume, exposing the Group to both price-, profile-, and volume risks. The Group ended new sales of this type of fixed price contracts in the Nordic segment during the first quarter of 2022. Since then, new sales of fixed price contracts are contracts where the customer carries the price-, profile-, and volume risks. Thus, the Group's exposure to these risks was significantly decreased in 2022 and further decreased through 2023 as fixed price contracts expired.

Whenever Elmera enters into customer contracts where the electricity sales price is fixed or partially fixed, the related price risk is managed by purchasing financial electricity derivatives for hedging purposes. When hedging the price risk from fixed price contracts without fixed volume, the electricity volume expected to be delivered on the fixed price contracts is estimated. To manage the volume risk in these customer contracts the volume estimates are periodically updated, and the portfolios of hedging derivatives are rebalanced accordingly. The remaining risk exposure is taken into account when pricing these customer contracts.

The Group offers large business customers and Alliance partners to enter into financial power contracts, enabling them to utilize the market for financial trading of electricity to hedge the price risks in (parts of) their electricity purchases and/or sales. Any financial derivative sold to a business customer is hedged back-to-back by purchasing a corresponding financial derivative from a third party, thus any price or volume risk on these financial customer contracts is eliminated. The Group's financial electricity trade is mainly conducted through agreed bilateral frameworks with Statkraft as the main trade counter party.

When selling electricity to end users in Norway and Sweden, the Group is required to purchase and cancel el-certificates. Further, when selling electricity on products including guarantees of origination, the Group is required to purchase and cancel GoOs. To manage risk exposure towards fluctuations in el-certificate and GoO market prices, the Group purchases el-certificates and GoOs, either in the spot market, or by purchasing forward contracts. The forward contracts are contracts with physical delivery, accounted for as own-use contracts, hence they are not recognised in the statement of financial position.

Market risk – interest rates

The Group's exposure to interest rate risk arises from variable rate credit facilities. The long term loans, the revolving credit facility, the guarantee facility and the overdraft facility described in note 6(c), are all variable rate facilities. In addition, interest rate risk is related to short-term trade payables towards Statkraft related to purchase of electricity, and short-term receivables for customers who choose to extend their payment terms. Variable rate credit facilities, trade payables, and trade receivables expose the Group to cash flow interest rate risks. The Group has set out parameters to actively monitor this risk going forward.

Market risk – security prices

The Group is indirectly exposed to security price risk through its defined employee benefit obligations where parts of the pension plan assets are invested in securities. This risk is managed through investment in diversified portfolios managed by external insurance companies. For further disclosure on fair value of plan assets and risk exposure related to employee benefit obligations, please refer to note 17.

Market risk – foreign exchange rates

Following the acquisition of Troms Kraft Strøm AS and its subsidiaries' operations in Sweden and Finland, the Group increased its exposure to foreign exchange risk (primarily the Swedish Krone and the Euro). The acquisition was financed by a term loan denominated in NOK, and cash in hand.

The Group's operations however still have limited exposure to foreign exchange currency fluctuations, as the vast majority of local revenues, operating expenses and financial expenses are denominated in local currency. Through its agreement with Statkraft, the Group has the opportunity to conduct all of its physical and financial purchase of electricity in local currency.

Derivatives

All financial electricity derivatives are either financial customer contracts, or purchased for the purpose of hedging physical or financial customer contracts. Hence derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The Group's accounting policy for cash flow hedges are set out in note 9.

Note 8
Financial risk management objectives

The group has the following derivative financial instruments:

NOK in thousands	2023	2022
Derivative financial assets		
Designated as hedging instruments for accounting purposes		
Electricity derivatives - Hedge contracts	-	2 077
Electricity derivatives - Customer cont racts	118 924	-
Classified as held for trading for accounting purpose		
Electricity derivatives - Hedge contracts	444 722	2 745 315
Electricity derivatives - Customer contracts	717 417	1 486 276
Other derivatives	-	-
Hedged item in fair value hedge		
Firm commitments	263 657	-
Total derivative financial assets and firm commitments	**1 544 720**	**4 233 668**
Derivative financial liabilities and firm commitments		
Designated as hedging instruments for accounting purposes		
Electricity derivatives - Hedge contracts	(2 735)	72 772
Electricity derivatives - Customer contracts	273 933	-
Classified as held for trading for accounting purpose		
Electricity derivatives - Hedge contracts	401 027	129 552
Electricity derivatives - Customer contracts	691 402	2 982 676
Other derivatives	-	328
Hedged item in fair value hedge		
Firm commitments	108 648	-
Total derivative financial liabilities and firm commitments	**1 472 275**	**3 185 327**

Note 8
Financial risk management objectives

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, equals the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, see note 6.

Trade receivables consists of a large number of receivables on end-user customers, mainly households and business customers spread across diverse industries in Norway, Sweden and Finland. The Group uses an external credit scoring system to assess the potential customer's credit quality before accepting any new customer. The Group uses publicly available financial information and its own trading records to rate its business customers. Refer to note 6 for details of concentration of credit risk related to trade receivables.

In addition to invoicing electricity sales and other services provided to customers, the Group provides re-invoicing to customers in Norway related to grid rent on behalf of the grid owners ("gjennomfakturering"). This contributes to an increase in credit risk as the amount of trade receivables increases with the re-invoiced grid rent. However, the Norwegian power support scheme ("strømstøtteordningen") has significantly reduced the amounts which are re-invoiced, and thus the related credit risk. The power support scheme has been revised by the Norwegian government and extended to include the year 2024. The Group is required to provide letters of credit to the grid owners, guaranteeing their settlement of re-invoiced grid rent. However, the grid owners are not required to reimburse the Group for any re-invoiced grid rent not settled by the customer.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Derivative financial contracts are traded either bilaterally with third party counterparties (mainly Statkraft), or customers (mainly large business customers and Alliance partners). Credit risk associated with derivative financial contracts with Statkraft (and other third parties) is considered to be limited as these counterparties are highly rated state-owned enterprises. The credit risk related to derivative financial contracts with customers is managed by only offering financial contracts to customers with a sufficient credit rating, or by requiring security from the customer in the form of a deposit or a letter of credit.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves, bank overdraft facilities and reserve credit facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Electricity purchased under the Group's electricity purchase agreement with Statkraft, which is the Group's most significant purchase agreement, are invoiced monthly in arrear, with a 45-day payment term. In addition, the agreement in Norway includes a right for the Group to postpone these payments for additional 15 days if the volume weighted average price excl. VAT exceeds NOK 1.00 per kWh.

Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are set out in note 6(c), Credit facilities.

Note 8
Financial risk management objectives

Liquidity risk tables
The following tables detail the Group's remaining contractual maturity for its non-derivative- and derivative financial liabilities. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. All electricity derivatives are settled monthly in arrear.

Contractual maturities of non-derivative financial liabilities

31 December 2023

NOK in thousands	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying amount
Trade and other payables*	3 246 231	-	-	-	-	3 246 231	3 246 231
Overdraft facilities	-	-	-	-	-	-	-
Interest-bearing short term debt**	-	23 425	70 275	275 000	-	368 700	368 700
Interest-bearing long term debt	-	-	-	538 775	-	538 775	537 617
Leasing liabilities	-	4 867	14 602	43 775	-	63 244	60 336
Total	**3 246 231**	**28 292**	**84 877**	**857 550**	**-**	**4 216 949**	**4 212 884**

* Ordinary trade and other payables are not interest bearing. However included in Trade and other payables are interest bearing trade payables related to the Group's electricity purchase agreement with Statkraft, the Group's main supplier of electrical power. This agreement allows for payment terms of 45 days, of which the oustanding balance is interest-bearing from day 1. The Group also has the right to postpone the payments by an additional 15 days if prices exceed an agreed upon price level. The agreement expires at 31 Decemver 2024.
At 31 December 2023, the interest bearing balance with Statkraft was NOKt 2 712 546 (31 December 2022 was NOKt 5 249 292).

** Interest-bearing short term debt includes the amounts of the term loan that are due within the next 12 months.

Contractual maturities of derivative financial liabilities

31 December 2023

NOK in thousands	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying amount
Electricity derivatives - Hedge contracts	-	14 290	104 662	318 652	1 122	438 725	398 292
Electricity derivatives - Customer contracts	-	204 794	284 928	500 081	32 584	1 022 388	965 335
Firm commitments	-	-	8 051	101 233	8 976	118 260	108 648
Other derivatives	-	-	-	-	-	-	-
Total	**-**	**219 085**	**397 642**	**919 966**	**42 681**	**1 579 373**	**1 472 275**

Note 9 Hedge accounting

Cash flow hedges of forecast power purchase transactions

The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast power purchase transactions (cash flow hedges).

Elmera Group sells retail electricity-contracts with different pricing structures. All electricity purchases are however made in the spot market. The majority of the customers have contracts where the price is based on spot market prices. The Group also offers fixed price contracts for a defined period, and variable price contracts with or without price ceiling.

In Norway, the price in the variable price products in the consumer segment can be changed with a 30 days notice period. In the business segment the notice period is seven days. The Group seeks to reduce price variability for a higher percentage of the future power purchases in Norway. This supports the commercial goal to reduce the number of price changes for the variable price products, and at the same time acknowledge the risk that the Group might not be fully able to follow the price curve in a market with reduced prices.

Because of the increased volume of hedging activity for future power purchases, the Group implement hedge accounting in 2021. Hedge accounting only applies to contracts entered into after the revised risk management policy. Elmera uses different derivatives to reduce variability in future power purchases, depending on availability in the market. The Group has prepared formal hedge documentation for area price forward contracts, Nordic system price forward contracts, EPAD (Electricity Price Area Difference) forward contracts, and for combinations of system price forward contracts and EPAD forward contracts, that are all part of the same risk management strategy.

The Norwegian group entities purchase electricity in all five Norwegian price areas. When a Nordic system price forward contract is designated as a hedge instrument, the contract is designated to the different price areas at the inception of the hedge.

The Nordic system price is the main reference price in the Nordic electricity market, with area prices to a varying degree correlating to the system price. The three southern price areas in Norway (NO1, NO2 and NO5) are highly correlated with both the system price and each other. The correlation for the area prices in the two northern areas (NO3 and NO4) and the system price is significantly weaker than for the southernmost areas.

When implementing hedge accounting in 2021, management considered the market structure and concluded that the system price can be characterized as an identifiable and measurable component of the power price. In general, a change in the system price will cause a change in the price in all price areas and will also impact the pricing of long-term contracts in all areas. In addition, most market participants develop expectation of future prices estimating future system price and area differentials individually. This implies that the system price is an identifiable risk component in the future purchase of electricity. When designating system price forward contracts as hedging instruments for power purchases in price areas where the forward area price is expected to be higher than the forward system price (NO1, NO2 and NO5), the hedged item is defined as the cash flows related to future purchase of electricity in the relevant areas, but only for those changes that are attributable to changes in the system price.

From the beginning of 2022 the Group has not designated system price forward contracts as hedging instruments for power purchases in price areas NO3 and NO4, unless they are part of a hedge where the hedging instrument is a combination of a system price forward contract and an EPAD forward contract. The Group's strategy when hedging the future cash flows related to power purchases in price areas NO1, NO2 and NO5 has changed towards using area price forward contracts as hedging instruments, rather than Nordic system price forward contracts.

For all price areas the hedged item is defined as the first units of electricity purchased every hour, not already designated as a hedged item in another hedge. Since only a limited portion of the total purchase volume is hedged, actual purchase volume will be significantly higher than the hourly volume of the derivatives. Because of this there will not be any timing differences causing ineffectiveness.

Note 9
Hedge accounting

Fair value hedge

From the beginning of 2023 the Group designates certain fixed price power sales contracts as fair value hedges of power price risk associated with certain firm commitments.

The fixed price power sales contracts which are the hedging instruments are customer contracts which contain terms that the customer will be financially settled for the difference between the agreed price and the spot price in the event of under-consumption. The contracts also include a choice of net cash settlement. As the contracts fails the own-use criteria under IFRS 9 the contracts are presented at fair value in the balance sheet in accordance with IFRS 9.

The firm commitments which are the hedged items are fixed price power purchase contracts, where the price is fixed for the delivery of a fixed volume in a fixed delivery period in a designated price area. These contracts do not qualify for recognition in the statement of financial position in accordance with IFRS 9 as they are entered into and continue to be held for the purpose of the receipt of power in accordance with the Group's expected purchase and should be accounted for as "own use" contracts. They do however meet the definition of a firm commitment and can be designated as hedged items in a fair value hedge according to IFRS 9.6.3.

The objective of the economic hedging arrangements is to hedge the exposure to changes in the fair value of the fixed price purchase contracts.

The hedge ratio is 1:1 as the critical terms of the hedged items and the hedging instruments are identical. Credit risk associated with these contracts is considered immaterial. The fair value hedges are expected to be highly effective and there was no significant impact on the statement of profit or loss resulting from hedge ineffectiveness during the year.

In a fair value hedge the value change in unrealised gains or losses of the hedging instrument will meet the corresponding change in value of the hedged item and it is presented on the same line item in the statement of profit or loss. Ineffectiveness is recognised in profit or loss. Accumulated unrealised gains or losses on the hedged items are recognised as firm commitments in the line item *Derivative financial instruments and firm commitments* in the statement of financial position.
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The accounting implications of hedge accounting for the period are summarised in the tables below.

Cash flow hedges - Change in fair value of hedging instruments where hedge accounting is applied

NOK in thousands	2023	2022
Cash flow hedge of highly probable power purchase:		
Ineffective portion, recognised in P&L, total	5	(12 512)
Effective portion, recognised in OCI, total	73 424	20 781
Change in fair value - Cash flow hedges	**73 429**	**8 269**
Effective portion, recognised in OCI, net of tax (22 %)	57 270	16 209

Ineffective portion of changes in fair value of designated hedging instruments are recognised to Direct cost of sales in the statement of profit or loss. Effective portion of realised gains and losses on hedging instruments are reclassified from OCI and recognised to Direct cost of sales in the period they are realised.

Note 9
Hedge accounting

Cash flow hedges - Fair value of hedging instruments where hedge accounting is applied

Cash flow hedge of highly probable power purchase in Norwegian price areas.

	Fair value of hedge instrument	Effective portion of change in fair value, recognised in OCI	Effective portion of change in fair value, recognised in OCI, net of tax	Ineffectiveness recognised in P&L	Hedged volume, subsequent quarter, in MWh	Hedged volume beyond subsequent quarter, in MWh
31 December 2023						
South Norway (NO1, NO2, NO5)	270	270	211	-	21 641	-
Trondheim (NO3)	2 309	2 309	1 801	-	20 554	-
Tromsø (NO4)	156	156	122	-	2 137	-
31 December 2023 - Total	**2 735**	**2 735**	**2 133**	**-**	**44 332**	**-**
31 December 2022						
South Norway (NO1, NO2, NO5)	(71 809)	(71 809)	(56 011)	-	60 944	146
Trondheim (NO3)	2 099	2 103	1 640	(3)	29 114	763
Tromsø (NO4)	(984)	(983)	(766)	(2)	7 894	967
31 December 2022 - Total	**(70 694)**	**(70 689)**	**(55 137)**	**(5)**	**97 952**	**1 876**

Cash flow hedges - Hedging reserves

The table below shows a reconciliation of the hedging reserve in other comprehensive income related to cash flow hedges of forecast power purchase transactions.

NOK in thousands	2023	2022
Opening balance 1 January	(55 137)	(71 347)
Effective portion of unrealised change in fair value of hedging instruments	(68 642)	(381 080)
Realised (gains) and losses reclassified to profit or loss	142 064	401 862
Deferred tax	(16 153)	(4 572)
Closing balance 31 December	**2 133**	**(55 137)**

Note 9
Hedge accounting

Fair value hedges

NOK in thousands	Item in Statement of financial position	Nominal amounts, hedged volume in MWh	Carrying amount at end of period	Accumulated fair value adjustment of the hedged items at end of period	Changes in fair value used for calculating hedge ineffectiveness
2023					
Hedged items:					
Fixed price purchase contracts (Firm commitments)	Derivative financial instruments and firm commitments (assets)	1 407 953	263 657	263 657	263 657
	Derivative financial instruments and firm commitments (liabilities)	958 610	(108 648)	(108 648)	(108 648)
Hedging instruments:					
Fixed price sales contracts (Electricity derivatives)	Derivative financial instruments (liabilities)	942 889	118 924	-	118 924
	Derivative financial instruments and firm commitments (liabilities)	1 423 674	(273 933)	-	(273 933)

Fair value hedges - contractual maturities of hedged volumes in hedging instruments

Hedged volumes in MWh	0 - 3 months	3 - 12 months	1 - 5 years	5 + years	Total
31 December 2023					
Fixed price sales contracts (Electricity derivatives)	141 613	484 567	1 591 371	149 010	2 366 562

Note 10 Personnel expenses

NOK in thousands	2023	2022
Salaries	348 669	322 878
Social security	55 354	44 091
Pension expenses	38 854	40 298
Other benefits	13 950	14 870
Gross personnel expenses	**456 828**	**422 137**
- Capitalised R&D costs	(2 206)	(1 109)
Total personnel expenses	**454 622**	**421 029**
Number of full-time equivalents (FTEs) as of 31 December	**434**	**412**

For information regarding pension schemes please refer to note 17.
For information regarding management option program please refer to note 26.
For information regarding remuneration to executive management and Board of Directors please refer to note 22.

Note 11 Other operating expenses and other financial items

11(a) Other operating expenses

Other operating expenses

NOK in thousands	2023	2022
Sales and marketing costs	90 132	135 526
IT cost	146 469	134 331
Purchase of third- party services and external personnel	82 877	107 011
Net impairment expense on trade receivables and other losses	32 007	35 317
Professional fees *	123 962	93 184
Other operating costs	66 830	69 577
Total other operating expenses	**542 277**	**574 946**

* Includes legal fees, auditor, consultants.

Auditor's remuneration

NOK in thousands	2023	2022
Statutory audit - Deloitte	5 264	3 884
Other assurance services - Deloitte	396	618
Other non-assurance services - Deloitte	133	235
Total	**5 794**	**4 736**

11(b) Other financial items, net

NOK in thousands	2023	2022
Foreign exchange gain/(losses)	7 686	(3 351)
Other financial expenses	(12 241)	(9 311)
Total other financial items, net	**(4 555)**	**(12 660)**

Note 12
Income tax

Specification of tax expense recognised in statement of profit or loss

NOK in thousands	2023	2022
Tax payable on profit for the year	82 874	64 831
Adjustments to prior years tax payable	17	(208)
Adjustments to prior years deferred tax expense (income)	-	208
Change in deferred tax/(tax asset) from origination and reversal of temporary differences	(41 860)	(9 986)
Tax expense recognised in statement of profit or loss	**41 030**	**54 846**

Specification of current income tax liabilities

NOK in thousands	2023	2022
Tax payable on profit for the year	82 874	64 831
Tax payable on changes to profit for the previous year	(4)	-
Adjustments prior years tax payable	41	(14 325)
Current income tax liabilities recognised in balance sheet	**82 910**	**50 506**

Reconciliation of statutory tax rate to effective tax rate:

NOK in thousands	2023	2022
Profit before tax	237 577	128 692
Income tax at statutory tax rate (22%)	**52 267**	**28 312**
Tax expense recognised in statement of profit or loss	41 030	54 846
Difference	**11 236**	**(26 533)**
Permanent differences	216	3 107
Change in deferred tax/(tax asset) from change in valuation allowance for deferred tax assets	(11 508)	23 442
Adjustments prior years tax payable	55	(15)
Difference	**(11 236)**	**26 533**

Note 12
Income tax

Specification of basis for deferred tax

NOK in thousands	2023 Norway	2023 Sweden & Finland	2023 Total	2022 Total
Fixed assets/intangible assets	210 564	149 776	360 340	436 020
Receivables	(26 291)	-	(26 291)	(33 617)
Pension liabilities	(22 958)	-	(22 958)	(62 185)
Cost to obtain contracts	132 963	-	132 963	192 420
Provisions for onerous contracts	(3 809)	(89 454)	(93 263)	(1 069 575)
Other current liabilities	(2 544)	-	(2 544)	(5 115)
Derivative financial instruments	2 161	69 939	72 100	1 048 203
Leasing liabilities	(3 210)	(6)	(3 215)	(3 566)
Other	17 138	-	17 138	6 322
Losses carried forward	(12 245)	(2 091 352)	(2 103 597)	(2 005 484)
Temporary differences	**291 769**	**(1 961 097)**	**(1 669 328)**	**(1 496 578)**
Tax rate	22%	20,6% / 20%		
Deferred tax/(tax asset)	64 189	(403 951)	(339 762)	(303 265)
Valuation allowance for deferred tax assets*	-	385 139	385 139	368 555
Deferred tax asset recognised in statement of financial position	**-**	**37 466**	**37 466**	**34 990**
Deferred tax recognised in statement of financial position	**64 189**	**18 654**	**82 843**	**100 280**
Net position	*(64 189)*	*18 812*	*(45 377)*	*(65 290)*

*** Valuation allowance for deferred tax asset**
There are significant tax losses carried forward in the entities in Sweden and Finland which were acquired as part of the Troms Kraft Strøm AS acquisition in 2020. A deferred tax asset related to the portion of these tax losses carried forward which are expected to be utilised by net taxable profit in the acquired businesses in Sweden (NOKt 24 508) and Finland (NOKt 12 958), was recognised as part of the purchase price allocation when accounting for the business combination. The deferred tax asset related to the remaining tax losses carried forward are not recognised in the statement of financial position at year end 2023.

Of the unrecognised deferred tax assets, NOKt 386 659 relates to losses carried forward in Sweden and NOKt 6 121 relates to losses carried forward in Finland. Tax losses in Finland may be carried forward for ten subsequent years. The tax losses carried forward in Finland are from the period between 2014 and 2023. Utilisation of the tax losses in Sweden is without time limitation.

Note 12
Income tax

Changes in deferred tax balances

2023 NOK in thousands	1 January 2023	Changes recognised in statement of profit or loss	Changes recognised in other comprehensive income	31 December 2023
Fixed assets/intangible assets	82 756	(19 136)	1 359	64 978
Receivables	(7 396)	1 612	-	(5 784)
Pension liabilities	(13 681)	1 718	6 911	(5 051)
Cost to obtain contracts	42 332	(13 080)	-	29 252
Provisions for onerous contracts	(10 770)	9 932	-	(838)
Other current liabilities	(1 125)	566	-	(560)
Derivative financial instruments	7 559	(23 237)	16 153	476
Leasing liabilities	(777)	70	-	(706)
Other assets	1 391	2 379	-	3 770
Losses carried forward	(35 000)	(2 685)	(2 476)	(40 160)
Total	**65 290**	**(41 860)**	**21 948**	**45 377**

2022 NOK in thousands	1 January 2022	Changes recognised in statement of profit or loss	Changes recognised in other comprehensive income	31 December 2022
Fixed assets/intangible assets	102 056	(20 356)	1 056	82 756
Receivables	(5 249)	(2 147)	-	(7 396)
Pension liabilities	(20 644)	5 945	1 018	(13 681)
Cost to obtain contracts	43 707	(1 375)	-	42 332
Provisions for onerous contracts	(8 541)	(2 230)	-	(10 770)
Other current liabilities	(1 179)	53	-	(1 125)
Derivative financial instruments	(9 563)	12 550	4 572	7 559
Leasing liabilities	(763)	(14)	-	(777)
Other assets	3 839	(2 448)	-	1 391
Losses carried forward	(35 136)	35	101	(35 000)
Total	**68 528**	**(9 986)**	**6 747**	**65 290**

OECD Pillar Two
The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy.

The OECD Pillar Two Global anti- Base Erosion legislation will come into effect from 1 January 2024. The Group is within the scope of the OECD Pillar Two model rules, but since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax in Norway, on profits of its subsidiaries outside of Norway that are taxed at an effective tax rate of less than the 15 % minimum tax rate.

Due to the complexities in the Pillar Two legislation the Group is currently engaged in assessing the application and impact of the legislation on its future financial reporting and performance.

Note 13 Earnings per share

Earnings per share is calculated as profit/loss allocated to shareholders for the year divided by the weighted average number of outstanding shares.

Basic earnings per share

	2023	2022
Profit/(loss) attributable to equity holders of the Group (NOK in thousands)	192 288	73 847
Total comprehensive income attributable to equity holders of the Group (NOK in thousands)	316 986	92 911
Weighted average number of ordinary shares outstanding	108 623 439	110 833 229
Earnings per share in NOK	**1,77**	**0,67**
Total comprehensive income per share in NOK	**2,92**	**0,84**
Share options (see note 26)	1 932 336	1 710 000
Diluted earnings per share in NOK	**1,74**	**0,66**
Dividend per share in NOK	**1,50**	**3,50**

Note 14 Property, plant and equipment

2023

NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Accumulated cost 1 January 2023	19 313	29 813	90	49 216
Additions	-	566	62	627
Transferred from construction in progress	152	-	(152)	-
Currency translation difference	125	117	-	241
Accumulated cost 31 December 2023	**19 589**	**30 495**	**-**	**50 085**
Accumulated depreciation 1 January 2023	(14 226)	(26 790)	-	(41 017)
Depreciation for the year	(1 959)	(1 604)	-	(3 563)
Currency translation difference	(94)	(95)	-	(189)
Accumulated depreciation 31 December 2023	**(16 279)**	**(28 489)**	**-**	**(44 769)**
Carrying amount 31 December 2023	**3 310**	**2 006**	**-**	**5 315**

2022

NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Accumulated cost 1 January 2022	18 653	27 260	33	45 946
Additions	675	2 593	57	3 325
Currency translation difference	(15)	(40)	-	(55)
Accumulated cost 31 December 2022	**19 313**	**29 813**	**90**	**49 216**
Accumulated depreciation 1 January 2022	(11 996)	(25 852)	-	(37 849)
Depreciation for the year	(2 240)	(954)	-	(3 194)
Currency translation difference	10	15	-	28
Accumulated depreciation 31 December 2022	**(14 226)**	**(26 790)**	**-**	**(41 017)**
Carrying amount 31 December 2022	**5 087**	**3 023**	**90**	**8 198**

Useful life	8 years (or lease term if shorter)	3 years
Depreciation method	Straight line	Straight line

The Group has no stranded assets.

Note 15
Intangible assets

Non-current intangible assets

2023

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts**	Other intangible assets	Totalt non-current intangible assets excl. Goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2023	382 472	9 446	799 668	36 676	145 888	1 374 151	1 418 775	2 792 926
Additions - Purchase	8 174	41 471	274	-	-	49 919	-	49 919
Additions - Internally generated	1 605	601	-	-	-	2 206	-	2 206
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	37 983	(37 983)	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-
Disposals***	-	-	-	(20 830)	-	(20 830)	-	(20 830)
Currency translation differences	612	132	15 950	2 596	1 652	20 943	20 613	41 556
Accumulated cost 31 December 2023	**430 845**	**13 668**	**815 892**	**18 443**	**147 541**	**1 426 389**	**1 439 389**	**2 865 777**
Accumulated depreciation 1 January 2023	(269 527)	-	(445 660)	(2 085)	(41 240)	(758 512)	-	(758 512)
Depreciation for the year	(45 560)	-	(115 731)	-	(7 427)	(168 717)	-	(168 717)
Disposals***	-	-	-	1 286	-	1 286	-	1 286
Currency translation differences	(382)	-	(5 646)	(147)	-	(6 175)	-	(6 175)
Accumulated depreciation 31 December 2023	**(315 468)**	**-**	**(567 037)**	**(946)**	**(48 667)**	**(932 118)**	**-**	**(932 118)**
Accumulated impairment 1 January 2023	(22 724)	-	-	(34 591)	-	(57 315)	-	(57 315)
Impairment for the year	-	-	-	-	-	-	-	-
Disposals***	-	-	-	19 544	-	19 544	-	19 544
Currency translation differences	-	-	-	(2 450)	-	(2 450)	-	(2 450)
Accumulated impairment 31 December 2023	**(22 724)**	**-**	**-**	**(17 497)**	**-**	**(40 221)**	**-**	**(40 221)**
Carrying amount 31 December 2023	**92 654**	**13 668**	**248 855**	**-**	**98 874**	**454 051**	**1 439 389**	**1 893 440**
Useful life	3 years		2-12 years	Up to 5 years	3 years			
Depreciation method	Straight line		Other*/ straight line	Other**	Straight line			

* Depreciations of customer portfolios has previously been calculated on basis of expected churn-profile of the customer portfolio. From 2023 the Group have changed the deprectiation method on the majority of customer portfolios to a straight-line method as changing market conditions have made it difficult to estimate a churn-based depreciation pattern reliably. The effect of the change is an increased depreciation of approximately NOKt 25 900 in 2023. The effect on future periods is an increase in depreciation in 2024 and 2025 of approximately NOKt 41 000 and NOKt 30 800 respectively and a corresponding reduction in depreciation from 2026 and onwards.
** Refer note 18 for more information regarding depreciation and impairment of fixed price customer contracts.
*** Disposals are related to fixed price customer contracts being fully delivered. This effect was not included in the consolidated financial statements for 2022. Comparative figures have been updated accordingly.

Note 15
Intangible assets

Non-current intangible assets

2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts**	Other intangible assets	Totalt non-current intangible assets excl. Goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2022	345 582	5 339	796 218	111 314	145 607	1 522 414	1 419 451	2 941 866
Additions - Purchase	8 910	32 439	4	-	-	41 353	-	41 353
Additions - Internally generated	858	105	-	-	-	963	-	963
Transferred from construction in progress	28 294	(28 294)	-	-	-	-	-	-
Government grants	(1 308)	-	-	-	-	(1 308)	-	(1 308)
Disposals***	-	-	-	(76 963)	-	(76 963)	-	(76 963)
Currency translation differences	136	(143)	3 446	2 325	281	6 045	(675)	5 370
Accumulated cost 31 December 2022	**382 472**	**9 446**	**799 668**	**36 676**	**145 888**	**1 492 504**	**1 418 775**	**2 911 280**
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(3 209)	(32 514)	(625 236)	-	(625 237)
Depreciation for the year	(47 861)	-	(123 977)	-	(8 726)	(180 565)	-	(180 565)
Disposals***	-	-	-	1 181	-	1 181	-	1 181
Currency translation differences	(131)	-	(337)	(57)	-	(526)	-	(526)
Accumulated depreciation 31 December 2022	**(269 527)**	**-**	**(445 660)**	**(2 085)**	**(41 240)**	**(805 145)**	**-**	**(805 145)**
Accumulated impairment 1 January 2022	(22 724)	-	-	(108 106)	-	(202 550)	-	(202 550)
Impairment for the year	-	-	-	-	-	-	-	-
Disposals***	-	-	-	75 782	-	75 782	-	75 782
Currency translation differences	-	-	-	(2 267)	-	(2 267)	-	(2 267)
Accumulated impairment 31 December 2022	**(22 724)**	**-**	**-**	**(34 591)**	**-**	**(129 036)**	**-**	**(129 036)**
Carrying amount 31 December 2022	**90 221**	**9 446**	**354 007**	**-**	**104 648**	**558 324**	**1 418 775**	**1 977 100**
Useful life	3 years		2-12 years	Up to 5 years	3 years			
Depreciation method	Straight line		Other*/ straight line	Other**	Straight line			

* Depreciations for the majority of customer portfolios is calculated on basis of expected churn-profile of the customer portfolio
** Refer note 18 for more information regarding depreciation and impairment of fixed price customer contracts.
*** Disposals are related to fixed price customer contracts being fully delivered. This effect was not included in the consolidated financial statements for 2022. Comparative figures have been updated accordingly.

Note 15 Intangible assets

Impairment of Goodwill and intangible assets with indefinite useful life

The Group has performed an impairment test of Goodwill and intangible assets with indefinite useful life as of 31 December 2023 in accordance with IAS 36, using the methods outlined in note 2. Goodwill as at 31 December 2023, has a total carrying value of NOKt 1 439 389 and intangible assets with indefinite useful life has a total carrying value of NOKt 86 424.

The allocation, for impairment-testing purposes, on cash-generating units of the significant amounts is shown in the table below:

	2023		2022	
NOK in thousands	Goodwill	Intangible assets with indefinite useful life	Goodwill	Intangible assets with indefinite useful life
Consumer segment	771 012	42 017	771 012	42 017
Business segment	353 235	19 250	353 235	19 250
Nordic segment	315 141	25 157	294 528	23 505
Total	**1 439 389**	**86 424**	**1 418 775**	**84 772**

Intangible assets with indefinite useful life are tradenames acquired as part of business combinations, which are included in Other intangible assets in the tables above.

The key assumptions on which management has based its determination of the recoverable amount are Weighted Average Cost of Capital (WACC), net revenue growth and operating expenditure growth.

Key assumptions – Consumer and Business segments
When calculating value in use for both Consumer and Business segments the weighted average cost of capital used was 10,8 % (2022: 10,2 %) and estimated growth rate in the terminal year was set at nominal 0,5 % (2022: 0,5 %).

For goodwill and intangible assets with indefinite useful life allocated to the Consumer and Business segments, the calculated recoverable amount significantly exceeds the carrying amount, and reasonably possible changes in key assumptions would not lead to impairment of the assets.

Key assumptions – Nordic segment
For the Nordic segment, country specific weighted average cost of capital used was 11,5 % for both Sweden and Finland (2022: 12,0 % for Sweden and 12,1 % for Finland). Estimated growth rate in the terminal year was set at nominal 1,0 % (2022: 1,0 %).

Compound annual growth rate for net revenue was set at 11,8 % (2022: 12,0 %) and compound annual growth rate for operating expenditure was set at 5,3 % (2022: 4,7 %) in the five-year forecast.

For goodwill and intangible assets with indefinite useful life allocated to the Nordic segment, the calculated recoverable amount exceeds the carrying amount by NOKt 237 332. An increase in WACC by 4,5 percentage points, a reduction in compound annual growth rate for net revenue of 4,0 percentage points or an increase compound annual growth rate for operating expenditure of 9,9 percentage points would decrease the recoverable amount below the carrying amount.

The key assumptions used in the estimates are associated with some uncertainty, however the headroom in the impairment test is significant.

Note 15 Intangible assets

Research and development
Development projects focus on preparing the company for future changes in the framework conditions, streamlining processes and future growth. The work mainly concerns customer-related system projects. Of total R&D expenditure of NOKt 48 840, NOKt 15 672 has been expensed as other operating expenses and NOKt 33 168 has been recognized as R&D assets.

It is expected that future earnings of ongoing R&D will correspond to expenses incurred.

Government grants
The Group has been awarded two government grants (SkatteFUNN) in 2023.
One of the grants relates to a project regarding development of a plattform for local power production, storage and distribution.
The other grant relates to a project regarding development of fully automatic multi-load management in the private market.
The total grants of NOK 906 thousand will be booked as a reduction of the cost price of the related assets when approved.

Current intangible assets

2023

NOK in thousands	El-certificates	Guarantees of origination	Carbon credits	Total current intangible assets
Accumulated cost 1 January 2023	54	301	408	763
Additions - Purchase	8 166	77 972	7 162	93 300
Disposals*	(8 198)	(75 372)	(6 639)	(90 209)
Accumulated cost 31 December 2023	**23**	**2 900**	**931**	**3 854**
Carrying amount 31 December 2023	**23**	**2 900**	**931**	**3 854**

2022

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets	Total current intangible assets
Accumulated cost 1 January 2022	417	6 786	314	7 518
Additions - Purchase	9 032	29 494	3 516	42 041
Disposals*	(9 394)	(35 979)	(3 422)	(48 795)
Accumulated cost 31 December 2022	**54**	**301**	**408**	**763**
Carrying amount 31 December 2022	**54**	**301**	**408**	**763**

* Disposals of El-certificates refers to amount of certificates being handed over to the government to offset el-certificate cancellation liability. Disposals of Guarantees of origination (GoO) refers to amount of certificates redeemed as evidence of the origin of electricity generated from renewable energy sources.

Note 16 Share capital

Shareholders at 31 December 2023

	Number of shares	Nominal	Nominal value	Voting rights	Ownership
Folketrygdfondet	10 172 840	0,30	3 051 852	9,36 %	8,90 %
Gudbrandsdal Energi Holding AS	7 682 161	0,30	2 304 648	7,07 %	6,72 %
Verdipapirfondet Nordea Norge Verdi	4 315 545	0,30	1 294 664	3,97 %	3,77 %
Vpf DNB Am Norske Aksjer	4 036 705	0,30	1 211 012	3,71 %	3,53 %
Verdipapirfondet Holberg Norge	3 300 000	0,30	990 000	3,04 %	2,89 %
Landkreditt Utbytte	2 795 000	0,30	838 500	2,57 %	2,44 %
Verdipapirfondet DNB smb	2 600 076	0,30	780 023	2,39 %	2,27 %
Verdipapirfondet Alfred Berg Gambak	2 309 267	0,30	692 780	2,12 %	2,02 %
Skandinaviska Enskilda Banken AB	2 223 364	0,30	667 009	2,05 %	1,94 %
The Bank of New York Mellon sa/nv	2 220 000	0,30	666 000	2,04 %	1,94 %
J.P. Morgan SE	2 104 482	0,30	631 345	1,94 %	1,84 %
Fjarde AP-Fonden	1 900 000	0,30	570 000	1,75 %	1,66 %
HSBC Bank PLC	1 834 093	0,30	550 228	1,69 %	1,60 %
Varde Norge AS	1 829 639	0,30	548 892	1,68 %	1,60 %
State Street Bank and Trust Company	1 789 386	0,30	536 816	1,65 %	1,56 %
Verdipapirfondet Storebrand Norge	1 682 639	0,30	504 792	1,55 %	1,47 %
Nordnet Bank AB	1 539 909	0,30	461 973	1,42 %	1,35 %
Verdipapirfondet Nordea Avkastning	1 509 527	0,30	452 858	1,39 %	1,32 %
Verdipapirfondet DNB Norge	1 374 270	0,30	412 281	1,26 %	1,20 %
Catilina Invest AS	1 340 183	0,30	402 055	1,23 %	1,17 %
Others	50 112 525	0,30	15 033 758	46,11 %	43,82 %
Total outstanding shares	**108 671 611**		**32 601 483**	**100 %**	**95 %**
Treasury shares	5 680 189	0,30	1 704 057	0,00 %	4,97 %
Total shares in issue	**114 351 800**		**34 305 540**	**100 %**	**100 %**

Share capital and share premium

NOK in thousands	Share capital	Share premium	Total
31 December 2023	32 601	993 294	1 025 896
31 December 2022	32 590	993 294	1 025 884

Fully paid ordinary shares which have a par value of NOK 0.30 carry one vote per share and carry a right to dividends (except for treasury shares). All outstanding shares have equal voting rights and the right to receive dividend. For computation of earning per share and diluted earning per share see Note 13.

Treasury shares
In the second quarter of 2022 the Group initiated a share buyback program where a total of 5 717 590 shares were purchased, corresponding to 5 % of the share capital, for a total amount of NOKt 132 827. The program's purpose is to: (i) fulfil obligations arising as a result of the Group's share option program, and (ii) to redeem (i.e. cancel) shares by way of a share capital decrease in the Company, subject to approval from the general meeting.
In 2023 a total of 37 401 treasury shares, corresponding to 0,03 % of the share capital, have been sold for a total amount of NOKt 747.
The sales were initiated to fulfil obligations arising as a result of the Group's share option program.

Note 16
Share capital

Shares and options owned/controlled by members of the Board of Directors, CEO and other members of the Executive Management (including related parties):

31 December 2023	Number of shares	Number of options
Rolf Barmen (Chief Executive Officer)	69 052	250 000
Henning Nordgulen (Chief Financial Officer)	50 000	50 000
Roger Finnanger (Head of Business)	3 378	140 000
Arnstein Flaskerud (Head of Strategy, Innovation, Sustainability and M&A)	50 760	140 000
Solfrid K. Aase (Head of Alliance)	11 156	130 000
Solfrid Fluge Andersen (Head of Power markets and energy supply) 1)	5 171	135 000
Per Heiberg-Andersen (Executive Vice President Nordic)	5 000	113 334
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS)	54 600	60 000
Jeanne K. Tjomsland (Head of HR and Communications) 2)	26 028	103 334
Kari Marvik (Chief Information Officer) 3)	-	30 000
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 4)	500	-
Steinar Sønsteby (Chair)	18 668	-
Live Bertha Haukvik (Board member)	6 870	-
Heidi Theresa Ose (Board member)	3 181	-
Per Oluf Solbraa (Board member)	4 254	-
Anne Marit Steen (Board member) 5)	6 681	-
Frank Økland (Board member, Employee representative)	1 149	-
Magnhild Uglem (Board member, Employee representative) 6)	1 261	-
Stian Madsen (Board member, Employee representative) 7)	2 009	-
Tone Wille (Board member) 8)	-	-
Elisabeth Norberg (Board member, Employee representative) 9)	3 225	-
Marianne Unhjem (Board member, Employee representative) 10)	-	-
Lisbet Nærø (Chair of the Nomination committee)	-	-
Atle Kvamme (Member, Nomination committee)	-	-
Brede Selseng (Member, Nomination committee) 11)	-	-
Total	**322 943**	**1 151 668**

Terms and details for the management option program are outlined in note 26.

1) Head Of Operations until 30 November 2023 and Head of Power Markets and Energy Supply from 1 December 2023
2) From 1 December 2023
3) From 1 December 2023
4) From 1 August 2022 until 30 June 2023
5) From 26 April 2023
6) From 14 June 2023
7) From 14 June 2023
8) Until 23 April 2023
9) Until 13 June 2023
10) Until 31 May 2023
11) From 26 April 2023

Note 17 Pension liabilities

Description of the pension schemes

Elmera Group's pension schemes have been established in accordance with local laws, and include both defined contribution plans and defined benefit plans. The pension schemes offered in the Norwegian companies in the group are in line with the Act on Mandatory Occupational Pensions (Lov om obligatorisk tjenestepensjon).

Defined benefit plans

Defined benefit plans entitles members to defined future benefits. These are mainly dependent on the number of years of service, the salary level at retirement age and the size of benefits paid by the national insurance. Liabilities in defined benefit plans that are funded are covered through an insurance company.

The liability or asset recognised in the consolidated statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets if the plan is funded. The defined benefit obligation is calculated annually by independent actuaries.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed defined contributions into a separate entity (a fund).

Pension schemes in the Norwegian group entities

Until the end of 2019 the Norwegian group entities had a single defined benefit pension scheme in BKK Pensjonskasse covering all employees. As of 1.1.2020 all employees born in 1963 and later was transferred to a defined contribution pension scheme. Employees born before 1963 maintained their membership in defined benefit pension scheme, which at the same time was closed for new members. Members who were enrolled in the defined contribution pension plan received a paid-up policy for earned entitlements for the time they have earned rights in the defined benefit pension scheme if they had at least three years of service. When the group acquired the Innlandskraft-group in 2020, the group also took over the pension schemes for the employees in the companies Eidsiva Marked AS and Gudbrandsdal Energi AS. Eidsiva Marked AS was merged into Fjordkraft AS in 2021.

Defined contribution plan covering employees in Elmera Group ASA, Fjordkraft AS and Fjordkraft Mobil AS

At the end of 2023 the group companies Elmera Group ASA, Fjordkraft AS and Fjordkraft Mobil AS have a defined contribution pension scheme covering a total of 352 active members and 4 pensioners. The contribution rates for the defined contribution plan are set to 5 per cent of salaries between 0 and 7,1 times G (where G is the National Insurance scheme basic amount, NOKt 118,62 in 2023), and 15 per cent of salaries between 7,1 and 12 times G.

The defined-contribution pension scheme also includes disability pension, spouse's pension and children's pension. In addition, Elmera has chosen to introduce the contractual pension agreement (CPA) scheme for private sector for those members who are enrolled in the defined contribution pension scheme. The agreement entitles members to benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67.

In addition to the above mentioned defined contribution plan (and if applicable the defined benefit pension plan described below), Senior Management are members of a defined contribution plan, entiteling them to additional annual contribution for salary exceeding 12 G.

Defined contribution plan covering empoyees in Gudbrandsdal Energi AS

The subsidiary Gudbrandsdal Energi AS have defined contribution pension schemes which at the end of 2023 are covering 24 active members. The contribution rates for the defined contribution plans are 6 per cent of salaries between 0 and 7,1 times G (where G is the National Insurance scheme basic amount, NOKt 118,62 in 2023), and 25,1 per cent of salaries between 7,1 and 12 times G. The pension schemes includes retirement pension, disability pension, spouse's pension and children's pension.

Defined benefit plans in BKK Pensjonskasse

At the end of 2023 the defined benefit pension scheme in BKK Pensjonskasse covers 41 active members, 77 pensioners and 532 deferred vested members.These numbers include employees previously employed by Eidsiva Marked AS (which were merged into Fjordkraft AS in 2021), whom have been transferred from KLP to BKK Pensjonskasse in 2022. This defined benefit pension scheme includes retirement pension, contractual pension agreement (CPA), disability pension, spouse's pension and children's pension. The scheme complies largely with the regulations enshrined in the Act on the Government Pension Fund. The liabilities are covered through the insurance company BKK Pensjonskasse.

The contractual pension agreement (CPA) for members of the defined benefit scheme

Note 17
Pension liabilities

covers a total of 10 active members and no pensioners. The agreement entitles staff to benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67. The CPA is an unfunded pension plan.

For those members who were transferred from the defined benefit scheme to the new defined contribution pension scheme at the beginning of 2020, an additional defined benefit plan was established to provide supplementary retirement pension to employees with a long employment time and a high age whom had their expected retirement pension reduced when being transferred out of the defined benefit scheme. This plan aims to counteract some of the effects that the introduction of life expectancy adjustment has had for public occupational pension schemes. The scheme applies to a closed group of employees. The supplementary allowance was set with final effect at the end of 2019, and the supplement constitutes a fixed percentage of the individual's pension basis up to the age of 66 years. This scheme will only provide benefits if the employees are at least 67 years old at retirement. The scheme covers a total of 29 active members and 0 pensioners at the end of 2023.

Defined benefit plans in KLP

The defined benefit plans in KLP is covering employees in Gudbrandsdal Energi AS. These defined benefit plans were closed to new members from July 2016. These funded schemes are public occupational pension schemes that ensures the pensioner 66% of final salary upon 30 years of service. Retirement age is 67 years. At the end of 2023 the defined benefit pension schemes still covers 1 active member, 2 pensioners and 9 deferred vested members. The pension schemes includes retirement pension, disability pension, spouse's pension and children's pension. The liabilities are covered through the insurance company KLP. The defined benefit plan covering employees previously employed by Eidsiva Marked AS (which were merged into Fjordkraft AS in 2021), have been transferred from KLP to BKK Pensjonskasse in 2022.

Pension schemes in Switch Nordic Green AB

The following pension schemes are applicable for the employees in SNG, who are either employed in Sweden or at the branch in Finland.

Defined contribution plans

Employees at SNG in Sweden are members of a defined contribution plan which at the end of 2023 are covering a total of 13 active members. The contribution rates for the defined contribution plan are set to 5 per cent of salaries up until 7,5 times the Swedish Inkomstbasbelopp (IBB = The Swedish National Insurance scheme basic amount, where one IBB equals NOKt 75 in 2023), and 30 per cent of salaries between 7,5 and 30 times the IBB. The pension scheme includes retirement pension and disability pension.

Employees at SNGs branch in Finland are members of a statutory pension plan (TyEL) which includes retirement pension and disability pension and at the end of 2022 are covering a total of 62 active members. The benefits are insured with an insurance company and determined to be defined contribution plans. The contribution rates for the defined contribution plan are set to 24,84 per cent of salaries, which includes the employee's share of the contribution that was 7,45 per cent at the end of 2023. Senior management in SNG Finland are entitled to additional defined contributions.

Risk exposure

Through its defined benefit occupational pension plans, the Group is exposed to a number of risks, the most significant are detailed below.

Asset volatility;

The plan liabilities are calculated using a discount rate set with reference to covered bonds ("Obligasjoner med fortrinnsrett"); if plan assets underperform this yield, this will create a deficit. All plans hold a significant portion of investments in equity instruments, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields;

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk;

Some of the Group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy;

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

At the end of this note, a table showing sensitivity analysis of the most significant assumptions is enclosed.

Note 17
Pension liabilities

Amounts recognised in statement of financial position:

NOK in thousands	31 December 2023	31 December 2022
Present value of funded obligations	350 529	361 631
Fair value of plan assets	381 407	355 132
Deficit for funded plans	**(30 878)**	**6 499**
Present value of unfunded obligations	56 784	64 211
Total deficit of defined benefit pension plans	**25 906**	**70 709**
Other employee benefit obligations	7 115	4 893
Employee benefit obligations recognised in Statement of financial position	**33 021**	**75 602**

Presentation in statement of financial position:

Net plan assets of defined benefit pension plans	30 900	4 178
Net employee defined benefit plan liabilities	63 921	79 780
Employee benefit obligations recognised in Statement of financial position, net	**33 021**	**75 602**

Note 17
Pension liabilities

Amounts recognised in statement of profit or loss:

2023

NOK in thousands	Funded obligations	Non-funded obligations	Total
Accrued pension entitlement for the year	1 670	2 700	4 370
Payroll tax (PT)	228	377	605
Net interest expense / (income)	12 960	1 978	14 938
Expected return on plan assets	(12 908)	-	(12 908)
Settlement (gain) / loss recognized	6 603	(6 603)	-
Expenses paid	34	-	34
Members' contribution	(171)	-	(171)
Total amount recognised in profit or loss	**8 415**	**(1 548)**	**6 867**

2022

NOK in thousands	Funded obligations	Non-funded obligations	Total
Accrued pension entitlement for the year	1 404	3 769	5 173
Payroll tax (PT)	197	531	728
Net interest expense / (income)	4 554	1 215	5 769
Expected return on plan assets	(4 355)	-	(4 355)
Expenses paid	31	-	31
Members' contribution	(168)	-	(168)
Total amount recognised in profit or loss	**1 664**	**5 515**	**7 179**

Note 17
Pension liabilities

Change in defined benefit obligation:

NOK in thousands	Present value of funded obligation	Fair value of plan assets	Total, funded obligations, net of plan assets	Present value of non-funded obligation	Total, net
At 1 January 2023	**361 631**	**355 132**	**6 499**	**64 211**	**70 710**
Accrued pension entitlement for the year	1 670	-	1 670	2 700	4 370
Payroll tax (PT)	227	-	227	377	604
Interest expense (income)	12 960	-	12 960	1 977	14 937
Return on plan assets	-	12 908	(12 908)	-	(12 908)
Past service cost	-	-	-	-	-
Actuarial gains and losses	(22 940)	2 597	(25 537)	(5 878)	(31 414)
Benefits paid	(7 266)	(6 525)	(741)	-	(741)
Contribution	-	19 347	(19 347)	-	(19 347)
Members' contribution	-	171	(171)	-	(171)
Expenses paid	(2 189)	(2 223)	34	-	34
Settlement (gain) / loss recognized	6 603	-	6 603	(6 603)	-
Payroll tax of contribution	(168)	-	(168)	-	(168)
At 31 December 2023	**350 528**	**381 407**	**(30 879)**	**56 784**	**25 906**

NOK in thousands	Present value of obligation	Fair value of plan assets	Total, funded obligations, net of plan assets	Present value of non-funded obligation	Total, net
At 1 January 2022	**361 192**	**345 243**	**15 949**	**73 785**	**89 734**
Accrued pension entitlement for the year	1 404	-	1 404	3 769	5 173
Payroll tax (PT)	197	-	197	531	728
Interest expense (income)	4 554	-	4 554	1 215	5 769
Return on plan assets	-	4 355	(4 355)	-	(4 355)
Past service cost	-	-	-	-	-
Actuarial gains and losses	3 364	(5 998)	9 362	(13 990)	(4 628)
Benefits paid	(6 640)	(6 640)	-	(964)	(964)
Contribution	-	20 423	(20 423)	-	(20 423)
Members' contribution	-	168	(168)	-	(168)
Expenses paid	(2 387)	(2 418)	31	(136)	(105)
Payroll tax of contribution	(53)	-	(53)	-	(53)
At 31 December 2022	**361 631**	**355 132**	**6 499**	**64 211**	**70 709**

Note 17
Pension liabilities

Actuarial gains and losses recognised directly in Other comprehensive income (OCI)

NOK in thousands	**2023**	**2022**
Net actuarial gains/(losses) recognised in OCI during the year	24 504	3 610
Tax effects of actuarial gains/(losses) recognised in OCI	6 911	1 018

Significant actuarial assumptions	**2023**	**2022**
Discount rate	4,15 %	3,60 %
Salary growth rate	2,50 %	3,75 %
Expected growth in base social security amount (G)	3,50 %	3,50 %
Estimated return on plan assets	4,15 %	3,60 %
Pension growth rate	2,90 %	2,75 %
CPA withdrawal	25% when 62 yrs	25% when 62 yrs
Demographic assumptions	K2013BE	K2013BE
Voluntary retirement	Before 45 yrs - 4,5%	Before 45 yrs - 4,5%
	45 yrs - 60 yrs - 2,0%	45 yrs - 60 yrs - 2,0%
	After 60 yrs - 0%	After 60 yrs - 0%

* K2013BE is the insurance companies present best estimate based on The Financial Supervisory Authority of Norway's mortality table K2013 and Statistics Norway's present population projection.

Sensitivity of pension liabilities to changes in significant financial assumptions

	Change in pension cost		**Change in employee defined benefit obligations**	
NOK in thousands	1.00 %	-1.00 %	1.00 %	-1.00 %
Discount rate	(669)	845	(68 745)	90 425
Salary growth rate	270	(243)	5 759	(8 177)
Expected growth in base social security amount (G)	569	(473)	84 783	(65 662)

Note 17
Pension liabilities

Pension assets
Pension assets are invested in bonds and money-market placements issued by the Norwegian government, Norwegian municipalities, financial institutions and enterprises. Foreign currency bonds are hedged. Investments are made in both Norwegian and foreign shares. Any estimate deviation is distributed pro-rata between the individual asset categories.

At the end of 2023 the plan assets were invested as follows:

	Level 1	Level 2	Level 3		
NOK in thousands	Exchange listed prices	Observable prices	Non-observable prices	Total	%-share
Equity instruments	52 899	44 442	46 902	144 242	38%
Interest bearing instruments	15 404	217 712	1 102	234 218	61%
Real estate	-	-	2 947	2 947	1%
Total investments	**68 303**	**262 154**	**50 950**	**381 407**	**100%**

The total contribution to defined benefit plans for next annual reporting period is expected to be NOKt 19 050.

Note 18 Onerous contract provisions

Fixed price customer contracts
The Group has certain portfolios of fixed price power contracts with end user customers where the volume is not fixed, mainly in the Nordic segment. These customer contracts do not qualify to be recognised as financial instruments. Portfolios of Fixed price customer contracts acquired as part of business combinations are however recognised as intangible assets (refer note 15), and depreciated systematically over the contract lengths using a pattern that reflect how the acquisition value of the contracts are distributed over the remaining length of the contracts (up to five years) (cost model in IAS 38). Fixed price customer contracts, not acquired through a business combination, are not recognised in the statement of financial position, unless the contracts are identified as onerous contracts. Fixed price customer contracts are assessed as onerous contracts if the estimated unavoidable costs of purchasing the estimated power volumes to be delivered on these contracts exceed the fixed price to be received from the costumers.

The price risk related to fixed price customer contracts are hedged with portfolios of electricity derivatives which are recognised as derivative financial instruments and measured at fair value through profit and loss. The hedged forward power prices in the corresponding portfolios of derivative hedge contracts are not taken into consideration when estimating the contracts' unavoidable costs as hedge accounting is not applied.

The Group has recognised the following provisions for onerous contracts:

NOK in thousands	31 December 2023	31 December 2022
Onerous contract provisions - Non-current	68 383	784 239
Onerous contract provisions - Current	24 879	285 336
Onerous contract provisions - Total	**93 263**	**1 069 575**

When the onerous contracts are intended to be settled within 12 months of the reporting date, the provisions are presented as current.
The difference between the change in onerous contracts provisions in the statement of financial position and the corresponding amount recognised in the statement of profit or loss (see table below) is due to currency translation differences.

The following table shows the movement in provisions for onerous contracts:

NOK in thousands	2023	2022
Opening balance 1 January	1 069 575	1 089 027
Release of provisions	(730 981)	(1 018 751)
New and changed provisions	(173 478)	1 019 102
Currency translation difference	(71 852)	(19 804)
Closing balance 31 December	**93 263**	**1 069 575**

Note 18
Onerous contract provisions

Financial statement impact of unrealised gains/losses:
The Group's portfolios of fixed price customer contracts and the corresponding portfolios of derivative hedge contracts resulted in the following unrealised effects recognised in the statement of profit or loss:

NOK in thousands	2023	2022
Impairment and provisions for onerous contracts:		
Change in provisions for onerous contracts	1 048 166	39 256
Impairment of cost to obtain contracts	14 548	(39 282)
Total depreciation, impairment and provisions for onerous contracts:	**1 062 714**	**(26)**
Unrealised gains and losses on derivative hedge contracts related to fixed price customer contracts	(1 029 437)	(6 439)
Net unrealised gain/loss recognised in statement of profit or loss	**33 277**	**(6 465)**

Change in provisions for onerous contracts includes both release of provisions for (parts of) contracts which have been delivered in the period, and change in provisions for new and remaining contracts. Forward market prices decreased significantly during 2023.
The remaining volume of fixed price power contracts has also decreased during 2023 due to a movement towards spot based products for new customers and existing fixed price customer contracts being delivered. These effects have lead to a significant decrease in provisions for onerous contracts and the unrealised gains on the corresponding portfolios of derivative hedge contracts.

Market conditions in 2022, with high and volatile power prices, lead to high profile costs and expectations of high profile costs going forward. This effect caused negative estimated margins on some fixed price customer contracts, leading to a corresponding impairment of the cost to obtain these contracts. As parts of these fixed price contracts with negative estimated margins were delivered in 2023, a corresponding reversal of the impairment of cost to obtain contracts was recognised.

The net impact in the statement of profit or loss, which is an unrealised net gain in 2023 of NOKt 33 277 (2022: NOKt 6 465 net loss) is mainly caused by improved margins in the customer contracts and imbalance between the portfolios of customer contracts, and the corresponding portfolios of derivative hedge contracts. Change in provision for onerous contracts and unrealised gains and losses on derivative hedge contracts related to fixed price customer contracts are both presented as *Direct cost of sales* in the statement of profit or loss, while impairment and reversal of impairment of cost to obtain contracts is presented on a separate line.

Note 19 Other current liabilities

NOK in thousands	2023	2022
El-certificate cancellation liabilities	6 475	9 641
Accrued power purchase	373 463	731 799
Prepayments from customers	40 808	46 656
Payroll liabilities	68 988	58 537
Other	59 410	26 594
Total Other current liabilities	**549 145**	**873 227**

Note 20 Other current assets

Other current assets consists of the following:

NOK in thousands	2023	2022
VAT receivable	-	5 901
Other prepaid costs	11 968	58 128
Prepaid taxes	503	1 996
Total other current assets	**12 471**	**66 025**

Note 21 Related party transactions

As at 31 December 2023, the Group's related parties include Board of Directors and key management. Transactions related to these groups are disclosed in note 22.

Pricing of services and transactions between related parties are set on an arm's length basis in a manner similar to transactions with unrelated third parties.

The following transactions were carried out with related parties (NOK in thousands):

Expenses to related parties (NOK in thousands)

Related party	Relation	Purpose of transactions	2023	2022
Telia Norge AS**	Other	Purchase of telecom services	65 896	-
Metzum AS	Associated company	Purchase of other services	40 234	38 500
Atea AS*	Other	Purchase of products and other services	8 472	9 922

Other services consists of payroll expenses, IT, office expenses and customer service.

Purchase of assets (NOK in thousands)

Related party	Relation	Purpose of transactions	2023	2022
Metzum AS	Associated company	Research and development	344	2 666
Atea AS*	Other	Products and development	925	481

Current liabilities to related parties (NOK in thousands)

Related party	Relation		31 December 2023	31 December 2022
Telia Norge AS**	Other	Telecom services	29 809	-
Metzum AS	Associated company	Research and development	6 836	959
Atea AS*	Other	Products and development	1 943	138

* The chairman of the Board of Directors in Elmera Group ASA is the CEO of Atea ASA.
** Telia Norge AS is part of the Telia Company Group, which is a shareholder (non-controlling interest) in the Group's subsidiary Fjordkraft Mobil AS.

Payables to related parties are unsecured and are expected to be settled in cash.

Note 22 Remuneration to the Executive management and Board of Directors

Executive management 2023:

NOK in thousands	Salary	Bonus	Other benefits	Pension costs	Total remu-neration	Loans outstanding 31 December**
Rolf Barmen (Chief Executive Officer)	3 477	375*	150	774	4 776	-
Henning Nordgulen (Chief Financial Officer)	2 693	12	150	360	3 215	-
Roger Finnanger (Head of Business)	1 836	47	110	211	2 204	-
Arnstein Flaskerud (Head of Strategy, Innovation, Sustainability and M&A)	2 007	47	120	324	2 498	-
Solfrid K. Aase (Head of Alliance)	1 672	47	100	265	2 084	-
Solfrid Fluge Andersen (Head of Power markets and energy supply) 1)	1 785	47	100	198	2 130	-
Per Heiberg-Andersen (Executive Vice President Nordic)	1 672	47	100	178	1 997	-
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS)	2 550	70	150	298	3 068	-
Jeanne K. Tjomsland (Head of HR and Communications) 2)	156	-	10	28	194	-
Kari Marvik (Chief Information Officer) 3)	142	-	8	9	159	-
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 4)	467	95	-	56	618	-
Total remuneration executive management 2023	**18 457**	**787**	**998**	**2 701**	**22 943**	**-**

*In 2023 the CEO received a discretionary bonus of NOKt 375 based on the Group's performance in 2022. In 2023 the Board of Directors have awarded the CEO a discretionary bonus of NOKt 1 485 based on the Group's performance in 2023, which will be paid in 2024.
** The Group's executive management had no outstanding personnel loans at year end in 2023. The Group discontinued the loan scheme for personnel loans in 2023.

1) Head Of Operations until 30 November 2023 and Head of Power Markets and Energy Supply from 1 December 2023
2) From 1 December 2023
3) From 1 December 2023
4) From 1 August 2022 until 31 May 2023

Executive management 2022:

NOK in thousands	Salary	Bonus	Other benefits	Pension costs	Total remu-neration	Loans outstanding 31 December
Rolf Barmen (Chief Executive Officer)	3 311	500*	150	846	4 807	294
Henning Nordgulen (Chief Financial Officer) 1)	660	-	38	86	784	-
Roger Finnanger (Head of Business)	1 692	54	100	219	2 065	-
Arnstein Flaskerud (Head of Strategy and M&A)	1 934	67	120	430	2 551	-
Solfrid K. Aase (Head of Service Companies)	1 612	67	100	354	2 133	-
Solfrid Fluge Andersen (Head of Operations)	1 667	67	100	219	2 053	-
Per Heiberg-Andersen (Head of Nordic and other end-user companies)	1 662	67	100	173	2 002	-
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 2)	467	50	-	53	570	-
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS) 3)	995	-	60	127	1 182	-
Birte Strander (Chief Financial Officer) 4)	792	54	50	183	1 079	-
Jeanne K. Tjomsland (Head of HR, Communications and Sustainability) 5)	1 021	67	70	237	1 395	-
Christian Kalvenes (Head of Consumer) 6)	592	54	37	68	751	-
Alf-Kåre Hjartnes (Chief Operating Officer) 5)	1 016	54	70	199	1 339	290
Total remuneration executive management 2022	**17 421**	**1101**	**995**	**3194**	**22 711**	**584**

*In 2022 the CEO received a discretionary bonus of NOKt 500 based on the Group's performance in 2021.

1) From 1 October 2022
2) From 1 August 2022
3) From 8 August 2022
4) Until 31 May 2022
5) Until 31 July 2022
6) Until 16 May 2022

Note 22
Remuneration to the Executive management and Board of Directors

The members of the Board of Directors have received the following remuneration during the year ended 31 December 2023 and 2022::

NOK in thousands	2023	2022
Steinar Sønsteby (Chair)	605	545
Live Bertha Haukvik (Board member)	446	401
Heidi Theresa Ose (Board member)	400	360
Per Oluf Solbraa (Board member)	347	312
Anne Marit Steen (Board member) 1)	311	-
Frank Økland (Board member, Employee representative)	109	108
Magnhild Uglem (Board member, Employee representative) 2)	-	-
Stian Madsen (Board member, Employee representative) 3)	-	-
Tone Wille (Board member) 4)	101	312
Elisabeth Norberg (Board member, Employee representative) 5)	49	108
Marianne Unhjem (Board member, Employee representative) 6)	45	108
Lisbet Nærø (Chair of the Nomination committee)	54	53
Atle Kvamme (Member, Nomination committee)	10	32
Ragnhild Stolt-Nielsen (Member, Nomination committee) 7)	10	32
Brede Selseng (Member, Nomination committee) 8)	23	-
Total remuneration Board of directors	**2 551**	**2 371**

1) From 26 April 2023
2) From 14 June 2023
3) From 14 June 2023
4) Until 23 April 2023
5) Until 13 June 2023
6) Until 31 May 2023
7) Until 26 April 2023
8) From 26 April 2023

There are no additional bonus agreements or agreement of similar profit sharing with the CEO or Chairman of the board. The rest of the executive management is also included in the Group's performance bonus scheme.

If the company chooses to terminate the employment, the CEO is entitled to 12 months severance pay after the expiry of the ordinary notice period, which is 6 months.

The Group's executive management has the right to apply for loans on the same grounds as all the employees in the company. Maximum duration for loans to employees are 15 years. The interest rate for loans to employees is approximately equal to the current limit regarding taxation of benefits for such loans, plus up to 1 percentage point. Current limit for taxation of benefits is 4,5 %. The loan scheme for personnel loans was discontinued in 2023. Loans entered into before the termination of the scheme continue as normal.

The CEO and Group management is included in the current pension plan for the Group - see note 17.

Note 22
Remuneration to the Executive management and Board of Directors

The Board of Director's guidelines for remuneration to directors in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act

These guidelines have been prepared by the Board of Directors of Elmera Group ASA ("Elmera" or the "Company") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines was approved by the Company's annual general meeting in 2021 and shall apply until the Company's annual general meeting in 2025, unless amended or replaced earlier.

The guidelines apply for the following (jointly referred to as "directors"): the executive management, (ii) employee elected board members, (iii) the CEO and (iv) other leading employees defined as key employees.

Remuneration to persons mentioned in (ii) are regulated by "Remuneration to employee elected board members".

Purpose and general principles for remuneration

The main principle of the Company`s guidelines for remuneration, is that the directors shall receive a competitive salary, including a result-based salary tied to the business results and shareholder value to ensure the desired competence and director incentives.

Remuneration is an important instrument in order to harmonize the interests of the Company and its directors. The Company's remuneration principles are designed to ensure that the Company is able to attract and keep qualified directors, without being a wage leader in the relevant business sector, and without the variable wage element constituting such a large proportion of the total wage compensation that it can give unfortunate incentives and short-termism.

The remuneration shall generally stimulate to goal achievements and good risk management, counteract excessive risk-taking, and contribute to avoid conflict of interests. The remuneration shall be in line with the Company`s long term interests and economic financial sustainability. In general, the remuneration shall be equal for male and female employees for equal work or work of equal value. The Company conducts annual reviews of the practice of the remuneration principles, and the Company`s written report (the "Remuneration Report") is reviewed by independent control functions.

Elements of remuneration

Remuneration includes all benefits a person receives by virtue of his/her position as a leading person in the Company. This includes base salary, bonuses, allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company, pension schemes, early retirement schemes, and all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

Principles for fixed salary

Fixed cash salary allows the Company to attract and recruit directors that are necessary for the long term profitability and sustainability of the Company. It is the Company's policy that base salaries shall reflect the individual's position and degree of responsibility. The size of the fixed cash salary shall be in line with market conditions, be competitive with comparable businesses within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each director. The fixed cash salaries have no maximum levels.

For directors, the base salary constitutes the most significant part of the remuneration.

Principles for variable cash salary

Variable cash salary (i.e. cash bonuses) shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's business strategy, longterm interests, and sustainable business practices.

Principles for pension benefits

Directors` pension arrangements shall generally follow the arrangements established for the employees in Elmera Group ASA and Fjordkraft AS. Pension benefits shall be based on local practices and applicable law. More information concerning pension is included in note 17 of the annual account.

Principles for non-financial benefits

Non-financial benefits shall be based on market terms and shall facilitate the duties of the executive management. The Company aims

Note 22
Remuneration to the Executive management and Board of Directors

to have sufficiently competitive salary and incentive programs to minimize additional non-financial benefits, and such shall generally be offered only to the extent they are in line with generally accepted customs locally.

The executive management may receive certain limited benefits in kind, including company car/car arrangement, telephone, internet access, and magazine/newspaper subscriptions.

Purchase of shares

The management may participate in any Company employee share purchase plans or similar plans on substantially on the same terms as all employees.

Share-based incentive programs

Share-based payments, settled in shares or cash, are used as part of the Company's incentive schemes. In the view of the Board of Directors, attractive share-based long-term incentive programs is an important part of the total compensation for the executive management, and which may be necessary to allow the Company to retain and hire the talent it needs for further growth.

The executive management and key personnel shall be concerned with the value development for the Company`s shareholders. A share option program may bind the key employees to the Company and may also contribute to a more cautious wage growth in the years to come.

The following specific limitations apply for granting of share options in the Company: (i) as a main rule, share options may not be redeemed before three years have elapsed, (ii) the maximum amount of share options signed in a given year shall not exceed 0.6 percent of the Company`s outstanding shares, (iii) the exercise price for share options shall be set at market price at the time of allotment, (iv), the exercise price shall be adjusted for dividend paid before redemption, (v) the share options have a cap on gains of three times the exercise price (before adjustments for dividend payments). The options can be settled by the Company in cash if the share price exceeds the cap set out in (v), and if so, based on the gain of such cap, which constitutes the limit of maximum potential gain.

Employment agreements

The CEO and executive management have six month notice periods.

The CEO is entitled to a severance pay in case of termination of employment by the Company for a period of 12 months after expiry of the ordinary notice period. During employment and for 12 months after expiry of the notice period (or from the time of dismissal), the CEO is bound by the provisions on non-competition and recruiting the Company's customers and employees in accordance with the provisions in chapter 14A of the Working Environment Act of 2005.

Remuneration to employee elected board members

The level of remuneration to employee elected board members for their role as board members is proposed by the Remuneration Committee and is handled further by the Nomination Committee which propose a remuneration to the general meeting. The determination of the remuneration takes into consideration the work load, comparable companies and the general wages in the Company.

Deviations from these guidelines

The Board of Directors may, on recommendation from the Remuneration Committee, in the circumstances described below resolve to deviate from any sections of these remuneration guidelines:

- upon change of the CEO;
- upon material changes in Company's organization, ownership and/or business
- upon material change in the Company's strategy;
- upon changes in or amendments to the relevant laws, rules, or regulations;
- upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any deviation from these guidelines shall be reported in the Remuneration Report for the relevant year.

The Board's declaration on determining directors pay will be sent out or made available to the shareholders on the Company's web site, together with notice of the annual general meeting of the Company and the Company's annual report and accounts.

Note 23 Collateral and restricted assets

NOK in thousands	Item in Statement of financial position	Note	31 December 2023	31 December 2022
Collateral				
Security over trade receivables*	Trade receivables	6	3 694 872	7 138 260
Total collateral			**3 694 872**	**7 138 260**
Restricted assets				
Restricted cash - Payroll tax deductions	Cash and cash equivalents		22	21
Total restricted assets			**22**	**21**

*Trade receivables held by the Norwegian entities in the group are pledged as collateral for credit facilities - see note 6.

Note 24
IFRS 16 Leases

The Group's leasing activities
The Group's lease agreements mainly consists of various office leases, car-leases and office machine-leases used in the operating activities. Cars usually have a lease term of 3 years, while several of the office leases have longer lease terms. The office machines are leased on 3-5 year contracts. Some of the office leases have extension options and these have been included in the calculation if the group is reasonably certain that they will be exercised.

NOK in thousands	2023	2022
Non-current assets		
Right of use assets		
Property	56 380	64 769
Equipment	309	643
Cars	432	782
Total	**57 121**	**66 195**
Non-current liabilities		
Lease liability long term	40 945	49 477
Current liabilities		
Lease liability short term	19 391	20 284
Total	**60 336**	**69 761**

Additions to the right-of-use assets in 2023 were NOKt 11 077.

Amounts recognised in the statement of profit or loss
The statement of profit or loss shows the following amounts relating to leases:

NOK in thousands	2023	2022
Depreciation right-of-use assets		
Property	19 102	19 250
Equipment	333	333
Cars	795	720
Total	**20 230**	**20 303**
Interest expense lease liability	1 621	1 934
Expenses relating to short-term leases	1 409	1 400
Expenses relating to leases of low-value	869	1 320

The total cash outflow for leases in 2023 was NOKt 24 480.

Note 24
IFRS 16 Leases

Variable lease payments

The Group has variable lease payments in its property lease agreements. Variable lease payments consists of annual adjustements to lease payments based on the Consumer Price Index.

Extention and termination options

EExtension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Maturity analysis

The following table details the Group's remaining contractual maturity for its leasing liabilities.

The tables have been drawn based on the undiscounted cash flows of instalments on leasing liabilities.

Year ended 31 December 2023

NOK in thousands	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Property	18 923	43 536	-	62 458
Equipment	265	65	-	330
Cars	281	175	-	456
Total	**19 469**	**43 775**	**-**	**63 244**

Note 25 Subsidiaries and subsidiaries with non-controlling interests

Subsidiaries

The following subsidiaries are fully consolidated in the financial statements as per 31 December 2023.

Name of entity	Place of business	Ownership interest held by the Group	Principal activities
Fjordkraft AS	Bergen, Norway	100 %	Purchase, sales and portfolio management of electrical power
TrøndelagKraft AS	Trondheim, Norway	100 %	Purchase, sales and portfolio management of electrical power
Gudbrandsdal Energi AS	Nord-Fron, Norway	100 %	Purchase, sales and portfolio management of electrical power
Energismart Norge AS	Hamar, Norway	100 %	Management, research and development of product and services related to electrical power
Elmera Industrial Ownership AS	Bergen, Norway	100 %	Portfolio management of electrical power and related products
AllRate AS	Bergen, Norway	100 %	Management and services related to electrical power
Steddi Payments AS	Bergen, Norway	100 %	Management and services related to electrical power
Elmera Nordic AS	Bergen, Norway	100 %	Portfolio management of electrical power and related products
Switch Nordic Green AB	Stockholm, Sweden	100 %	Purchase, sales and portfolio management of electrical power
Fjordkraft AB	Stockholm, Sweden/ Vaasa, Finland	100 %	Portfolio management of electrical power and related products

Note 25
Subsidiaries and subsidiaries with non-controlling interests

Subsidiaries with non-controlling interests

The following subsidiaries are fully consolidated in the financial statements as per 31 December 2023.

Name of entity	Place of business	Principal activities	Ownership share	Ownership interests held by non-controlling interests
Fjordkraft Mobil AS	Bergen, Norway	Telecommunications services	61 %	39 %

During the year, the Group demerged its mobile business into the new entity Fjordkraft Mobil AS and disposed of 39 % of its interest in the entity to Telia Company AB. The proceeds on disposal of NOKt 116 917 were received in cash and are presented as *Non-controlling interests* in the *Consolidated statement of changes in equity*.

Financial information on subsidiary with non-controlling interests

NOK in thousands	**2023**
Net sales	84 258
Operating profit	(3 977)
Profit/(loss) for the year	(3 020)
Net income attributable to non-controlling interests*	**4 258**

*Telia Company AB's share of the profit/loss from the date of acquisition.

Non-current assets	37 681
Current assets	66 438
Non-current liabilities	-
Current liabilities	(48 336)
Net assets	**55 783**

Net cash from operating activities	23 668
Net cash used in investing activities	(8 696)
Net cash used in financing activities	-
Net change in cash and cash equivalents	**14 972**

Note 26 Option program

Elmera Group ASA established a management option program 10 December 2018.
The option program was established to align management's and shareholders' incentives and to reduce turnover for key employees.

In total 359 000 share options were issued to employees during 2023.

Type	**Options**
Grant Date	**15 February 2023**
Vesting conditions	The options vest in one tranche with vesting 15th of February 2026 The Employee must remain an employee of the Company or an affiliated company at the end of the vesting period.
Expiry date	14 February 2029
Exercise price (NOK)	14,50
Total number outstanding	359 000

Type	**Options**
Grant Date	15 February 2023
Measurement date	15 February 2023
Share price (NOK)	15,19
Lifetime* (years)	3,00
Volatility	45,63%
Risk-free interest rate*	3,26%
Fair Value* (NOK)	4,4288

**volume weighted average for options*

The fair value of the options was calculated using the Black-Scholes model. The model utilizes certain information, such as the interest rate on a risk-free security maturing generally at the same time as the option being valued, and requires certain assumptions, such as the expected amount of time an option will be outstanding until it is exercised or it expires and the volatility associated with the price of the underlying shares of common stock, to calculate the fair value of stock options granted. The model also estimate the likelihood of performance fulfillment and takes this into account in the valuation.

The expected volatility for options issued in 2023 is estimated at average of 45,63% where historical volatility is not available. Where historical volatility is available this is calculated using the Elmera Group ASA share price.

Interest rates used are quoted Norwegian government bonds and bills retrieved from Norges Bank.

The total carrying amount per 31 December 2023 is NOK 2 458 989, not including social security.

Note 26
Option Program

The following table shows the changes in outstanding options in 2022 and 2023:

Period activity:

	01.01.2023 - 31.12.2023		01.01.2022 - 31.12.2022	
	Shares	**Weighted Average Exercise Price (NOK)**	**Shares**	**Weighted Average Exercise Price (NOK)**
Outstanding at the beginning of period	1 710 000	39	1 500 000	45
Granted	372 334	17	390 000	36
Exercised	(26 664)	19	(50 000)	24
Cancelled	-	-	-	-
Forfeited	-	-	(130 000)	53
Expired	(110 000)	21	-	-
Adjusted quantity	-	-	-	-
Modification / Dividends	(13 334)	73	-	-
Outstanding at the end of period	1 932 336	34	1 710 000	39
Vested outstanding	943 336	32	790 000	22
Vested and expected to vest	1 932 336	34	1 710 000	39
Intrinsic value of in-the-money outstanding at the end of the period	1 012 336	13 105 162	-	-
Intrinsic value vested outstanding at the end of the period	633 336	6 726 362	-	-

At 31 December 2023, the range of exercise prices and weighted average remaining contractual life of the options were as follows :

	Outstanding instruments		Vested outstanding	
Exercise price	**Outstanding per 31 December 2023**	**Weighted average remaining Contractual Life**	**Vested options per 31 December 2023**	**Weighted Average Exercise Price (NOK)**
0,00 - 25,00	379 000	5,13	-	-
25,00 - 30,00	-	-	-	-
30,00 - 35,00	603 336	1,17	603 336	33
35,00 - 40,00	350 000	3,87	30 000	38
40,00 - 45,00	-	-	-	-
45,00 - 50,00	-	-	-	-
50,00 - 55,00	-	-	-	-
55,00 - 60,00	-	-	-	-
60,00 - 65,00	-	-	-	-
65,00 - 70,00	270 000	3,13	270000	68
70,00 -	330 000	3,88	40 000	79,7
Total	**1 932 336**	**3,17**	**943 336**	**45,19**

Note 27 Investments in associates and joint ventures

The table below presents the Group's share of equity and profit from associated companies:

NOK in thousands	Location	Ownership/ voting right	Equity 2023	Profit 2023	Book value
Metzum AS	Dale, Norway	40 %	21 451	913	21 147
Sunpool AS	Bergen, Norway	50 %	122	(378)	337

Note 28 Provisions for other liabilities and other assets

The Group purchased the subsidiary Switch Nordic Green AB from Troms Kraft AS in November 2020.

Switch Nordic Green AB has been involved in a legal dispute with Grant Thornton Sweden AB. In 2021 the Public Court in Sweden ruled in favor of Switch Nordic Green AB. An appeal was made by Grant Thornton Sweden AB.

In 2023 the Swedish Court of Appeal awarded Grant Thornton Sweden AB's legal costs of approx. SEK 101m from Switch Nordic Green AB. Subsequently, an appeal was made to the Swedish Supreme Court.

Based on the judgement by the Swedish Court of Appeal in 2023, the Group has made a provision for the liability of approx. SEK 101m.

Simultaneously, the Group has recorded a claim (indemnification asset) against Troms Kraft AS for a corresponding amount. The reasoning for this provision is an indemnity in the Share Purchase Agreement between the parties, stating that Troms Kraft must indemnify the Group for possible claims, including costs associated with the legal dispute between Switch Nordic Green AB and Grant Thornton Sweden AB.

The provision for the liability is presented as *Other provisions for liabilities* and the indemnification asset is presented as *Other non-current financial assets* in the Group's Statement of financial position.

Note 29 Events after the reporting period

The Board of Directors has in the Board Meeting on 14 February 2024 proposed a dividend to the shareholders of NOK 2.30 per share. The proposed dividend is subject to approval by the general meeting.

There are no other significant events after the reporting period that have not been reflected in the consolidated financial statements.

Directors responsibilty statement

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Director's report and the consolidated and separate annual financial statements for Elmera Group ASA, for the year ended 31 December 2023 (Annual report 2023).

Elmera Group ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs as adopted by the EU and applicable additional disclosure requirements in the Norwegian Accounting Act. The separate financial statements for Elmera Group ASA have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations from 21 January 2008 on simplified IFRS, amended on 28 December 2020. The Board of Directors' report for the Group and the parent company is in accordance with the requirements in the Norwegian Accounting Act.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2023 have been prepared in accordance with applicable financial reporting standards
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2023 for the Group and the parent company
- The Board of Directors' report for the Group and the parent company includes a fair review of:

i. the development and performance of the business and the position of the Group and the parent company, and

ii. the principal risks and uncertainties the Group and parent company face.

The Board of Directors of Elmera Group ASA, Bergen, 22 March 2024.

Steinar Sønsteby Chairman	**Anne Marit Steen** Board member	**Frank Økland** Board member
Magnhild K. B. Uglem Board member	**Heidi Theresa Ose** Board member	**Live Bertha Haukvik** Board member
Per Oluf Solbraa Board member	**Stian Madsen** Board member	**Rolf Barmen** CEO

Alternative performance measures

The alternative performance measures (abbreviated APM's) that hereby are provided by the Group are a supplement to the financial statements prepared in accordance with IFRS. The APM's are based on the guidelines for APM published by the European Securities and Markets Authority (ESMA) on or after 3 July 2016. As indicated in the guidelines an APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The performance measures are commonly used by analysts and investors.

The Group uses the following APM's (in bold). The words written in italics are included in the list of definitions or in the statement of profit or loss.

Cash EBIT is equivalent to Operating free cash flow before tax and change in Net working capital. This APM is used to illustrate the Group's underlying cash generation in the period.

Capex excl. M&A is used to present the capital expenditures excluding mergers and acquisitions to illustrate the Group's organic maintenance capex.

EBIT reported is equivalent to *Operating profit* and is used to measure performance from operational activities. EBIT reported is an indicator of the company's profitability.

EBIT adjusted
In order to give a better representation of underlying performance, the following adjustments are made to the reported EBIT:

- *Acquisition related costs and other one-off items:* Items that are not part of the ordinary business
- *Estimate deviations from previous periods*: A substantial proportion of the Group's power sales has historically been finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power were thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue represents net revenue* items which are revised due to prior period adjustment requirements.
- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment of intangible assets and cost to obtain contracts:* Consist of impairment of intangible assets and cost to obtain contracts related to fixed price customer contracts
- *Depreciation of acquisitions:* Consist of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.
- *Change in provisions for onerous contracts:* Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

EBIT reported margin is EBIT divided by *Net revenue*. This APM is a measure of the profitability and is an indicator of the earnings ability.

EBIT margin adjusted is calculated as EBIT adjusted divided by *Net revenue adjusted*. This APM is a measure of the profitability and is an indicator of the earnings ability.

EBITDA is defined as operational profit/loss before depreciation and amortisation. This APM is used to measure performance from operating activities.

EBITDA adjusted
In order to give a better representation of underlying performance, the following adjustments are made to EBITDA:

- *Acquisition related costs and other one-off items:* Items that are not part of the ordinary business
- *Estimate deviations from previous periods:* A substantial proportion of the Group's power sales has historically been finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power were thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue represents*

Alternative performance measures

net revenue items which are revised due to prior period adjustment requirements.
- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment of intangible assets and cost to obtain contracts:* Consist of impairment of intangible assets and cost to obtain contracts related to fixed price customer contracts
- *Change in provisions for onerous contracts:* Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

Net income is equivalent to *Profit/(loss) for the period* as stated in the statement of profit or loss.

Net income adjusted for certain cash and non-cash items is used in the dividend calculation, and is defined as the following: [(Adjusted EBIT + net finance)*(1-average tax rate) – amortisation of acquisition debt].

Net interest-bearing debt (NIBD) shows the net cash position and how much cash would remain if all interest-bearing debt was paid. The calculation is total Interest-bearing long term debt, *Interest-bearing short term debt and Overdraft facilities*, deducted with the following; transaction costs recognised as part of amortised cost of Interest-bearing long term debt, reclassification of first year instalments long term debt, *Overdraft facilities, and Cash and cash equivalents.*

Net revenue is equivalent to *Revenue* less *direct cost of sales* as stated in the statement of profit or loss.

Net revenue adjusted
This APM presents *Net revenue* adjusted for:
- *Other one- off items:* which represents non-recurring income which is recognised in the profit or loss for the period
- *Estimate deviations from previous periods*: A substantial proportion of the Group's power sales has historically been finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power were thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue* represents net revenue items which are revised due to prior period adjustment requirements.
- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Change in provisions for onerous contracts:* Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

Net working capital (NWC) is used to measure short-term liquidity and the ability to utilise assets in an efficient matter. NWC includes the following items from current assets: *Inventories, Intangible assets, Trade receivables* and *Other current assets* (that is, all current assets in the statement of financial position except *Derivative financial instruments* and *Cash and cash equivalents*); and the following items from current liabilities; *Trade payables, Current income tax liabilities, Social security and other taxes, Lease liability - short term,* and *other current liabilities.*

Non-cash NWC elements and other items is used when analysing the development in NIBD. Non-cash NWC relates to items included in "change in NWC" that are not affecting Net interest-bearing debt while other items include interest, tax, change in long-term receivables, proceeds from non-current receivables, proceeds from other long-term liabilities and adjustments made on EBITDA.

Number of deliveries is used to present the number of electrical meters supplied with electricity. One customer may have one or more electricity deliveries.

OpFCF before tax and change in NWC is Operating free cash flow and change in working capital, and is defined as *EBITDA adjusted* less *Capex excl. M&A* and payments to obtain contract assets.

Volume sold is used to present the underlying volume generating income in the period.

Alternative performance measures

Financial statements with APM's

Reported amounts:

NOK in thousands	**2023**	**2022**
Revenue	18 920 598	25 521 514
Direct cost of sales	(17 192 526)	(23 823 519)
Net revenue	**1 728 071**	**1 697 995**
Personnel expenses	(454 622)	(421 029)
Other operating expenses	(542 277)	(574 946)
Impairment of intangible assets and cost to obtain contracts	14 548	(39 282)
Operating expenses	**(982 351)**	**(1 035 258)**
EBITDA	**745 721**	**662 737**
Depreciation & amortisation	(386 519)	(389 956)
EBIT reported (Operating profit)	**359 202**	**272 781**
Net financials	(121 625)	(144 089)
Profit/ (loss) before taxes	**237 577**	**128 692**
Taxes	(41 030)	(54 845)
Profit/ (loss) for the year	**196 546**	**73 847**
EBIT reported margin	**21%**	**16%**

Alternative performance measures

Adjusted amounts:

NOK in thousands	2023	2022
Net revenue	**1 728 071**	**1 697 995**
Other one- off items	(34 076)	-
Estimate deviations previous periods	1 924	4 472
Unrealised gains and losses on derivatives	1 085 244	47 791
Change in provisions for onerous contracts	(1 048 166)	(39 256)
Net revenue adjusted	**1 732 998**	**1 711 002**
EBITDA	**745 721**	**662 737**
Change in provisions for onerous contracts	6 434	2 660
Estimate deviations previous periods	1 924	4 472
Impairment of intangible assets	(14 548)	39 282
Unrealised gains and losses on derivatives	1 085 244	47 791
Change in provisions for onerous contracts	(1 048 166)	(39 256)
EBITDA adjusted	**776 610**	**717 685**
EBIT reported (Operating profit)	**359 202**	**272 781**
Other one- off items	6 434	2 660
Estimate deviations previous periods	1 924	4 472
Impairment of intangible assets	(14 548)	39 282
Unrealised gains and losses on derivatives	1 085 244	47 791
Change in provisions for onerous contracts	(1 048 166)	(39 256)
Depreciation of acquisitions	123 080	132 323
EBIT adjusted	**513 171**	**460 054**
EBIT margin adjusted	**30%**	**27%**

Alternative performance measures

Other financial APM's

Net interest bearing debt (cash)

NOK thousands	2023	2022
Interest-bearing long term debt	537 617	629 169
Interest-bearing short term debt	368 700	368 700
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	1 158	3 306
Overdraft facilities	-	534 112
Cash and cash equivalents	(338 746)	(70 548)
Net interest bearing debt (cash)	**568 729**	**1 464 739**

Financial position related APM's

NOK thousands	2023	2022
Net working capital (NWC)*	(16 847)	532 789
OpFCF before tax and change in NWC	583 142	435 807
Capex excl. M&A	52 477	44 328

Non-financial APM's

Deliveries

Numbers in thousands	2023	2022
Electrical deliveries Consumer segment	667	685
Electrical deliveries Business segment	127	120
Electrical deliveries Nordic segment	125	149
Total number of electrical deliveries*	**920**	**954**
Number of mobile subscriptions	115	144

* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 003 thousand in 2023 (2022: 1 033 thousand).

Volume in GWh	2023	2022
Consumer segment	8 069	7 648
Business segment	7 609	6 978
Nordic segment	2 195	2 879
Total volume*	**17 873**	**17 506**

* Volume excl. Extended Alliance. Volume incl. Extended Alliance: 21 465 GWh in 2023 (2022: 21 781 GWh).

Elmera Group

4.4 Financial statements Elmera Group ASA

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Statement of comprehensive income (loss)

NOK in thousands	Note	2023	2022
Revenue	10	223 369	86 498
Personnel expenses	3, 8	(133 897)	(53 181)
Other operating expenses	4, 10	(204 862)	(78 805)
Operating profit		**(115 390)**	**(45 488)**
Income from investments in subsidiaries	6, 10	565 000	196 500
Interest income	10,13	16 545	8 008
Interest expense	13	(62 363)	(34 989)
Other financial items, net		(2)	(299)
Net financial income/(cost)		**519 180**	**169 220**
Profit/(loss) before tax		**403 790**	**123 732**
Income tax (expense)/income	5	(27 766)	(11 375)
Profit/(loss) for the year		**376 024**	**112 357**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on pension obligations (net of tax)	8	11 892	3 641
Total other comprehensive income for the year, net of tax		**11 892**	**3 641**
Total comprehensive income/(loss) for the year		**387 916**	**115 998**

Statement of financial position

NOK in thousands	Note	2023	2022
Assets:			
Non-current assets			
Intangible assets		387	-
Plan assets of defined benefit pension plans	8	7 684	-
Investments in subsidiaries	6,13	2 285 307	2 285 307
Other non-current assets		9 997	9 286
Total non-current assets		**2 303 374**	**2 294 593**
Current assets			
Trade receivables		1 246	1 289
Receivables from group companies	10, 13	898 895	1 265 247
Other current assets		998	13 666
Cash and cash equivalents	13	127 211	-
Total current assets		**1 028 350**	**1 280 201**
Total assets		**3 331 724**	**3 574 794**
Equity and liabilities:			
Equity			
Share capital	7	32 601	32 590
Share premium	7	1 570 810	1 570 810
Other equity		181 955	40 419
Total equity		**1 785 366**	**1 643 819**
Non-current liabilities			
Employee benefit obligations	8	12 010	16 801
Interest-bearing long term debt	13,14	263 342	307 194
Deferred tax liabilities	5	1 774	981
Total non-current liabilities		**277 126**	**324 976**

Statement of financial position

NOK in thousands	Note	2023	2022
Current liabilities			
Trade and other payables	10,13,14	22 230	31 417
Liabilities to group companies	10,13,14	767 890	676 600
Overdraft facilities	13,14	-	534 112
Interest-bearing short term debt	13,14	171 000	171 000
Current income tax liabilities	5	30 324	13 896
Dividend payable	10	249 945	162 951
Social security and other taxes		2 116	8 023
Other current liabilities	9	25 728	8 001
Total current liabilities		**1 269 232**	**1 606 000**
Total liabilities		**1 546 358**	**1 930 975**
Total equity and liabilities		**3 331 724**	**3 574 794**

The Board of Directors of Elmera Group ASA, Bergen, 22 March 2024.

Steinar Sønsteby Chairman	**Anne Marit Steen** Board member	**Frank Økland** Board member
Magnhild K. B. Uglem Board member	**Heidi Theresa Ose** Board member	**Live Bertha Haukvik** Board member
Per Oluf Solbraa Board member	**Stian Madsen** Board member	**Rolf Barmen** CEO

Elmera Group

Statement of changes in equity

NOK in thousands	Issued capital	Treasury shares	Share premium	Retained earnings	Total equity
Opening balance at 1 January 2022	**34 291**	**-**	**1 569 610**	**213 868**	**1 817 768**
Profit/(loss) for the year	-	-	-	112 357	112 357
Other comprehensive income	-	-	-	3 641	3 641
Share buyback (note 7)	-	(1 715)	-	(131 112)	(132 827)
Share capital increase	15	-	1 200	-	1 215
Share-based payment (note 12)	-	-	-	4 790	4 790
Dividend	-	-	-	(163 126)	(163 126)
Closing balance 31 December 2022	**34 306**	**(1 715)**	**1 570 810**	**40 418**	**1 643 819**
Opening balance at 1 January 2023	**34 306**	**(1 715)**	**1 570 810**	**40 418**	**1 643 819**
Profit/(loss) for the year	-	-	-	376 024	376 024
Other comprehensive income	-	-	-	11 892	11 892
Sale of treasury shares	-	11	-	736	747
Share capital increase	-	-	-	-	-
Share-based payment (note 12)	-	-	-	2 828	2 828
Dividend	-	-	-	(249 945)	(249 945)
Closing balance 31 December 2023	**34 306**	**(1 704)**	**1 570 810**	**181 954**	**1 785 366**

Statement of cash flows

NOK in thousands	Note	2023	2022
Operating activites			
Profit/(loss) before tax		403 790	123 732
Adjustments for:			
Dividend recognised, not received	10	(565 000)	(196 500)
Share based payment expense	12	2 828	4 790
Change in post-employment liabilities, no cash effect	8	2 772	(1 066)
Amortisation of transactions costs, no cash effect	13a	6 783	8 210
Changes in working capital:			
Trade receivables	10	(65 572)	677
Other current assets		12 668	3 106
Trade and other payables	10	(152 371)	(116 294)
Other current liabilities	9	11 820	10 200
Income tax paid	5	(13 901)	(10 851)
Net cash from operating activities		**(356 182)**	**(173 996)**
Investing activities			
Purchase of intangible assets		(387)	-
Dividends received from subsidiary	10	196 500	424 396
Net (outflow)/proceeds from current loans to/from subsidiaries	10	1 034 941	(551 911)
Net (outflow)/proceeds from other long-term liabilities		(4 509)	(1 807)
Net cash used in investing activities		**1 226 545**	**(129 321)**
Financing activites			
Proceeds from overdraft facilities	13a	(534 112)	534 112
Proceeds from revolving credit facility	13a	-	125 000
Dividends paid		(162 951)	(400 231)
Proceeds from issuance of shares		-	1 215
Purchase of treasury shares	7	-	(132 827)
Sale of treasury shares	7	747	-
Transactions costs (credit facilities) paid	13a	(836)	(300)
Instalments of long term debt	13a	(46 000)	(46 000)
Net cash used in financing activities		**(743 152)**	**80 969**
Net change in cash and cash equivalents		**127 211**	**(222 348)**
Cash and cash equivalents at 1 January		-	222 348
Cash and cash equivalents at 31 December		**127 211**	**-**

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Notes Elmera Group ASA

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Note 1 General information

Elmera Group ASA, is a public limited liability company, and was incorporated on 15 December 2017. The company is the holding company and ultimate parent in the Elmera Group which core business is purchase, sales and portfolio management of electrical power to end users, as well as related activities, including investment in other companies.

Elmera Group ASA also provides management services to subsidiaries and other companies in the Group. Elmera Group ASA is registered and domiciled in Norway. The entity name was changed from Fjordkraft Holding ASA to Elmera Group ASA in 2022.

The address of its registered office is Folke Bernadottes Vei 38, 5147 Bergen, Norway.

Note 2 Accounting policies

Basis for preparation

The financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations from 21 January 2008 on simplified IFRS, amended on 28 December 2020. Principally this means that recognition and measurement comply with the International Accounting Standards (IFRS) and presentation and note disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Any exceptions from measurement and recognition according to IFRS is disclosed below.

The accounting principles applied when preparing the separate financial statement of Elmera Group ASA are consistent with the accounting principles in the group, described in note 1 in the consolidated financial statements, with some exceptions that are described below. In all other cases, reference is made to notes to the consolidated financial statements.

Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Investments in subsidiaries are recognised at cost in the separate financial statement. The carrying amount is increased when funds are added through capital increases or when group contributions are made to subsidiaries.

Impairment of subsidiaries

At the end of each reporting period the Company assesses whether there is any indication that an investment in a subsidiary may be impaired. If any such indication exists, the Company estimates the recoverable amount of the subsidiary. If the carrying amount of the investment exceeds the recoverable amount, the group recognises an impairment loss.

Dividends from subsidiaries

Dividends received from subsidiaries are recognised in profit or loss when the dividends received are distributions of profits. Other distributions are recognised as a reduction in the carrying amount of the investment.

Pursuant to the exemption paragraph in Finance Ministry's prescribed regulations from 21 January 2008 on simplified IFRS, the

Note 2
Accounting policies

company has elected to recognise dividends in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles. Thus, any dividend from subsidiaries is recognised as a current asset at the end of the reporting period of which the dividend proposed is based on.

Dividends payable

Pursuant to the exemption paragraph in Finance Ministry's prescribed regulations from 21 January 2008 on simplified IFRS, the company has elected to recognise dividends in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles. Thus, any dividend payable is recognised as a current liability at the balance sheet date of the reporting period of which the dividend proposed is based on.

Cash and cash equivalents

The cash flow statement is prepared using the indirect method. For the purpose of presentation in the statement of cash flows and in the statement of financial position, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. Elmera Group ASA is the group account holder in a group account system for bank deposits and bank overdrafts, where the Norwegian subsidiaries in Elmera Group holds sub accounts. The total net deposit or overdraft on all sub accounts in the group account system is presented net as either cash and cash equivalents, or overdraft facilities in the statement of financial position. Deposits and overdrafts of the sub account holders are included in receivables from group companies and liabilities to group companies in the statement of financial positions.

Comparative figures and reclassifications

The consolidated statements of profit or loss, comprehensive income, financial position, equity, cash flow and notes provide comparable information in respect of the previous period. The following changes have been made in comparative figures at 31 December 2022:

Presentation of instalments on long term loan due within 12 months
The instalments on term loans that are due within 12 months from the reporting date has in previous reporting been reported in Other current liabilities in the statement of financial position. From 2023 and going forward the amounts of term loan that are due within the next 12 months will be reported in Interest-bearing short term debt. Comparative figures have been reclassified to align with current presentation increasing Interest-bearing short term debt / decreasing Other current liabilities with NOKt 46 000 at 31 December 2022.

Note 3 Personnel expenses

NOK in thousands	2023	2022
Salaries	105 651	41 942
Social security	17 393	5 009
Pension expenses	10 437	3 641
Other benefits	2 325	2 736
Gross personnel expenses	**135 806**	**53 328**
- Capitalised R&D costs	(1 910)	-147
Total personnel expenses	**133 897**	**53 181**
Number of full-time equivalents (FTEs) as of 31 December	**93**	**88**

Salaries includes payments to Board of directors. See note 12.

Loans to employees

NOK in thousands	2023	2022
Loans	3 036	294

Loans to employees has been granted on the following terms:

Maximum duration for loans to employees are 15 years.
The interest rate for loans to employees is approximately equal to the current limit regarding taxation of benefits for such loans, plus up to 1 percentage point. Current limit for taxation of benefits is 4,50 %. The loan scheme for personnel loans was discontinued in 2023, implying that no new loans were issued from the point of discontinuation. Loans entered into before the termination of the scheme continue as normal.

Employee loans are handled by the subsidiary Fjordkraft AS.

Note 4 Operating expenses

NOK in thousands	2023	2022
Sales and marketing costs	913	1 173
IT costs	97 279	30 953
Purchase of third-party services and external personnel	28 632	8 845
Professional fees*	67 038	32 063
Other operating costs	11 001	5 771
Toal operating expenses	**204 863**	**78 805**

* Includes legal fees, audit fee and consultancy fees.

Specification of auditors remuneration (all related to services provided by Deloitte)

NOK in thousands	2023	2022
Statutory audit - Deloitte	1 723	1 125
Other assurance services - Deloitte	170	19
Other non-assurance services - Deloitte	31	410
Total auditors remuneration	**1 923**	**1 555**

Note 5
Income Tax

Specification of tax expense recognised in statement of profit or loss

NOK in thousands	2023	2022
Tax payable on profit for the year	30 328	13 896
Change in deferred tax/(tax asset) from origination and reversal of temporary differences	(2 562)	(2 521)
Tax expense/(-income) recognised in statement of profit or loss	**27 766**	**11 375**

Specification of tax expense recognised in other comprehensive income

Change in deferred tax/(tax asset) from origination and reversal of temporary differences	3 354	1 027
Tax expense/(-income) recognised in other comprehensive income	**3 354**	**1 027**

Reconciliation of statutory tax rate to effective tax rate:

Profit/(loss) before tax	403 790	123 732
Income tax at statutory tax rate (22%)	88 834	27 221

Tax effect of following items:

Non-deductible costs	532	764
Tax exemption method dividends	(61 600)	(16 610)
Tax expense/(-income)	**27 766**	**11 375**

Specification of basis for deferred tax:

Pension liabilities	5 737	(3 383)
Other current liabilities	(1 218)	-
Other non-current financial assets	3 549	9 496
Interest carried forward	-	(1 652)
Basis for calculation of deferred tax/(tax assets)	**8 069**	**4 461**
Total deferred tax liability/(tax assets) (22 %)	**1 774**	**981**

Changes in deferred tax balances

NOK in thousands	1 January 2023	Changes recognised in statement of profit or loss	Changes recognised in other comprehensive income	31 December 2023
Pension liabilities	(744)	(1 348)	3 354	1 262
Other current liabilities	-	(268)	-	(268)
Other non-current financial assets	2 089	(1 308)	-	781
Interest carried forward	(364)	364	-	-
Total deferred tax liability/(tax assets) (22 %)	**981**	**(2 562)**	**3 354**	**1 774**

Note 6 Investments in subsidiaries

NOK in thousands	Location	Ownership/ voting right	Equity year end 2023 (100%)	Profit or loss 2023 (100%)	Book value
Fjordkraft AS	Bergen, Norway	100 %	729 655	534 012	1 636 984
Elmera Industrial Ownership AS	Bergen, Norway	100 %	218 443	(16 671)	648 322
Book value at 31 December 2023					**2 285 307**

Dividends
The board of directors in Fjordkraft AS has approved a dividend of NOKt 168 000 and a group contribution of NOKt 285 000 and the board of directors in Elmera Industrial Ownership AS has approved a dividend of NOKt 112 000. The total of NOKt 565 000 have been recognised as income from investments in subsidiaries in profit or loss for 2023.

Note 7 Share capital and shareholder information

Shareholders at 31 December 2023	Number of shares	Nominal value per share	Nominal value	Voting rights	Ownership
Folketrygdfondet	10 172 840	0,30	3 051 852	9,36 %	8,90 %
Gudbrandsdal Energi Holding AS	7 682 161	0,30	2 304 648	7,07 %	6,72 %
Verdipapirfondet Nordea Norge Verdi	4 315 545	0,30	1 294 664	3,97 %	3,77 %
Vpf DNB Am Norske Aksjer	4 036 705	0,30	1 211 012	3,71 %	3,53 %
Verdipapirfondet Holberg Norge	3 300 000	0,30	990 000	3,04 %	2,89 %
Landkreditt Utbytte	2 795 000	0,30	838 500	2,57 %	2,44 %
Verdipapirfondet DNB smb	2 600 076	0,30	780 023	2,39 %	2,27 %
Verdipapirfondet Alfred Berg Gambak	2 309 267	0,30	692 780	2,12 %	2,02 %
Skandinaviska Enskilda Banken AB	2 223 364	0,30	667 009	2,05 %	1,94 %
The Bank of New York Mellon sa/nv	2 220 000	0,30	666 000	2,04 %	1,94 %
J.P. Morgan SE	2 104 482	0,30	631 345	1,94 %	1,84 %
Fjarde AP-Fonden	1 900 000	0,30	570 000	1,75 %	1,66 %
HSBC Bank PLC	1 834 093	0,30	550 228	1,69 %	1,60 %
Varde Norge AS	1 829 639	0,30	548 892	1,68 %	1,60 %
State Street Bank and Trust Compy	1 789 386	0,30	536 816	1,65 %	1,56 %
Verdipapirfondet Storebrand Norge	1 682 639	0,30	504 792	1,55 %	1,47 %
Nordnet Bank AB	1 539 909	0,30	461 973	1,42 %	1,35 %
Verdipapirfondet Nordea Avkastning	1 509 527	0,30	452 858	1,39 %	1,32 %
Verdipapirfondet DNB Norge	1 374 270	0,30	412 281	1,26 %	1,20 %
Catilina Invest AS	1 340 183	0,30	402 055	1,23 %	1,17 %
Others	50 112 525	0,30	15 033 758	46,11 %	43,82 %
Total outstanding shares	**108 671 611**		**32 601 483**	**100 %**	**95 %**
Treasury shares	5 680 189	0,30	1 704 057	0,00 %	4,97 %
Total shares in issue	**114 351 800**		**34 305 540**	**100 %**	**100 %**

Note 7
Share capital and shareholder information

Share capital and share premium	Share capital	Share premium	Total
NOK in thousands			
31 December 2023	32 601	1 570 810	1 603 411
31 December 2022	32 590	1 570 810	1 603 400

Fully paid ordinary shares which have a par value of NOK 0.30 carry one vote per share and carry a right to dividends (except for treasury shares). All outstanding shares have equal voting rights and the right to receive dividend.

Treasury shares
In the second quarter of 2022 the Group initiated a share buyback program where a total of 5 717 590 shares were purchased, corresponding to 5 % of the share capital, for a total amount of NOKt 132 827.

The program's purpose is to: (i) fulfil obligations arising as a result of the Group's share option program, and (ii) to redeem (i.e. cancel) shares by way of a share capital decrease in the Company, subject to approval from the general meeting. In 2023 a total of 37 401 treasury shares have been sold to fulfil obligations arising as a result of the Group's share option program.

Note 7
Share capital and shareholder information

Shares and options owned/controlled by members of the Board of Directors, CEO and other members of the Executive Management (including related parties):

31 December 2023	Number of shares	Number of options
Rolf Barmen (Chief Executive Officer)	69 052	250 000
Henning Nordgulen (Chief Financial Officer)	50 000	50 000
Roger Finnanger (Head of Business)	3 378	140 000
Arnstein Flaskerud (Head of Strategy, Innovation, Sustainability and M&A)	50 760	140 000
Solfrid K. Aase (Head of Alliance)	11 156	130 000
Solfrid Fluge Andersen (Head of Power markets and energy supply) 1)	5 171	135 000
Per Heiberg-Andersen (Executive Vice President Nordic)	5 000	113 334
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS)	54 600	60 000
Jeanne K. Tjomsland (Head of HR and Communications) 2)	26 028	103 334
Kari Marvik (Chief Information Officer) 3)	-	30 000
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 4)	500	-
Steinar Sønsteby (Chair)	18 668	-
Live Bertha Haukvik (Board member)	6 870	-
Heidi Theresa Ose (Board member)	3 181	-
Per Oluf Solbraa (Board member)	4 254	-
Anne Marit Steen (Board member) 5)	6 681	-
Frank Økland (Board member, Employee representative)	1 149	-
Magnhild Uglem (Board member, Employee representative) 6)	1 261	-
Stian Madsen (Board member, Employee representative) 7)	2 009	-
Tone Wille (Board member) 8)	-	-
Elisabeth Norberg (Board member, Employee representative) 9)	3 225	-
Marianne Unhjem (Board member, Employee representative) 10)	-	-
Lisbet Nærø (Chair of the Nomination committee)	-	-
Atle Kvamme (Member, Nomination committee)	-	-
Brede Selseng (Member, Nomination committee) 11)	-	-
Total	**322 943**	**1 151 668**

Terms and details for the management option program are outlined in note 12.

1) Head Of Operations until 30 November 2023 and Head of Power Markets and Energy Supply from 1 December 2023
2) From 1 December 2023
3) From 1 December 2023
4) From 1 August 2022 until 30 June 2023
5) From 26 April 2023
6) From 14 June 2023
7) From 14 June 2023
8) Until 23 April 2023
9) Until 13 June 2023
10) Until 31 May 2023
11) From 26 April 2023

Note 8 Pension liabilities

Description of pension schemes

Elmera Group's pension schemes have been established in accordance with local laws, and include both defined contribution plans and defined benefit plans. The pension schemes offered in the Norwegian companies in the group are in line with the Act on Mandatory Occupational Pensions (Lov om obligatorisk tjenestepensjon).

Defined benefit plans

Defined benefit plans entitles members to defined future benefits. These are mainly dependent on the number of years of service, the salary level at retirement age and the size of benefits paid by the national insurance. Liabilities in defined benefit plans that are funded are covered through an insurance company.

The liability or asset recognised in the consolidated statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets if the plan is funded. The defined benefit obligation is calculated annually by independent actuaries.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed defined contributions into a separate entity (a fund).

Pension schemes in Elmera Group ASA

Until the end of 2019 the group companies had a single pension scheme covering all employees. As of 1.1.2020 all Group employees born in 1963 and later was transferred to a defined contribution pension scheme. Employees born before 1963 maintained their membership in defined benefit pension scheme, which at the same time was closed for new members. Members who were enrolled in the defined contribution pension plan received a paid-up policy for earned entitlements for the time they have earned rights in the defined benefit pension scheme if they had at least three years of service.

At the beginning of 2022 Elmera Group ASA had 3 employees. During 2022 81 employees where transferred from the subsidiary Fjordkraft AS to Elmera Group ASA as part of a transfer of business. Fjordkraft AS' defined benefit plan liabilities related the transferred employees where transferred to Elmera Group ASA as part of the transfer of business. The employees' right to continue earning pensions in accordance with the Group's pension schemes is continued in Elmera Group ASA.

Defined contribution plan

At the end of 2023 Elmera Group ASA has a defined contribution pension scheme covering a total of 96 active members and no pensioners. The contribution rates for the defined contribution plan are set to 5 per cent of salaries between 0 and 7,1 times G (where G is the National Insurance scheme basic amount, NOKt 118,62 in 2023), and 15 per cent of salaries between 7,1 and 12 times G.

The defined-contribution pension scheme also includes disability pension, spouse's pension and children's pension. In addition, Elmera has chosen to introduce the contractual pension agreement (CPA) scheme for private sector for those members who are enrolled in the defined contribution pension scheme. The agreement entitles members to benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67.

In addition to the above mentioned defined contribution plan (and if applicable the defined benefit pension plan described below), Senior Management are members of a defined contribution pan, entiteling them to additional annual contribution for salary exceeding 12 G.

Defined benefit plans

At the end of 2023 the defined benefit pension scheme covers 2 active members, 1 pensioner and 52 deferred vested members. This defined benefit pension scheme includes retirement pension, contractual pension agreement (CPA), disability pension, spouse's pension and children's pension. The scheme complies largely with the regulations enshrined in the Act on the Government Pension Fund. The liabilities are covered through the insurance company BKK Pensjonskasse.

The contractual pension agreement (CPA) for members of the defined benefit scheme covers a total of 2 active members and 0 pensioners. The agreement entitles staff to benefits from the age of 62 until they are eligible for a national insurance pension when reaching the age of 67. The CPA is an unfunded pension plan.

For those members who were transferred from the defined benefit scheme to the new defined contribution pension scheme at the beginning of 2020, an additional defined benefit plan was established to provide supplementary retirement pension to employees with a long employment time and a high age whom had their expected retirement pension reduced when being transferred out of the defined benefit scheme. This plan aims to counteract some of the effects that the introduction of life expectancy adjustment has had for public occupational pension schemes. The scheme applies to a closed group of employees. The supplementary allowance was set with final effect at the end of 2019, and the supplement constitutes a fixed percentage of the individual's pension basis up to the age of 66 years. This scheme will only provide benefits if the employees are at least 67 years old at retirement. The scheme covers a total of 2 active members and 0 pensioners in Elmera Group ASA at the end of 2023.

Note 8
Pension liabilities

Risk exposure

Through its defined benefit occupational pension plans, the company is exposed to a number of risks, the most significant are detailed below.

Asset volatility;
The plan liabilities are calculated using a discount rate set with reference to covered bonds ("Obligasjoner med fortrinnsrett"); if plan assets underperform this yield, this will create a deficit. All plans hold a significant portion of investments in equity instruments, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

Changes in bond yields;
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk;
Some of the company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy;
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

At the end of this note, a table showing sensitivity analysis of the most significant assumptions is enclosed.

Amounts recognised in statement of financial position 2023	**31 December 2023**	**31 December 2022**
NOK in thousands		
Present value of funded obligations	65 522	68 221
Fair value of plan assets	73 206	62 654
Deficit for funded plans	(7 684)	5 567
Present value of unfunded obligations	7 441	8 137
Total deficit of defined benefit pension plans	**(244)**	**13 705**
Other employee benefit obligations	4 569	3 096
Employee benefit obligations recognised in Statement of financial position	**4 326**	**16 801**

Change in defined benefit obligation NOK in thousands	**Present value of funded obligation**	**Fair value of plan assets**	**Total, Funded obligations, net of plan**	**Present value of non-funded obligation**	**Total, net**
At 1 January 2023	**68 221**	**62 653**	**5 568**	**8 137**	**13 706**
Accrued pension entitlement for the year	291	-	291	466	757
Payroll tax (PT)	41	-	41	65	106
Interest expense (income)	2 480	-	2 480	255	2 735
Return on plan assets	-	2 300	(2 300)	-	(2 300)
Actuarial gains and losses	(5 755)	9 049	(14 804)	(442)	(15 246)
Benefits paid	(797)	(796)	(1)	-	(1)
Settlement (gain) / loss recognized	1 041	-	1 041	(1 041)	-
At 31 December 2023	**65 522**	**73 207**	**(7 684)**	**7 440**	**(244)**

Note 8
Pension liabilities

Amounts recognised in statement of financial position 2023	**Funded obligations**	**Non-funded obligations**	**Total**
NOK in thousands			
Accrued pension entitlement for the year	291	466	757
Payroll tax (PT)	41	65	106
Net interest expense / (income)	2 480	256	2 736
Expected return on plan assets	(2 300)	-	(2 300)
Settlement (gain) / loss recognized	1 041	(1 041)	-
Pension expenses defined benefit pension schemes	**1 553**	**(254)**	**1 299**
Pension expenses defined contribution pension scheme			9 139
Total amount recognised in profit or loss			**10 437**

Actuarial gains and losses recognised directly in Other comprehensive income (OCI)

NOK in thousands	**2023**	**2022**
Net actuarial gains/(losses) recognised in OCI during the year	15 246	4 666
Tax effects of actuarial gains/(losses) recognised in OCI	3 354	1 027

Significant actuarial assumptions

Discount rate	4,15 %	3,60 %
Salary growth rate	2,50 %	3,75 %
Expected growth in base social security amount (G)	3,50 %	3,50 %
Estimated return on plan assets	4,15 %	3,60 %
Pension growth rate	2,90 %	2,75 %
CPA withdrawal	25% when 62 yrs	25% when 62 yrs
Demographic assumptions	K2013BE	K2013BE
Voluntary retirement	Before 45 yrs - 4,5%	Before 45 yrs - 4,5%
	45 yrs - 60 yrs - 2,0%	45 yrs - 60 yrs - 2,0%
	After 60 yrs - 0%	After 60 yrs - 0%

* K2013BE is the insurance companies present best estimate based on The Financial Supervisory Authority of Norway's mortality table K2013 and Statistics Norway's present population projection.

Note 8
Pension Liabilities

Sensitivity of pension liabilities to changes in the weighted financial assumptions are:

	Change in pension cost		Change in employee defined benefit liabilities	
NOK in thousands	1,00 %	-1,00 %	1,00 %	-1,00 %
Discount rate	(176)	218	(13 139)	17 364
Salary growth rate	78	(73)	857	(824)
Expected growth in base social security amount (G)	133	(114)	16 425	(12 638)

Pension asset comprise

Pension assets are invested in bonds and money-market placements issued by the Norwegian government, Norwegian municipalities, financial institutions and enterprises. Foreign currency bonds are hedged. Investments are made in both Norwegian and foreign shares. Any estimate deviation is distributed pro-rata between the individual asset categories.

At 31 December 2023 the plan assets were invested as follows:

NOK in thousands	Level 1 Exchange listed prices	Level 2 Observable prices	Level 3 Non-observable prices	Total	%-share
Equity instruments	9 785	8 755	9 409	27 949	38%
Interest bearing instruments	1 462	43 796		45 257	62%
Total investments	**11 246**	**52 550**	**9 409**	**73 206**	**100 %**

Note 9 Other current liabilities

Other Current Liabilities consist of the following:

NOK in thousands	2023	2022
Accrued expenses	3 965	591
Payroll liabilities	21 763	7 410
Total other current liabilities	**25 728**	**8 001**

Note 10 Related party transactions

Related parties include major shareholders, Board of Directors and key management. Transactions related to these groups are disclosed in note 11.

Pricing of services and transactions between related parties are set on an arm's length basis in a manner similar to transactions with unrelated third parties.

The following transactions were carried out with related parties (NOK in thousands):

Income from related parties (NOK in thousands)

Related party	Relation	Purpose of transactions	2023	2022
Fjordkraft AS	Subsidiary	Dividend	168 000	75 500
Fjordkraft AS	Subsidiary	Group contribution	285 000	121 000
Elmera Industrial Ownership AS	Subsidiary	Dividend	112 000	-
Fjordkraft AS	Subsidiary	Management, IT, and other services	162 463	71 740
TrøndelagKraft	Subsidiary	Management, IT, and other services	17 873	7 777
Allrate AS	Subsidiary	Management, IT, and other services	20 610	3 752
Steddi Payments AS	Subsidiary	Management, IT, and other services	14 162	840
Elmera Nordic AS	Subsidiary	Management, IT, and other services	4 629	2 039
Fjordkraft Mobil AS	Subsidiary	Management services	634	-
Gudbrandsdal Energi AS	Subsidiary	Management services	2 929	-
Elmera Industrial Ownership AS	Subsidiary	Management, IT, and other services	-	525
Other	Subsidiaries	Interest income cash pool	12 111	5 142

Expenses to related parties (NOK in thousands)

Related party	Relation	Purpose of transactions	2023	2022
Fjordkraft AS	Subsidiary	Purchase of other services	1 022	3 230
Metzum AS	Associated company	Purchase of other services	43 846	13 112
Atea AS**	Other	Purchase of products and other services	9 919	687
Telia Norge AS***	Other	Purchase of products and other services	4 648	-
Other	Subsidiaries	Interest expense cash pool	17 398	4 961

Note 10
Related party transactions

Current receivables from related parties (NOK in thousands)

Related party	Relation	2023	2022
Fjordkraft AS*	Subsidiary	464 413	1 003 869
TrøndelagKraft AS	Subsidiary	25 902	8 067
Allrate AS	Subsidiary	24 362	3 752
Elmera Industrial Ownership AS*	Subsidiary	359 766	228 432
Steddi Payments AS	Subsidiary	15 002	840
Elmera Nordic AS	Subsidiary	6 426	2 039
Switch Nordic Green AB	Subsidiary	-	965
Fjordkraft Mobil AS	Subsidiary	94	-
Gudbrandsdal Energi AS*	Subsidiary	2 929	17 282

* Includes receivables in group account system, refer note 13.

Current liabilities to related parties (NOK in thousands)

Related party	Relation	2023	2022
Fjordkraft AS	Subsidiary	271 091	143 185
TrøndelagKraft AS*	Subsidiary	403 523	281 888
Allrate AS*	Subsidiary	32 757	16 888
Steddi Payments AS*	Subsidiary	20 604	234 520
Energismart Norge AS*	Subsidiary	3	4
Elmera Nordic AS*	Subsidiary	6 542	115
Gudbrandsdal Energi AS*	Subsidiary	33 370	-
Metzum AS	Associated company	6 836	959
Atea AS**	Other	1 875	67

* Includes liabilities in group account system, refer note 13.
** The chairman of the Board of Directors in Elmera Group ASA is the CEO of Atea ASA.
*** Telia Norge AS is part of the Telia Company group, which is a major shareholder (non-controlling interest) in Fjordkraft Mobil AS.

Note 11 Remuneration to the Executive management and Board of Directors

Executive management 2023:

NOK in thousands	Salary	Bonus	Other benefits	Pension costs	Total remu-neration	Loans outstanding 31 December**
Rolf Barmen (Chief Executive Officer)	3 477	375*	150	774	4 776	-
Henning Nordgulen (Chief Financial Officer)	2 693	12	150	360	3 215	-
Roger Finnanger (Head of Business)	1 836	47	110	211	2 204	-
Arnstein Flaskerud (Head of Strategy, Innovation, Sustainability and M&A)	2 007	47	120	324	2 498	-
Solfrid K. Aase (Head of Alliance)	1 672	47	100	265	2 084	-
Solfrid Fluge Andersen (Head of Power markets and energy supply) 1)	1 785	47	100	198	2 130	-
Per Heiberg-Andersen (Executive Vice President Nordic)	1 672	47	100	178	1 997	-
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS)	2 550	70	150	298	3 068	-
Jeanne K. Tjomsland (Head of HR and Communications) 2)	156	-	10	28	194	-
Kari Marvik (Chief Information Officer) 3)	142	-	8	9	159	-
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 4)	467	95	-	56	618	-
Total remuneration executive management 2023	**18 457**	**787**	**998**	**2 701**	**22 943**	**-**

*In 2023 the CEO received a discretionary bonus of NOKt 375 based on the Group's performance in 2022.
** The Group's executive management had no outstanding personnel loans at year end in 2023. The Group discontinued the loan scheme for personnel loans in 2023

1) Head Of Operations until 30 November 2023 and Head of Power Markets and Energy Supply from 1 December 2023
2) From 1 December 2023
3) From 1 December 2023
4) From 1 August 2022 until 31 May 2023

Executive management 2022:

NOK in thousands	Salary	Bonus	Other benefits	Pension costs	Total remu-neration	Loans outstanding 31 December
Rolf Barmen (Chief Executive Officer)	3 311	500*	150	846	4 807	294
Henning Nordgulen (Chief Financial Officer) 1)	660	-	38	86	784	-
Roger Finnanger (Head of Business)	1 692	54	100	219	2 065	-
Arnstein Flaskerud (Head of Strategy and M&A)	1 934	67	120	430	2 551	-
Solfrid K. Aase (Head of Service Companies)	1 612	67	100	354	2 133	-
Solfrid Fluge Andersen (Head of Operations)	1 667	67	100	219	2 053	-
Per Heiberg-Andersen (Head of Nordic and other end-user companies)	1 662	67	100	173	2 002	-
Marius Sveipe (Chief Executive Officer, Gudbrandsdal Energi AS) 2)	467	50	-	53	570	-
Magnar Øyhovden (Chief Executive Officer, Fjordkraft AS) 3)	995	-	60	127	1 182	-
Birte Strander (Chief Financial Officer) 4)	792	54	50	183	1 079	-
Jeanne K. Tjomsland (Head of HR, Communications and Sustainability) 5)	1 021	67	70	237	1 395	-
Christian Kalvenes (Head of Consumer) 6)	592	54	37	68	751	-
Alf-Kåre Hjartnes (Chief Operating Officer) 5)	1 016	54	70	199	1 339	290
Total remuneration executive management 2022	**17 421**	**1101**	**995**	**3194**	**22 711**	**584**

*In 2022 the CEO received a discretionary bonus of NOKt 500 based on the Group's performance in 2021.

1) From 1 October 2022
2) From 1 August 2022
3) From 8 August 2022
4) Until 31 May 2022
5) Until 31 July 2022
6) Until 16 May 2022

Note 11
Remuneration to the Executive management and Board of Directors

The members of the Board of Directors have received the following remuneration during the year ended 31 December 2023 and 2022:

The Board of Directors:

NOK in thousands	2023	2022
Steinar Sønsteby (Chair)	605	545
Live Bertha Haukvik (Board member)	446	401
Heidi Theresa Ose (Board member)	400	360
Per Oluf Solbraa (Board member)	347	312
Anne Marit Steen (Board member) 1)	311	-
Frank Økland (Board member, Employee representative)	109	108
Magnhild Uglem (Board member, Employee representative) 2)	-	-
Stian Madsen (Board member, Employee representative) 3)	-	-
Tone Wille (Board member) 4)	101	312
Elisabeth Norberg (Board member, Employee representative) 5)	49	108
Marianne Unhjem (Board member, Employee representative) 6)	45	108
Lisbet Nærø (Chair of the Nomination committee)	-	53
Atle Kvamme (Member, Nomination committee)	-	32
Ragnhild Stolt-Nielsen (Member, Nomination committee) 7)	-	32
Brede Selseng (Member, Nomination committee) 8)	-	-
Total remuneration Board of directors	**2 413**	**2 371**

1) From 26 April 2023
2) From 14 June 2023
3) From 14 June 2023
4) Until 23 April 2023
5) Until 13 June 2023
6) Until 31 May 2023
7) Until 26 April 2023
8) From 26 April 2023

There are no additional bonus agreements or agreement of similar profit sharing with the CEO or Chairman of the board. The rest of the executive management is also included in the Group's performance bonus scheme.

If the company chooses to terminate the employment, the CEO is entitled to 12 months severance pay after the expiry of the ordinary notice period, which is 6 months.

The Group's executive management has the right to apply for loans on the same grounds as all the employees in the company. Maximum duration for loans to employees are 15 years.The interest rate for loans to employees is approximately equal to the current limit regarding taxation of benefits for such loans, plus up to 1 percentage point. Current limit for taxation of benefits is 4,5 %. The loan scheme for personnel loans was discontinued in 2023. Loans entered into before the termination of the scheme continue as normal.

The CEO and Group management is included in the current pension plan for the Group - see note 8.

Note 11
Remuneration to the Executive management and Board of Directors

The Board of Director's guidelines for remuneration to directors in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act

These guidelines have been prepared by the Board of Directors of Elmera Group ASA ("Elmera" or the "Company") in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16a and related regulations. The guidelines was approved by the Company's annual general meeting in 2021 and shall apply until the Company's annual general meeting in 2025, unless amended or replaced earlier.

The guidelines apply for the following (jointly referred to as "directors"): the executive management, (ii) employee elected board members, (iii) the CEO and (iv) other leading employees defined as key employees.

Remuneration to persons mentioned in (ii) are regulated by "Remuneration to employee elected board members".

Purpose and general principles for remuneration

The main principle of the Company`s guidelines for remuneration, is that the directors shall receive a competitive salary, including a result-based salary tied to the business results and shareholder value to ensure the desired competence and director incentives.

Remuneration is an important instrument in order to harmonize the interests of the Company and its directors. The Company's remuneration principles are designed to ensure that the Company is able to attract and keep qualified directors, without being a wage leader in the relevant business sector, and without the variable wage element constituting such a large proportion of the total wage compensation that it can give unfortunate incentives and short-termism.

The remuneration shall generally stimulate to goal achievements and good risk management, counteract excessive risk-taking, and contribute to avoid conflict of interests. The remuneration shall be in line with the Company`s long term interests and economic financial sustainability. In general, the remuneration shall be equal for male and female employees for equal work or work of equal value. The Company conducts annual reviews of the practice of the remuneration principles, and the Company`s written report (the "Remuneration Report") is reviewed by independent control functions.

Elements of remuneration

Remuneration includes all benefits a person receives by virtue of his/her position as a leading person in the Company. This includes base salary, bonuses, allotment of shares, warrants, options and other forms of remuneration related to shares or the development of the share price in the company, pension schemes, early retirement schemes, and all forms of other variable elements in the remuneration, or special benefits that are in addition to the basic salary.

Principles for fixed salary

Fixed cash salary allows the Company to attract and recruit directors that are necessary for the long term profitability and sustainability of the Company. It is the Company's policy that base salaries shall reflect the individual's position and degree of responsibility. The size of the fixed cash salary shall be in line with market conditions, be competitive with comparable businesses within the industry, and shall take into account inter alia the scope and responsibility associated with the position, as well as the skills, experience, and performance of each director. The fixed cash salaries have no maximum levels.

For directors, the base salary constitutes the most significant part of the remuneration.

Principles for variable cash salary

Variable cash salary (i.e. cash bonuses) shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's business strategy, longterm interests, and sustainable business practices.

Principles for pension benefits

Directors` pension arrangements shall generally follow the arrangements established for the employees in Elmera Group ASA and Fjordkraft AS. Pension benefits shall be based on local practices and applicable law. More information concerning pension is included in note 18 of the annual account.

Principles for non-financial benefits

Non-financial benefits shall be based on market terms and shall facilitate the duties of the executive management. The Company aims

Note 11
Remuneration to the Executive management and Board of Directors

to have sufficiently competitive salary and incentive programs to minimize additional non-financial benefits, and such shall generally be offered only to the extent they are in line with generally accepted customs locally.

The executive management may receive certain limited benefits in kind, including company car/car arrangement, telephone, internet access, and magazine/newspaper subscriptions.

Purchase of shares

The management may participate in any Company employee share purchase plans or similar plans on substantially on the same terms as all employees.

Share-based incentive programs

Share-based payments, settled in shares or cash, are used as part of the Company's incentive schemes. In the view of the Board of Directors, attractive share-based long-term incentive programs is an important part of the total compensation for the executive management, and which may be necessary to allow the Company to retain and hire the talent it needs for further growth.

The executive management and key personnel shall be concerned with the value development for the Company`s shareholders. A share option program may bind the key employees to the Company and may also contribute to a more cautious wage growth in the years to come.

The following specific limitations apply for granting of share options in the Company: (i) as a main rule, share options may not be redeemed before three years have elapsed, (ii) the maximum amount of share options signed in a given year shall not exceed 0.6 percent of the Company`s outstanding shares, (iii) the exercise price for share options shall be set at market price at the time of allotment, (iv), the exercise price shall be adjusted for dividend paid before redemption, (v) the share options have a cap on gains of three times the exercise price (before adjustments for dividend payments). The options can be settled by the Company in cash if the share price exceeds the cap set out in (v), and if so, based on the gain of such cap, which constitutes the limit of maximum potential gain.

Employment agreements

The CEO and executive management have six month notice periods.

The CEO is entitled to a severance pay in case of termination of employment by the Company for a period of 12 months after expiry of the ordinary notice period. During employment and for 12 months after expiry of the notice period (or from the time of dismissal), the CEO is bound by the provisions on non-competition and recruiting the Company's customers and employees in accordance with the provisions in chapter 14A of the Working Environment Act of 2005.

Remuneration to employee elected board members

The level of remuneration to employee elected board members for their role as board members is proposed by the Remuneration Committee and is handled further by the Nomination Committee which propose a remuneration to the general meeting. The determination of the remuneration takes into consideration the work load, comparable companies and the general wages in the Company.

Deviations from these guidelines

The Board of Directors may, on recommendation from the Remuneration Committee, in the circumstances described below resolve to deviate from any sections of these remuneration guidelines:

- upon change of the CEO;
- upon material changes in Company's organization, ownership and/or business
- upon material change in the Company's strategy;
- upon changes in or amendments to the relevant laws, rules, or regulations;
- upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any deviation from these guidelines shall be reported in the Remuneration Report for the relevant year.

The Board's declaration on determining directors pay will be sent out or made available to the shareholders on the Company's web site, together with notice of the annual general meeting of the Company and the Company's annual report and accounts.

Note 12 Option program

Elmera Group ASA established a management option program 10 December 2018.
The option program was established to align management's and shareholders' incentives and to reduce turnover for key employees.

In total 359 000 share options were issued to employees during 2023.

Type	Options
Grant Date	**15 February 2023**
Vesting conditions	The options vest in one tranche with vesting 15th of February 2026 The Employee must remain an employee of the Company or an affiliated company at the end of the vesting period.
Expiry date	14 February 2029
Exercise price (NOK)	14,50
Total number outstanding	359 000

Type	Options
Grant Date	15 February 2023
Measurement date	15 February 2023
Share price (NOK)	15,19
Lifetime* (years)	3,00
Volatility	45,63%
Risk-free interest rate*	3,26%
Fair Value* (NOK)	4,4288

**volume weighted average for options*

The fair value of the options was calculated using the Black-Scholes model. The model utilizes certain information, such as the interest rate on a risk-free security maturing generally at the same time as the option being valued, and requires certain assumptions, such as the expected amount of time an option will be outstanding until it is exercised or it expires and the volatility associated with the price of the underlying shares of common stock, to calculate the fair value of stock options granted. The model also estimate the likelihood of performance fulfillment and takes this into account in the valuation.

The expected volatility for options issued in 2023 is estimated at average of 45,63% where historical volatility is not available. Where historical volatility is available this is calculated using the Elmera Group ASA share price.

Interest rates used are quoted Norwegian government bonds and bills retrieved from Norges Bank.

The total carrying amount per 31 December 2023 is NOK 2 458 989, not including social security.

Note 12
Option Program

The following table shows the changes in outstanding options in 2022 and 2023:

Period activity:

	01.01.2023 - 31.12.2023		01.01.2022 - 31.12.2022	
	Shares	**Weighted Average Exercise Price (NOK)**	**Shares**	**Weighted Average Exercise Price (NOK)**
Outstanding at the beginning of period	1 710 000	39	1 500 000	45
Granted	372 334	17	390 000	36
Exercised	(26 664)	19	(50 000)	24
Cancelled	-	-	-	-
Forfeited	-	-	(130 000)	53
Expired	(110 000)	21	-	-
Adjusted quantity	-	-	-	-
Modification / Dividends	(13 334)	73	-	-
Outstanding at the end of period	1 932 336	34	1 710 000	39
Vested outstanding	943 336	32	790 000	22
Vested and expected to vest	1 932 336	34	1 710 000	39
Intrinsic value of in-the-money outstanding at the end of the period	1 012 336	13 105 162	-	-
Intrinsic value vested outstanding at the end of the period	633 336	6 726 362	-	-

At 31 December 2023, the range of exercise prices and weighted average remaining contractual life of the options were as follows :

	Outstanding instruments		Vested outstanding	
Exercise price	**Outstanding per 31 December 2023**	**Weighted average remaining Contractual Life**	**Vested options per 31 December 2023**	**Weighted Average Exercise Price (NOK)**
0,00 - 25,00	379 000	5,13	-	-
25,00 - 30,00	-	-	-	-
30,00 - 35,00	603 336	1,17	603 336	33
35,00 - 40,00	350 000	3,87	30 000	38
40,00 - 45,00	-	-	-	-
45,00 - 50,00	-	-	-	-
50,00 - 55,00	-	-	-	-
55,00 - 60,00	-	-	-	-
60,00 - 65,00	-	-	0	0
65,00 - 70,00	270 000	3,13	270000	68
70,00 -	330 000	3,88	40 000	79,7
Total	**1 932 336**	**3,17**	**943 336**	**45,19**

Note 13 Financial assets and financial liabilities

The company holds the following financial instruments:

Financial assets

NOK in thousands	Notes	2023	2022
Financial assets at amortised cost			
Trade receivables (1)		1 246	1 289
Receivables from group companies (1)	10,13(b)	333 895	1 068 747
Cash and cash equivalents (1)	13(b)	127 211	-
Total financial assets		**462 352**	**1 070 035**

Financial liabilities

NOK in thousands	Notes	2023	2022
Liabilities at amortised cost			
Trade and other payables (1)		22 230	31 417
Liabilities to group companies (1)	10,13(b)	767 890	676 600
Overdraft facilities (1)	13(a)	-	534 112
Interest-bearing short term debt (1)	13(a)	171 000	171 000
Interest-bearing long term debt (2)	13(a)	263 342	263 342
Total financial liabilities		**1 224 462**	**1 676 471**

(1) The fair value of cash and cash equivalents, trade receivables, receivables from group companies, overdraft facilities, interest-bearing short term debt, liabilities to group companies and trade and other payables approximate their carrying value due to their short term nature. Provisions for dividends received from subsidiaries which are included in receivables from group companies are not considered financial assets until they have been approved.

(2) Interest-bearing long term debts are measured at amortised cost. The fair value of interest-bearing long term debts is not materially different from their carrying value, since the interest payable on those debts, which are variable interest rate loans, are close to current market rates. Instalments due within the next 12 months are presented as interest-bearing short term debt.

Financial Statement Impact:
The company's financial instruments resulted in the following income, expenses and gains and losses recognised in the statement of profit or loss:

NOK in thousands	2023	2022
Interest from assets held at amortised cost	16 545	8 008
Interest expense from liabilites at amortised cost	(62 363)	(34 989)
Total financial income and expense	**(45 818)**	**(26 981)**

13(a) Credit facilities

NOK in thousands	Effective interest rate	2023	2022
Term loan	NIBOR 3 months + 1,75 %	310 500	356 500
Revolving credit facility	NIBOR 3 months + 1,75 %	125 000	125 000
Total principal amounts		**435 500**	**481 500**

Credit facilities agreement
Elmera Group's facilities agreement with DNB includes the following credit facilities;
- a NOKt 1 000 000 term loan - the acquisition facility
- a NOKt 500 000 revolving credit facility
- a NOKt 2 250 000 guarantee facility
- a NOKt 1 300 000 overdraft facility

The termination date of the term loan facility, the revolving credit facility, and the guarantee facility has been extended until 31 December 2024. The agreement also includes an option to extend the termination date to 2 January 2025.

The term loan - NOKt 1 000 000 - The acquisition facility
Each term loan drawn upon the facility is to be repaid in quarterly repayments of 2,5 % of the original amount of the term loan, with the remainder being repaid in full on the termination date. The reference interest rate is NIBOR. The term loan principals are being repaid in quarterly instalments of total NOKt 11 500.
At 31 December 2023 the remaining term loan principal balance is NOKt 310 500. The loan instalments of NOKt 46 000 that are due the next twelve months are reported in interest-bearing short term debt in the statement of financial position. As the agreement includes an option to extend the termination date to 2 January 2025, the remaining balance is reported as interest-bearing long term debt.

The revolving credit facility - NOKt 500 000 - The RCF
The revolving credit facility is available up until one month before the termination date. Any drawings for the purpose of financing permitted acquisitions shall be converted into term loan drawings with the same repayment profile as the acquisition facility, and amounts so converted shall not be available for re-drawing.
Elmera Group ASA drew NOKt 125 000 on this facility in 2022. Elmera Industrial Ownership AS, a subsidiary of the Group, drew another NOKt 150 000 on this facility in 2022, thus NOKt 225 000 remains undrawn at 31 December 2023. The revolving credit facility is classified as interest-bearing short term debt in the statement of financial position.

The guarantee facility - NOKt 2 250 000
The purpose of the guarantee facility is the issuance of guarantees and letters of credit for the general corporate and working capital purpose of the group, hereunder gurantees related to re-invoicing agreements with grid owners, property rental agreements and so on. At 31 December 2023 guarantees of total NOKt 2 093 015 were issued under the guarantee facility.

The overdraft facility - NOKt 1 300 000
The overdraft facility has been extended until 31 December 2024. The overdraft facility was increased from NOKt 1 000 000 to NOKt 1 300 000 in 2022.
At 31 December 2023 the Group has not drawn on the overdraft facility.

Transaction costs
Transactions costs of NOKt 9 570 related to establishing and extending the Term loan facility are recognised as part of amortised cost of the Term loan. Transaction costs of NOKt 18 072 related to establishing and extending the RCF, The guarantee facility, and the overdraft facility are amortised on a straight line basis over the period from establishing the facilities to the extended termination date.

Security
The Company's trade receivables has been pledged as security for all credit facilities under the facilities agreement.

13(a)
Credit facilities

Financial covenant
Under the credit facility, there is a leverage covenant that applies at all times, and which shall be calculated quarterly based on consolidated numbers. A leverage ratio is to be calculated as total long term interest bearing debt (term loan) deducted free cash to rolling 12 month EBITDA adjusted. The leverage ratio shall not exceed:
- more than 2,5 in respect of more than one quarter-end during any financial year, and
- more than 2,0 in respect of the remaining three quarter-ends during any such financial year.

The Group is in compliance with the covenant at the end of this reporting period.

13(b) Cash and cash equivalents

Current assets

NOK in thousands	**2023**	**2022**
Cash at bank and in hand	127 211	-
Total	**127 211**	**-**

The above figures equals the amount of cash shown in the statement of cash flows at the end of the financial year.

Classification as cash equivalents
Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Elmera Group ASA is the group account holder in a group account system for bank deposits and bank overdrafts, where the Norwegian subsidiaries in the Elmera Group holds sub accounts. The total net deposit or overdraft on all sub accounts in the group account system is presented net as either cash and cash equivalents, or overdraft facilities in the statement of financial position. Deposits and overdrafts of the sub account holders are included in receivables from group companies and liabilities to group companies in the statement of financial positions.

Restricted cash
The company does not hold any restricted cash deposits at 31 December 2023.

Note 14 Financial risks

The company classifies the following categories of financial risks:

- Climate risk
- Market risk
- Credit risk
- Liquidity risk

Climate risk

In preparing Elmera Group ASA's annual financial statements, a comprehensive evaluation of climate-related risks was conducted to accurately reflect the company's financial position and outlook. The company is the holding company and ultimate parent in the Elmera Group and provides management services to subsidiaries and other companies in the Group.

The Group's core business is purchase, sales and portfolio management of electrical power to end users. Elmera Group ASA is therefore indirectly affected by the potential impacts of physical climate risks such as extreme weather events and shifts in climate patterns, as well as transition risks associated with the global move towards a low-carbon economy.

The various aspects of climate risk mentioned above have been assessed for their potential influence on the impairment considerations of the company's investments in subsidiaries and revenues related to management services. It was concluded that, as of the current reporting period, climate-related risks do not have material effects on the company's financial statements.

The Elmera Group's ESG-report contains more information about climate risk and how these are managed.

Market risk

Market risk is the risk of losses arising from movements in market prices. The company is primarily exposed to the market risks of changes in interest rates.

Market risk – interest rates

The company's exposure to interest rate risk arises from variable interest rate credit facilities and variable interest rate deposits and overdrafts within the group account system. Refer to note 13 for description of the Group's credit facilities. The company has a term loan drawn upon the Group's term loan facility, a short term loan drawn upon the Group's revolving credit facility. The net interest-bearing deposits and overdrafts of each of the group companies holding sub accounts in the group account system, are included in receivables on group companies and liabilities to group companies in the company's statement of financial position.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. As at 31 December 2023, the company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, equals the carrying amount of the respective recognised financial assets as stated in the statement of financial position, see note 13. At year end 2023 the company's only financial assets are trade receivables, receivables on group companies and cash and cash equivalents. Receivables on group companies mainly represents receivables on those subsidiaries that have net overdrafts on their sub accounts in the group account system. Each member of the group account system is jointly and severally liable for any overdraft liabilities.

Liquidity risk

The company manages liquidity risk by maintaining adequate cash reserves, bank overdraft facilities and reserve credit facilities, and by monitoring forecasts and actual cash flows. The company has access to the group's credit facilities (a term loan facility, a revolving credit facility, a guarantee facility, and an overdraft facility) which ensures access to additional cash reserves. Details of the group's undrawn facilities are set out in note 13(a), Credit facilities.

Liquidity risk table

The following table details the company's remaining contractual maturity for its financial liabilities. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The company does not hold any derivative financial liabilities at year end 2023.

Note 14
Financial risks

Contractual maturities of financial liabilities

31 December 2023

NOK in thousands	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying amount
Trade and other payables*	22 230	-	-	-	-	22 230	22 230
Liabilities to group companies**	-	-	-	-	-	-	767 890
Overdraft facilities	-	-	-	-	-	-	-
Interest-bearing short term debt***	-	11 500	34 500	125 000	-	171 000	171 000
Interest-bearing long term debt	-	-	-	264 500	-	264 500	263 342
Total	**22 230**	**11 500**	**34 500**	**389 500**	**-**	**457 730**	**1 224 462**

* Ordinary trade and other payables are not interest-bearing.
** Liabilities to group companies are interest-bearing and includes liabilities to subsidiaries that have net deposits on their sub accounts in the group account system at year end. As there are no contractual maturities for deposits and liabilities within the group account system these amounts are not included in the table.
*** Interest-bearing short term debt includes the amounts of the term loan that are due within the next 12 months.

Note 15

Events after the reporting period

The Board of Directors has in the Board Meeting on 14 February 2024 proposed a dividend to the shareholders of NOK 2.30 per share. The proposed dividend is subject to approval by the general meeting.

There are no other significant events after the reporting period that have not been reflected in the consolidated financial statements.

4.6 Auditor's report

Deloitte.

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To the General Meeting of Elmera Group ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elmera Group ASA, which comprise:

- The financial statements of the parent company Elmera Group ASA (the Company), which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income (loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Elmera Group ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act section 3-9 and Finance Ministry's prescribed regulations on simplified application of International Financial Reporting Standards (IFRS), and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

Basis for Opinion

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

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

The Company was publicly listed in March 2018. We have been the auditor of the Company since before the Company was listed. Subsequent to the listing, when including the year of listing, we have been the auditor of the Company for 6 consecutive years.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – electrical power delivered not invoiced

Key audit matters	How the matter was addressed in the audit
A proportion of the final settlement of the Group's sale of electrical power is made after the Group has finalised its annual financial statements. We refer to information in notes 1 and 5 to the consolidated financial statements. The revenue from electrical power delivered, but not invoiced is based on estimated delivery by product and price plans. Estimated volume is based on actual deliveries in the period, and there is judgment involved related to volumes and allocation of volumes to price plans. Due to the level of management's judgment involved, this is considered a key audit matter.	We have assessed the Group's process for estimating delivered not invoiced revenue, and the design and implementation of key controls. We have tested the estimated revenue from sale of electrical power by comparing the revenue recognised, by product type, to an expected revenue based on; • historical cost of power, • the historical correlation between cost of power and revenue, and • average product prices. Where the estimated revenue by product was significantly higher or lower than expected, we obtained further explanations and supporting documentations. In addition, we reviewed subsequent information on actual power supply and received true-up power settlements and evaluated the impact of the subsequent information on revenue. We have assessed the adequacy of the Group's disclosures presented in note 1 (accounting principles) and 4 to the consolidated financial statements.

Goodwill – Nordic Cash Generating Unit

Key audit matters	How the matter was addressed in the audit
In addition to their annual assessment of the carrying value of goodwill, management continuously monitors both external and internal factors to determine if there are indicators that the goodwill may be impaired. Given the significance of the goodwill associated with the Nordic Cash Generating Unit ("CGU") to the financial reporting, an impairment charge could have a material impact on the Group's financial reporting. As of 31 December 2023, the carrying value of goodwill for the Nordic CGU is MNOK 315. We refer to details in note 1, 2 and 15 in the consolidated financial statements. When determining the value in use of the goodwill, Management applied a significant level of judgment when determining the assumptions used to calculate the value in use, especially regarding the expected future net revenue, the weighted average cost of capital and expected operating expenses. Given the significance of the carrying value of the goodwill to the financial statements combined with the level of judgment involved, performing the audit procedures to evaluate the reasonableness of management's estimates and assumptions, such as the weighted average cost of capital, expected future revenue and future expected operating expenses applied in determining the recoverable amount of the goodwill, this required a high degree of auditor judgment and consequently we have assessed this to be a Key Audit Matter.	In responding to the identified key audit matter, we completed, among others, the following audit procedures: • Obtained an understanding of relevant key controls related to management's assessment of Goodwill by assessing the design and implementation of key controls. • Evaluated management's ability to accurately forecast future net revenue and operating expenses. • Assessed whether these assumptions were consistent with evidence obtained in other areas of the audit as well as internal communications to management and the Board of Directors. • With the assistance of our internal fair value specialists, we evaluated the reasonableness of the weighted average cost of capital by developing an independent range of reasonable rates and comparing this to the weighted average cost of capital as considered by management. We have also assessed the appropriateness of consolidated financial statement disclosures in relation to Goodwill as disclosed in Note 1, 2 and 15.

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

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

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

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

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act section 3-9 and Finance Ministry's prescribed regulations on simplified application of International Financial Reporting Standards (IFRS) and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements
Report on compliance with Regulation on European Single Electronic Format (ESEF)
Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 2138006BSHJVCD9SR489-2023-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities
Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgment. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 22 March 2024
Deloitte AS

Helge-Roald Johnsen

Helge-Roald Johnsen
State Authorised Public Accountant

Elmera Group