Q1 2023

Condensed interim financial statements

Elmera Group

Q1 Highlights

- Net revenue adj. NOK 534m (+8% YoY), EBIT adj. NOK 198m (+15% YoY) and volume sold 5.8 TWh (flat YoY)
- The phase-out strategy for the variable product portfolio has had a significant positive impact on the Consumer segment in the quarter, balancing the losses from Q4 '22
- The Business segment continues the strong and consistent financial performance. Organic customer growth of 8 thousand deliveries (+7%) in the quarter, the highest since Q2 '18
- Positive trend in the Nordic segment. The majority of the fixed price contracts with profile risk has been phased out per quarter-end Q1 '23
- Cost efficiency programme progressing according to plan
- The transaction with Telia was completed on 21 April 2023. The guaranteed consideration for 90% of the customer portfolio (NOK 115m) has been received
- Dividend of NOK 1.5 per share was distributed on 5 May 2023

Key figures Q1

NOK in thousands	Q1 2023	Q1 2022 *Restated*	Full year 2022
Revenue adjusted*	6 887 391	6 890 652	26 806 277
Direct cost of sales adjusted	(6 353 834)	(6 394 326)	(25 095 275)
Net revenue adjusted	**533 557**	**496 326**	**1 711 002**
Personnel and other operating expenses adjusted	(267 619)	(261 188)	(993 315)
Depreciation and amortisation adjusted	(68 127)	(62 406)	(257 633)
Total operating expenses adjusted	**(335 746)**	**(323 594)**	**(1 250 948)**
Operating profit adjusted	**197 811**	**172 732**	**460 054**
Acquisition related costs	-	-	-
Other one- off items	(11 898)	-	(2 660)
Depreciation of acquisitions **	(30 456)	(33 713)	(132 323)
Estimate deviations	-	-	(4 472)
Unrealised gains and losses on derivatives	(861 843)	(91 410)	(47 791)
Change in provisions for onerous contracts	838 189	87 378	39 256
Impairment of intangible assets	12 890	-	(39 282)
Operating profit (EBIT)	**144 695**	**134 987**	**272 781**

* Note 3 (Revenue recognitions) shows the breakdown from Revenue adjusted to Total revenue.
** 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.

Growth in net revenue and EBIT and positive development in several business areas

After two quarters with extraordinary elspot price volatility and customer mobility, the first quarter of 2023 has been more in line with the historical normal, even though elspot prices have remained relatively high through the quarter. Normalised markets have contributed to reduced risk in the variable contract portfolio and in the residual fixed price portfolio in the Nordic segment, both important contributing factors to the 7% YoY growth in net revenue adj. and 15% YoY growth in EBIT adj.

The phase-out strategy for the variable products in the Consumer segment has been well executed in the quarter, and the risk margin covered the realised risk in the quarter and also contributed to balance some of the losses from Q4 '22. The portfolio constitutes 8% of the Consumer segment's deliveries at quarter-end and had a significant positive impact on the segment's quarterly results.

The Business segment is performing well, and the Nordic segment is on a positive trend as the legacy fixed price contract portfolio with profile risk is being phased out. In the Group's New Growth Initiatives there are several positive developments, particularly the cooperation with Telia which progresses according to plan. The Group's cost efficiency program is also on track and is one of the Group's main priorities in the coming quarters.

Figures from the corresponding period in the previous year are in brackets, unless otherwise specified.

Consumer

Number of electricity deliveries in the Consumer segment decreased by thousand deliveries in the quarter, to 684 thousand deliveries. Volume sold was 2,748 GWh, an increase of 4% from Q1 2022.

Adjusted net revenue amounted to 276 NOKm (270 NOKm), adjusted operating expenses amounted to 177 NOKm (200 NOKm) and EBIT adj. amounted to 100 NOKm (70 NOKm). The phase-out strategy for variable products and increased margins on spot products were the main contributors for the net revenue growth.

Business

At the end of the quarter, the Business segment comprised 128 thousand electricity deliveries, an increase of 8 thousand deliveries from last quarter. The volume sold in the quarter was 2,396 GWh, an increase of 10% from Q1 2022.

Adjusted net revenue amounted to 176 NOKm (166 NOKm), adjusted operating expenses amounted to 81 NOKm (61 NOKm) and EBIT adj. amounted to 96 NOKm (105 NOKm).

Nordic

The Nordic segment's customer portfolio decreased by 15 thousand deliveries in the quarter, driven by phase-out of non-strategic customers. Volume sold was 657 GWh in the quarter, a decrease of 32% from Q1 2022. Adjusted net revenue amounted to 50 NOKm, adjusted operating expenses to 43 NOKm and EBIT adjusted amounted to 6 NOKm.

New Growth Initiatives

At the end of the quarter, the number of mobile subscribers was 138 thousand, a decrease of 6 thousand from last quarter.

Alliance volume in the quarter was 1,263 GWh, which is a 10% YoY decrease following a decrease in number of Alliance partners. The Extended Alliance deliveries increased by thousand in the quarter.

Adjusted net revenue in the New Growth Initiatives segment amounts to 31 NOKm, a YoY increase of 3 NOKm. Adjusted operating expenses amounted to 35 NOKm (29 NOKm), while EBIT adjusted amounted to -4 NOKm (-2 NOKm).

Financials

Gross revenue amounted to 8,033 NOKm (6,699 NOKm), an increase of 20%, due to electricity price development.

Adjusted net revenue amounted to 534 NOKm (496 NOKm), an increase of 8% YoY.

Adjusted operating expenses amounted to 336 NOKm (324 NOKm).

Adjusted EBIT amounted to 198 NOKm (173 NOKm), an in increase of 15% YoY due to the factors described above.

Net financial income amounted to -27 NOKm (-23 NOKm).

Profit for the period amounted to 97 NOKm (84 NOKm) in the quarter due to the factors described above.

Consolidated cash flow
Net cash generated from operating activities was -212 NOKm (642 NOKm). Net cash used in investing activities was -15 NOKm (-7 NOKm). Net cash from financing activities was NOK 244 NOKm (123 NOKm).

Financial position
The total capital as of 31 March 2023 was 8,771NOKm (11,002 NOKm).

Events after the reporting period

Approval of dividend
The annual general meeting of Elmera Group ASA was held on 26 April 2023. The proposed dividend of NOK 1,50 per share was approved by the general meeting.

Lay-offs as part of cost-efficiency programme
As part of a cost-efficiency programme, the Group has concluded a net FTE reduction in Q1. Severance expenses related to the agreed severance packages has been recorded in Q1 2023 with NOKt 5 393. After the end of the reporting period the Group has decided to offer severance packages to additional employees.

Telia transaction
The share purchase transaction with Telia, which includes the sale of 39% of the Group's mobile business, was completed on 21 April 2023. The guaranteed cash consideration for 90% of the customer portfolio (NOKt 115 455) has been received.

There are no significant events after the reporting period that has not been reflected in the consolidated financial statements.

Risks and uncertainties

The demand for electricity, electricity prices, customer churn and competition are the main uncertainties in a short-term perspective. The demand for electricity varies with i.a. weather conditions and temperature. Electricity prices are determined by supply and demand through Nordpool, the marketplace for electricity in the Nordics.

The Group is exposed to volume and profile risk on certain fixed price contracts in the Nordic segment. In events where consumption volumes or profile costs deviate significantly from expected levels, this might have a negative impact on the Group's results. The volume of fixed price contracts with profile risk is significantly reduced as from Q2 2023.

The Group is also exposed to volume and price risk on variable contracts. The sale of these contracts has been stopped in the Consumer segment, and a soft phase-out of the product is initiated.

The Group's Norwegian brands are certified according to DNV's "Trygg Strømhandel", which will contribute to increased transparency and reduced risk.

Outlook

The Group's forward-looking statements are presented in the quarterly presentation.

Condensed interim financial statements

Condensed consolidated statement of profit or loss

NOK in thousands	Note	Q1 2023	Q1 2022 *Restated*	Full year 2022
Continuing operations				
Revenue	2,3	8 033 341	6 698 553	25 521 514
Direct cost of sales	2,4	(7 523 438)	(6 206 259)	(23 823 519)
Personnel expenses	2	(122 839)	(111 317)	(421 029)
Other operating expenses	2	(156 677)	(149 870)	(574 946)
Depreciation and amortisation	2,7	(98 583)	(96 119)	(389 956)
Impairment of intangible assets and cost to obtain contracts	2,4,7	12 890	-	(39 282)
Operating profit		**144 695**	**134 987**	**272 781**
Income/loss from investments in associates and joint ventures		1 017	239	429
Interest income		8 512	5 374	26 952
Interest expense lease liability		(449)	(531)	(1 934)
Interest expense	11	(39 519)	(18 399)	(156 876)
Other financial items, net		3 083	(10 094)	(12 660)
Net financial income/(cost)		**(27 355)**	**(23 411)**	**(144 089)**
Profit/ (loss) before tax		**117 339**	**111 575**	**128 692**
Income tax (expense)/income	5	(20 838)	(27 572)	(54 845)
Profit/ (loss) for the period		**96 502**	**84 004**	**73 847**
Basic earnings per share (in NOK)	6	0,89	0,73	0,67
Diluted earnings per share (in NOK)	6	0,87	0,72	0,66

Condensed consolidated statement of comprehensive income

NOK in thousands	Q1 2023	Q1 2022 *Restated*	Full year 2022
Profit/ (loss) for the period	**96 502**	**84 004**	**73 847**
Other comprehensive income/ (loss):			
Items which may be reclassified over profit or loss in subsequent periods:			
Hedging reserves (net of tax, note 10)	56 624	94 809	16 209
Currency translation differences	42 114	(19 448)	(756)
Total	**98 737**	**75 361**	**15 454**
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on pension obligations (net of tax)	(20 698)	58 905	3 610
Total	**(20 698)**	**58 905**	**3 610**
Total other comprehensive income/(loss) for the period, net of tax	**78 039**	**134 266**	**19 064**
Total comprehensive income/ (loss) for the period	**174 541**	**218 269**	**92 911**

Condensed consolidated statement of financial position

NOK in thousands	Note	31 March 2023	31 March 2022 *Restated*	31 December 2022
Assets:				
Non-current assets				
Deferred tax assets		37 573	33 922	34 990
Right-of-use assets property, plant and equipment		68 316	81 286	66 195
Property, plant and equipment		7 584	7 471	8 198
Goodwill	7	1 440 315	1 409 734	1 418 776
Intangible assets	7	544 812	650 837	558 325
Cost to obtain contracts		305 303	295 814	295 980
Investments in associates and joint ventures		15 251	14 043	14 234
Derivative financial instruments and firm commitments	9,10	992 526	637 434	1 863 551
Net plan assets of defined benefit pension plans		-	46 524	4 178
Other non-current financial assets		47 083	53 732	48 285
Total non-current assets		**3 458 763**	**3 230 798**	**4 312 711**
Current assets				
Intangible assets		2 762	5 910	763
Inventories		497	2 126	460
Trade receivables	8,13	3 879 133	4 570 567	7 551 433
Derivative financial instruments and firm commitments	9,10	1 197 091	2 028 162	2 370 117
Other current assets		137 944	101 079	66 025
Cash and cash equivalents		94 835	1 063 717	70 548
Total current assets		**5 312 262**	**7 771 561**	**10 059 347**
Total assets		**8 771 026**	**11 002 359**	**14 372 058**
Equity and liabilities:				
Equity				
Share capital		32 590	34 306	32 590
Share premium		993 294	993 294	993 294
Other equity		389 569	867 171	214 241
Total equity		**1 415 454**	**1 894 771**	**1 240 126**

Condensed consolidated statement of financial position

NOK in thousands	Note	31 March 2023	31 March 2022 *Restated*	31 December 2022
Non-current liabilities				
Net employee defined benefit plan liabilities		103 321	66 904	79 780
Interest-bearing long term debt	11	606 459	697 299	629 169
Deferred tax liabilitites		86 875	134 653	100 280
Lease liability - long term		51 699	63 399	49 477
Derivative financial instruments	9,10	886 683	496 231	1 492 743
Onerous contract provisions	4	227 534	371 282	784 239
Other provisions for liabilities		30 810	16 150	29 619
Total non-current liabilites		**1 993 381**	**1 845 918**	**3 165 307**
Current liabilities				
Trade and other payables	13	2 427 999	4 599 821	5 828 373
Overdraft facilities	11	657 095	-	534 112
Interest-bearing short term debt	11	518 700	243 700	368 700
Current income tax liabilities		34 684	33 772	50 506
Derivative financial instruments	9,10	985 109	1 152 281	1 692 584
Social security and other taxes		154 447	154 859	313 504
Lease liability - short term		20 158	21 454	20 284
Onerous contract provisions	4	81 347	597 640	285 336
Other current liabilities	12	482 652	458 143	873 227
Total current liabilities		**5 362 191**	**7 261 670**	**9 966 625**
Total liabilities		**7 355 572**	**9 107 588**	**13 131 932**
Total equity and liabilities		**8 771 026**	**11 002 359**	**14 372 058**

The Board of Elmera Group ASA. Bergen, 9 May 2023

Steinar Sønsteby Chairman	**Tone Wille** Board member	**Frank Økland** Board member
Elisabeth M. Norberg Board member	**Heidi Theresa Ose** Board member	**Live Bertha Haukvik** Board member
Per Oluf Solbraa Board member	**Marianne Unhjem-Solbjørg** Board member	**Rolf Barmen** CEO

Condensed consolidated statement of changes in equity

NOK in thousands	Issued capital	Treasury shares	Share premium	Hedging reserves	Foreign currency translation reserve	Retained earnings	Total
Balance at 1 January 2022	**34 291**	**-**	**992 094**	**(71 347)**	**(67 775)**	**787 005**	**1 674 269**
Profit/(loss) for the period	-	-	-	-	-	84 004	84 004
Share-based payment	-	-	-	-	-	1 018	1 018
Other comprehensive income/(loss) for the period, net of tax	-	-	-	94 809	(19 448)	58 905	134 266
Total comprehensive income/(loss) for the period incl. share-based payment	**-**		**-**	**94 809**	**(19 448)**	**143 927**	**219 288**
Share capital increase (note 6)	15	-	1 200	-	-	-	1 215
Dividends paid (note 6)	-	-	-	-	-	-	-
Transactions with owners	**15**		**1 200**	**-**	**-**	**-**	**1 215**
Balance at 31 March 2022	**34 306**	**-**	**993 294**	**23 462**	**(87 223)**	**930 932**	**1 894 771**
Balance at 1 January 2023	**34 306**	**(1 715)**	**993 294**	**(55 137)**	**(68 531)**	**337 909**	**1 240 126**
Profit/(loss) for the period	-	-	-	-	-	96 502	96 502
Share-based payment	-	-	-	-	-	787	787
Other comprehensive income/(loss) for the period, net of tax	-	-	-	56 624	42 114	(20 698)	78 039
Total comprehensive income/(loss) for the period incl. share-based payment	**-**	**-**	**-**	**56 624**	**42 114**	**76 591**	**175 328**
Share capital increase (note 6)	-	-	-	-	-	-	-
Dividends paid (note 6)	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 March 2023	**34 306**	**(1 715)**	**993 294**	**1 486**	**(26 417)**	**414 500**	**1 415 454**

Condensed consolidated statement of cash flows

NOK in thousands	Note	Q1 2023	Q1 2022 *Restated*	Full year 2022
Operating activities				
Profit/(loss) before tax		117 339	111 575	128 692
Adjustments for:				
Depreciation	7	43 839	46 734	183 760
Depreciation right-of-use assets		5 276	5 170	20 303
Amortisation of cost to obtain contracts		49 468	44 216	185 893
Impairment of intangible assets and cost to obtain contracts	4,7	(12 890)	-	39 282
Interest income		(8 512)	(5 374)	(26 952)
Interest expense lease liability		449	531	1 934
Interest expense		39 519	18 399	156 876
Income/loss from investments in associates and joint ventures		(1 017)	(239)	(429)
Change in long-term receivables		(556)	(897)	25
Share-based payment expense		787	1 018	4 790
Change in post-employment liabilities		1 182	2 062	(13 607)
Payments to obtain a contract		(40 935)	(55 888)	(237 550)
Changes in working capital (non-cash effect):				
Impairment loss recognised in trade receivables	8	17 324	6 282	4 402
Provision for onerous contracts	4	(838 189)	(87 379)	(39 256)
Change in fair value of derivative financial instruments	4,9,10	880 078	91 410	12 182
Changes in working capital:				
Inventories		(36)	21	1 686
Trade receivables	8	3 677 797	591 843	(2 385 823)
Purchase of el-certificates, GoOs and Climate Quotas		(10 765)	(72)	(38 527)
Non-cash effect from cancelling el-certificates, GoOs and Climate Quotas		8 765	1 648	45 373
Other current assets		(71 028)	(62 907)	(26 609)
Trade and other payables		(3 385 206)	97 886	1 297 999
Other current liabilities	12	(560 902)	(51 356)	515 278
Cash generated from operations		**(88 214)**	**754 683**	**(170 276)**
Interest paid		(70 492)	(18 268)	(123 449)
Interest received		8 512	5 374	26 952
Income tax paid	5	(61 843)	(99 994)	(103 339)
Net cash from operating activities		**(212 037)**	**641 796**	**(370 112)**

Condensed consolidated statement of cash flows

NOK in thousands	Note	Q1 2023	Q1 2022 *Restated*	Full year 2022
Investing activities				
Purchase of property, plant and equipment		(184)	(159)	(3 325)
Purchase of intangible assets	7	(16 037)	(8 394)	(41 007)
Net (outflow)/proceeds from non-current receivables		1 758	1 949	6 474
Net (outflow)/proceeds from other long-term liabilities		(760)	16	13 485
Net cash used in investing activities		**(15 223)**	**(6 589)**	**(24 373)**
Financing activities				
Proceeds from overdraft facilities	11	122 983	-	534 112
Proceeds from revolving credit facility	11	150 000	150 000	275 000
Proceeds from issuance of shares		-	1 215	1 215
Dividends paid		-	-	(400 231)
Purchase of treasury shares		-	-	(132 827)
Instalments of long term debt	11	(23 425)	(23 425)	(93 700)
Payment of lease liability		(5 312)	(5 128)	(20 245)
Net cash from financing activities		**244 247**	**122 662**	**163 324**
Net change in cash and cash equivalents		**16 986**	**757 869**	**(231 162)**
Cash and cash equivalents at start of period		70 548	306 627	306 627
Effects of exchange rate changes on cash and cash equivalents		7 300	(779)	(4 918)
Cash and cash equivalents at end of period		**94 835**	**1 063 717**	**70 548**

Notes to the condensed consolidated financial statements

Note 1 Accounting policies

General information

Elmera Group ASA and its subsidiaries (together 'the Group') is a supplier of electrical power in Norway, Sweden and Finland. The Group's core business is concentrated at purchase, sales and portfolio management of electrical power to households, private and public companies, and municipalities. In 2017, the Group also became a provider of mobile phone services to private customers in Norway.

Elmera Group ASA is incorporated and domiciled in Norway. The address of its registered office is Folke Bernadottes Vei 38, 5147 Bergen, Norway.

These interim financial statements, which are unaudited, were approved by the Board of Directors for issue on 9 May 2023.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information as the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS.

Going concern

The Group has adopted the going concern basis in preparing it's consolidated financial statements. 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 that the Group has adequate resources to continue its operational existence for the foreseeable future.

Accounting policies

The accounting policies applied in preparing these interim financial statements are consistent with those described in the previous annual report for the financial year 2022, with the exception of fair value hedge accounting principles which was not described in the annual report. See note 10 for information regarding fair value hedge accounting.

There are not any new or amended accounting standards or interpretations of which application is mandatory for reporting periods commencing 1 January 2023, that have had a material impact on these interim financial statements.

Use of estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022, except for defined benefit obligations.

Present value of defined benefit obligations and the fair value of plan assets are at the end of each interim reporting period estimated by extrapolation of the pension expense in the latest annual actuarial valuation, and an estimate of actuarial gains and losses calculated using updated estimates for significant actuarial assumptions. In the annual financial statements however the present value of defined benefit obligations and the fair value of plan assets are estimated based on a complete set of annual actuarial valuations.

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. See information in the 2022 annual report regarding restatement of comparative figures due to prior period adjustment requirements. In addition, the following changes have been made in comparative figures for Q1 2022 and Full year 2022:

Presentation of interest compensation for extended credit days for electricity purchases

The interest compensation for extended credit days related to electricity purchase from Statkraft Energi AS, the Group's main supplier of electrical power, has in previous reporting been recorded in Direct cost of sales. From the Q3 2022 quarterly report and going forward the interest compensation will be reported in Interest expense.

Comparative figures have been reclassified to align with current presentation increasing Interest expense / decreasing Direct cost of sales with NOKt 12 339 in Q1 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 this quarterly report 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 93 700 at 31 March 2022 and 31 December 2022.

Note 2 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 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 adjusted and operating profit adjusted by reportable segment. New growth initiatives comprise of other business activities (sale of EV chargers, PV panels, mobile services and power sale and related services to Alliance partners) which are not considered separate operating segments. Note 3 (Revenue recognition) shows the breakdown from Revenue adjusted to Total revenue.

Note 2
Segment information

Q1 2023

NOK in thousands	**Consumer**	**Business**	**Nordic**	**Total reportable segments**	**New growth initiatives**	**Total segments**
Revenue adjusted	3 121 099	3 070 342	599 382	6 790 823	96 568	6 887 391
Direct cost of sales adjusted	(2 844 785)	(2 894 028)	(549 634)	(6 288 447)	(65 387)	(6 353 834)
Net revenue adjusted	**276 314**	**176 314**	**49 748**	**502 376**	**31 181**	**533 557**
Personnel and other operating expenses adjusted	(131 679)	(72 340)	(29 857)	(233 876)	(33 743)	(267 619)
Depreciation and amortisation adjusted	(45 128)	(8 335)	(13 410)	(66 873)	(1 254)	(68 127)
Total operating expenses adjusted	**(176 807)**	**(80 675)**	**(43 267)**	**(300 749)**	**(34 997)**	**(335 746)**
Operating profit adjusted	**99 507**	**95 639**	**6 481**	**201 627**	**(3 816)**	**197 811**
Acquisition related costs						-
Other one-off items						(11 898)
Depreciation of acquisitions *						(30 456)
Estimate deviations						-
Unrealised gains and losses on derivatives						(861 843)
Change in provisions for onerous contracts						838 189
Impairment of intangible assets and cost to obtain contracts						12 890
Operating profit (EBIT)						**144 695**

*Depreciation of acquisitions consists 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.

NOK in thousands	**Q1 2023**
TrønderEnergi Marked acquisition	1 232
Oppdal Everk Kraftomsetning acquisition	319
Vesterålskraft Strøm acquisition	269
Innlandskraft acquisition	16 727
Troms Kraft Strøm acquisition	8 648
Other customer acquisitions	3 261
Depreciation of acquisitions	**30 456**

Note 2
Segment information

Q1 2022

NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	3 768 236	2 489 273	573 781	6 831 289	59 363	6 890 652
Direct cost of sales adjusted	(3 497 798)	(2 323 091)	(541 682)	(6 362 571)	(31 755)	(6 394 326)
Net revenue adjusted	**270 438**	**166 182**	**32 099**	**468 719**	**27 608**	**496 327**
Personnel and other operating expenses adjusted	(156 991)	(53 559)	(22 368)	(232 918)	(28 270)	(261 188)
Depreciation and amortisation adjusted	(43 112)	(7 321)	(10 787)	(61 220)	(1 186)	(62 406)
Total operating expenses adjusted	**(200 103)**	**(60 880)**	**(33 155)**	**(294 138)**	**(29 456)**	**(323 594)**
Operating profit adjusted	**70 335**	**105 302**	**(1 056)**	**174 581**	**(1 848)**	**172 733**
Acquisition related costs						-
Other one- off items						-
Depreciation of acquisitions *						(33 713)
Estimate deviations						-
Unrealised gains and losses on derivatives						(91 410)
Change in provisions for onerous contracts						87 378
Impairment of intangible assets and cost to obtain contracts						-
Operating profit (EBIT)						**134 987**

*Depreciation of acquisitions consists 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.

NOK in thousands	Q1 2022
TrønderEnergi Marked acquisition	(1 433)
Oppdal Everk Kraftomsetning acquisition	(425)
Vesterålskraft Strøm acquisition	(417)
Innlandskraft acquisition	(20 836)
Troms Kraft Strøm acquisition	(8 049)
Other customer acquisitions	(2 553)
Depreciation of acquisitions	**(33 713)**

Note 2
Segment information

Full year 2022

NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
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**
Acquisition related costs						-
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 separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.

NOK in thousands	**Full Year 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)**

Note 3 Revenue recognition

The following table summarises revenue from contracts with customers:

Timing of revenue recognition

Over time:

NOK in thousands	**Q1 2023**	**Q1 2022** *Restated*	**Full year 2022**
Revenue - Consumer segment	3 098 466	3 745 878	13 025 916
Revenue - Business segment	3 056 480	2 472 885	11 041 944
Revenue - Nordic	599 382	573 781	2 228 015
Revenue - New growth initiatives	94 066	56 564	340 764
Total revenue recognised over time	**6 848 394**	**6 849 108**	**26 636 639**

At a point in time:

NOK in thousands			
Revenue - Consumer segment	22 633	22 358	97 053
Revenue - Business segment	13 862	16 388	53 343
Revenue - Nordic	-	-	-
Revenue - New growth initiatives	2 502	2 799	19 242
Total revenue recognised at a point in time	**38 997**	**41 545**	**169 638**
Total revenue from contracts with customers (Revenue adjusted)	**6 887 391**	**6 890 652**	**26 806 277**
Other revenue:			
Estimate deviations	-	-	-
Unrealised gains and losses on derivative customer contracts	1 145 950	(192 099)	(1 284 761)
Total revenue	**8 033 341**	**6 698 553**	**25 521 514**

Note 4 Onerous contract provisions

Fixed price customer contracts
The Group has significant 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 7), 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 March 2023	31 March 2022 *Restated*	31 December 2022
Onerous contract provisions - Non-current	227 534	371 282	784 239
Onerous contract provisions - Current	81 347	597 640	285 336
Onerous contract provisions - Total	**308 881**	**968 922**	**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.

Note 4
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	Note	31 March 2023	31 March 2022 *Restated*	Full year 2022
Impairment and provisions for onerous contracts:				
Change in provisions for onerous contracts		838 189	87 378	39 256
Impairment and reversal of impairment of cost to obtain contracts		12 890	-	(39 282)
Total impairment and provisions for onerous contracts		**851 080**	**87 378**	**(26)**
Unrealised gains and losses on derivatives related to fixed price customer contracts		(832 160)	(83 448)	(6 439)
Net unrealised gain/loss recognised in statement of profit or loss		**18 919**	**3 930**	**(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 the first quarter of 2023.
The volume of fixed price power contracts has also decreased due to a movement towards spot based products for new customers and existing fixed price customer contracts being delivered. These effects has 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 Q1 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 the first quarter of 2023 of NOKt 18 919 (Q1 2022: NOKt 3 930 net gain, Full year 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 derivatives 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 5 Income tax

NOK in thousands	Q1 2023	Q1 2022 *Restated*	Full year 2022
Profit before tax	117 339	111 575	128 692
Tax expense	(20 838)	(27 572)	(54 845)
Average tax rate	*17,8 %*	*24,7 %*	*42,6 %*
Tax payable	46 066	39 335	64 623
Adjustments to prior years tax payable	-	-	(15)
Change in deferred tax	(25 228)	(11 763)	(9 762)
Tax expense recognised in statement of profit or loss	**20 838**	**27 572**	**54 845**

Note 6 Earnings per share

Earnings per share is calculated as profit/loss for the period attributable to shareholders divided by the weighted average number of ordinary shares outstanding.

Ordinary shares outstanding

	31 March 2023	31 March 2022	31 December 2022
Total number of ordinary shares in issue	114 351 800	114 351 800	114 351 800
Treasury shares	5 717 590	-	5 717 590
Total number of ordinary shares outstanding	**108 634 210**	**114 351 800**	**108 634 210**

Basic earnings per share

	Q1 2023	Q1 2022 *Restated*	Full year 2022
Profit/(loss) attributable to shareholders *	96 502	84 004	73 847
Total comprehensive income attributable to equity holders of the company *	174 541	218 269	92 911
Weighted average number of ordinary shares outstanding	108 634 210	114 322 587	110 833 229
Earnings per share in NOK	**0,89**	**0,73**	**0,67**
Total comprehensive income per share in NOK	**1,61**	**1,91**	**0,84**
Share options	1 959 000	1 820 000	1 710 000
Diluted earnings per share in NOK	**0,87**	**0,72**	**0,66**
Dividend per share in NOK	**-**	**-**	**3,50**

**NOK in thousands*

Note 7 Intangible assets

Intangible assets

Q1 2023

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2023	382 472	9 446	799 668	233 569	145 888	1 571 044	1 418 775	2 989 819
Additions - Purchase	2 471	13 313	-	-	-	15 784	-	15 784
Additions - Internally generated	233	21	-	-	-	254	-	254
Transferred from construction in progress	7 113	(7 113)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	398	20	17 811	18 097	1 800	38 127	21 539	59 666
Accumulated cost 31 March 2023	**392 686**	**15 688**	**817 479**	**251 667**	**147 689**	**1 625 208**	**1 440 315**	**3 065 523**
Accumulated depreciation 1 January 2023	(269 527)	-	(445 660)	(50 688)	(41 240)	(807 117)	-	(807 117)
Depreciation for the period	(12 522)	-	(28 598)	-	(1 857)	(42 977)	-	(42 977)
Currency translation differences	(25)	-	(6 577)	(3 928)	-	(10 530)	-	(10 530)
Accumulated depreciation 31 March 2023	**(282 075)**	**-**	**(480 836)**	**(54 616)**	**(43 097)**	**(860 624)**	**-**	**(860 624)**
Accumulated impairment 1 January 2023	(22 724)	-	-	(182 881)	-	(205 604)	-	(205 604)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(14 170)	-	(14 170)	-	(14 170)
Accumulated impairment 31 March 2023	**(22 724)**	**-**	**-**	**(197 051)**	**-**	**(219 774)**	**-**	**(219 774)**
Carrying amount 31 March 2023	**87 888**	**15 688**	**336 643**	**-**	**104 592**	**544 811**	**1 440 315**	**1 985 127**

** Refer note 4 for more information regarding fixed price customer contracts.*

Note 7
Intangible assets

Intangible assets

Q1 2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2022	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Additions - Purchase	-	8 103	4	-	-	8 107	-	8 107
Additions - Internally generated	61	226	-	-	-	287	-	287
Transferred from construction in progress	242	(242)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	(62)	(63)	(6 966)	(7 200)	(739)	(15 029)	(9 717)	(24 747)
Accumulated cost 31 March 2022	**345 824**	**13 363**	**789 256**	**222 468**	**144 868**	**1 515 779**	**1 409 733**	**2 925 513**
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 236)	-	(625 236)
Depreciation for the period	(12 180)	-	(31 582)	-	(2 225)	(45 987)	-	(45 987)
Currency translation differences	(13)	-	1 643	1 632	-	3 262	-	3 262
Accumulated depreciation 31 March 2022	**(233 727)**	**-**	**(351 284)**	**(48 210)**	**(34 739)**	**(667 961)**	**-**	**(667 961)**
Accumulated impairment 1 January 2022	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	5 568	-	5 568	-	5 568
Accumulated impairment 31 March 2022	**(22 724)**	**-**	**-**	**(174 258)**	**-**	**(196 982)**	**-**	**(196 982)**
Carrying amount 31 March 2022	**89 375**	**13 363**	**437 971**	**-**	**110 129**	**650 837**	**1 409 733**	**2 060 571**

** Refer note 4 for more information regarding fixed price customer contracts.*

Note 7
Intangible assets

Intangible assets

Full year 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	229 668	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 (SkatteFUNN)	(1 308)	-	-	-	-	(1 308)	-	(1 308)
Currency translation differences	136	(143)	3 446	3 901	281	7 621	(675)	6 946
Accumulated cost 31 December 2022	**382 472**	**9 446**	**799 668**	**233 569**	**145 888**	**1 571 044**	**1 418 775**	**2 989 819**
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 237)	-	(625 237)
Depreciation for the period	(47 861)	-	(123 977)	-	(8 726)	(180 565)	-	(180 565)
Currency translation differences	(131)	-	(337)	(847)	-	(1 315)	-	(1 315)
Accumulated depreciation 31 December 2022	**(269 527)**	**-**	**(445 660)**	**(50 688)**	**(41 240)**	**(807 117)**	**-**	**(807 117)**
Accumulated impairment 1 January 2022	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(3 054)	-	(3 054)	-	(3 054)
Accumulated impairment 31 December 2022	**(22 724)**	**-**	**-**	**(182 881)**	**-**	**(205 604)**	**-**	**(205 604)**
Carrying amount 31 December 2022	**90 221**	**9 446**	**354 007**	**-**	**104 648**	**558 324**	**1 418 775**	**1 977 100**

** Refer note 4 for more information regarding fixed price customer contracts.*

Note 8 Trade receivables

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 private 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 current reporting period.

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 year past due, whichever occurs earlier. The trade receivables that have been written off are still subject to collection processes.

The following table details the loss allowance provision recognised in trade receivables:

NOK in thousands	Q1 2023	Q1 2022*	Full year 2022*
Gross nominal amount	1 392 992	1 650 595	1 771 569
Loss allowance provision	(67 485)	(51 268)	(49 408)
Trade receivables, net	**1 325 507**	**1 599 327**	**1 722 161**

* The presentation of trade receivables in this note is changed compared to prior years as contract assets are no longer included in gross nominal amount. Comparable figures have been changed accordingly.

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:

Loss allowance provision, opening balance	49 408	45 213	45 213
Change in loss allowance recognised in profit or loss for the period	17 324	6 282	4 403
Currency translation difference	754	(226)	(208)
Loss allowance provision, balance at end of period	**67 485**	**51 268**	**49 408**

During the period, the following gains/(losses) in relation to impaired receivables were recognised as other operating expenses in profit or loss:

Receivables written off	417	464	39 518
Movement in provision for impairment	17 324	6 282	4 403
Received payment on previously written off receivables	(1 872)	(705)	(3 663)
Net impairment expense recognised on trade receivables	**15 868**	**6 041**	**40 258**

Note 9 Derivatives and fair value measurement of financial instruments

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. See note 10 for details for financial instruments designated as hedging instruments.

NOK in thousands	31 March 2023	31 March 2022 *Restated*	31 December 2022
Derivative financial assets and firm commitments			
Designated as hedging instruments for accounting purposes			
Electricity derivatives - Hedge contracts	-	-	2 077
Classified as held for trading for accounting purpose			
Electricity derivatives - Hedge contracts	1 008 536	1 588 710	2 745 315
Electricity derivatives - Customer contracts	1 069 110	1 076 888	1 486 276
Other derivatives	122	-	-
Hedged item in fair value hedge			
Firm commitments	111 850	-	-
Total derivative financial assets	**2 189 618**	**2 665 597**	**4 233 668**
Derivative financial liabilities			
Designated as hedging instruments for accounting purposes			
Electricity derivatives - Hedge contracts	(1 905)	(33 329)	72 772
Electricity derivatives - Customer contracts	111 850	-	-
Classified as held for trading for accounting purpose			
Electricity derivatives - Hedge contracts	306 556	387 438	129 552
Electricity derivatives - Customer contracts	1 455 292	1 293 008	2 982 676
Other derivatives	-	1 396	328
Total derivative financial liabilities	**1 871 792**	**1 648 512**	**3 185 327**

Note 9
Derivatives and fair value measurement of financial instruments

Fair value measurements of financial instruments
This note explains the judgements and estimates made in determining the fair values of the financial instruments and firm commitments that are recognised and measured at fair value in the financial statements. The table below provides details for the Group's financial instruments measured at fair value. 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. There has not been identified any significant difference between fair value and carrying amount at 31 March 2023.

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 March 2023

NOK in thousands	Level 1	Level 2	Level 3	Total
Derivative financial assets and firm commitments				
Designated as hedging instruments for accounting purposes				
Electricity derivatives - Hedge contracts	-	-	-	-
Classified as held for trading for accounting purpose				
Electricity derivatives - Hedge contracts	-	959 543	48 993	1 008 536
Electricity derivatives - Customer contracts	-	1 065 717	3 393	1 069 110
Other derivatives	-	122	-	122
Hedged item in fair value hedge				
Firm commitments	-	102 323	9 527	111 850
Total financial assets and firm commitments at fair value	**-**	**2 127 705**	**61 913**	**2 189 618**
Derivative financial liabilities				
Designated as hedging instruments for accounting purposes	-			
Electricity derivatives - Hedge contracts	-	(1 905)	-	(1 905)
Electricity derivatives - Customer contracts		102 323	9 527	111 850
Classified as held for trading for accounting purposes	-			
Electricity derivatives - Hedge contracts	-	301 584	4 971	306 556
Electricity derivatives - Customer contracts	-	1 406 030	49 262	1 455 292
Other derivatives	-	-	-	-
Total derivative financial liabilities	**-**	**1 808 032**	**63 760**	**1 871 792**

Note 9
Derivatives and 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 as 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 rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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 consists of expected power prices for delivery periods which there is no 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 March 2023, hence all level 3 derivatives are long term area price contracts.

Note 10 Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured 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.

Cash flow hedge

The group designates certain derivatives as hedges of a power price risk associated with the cash flows of highly probable forecast power purchase transactions in the five Norwegian price areas (cash flow hedges).

Fair value hedge

From Q1 2023 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 and there was no significant impact on the statement of profit or loss resulting from hedge ineffectiveness during the quarter.

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 item are recognised as firm commitments in the line item Derivative financial instruments and firm commitments in the statement of financial position.

The accounting implications of hedge accounting for the period is summarized in the table below.

Cash flow hedges - Change in fair value of hedging instruments where hedge accounting is applied

NOK in thousands	Q1 2023	Q1 2022	Full year 2022
Cash flow hedge of highly probable power purchase:			
Ineffective portion, recognised in P&L, total	5	(9 258)	(12 513)
Effective portion, recognised in OCI, total	72 594	121 550	20 781
Change in fair value, total	**72 599**	**112 292**	**8 268**
Effective portion, recognised in OCI, net of tax (22 %)	**56 624**	**94 809**	**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.
Realised gains and losses on hedging instruments are recognised to Direct cost of sales in the period they are realised.

Note 10
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:

NOK in thousands	Fair value of hedge instru-ment	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 March 2023						
South Norway (NO1, NO2, NO5)	1 040	1 040	811	-	13 291	-
Trondheim (NO3)	846	846	660	-	10 927	34
Tromsø (NO4)	19	19	15	-	1 843	55
31 March 2023 - Total	**1 905**	**1 905**	**1 486**	**-**	**26 061**	**89**
31 March 2022						
South Norway (NO1, NO2, NO5)	30 425	30 425	23 731	-	119 783	26 597
Trondheim (NO3)	1 800	(434)	(338)	2 234	11 159	8 437
Tromsø (NO4)	1 104	88	69	1 016	3 890	6 455
31 March 2022 - Total	**33 329**	**30 080**	**23 462**	**3 250**	**134 832**	**41 489**
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**

Note 10
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
Q1 2023					
Hedged items:					
Fixed price purchase contracts (Firm commitments)	Derivative financial instruments and firm commitments (assets)	518 108	111 850	111 850	111 850
Hedging instruments:					
Fixed price sales contracts (Electricity derivatives)	Derivative financial instruments (liabilities)	518 108	111 850	-	(111 850)

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 March 2023					
Fixed price sales contracts (Electricity derivatives)	30 021	93 020	342 320	52 747	518 108

Note 11 Credit facilities

NOK in thousands	Effective interest rate	31 March 2023	31 March 2022	31 December 2022
Term loan	NIBOR 3 months + 1,75 %	702 750	796 450	726 175
Revolving credit facility	NIBOR 3 months + 1,75 %	425 000	150 000	275 000
Total principal amounts		**1 127 750**	**946 450**	**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 is in September 2024. In Q1 2023 the interest rate margin on the term loan facility and the revolving credit facility was increased from 1,30% to 1,75%. For more information regarding the credit facilities agreement, see the 2022 annual report.

The term loan - NOKt 1 000 000 - The acquisition facility
At 31 March 2023 the remaining term loan principal balance is NOKt 702 750. 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.

The revolving credit facility - NOKt 500 000 - The RCF
The Group drew NOKt 275 000 on this facility in 2022, and another NOKt 150 000 in Q1 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
At 31 March 2023 guarantees of total NOKt 2 087 190 are issued under the guarantee facility.

The overdraft facility - NOKt 1 300 000
The overdraft facility was increased from NOKt 1 000 000 to NOKt 1 300 000 in 2022. At 31 March 2023 the Group has drawn NOKt 657 095 on the overdraft facility.

Financial covenant
Under the new 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.

Note 12 Other current liabilities

NOK in thousands	31 March 2023	31 March 2022 *Restated*	31 December 2022
El-certificate cancellation liabilities	9 027	14 753	9 641
Accrued power purchase	334 804	311 328	731 799
Prepayments from customers	37 467	51 903	46 656
Payroll liabilities	72 651	59 121	58 537
Other	28 703	21 039	26 594
Total other current liabilities	**482 652**	**458 143**	**873 227**

Note 13 Related party transactions

Per 31 March 2023, the Group's related parties include major shareholders, Board of Directors, associated company and key management.

The following transactions were carried out with related parties (NOK in thousands):

Expenses to related parties

Related party	Relation	Purpose of transactions	Q1 2023	Q1 2022	Full Year 2022
Metzum AS	Associated company	Purchase of other services	11 988	10 775	38 500
Atea AS	Other*	Purchase of products and other services	2 512	2 173	9 922

Other services consists mainly of software licenses, IT development and related services.

Purchase of assets

Related party	Relation	Purpose of transactions	Q1 2023	Q1 2022	Full Year 2022
Metzum AS	Associated company	Research and development	110	1 561	2 666
Atea AS	Other*	Products and development	272	51	481

Current liabilities to related parties

Related party	Relation	Purpose of transactions	31 March 2023	31 March 2022	31 December 2022
Metzum AS	Associated company	Research and development	7 576	1 021	959
Atea AS	Other*	Products and development	1 828	770	138

* The chairman of the Board of Directors in Elmera Group ASA is the CEO of Atea ASA.

Payables to related parties are unsecured and are excpected to be settled in cash.

Note 14 Events after the reporting period

Approval of dividend
The annual general meeting of Elmera Group ASA was held on 26 April 2023. The proposed dividend of NOK 1,50 per share was approved by the general meeting.

Lay-offs as part of cost-efficiency programme
As part of a cost-efficiency programme, the Group has concluded a net FTE reduction in Q1. Severance expenses related to the agreed severance packages has been recorded in Q1 2023 with NOKt 5 393. After the end of the reporting period the Group has decided to offer severance packages to additional employees.

Telia transaction
The share purchase transaction with Telia, which includes the sale of 39% of the Group's mobile business, was completed on 21 April 2023. The guaranteed cash consideration for 90% of the customer portfolio (NOKt 115 455) has been received.

There are no significant events after the reporting period that has not been reflected in the consolidated financial statements.

Appendix

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.
- *Unrealised gains and losses on derivaties:* 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 seperately 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.
- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity.

Alternative performance measures

- *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, *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.
- *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	Q1 2023	Q1 2022 *Restated*	Full year 2022
Revenue	8 033 341	6 698 553	25 521 514
Direct cost of sales	(7 523 438)	(6 206 259)	(23 823 519)
Net revenue	**509 904**	**492 294**	**1 697 995**
Personnel expenses	(122 839)	(111 317)	(421 029)
Other operating expenses	(156 677)	(149 870)	(574 946)
Impairment of intangible assets and cost to obtain contracts	12 890	-	(39 282)
Operating expenses	**(266 626)**	**(261 187)**	**(1 035 258)**
EBITDA	**243 278**	**231 106**	**662 737**
Depreciation & amortisation	(98 583)	(96 119)	(389 956)
EBIT reported (Operating profit)	**144 695**	**134 987**	**272 781**
Net financials	(27 355)	(23 411)	(144 089)
Profit/ (loss) before taxes	**117 339**	**111 575**	**128 692**
Taxes	(20 838)	(27 572)	(54 845)
Profit/ (loss) for the period	**96 502**	**84 004**	**73 847**
EBIT reported margin	**28%**	**27%**	**16%**

Alternative performance measures

Adjusted amounts:

NOK in thousands	Q1 2023	Q1 2022 *Restated*	Full year 2022
Net revenue	**509 904**	**492 294**	**1 697 995**
Other one-off items	-	-	-
Estimate deviations previous periods	-	-	4 472
Unrealised gains and losses on derivatives	861 843	91 410	47 791
Change in provisions for onerous contracts	(838 189)	(87 378)	(39 256)
Net revenue adjusted	**533 557**	**496 326**	**1 711 002**
EBITDA	**243 278**	**231 106**	**662 737**
Acquisition related costs	-	-	-
Other one-off items	11 898	-	2 660
Estimate deviations previous periods	-	-	4 472
Impairment of intangible assets and cost to obtain contracts	(12 890)	-	39 282
Unrealised gains and losses on derivatives	861 843	91 410	47 791
Change in provisions for onerous contracts	(838 189)	(87 378)	(39 256)
EBITDA adjusted	**265 938**	**235 139**	**717 685**
EBIT reported (Operating profit)	**144 695**	**134 987**	**272 781**
Acquisition related costs	-	-	-
Other one-off items	11 898	-	2 660
Estimate deviations previous periods	-	-	4 472
Impairment of intangible assets and cost to obtain contracts	(12 890)	-	39 282
Unrealised gains and losses on derivatives	861 843	91 410	47 791
Change in provisions for onerous contracts	(838 189)	(87 378)	(39 256)
Depreciation of acquisitions	30 456	33 713	132 323
EBIT adjusted	**197 811**	**172 733**	**460 054**
EBIT margin adjusted	**37%**	**35%**	**27%**

Alternative performance measures

Other financial APM's

Net interest bearing debt (cash)

NOK thousands	31 March 2023	31 March 2022	31 December 2022
Interest-bearing long term debt	606 459	697 299	629 169
Interest-bearing short term debt	518 700	243 700	368 700
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	2 591	5 451	3 306
Overdraft facilities	657 095	-	534 112
Cash and cash equivalents	(94 835)	(1 063 717)	(70 548)
Net interest bearing debt (cash)	**1 690 010**	**(117 267)**	**1 464 739**

Financial position related APM's

NOK thousands	Q1 2023	Q1 2022 *Restated*	Full year 2022
Net working capital (NWC)	900 396	(588 368)	532 789
OpFCF before tax and change in NWC	208 782	170 701	435 807
Capex excl. M&A	16 221	8 550	44 328

Non-financial APM's

Deliveries

Numbers in thousands	Q1 2023	Q1 2022	Full year 2022
Electrical deliveries Consumer segment	684	663	685
Electrical deliveries Business segment	128	115	120
Electrical deliveries Nordic segment	134	177	149
Total number of electrical deliveries*	**946**	**955**	**954**
Number of mobile subscriptions	138	154	144

* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 026 thousand in Q1 2023.

Volume in GWh	Q1 2023	Q1 2022	Full year 2022
Consumer segment	2 748	2 641	7 648
Business segment	2 396	2 182	6 978
Nordic segment	657	968	2 879
Total volume	**5 801**	**5 791**	**17 506**