

# Q2 2021 PRESENTATION

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Rolf Barmen (CEO)  
Birte Strander (CFO)

26<sup>th</sup> August



# Q2 2021 HIGHLIGHTS

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Rolf Barmen (CEO)



# Highlights second quarter 2021

Growth in net revenue and EBIT adj.

- 24% YoY increase in net revenue and 14% YoY increase in EBIT adj.
- # of deliveries in the Consumer, Business and Nordic segments decreased by 1,959 in the quarter
  - This is an improvement of 15,292 vs. the development in Q1 2021
- In Q3 2021: Acquisition of SkyMobil's customer portfolio of ~38k subscribers

## Key Highlights

# of deliveries (end of period) <sup>1</sup>

**1 003 898**

Increase of 61 % YoY

Δ in # of deliveries (QoQ)

**-1 959**

Organic growth: -1 959

Volume sold <sup>2</sup>

**4 324 GWh**

Increase of 55 % YoY

Gross revenue

**NOK 2 578m**

Increase of 284 % YoY

Net revenue (adj.)<sup>3</sup>

**NOK 388m**

Increase of 24 % YoY

EBIT (adj.)<sup>3</sup>

**NOK 141m**

Increase of 14 % YoY

Basic EPS (reported)

**NOK 0,87**

Decrease of -12 % YoY

NIBD (cash)

**NOK 742m**

NIBD/LTM EBITDA: 0,85

Sources: Company information

1) Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1,084,915

2) Not including Alliance volume. Volume turnover for alliance partners in the quarter: 1,086 GWh

3) Adj. Net revenue and EBIT are reported figures adjusted for any estimate deviations on sales and distribution of electricity related to previous reporting periods, special items, unrealised gains and losses on financial derivatives and depreciations from acquisitions

# Regulatory update

- In May 2021, The Norwegian Parliament adopted a resolution, requesting that the Norwegian Government implements the following items:
  1. Standardised price information, making it easier for consumers to compare prices across different contract types and price models
  2. Clear information about changes in terms, conditions and pricing, communicated in good time
  3. Mandatory information about the duration of the price of the contract
- Trygg Strømhandel, the certification of electricity retailers in Norway, will announce the first batch of certified retailers during Q3
  - Comprehensive process of certification involving a broad range of employees and departments within the organisation
  - The certification already addresses items 2 and 3 in the resolution from the Parliament

# Ongoing activities and initiatives

- A variable contract offering with an attractive price ceiling has been well received by new customers, in a year with volatile and high elspot prices
- The physical sales channels are on the way back to pre-covid levels
  - Ongoing campaign through Power, a Nordic electronics retailer, with discounts to new electricity customers, both in-store and online
  - Introduction of Trumf bonus (cash points) for both new and existing customers – currently more than 60,000 registered customers
- The M&A activities continue at a high level and are unaffected by Covid restrictions

## Garantistrøm kampanje

Strømvtale med pristak

Gå til bestilling

Pris	59,90 øre/kWh
Månedsbetøp	+ 19 kr/mnd

## Bli kunde og få bonus

Bytt til Fjordkraft og få 225 kr i velkomstbonus! I tillegg sparer du 2 % Trumf-bonus på strømfbruket hver måned.

Bli kunde og få bonus



The screenshot shows the top navigation bar of the Power website with a search bar and links for Kundeservice, Finn butikk, Handlekurv, and MyPOWER. Below the navigation is a large orange banner with a cartoon character wearing a Power cap and pointing towards the text: "Bytt til Fjordkraft og få 1000 kr rabatt". Below the banner, there is a smaller text block: "Bytt til Fjordkraft og få mer for pengene! Som takk for at du blir kunde får du 1000 kr i rabatt hos Power." and a button labeled "Få rabatt her".



# BUSINESS REVIEW

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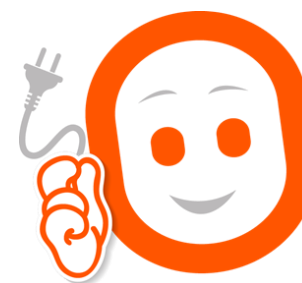
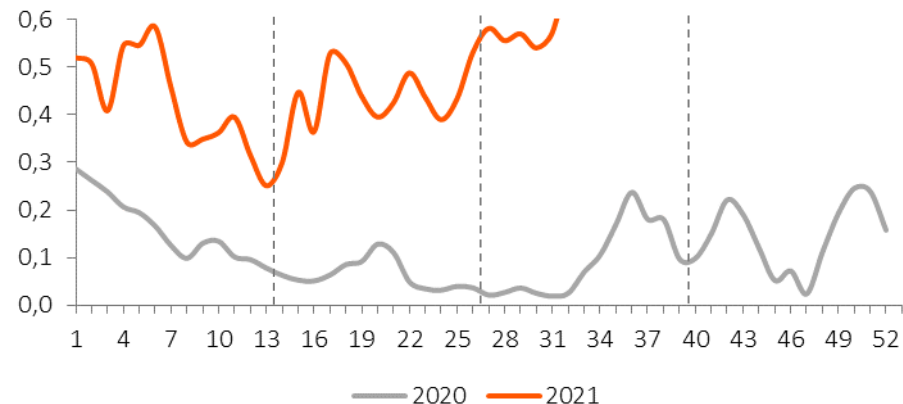
Rolf Barmen (CEO)

# Market development

## Key highlights in Q2 2021

- Elspot prices at a significantly higher level than last year, driven by CO2 prices, coal and gas prices and low wind production
  - 2020 prices were exceptionally low, driven by a very strong hydrologic balance
- Temperatures colder than last year in two out of three months<sup>1</sup>
  - Apr: -0.8°C below normal (0.7°C colder than 2020)
  - May: -0.3°C below normal (1.2°C warmer than 2020)
  - Jun: +2.3°C above normal (1.0°C colder than 2020)

## Weekly elspot prices (NOK/kWh)<sup>2</sup>



### Sources:

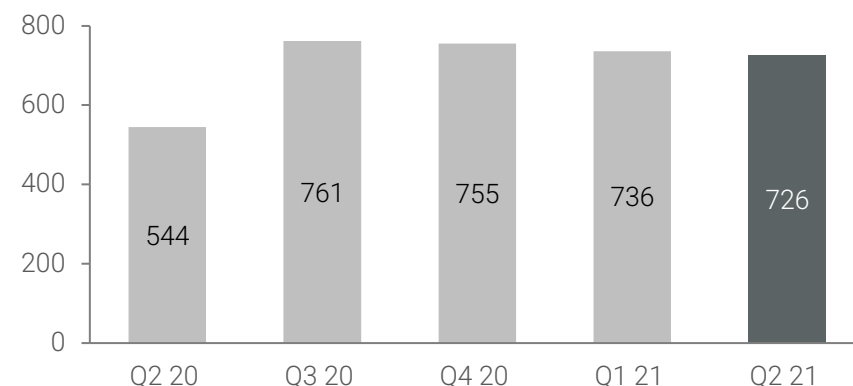
- 1) Temperature figures from met.no's monthly reports. The normal has been adjusted according to the temperatures in 1991-2020
- 2) Weekly system prices in NOK from Nordpool

# Segment development - Consumer

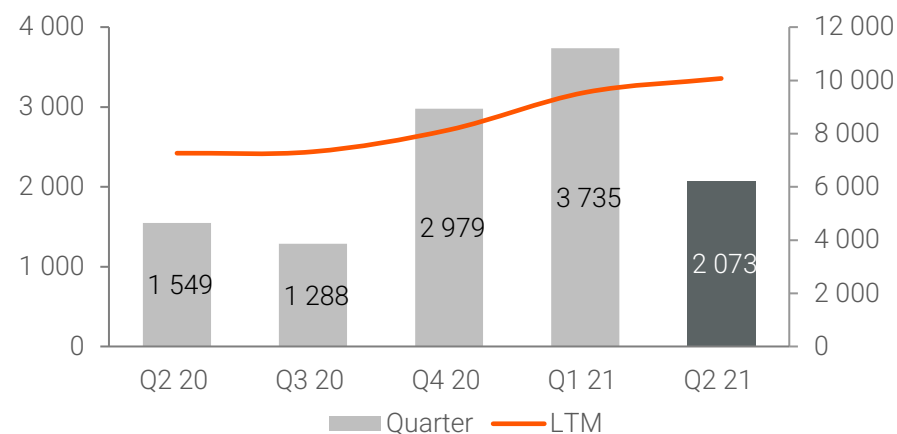
## Key highlights in Q2 2021

- Organic decrease of 10,640 deliveries in Q2 2021
  - Positive trend throughout the quarter, with positive growth figures in the second half of June.
  - Negative effect from the shut down of physical distribution in April, May and first part of June
  - **Improvement** of 8,510 vs. the development in Q1 2021
- Volume growth of 34% YoY, driven by M&A
  - Avg. volume per delivery is decreasing 1% YoY 2,836 kWh in Q2 2021 vs. 2,852 kWh in Q2 2020

## # of electricity deliveries<sup>1</sup> ('000)



## Volume (GWh)



Sources: Company information

1) Number of electricity deliveries at the end of the period

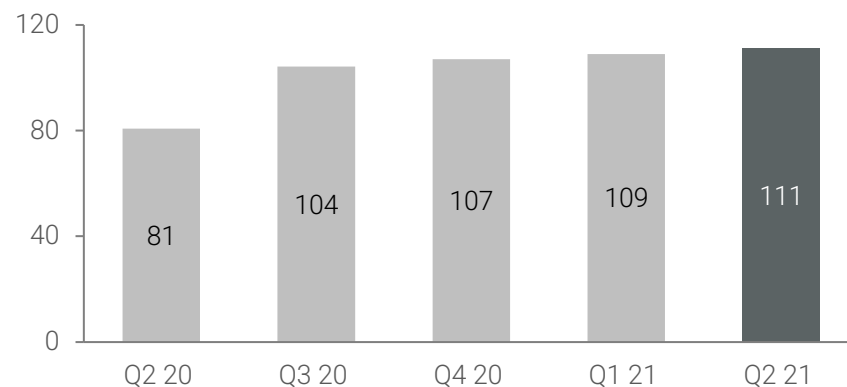


# Segment development - Business

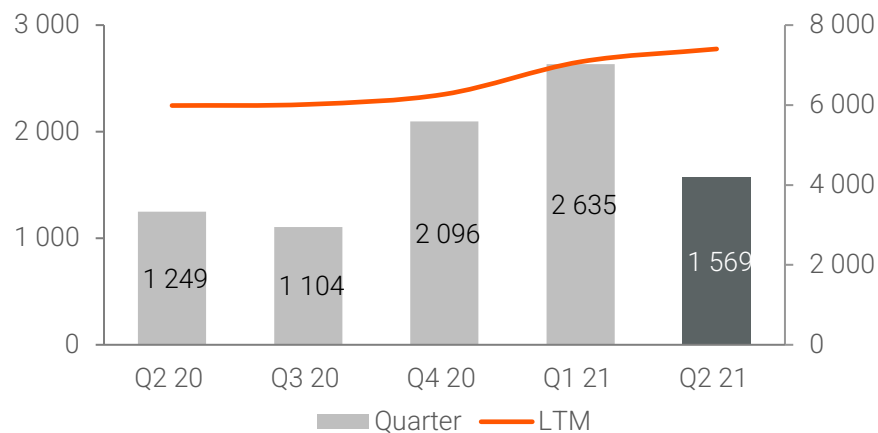
## Key highlights in Q2 2021

- Organic growth of 2,094 deliveries in Q2 2021
- Volume growth of 26% YoY, driven by M&A
- Avg. volume per delivery decreasing 9% YoY  
14,274 kWh in Q2 2021 vs. 15,616 kWh in Q2 2020

## # of electricity deliveries<sup>1</sup> ('000)



## Volume (GWh)



Sources: Company information

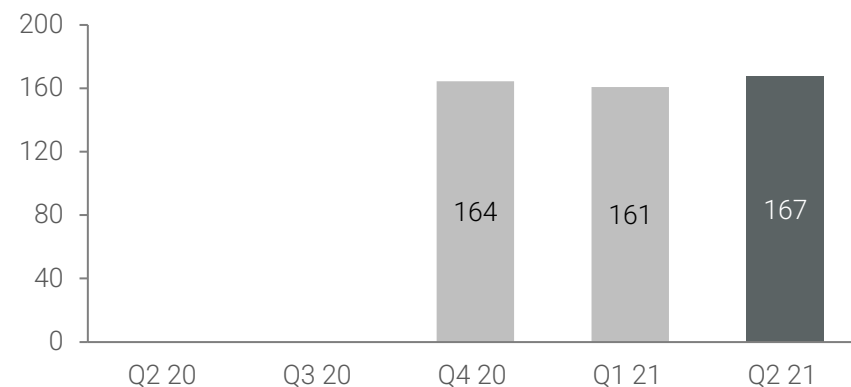
1) Number of electricity deliveries at the end of the period

# Segment development - Nordic

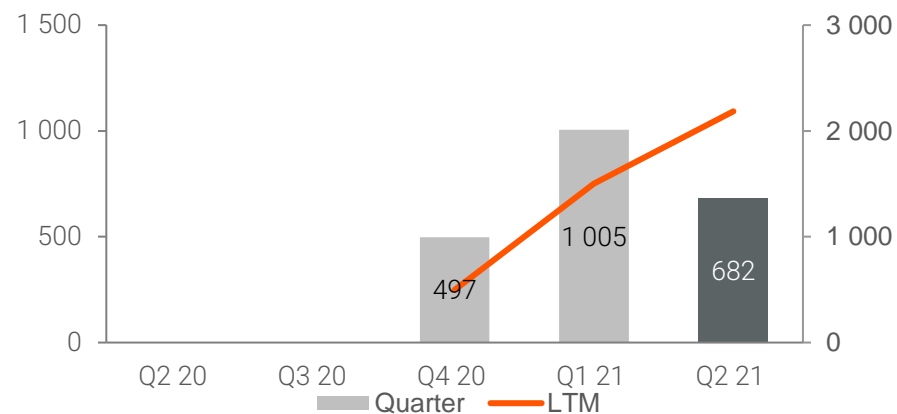
## Key highlights in Q2 2021

- Growth of 6,587 deliveries in Q2 2021
  - Growth within B2C and B2B in both Sweden and Finland
- Volume sold of 682 GWh, a consumption of 4,155 kWh per delivery

## # of deliveries<sup>1</sup> ('000)



## Volume (GWh)



Sources: Company information

1) Number of deliveries at the end of the period

# New Growth Initiatives

## Key highlights in Q2 2021

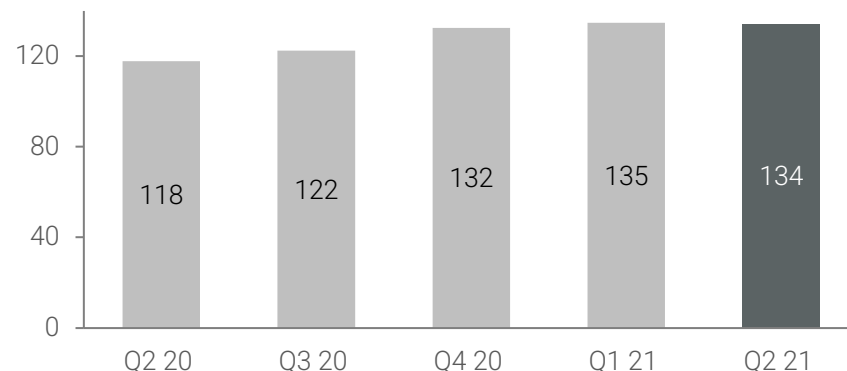
### Mobile:

- Decrease of 526 mobile subscribers in Q2 2021
- Acquisition of SkyMobil's customer portfolio
  - ~38,000 mobile subscribers
  - Final purchase price depending on the number of subscribers successfully migrated and price plan distribution

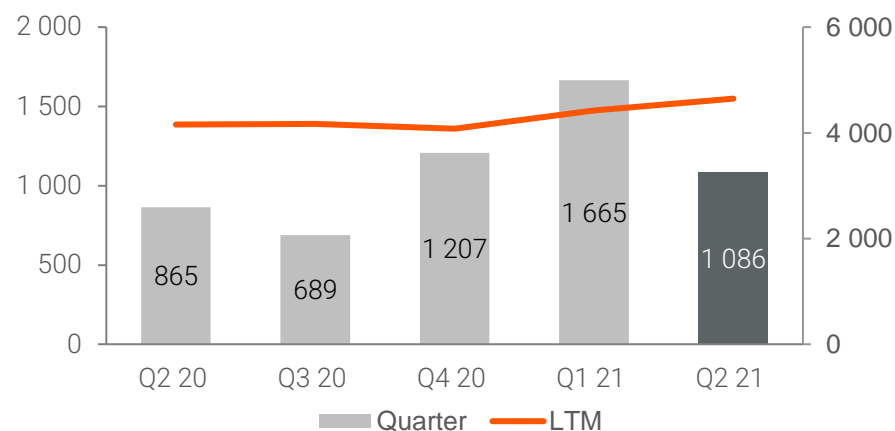
### Alliance:

- 26% YoY Alliance volume increase
- Growth of 22,099 electricity deliveries within Extended Alliance, following the start up of two new Alliance partners

## # of Mobile subscribers<sup>1</sup> ('000)



## Volume Alliance (GWh)



Sources: Company information

1) Number of mobile subscribers at the end of the period



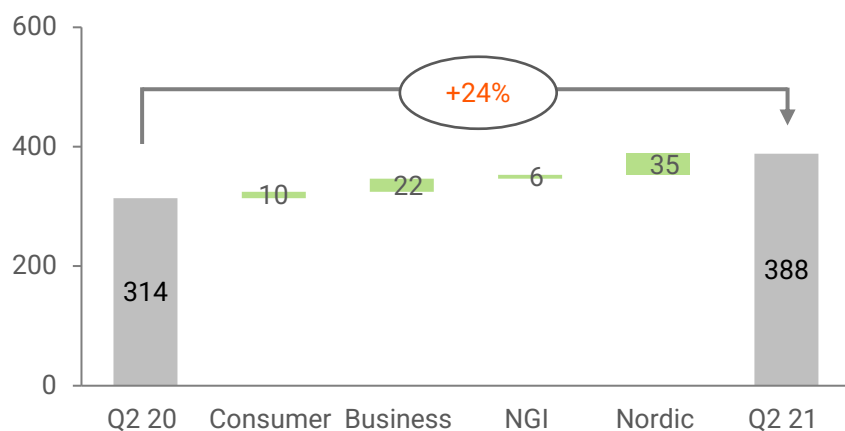
# FINANCIAL REVIEW

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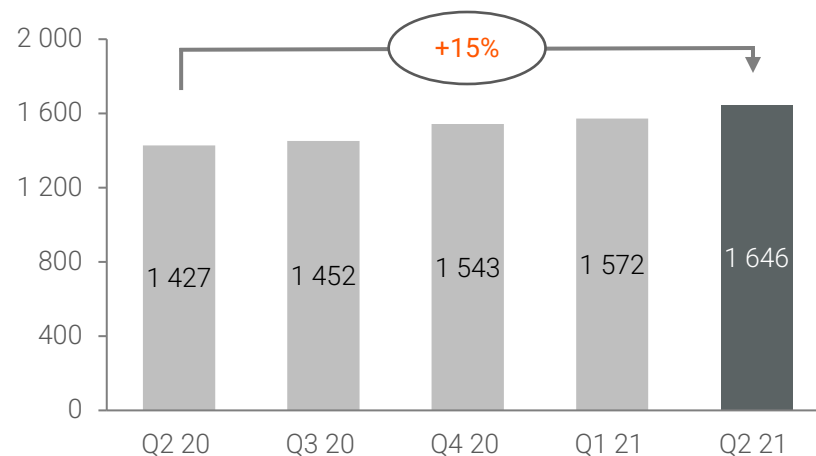
Birte Strander (CFO)

# Net revenue development

## Change in adj. net revenue (NOKm)



## Adj. net revenue LTM (NOKm)

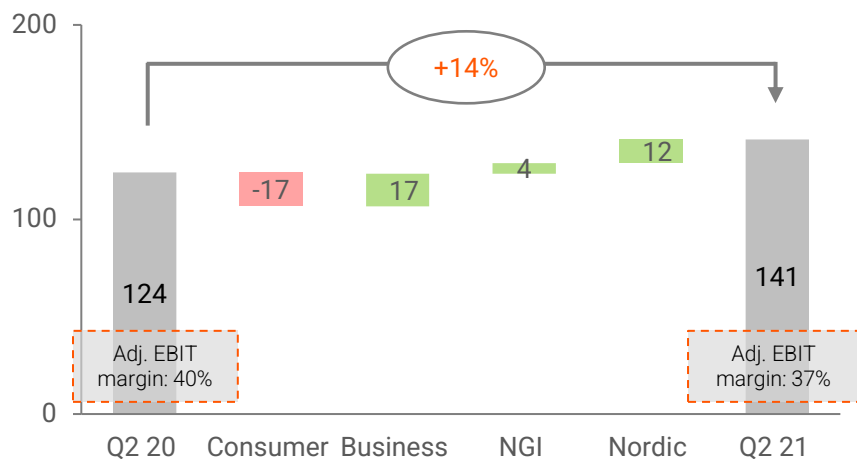


- Net revenue growth of 24% YoY - improvements within all segments, mainly driven by M&A
  - Elspot prices 647% higher than in Q2 2020
- Last twelve months adj. net revenue growth of 15% YoY, mainly driven by M&A

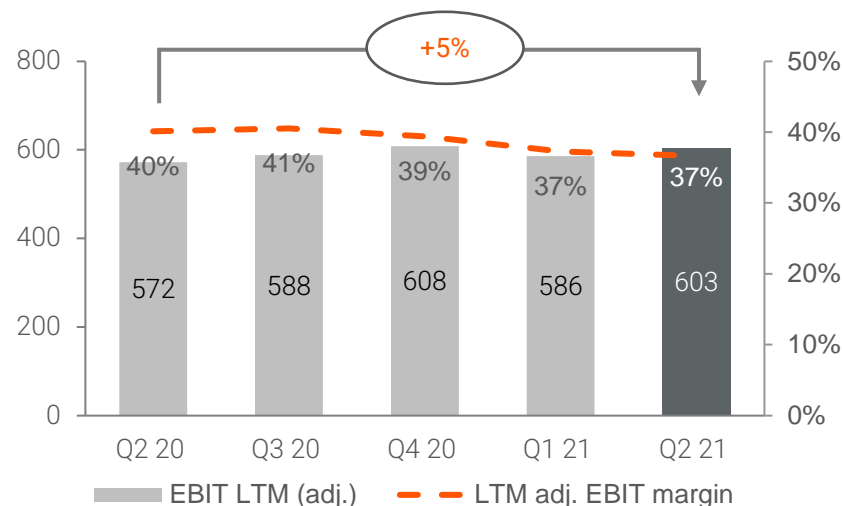
Sources: Company information

# EBIT adj. development

## Change in adj. EBIT (NOKm)



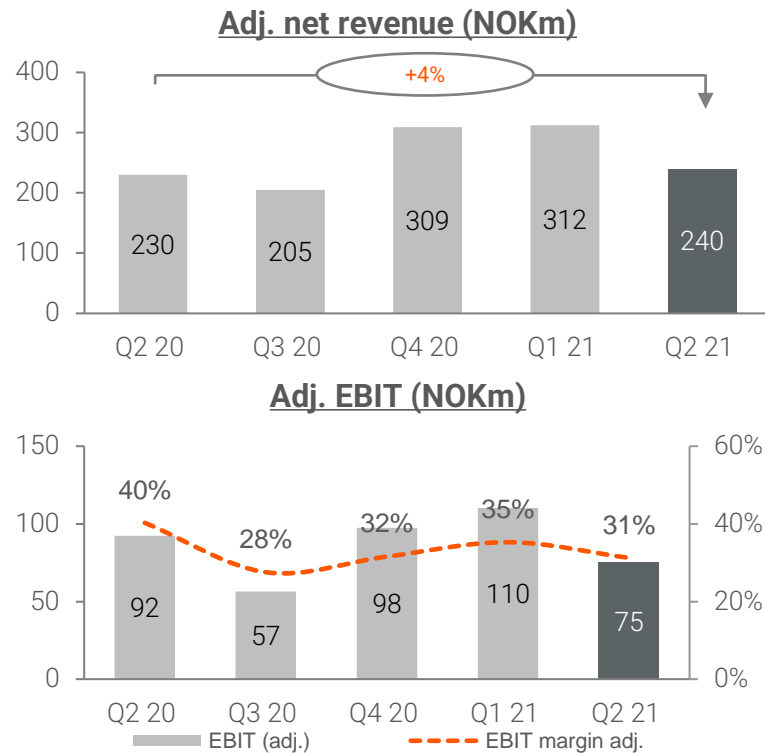
## Adj. EBIT LTM (NOKm)



- EBIT adj. increase 17 NOKm YoY
  - YoY decrease in the Consumer segment – Q2 2020 was affected by extraordinary low elspot prices and favourable market dynamics
  - The synergy realisation of the Innlandskraft transaction is developing as planned. The Eidsiva brand is successfully integrated in the Fjordkraft Factory and full synergy realisation expected during Q4 2021
- Adj. EBIT margin decreasing 3 pp YoY
- Adj. EBIT LTM increase to 603 NOKm - LTM margin of 37%, within the guidance of 36-38%

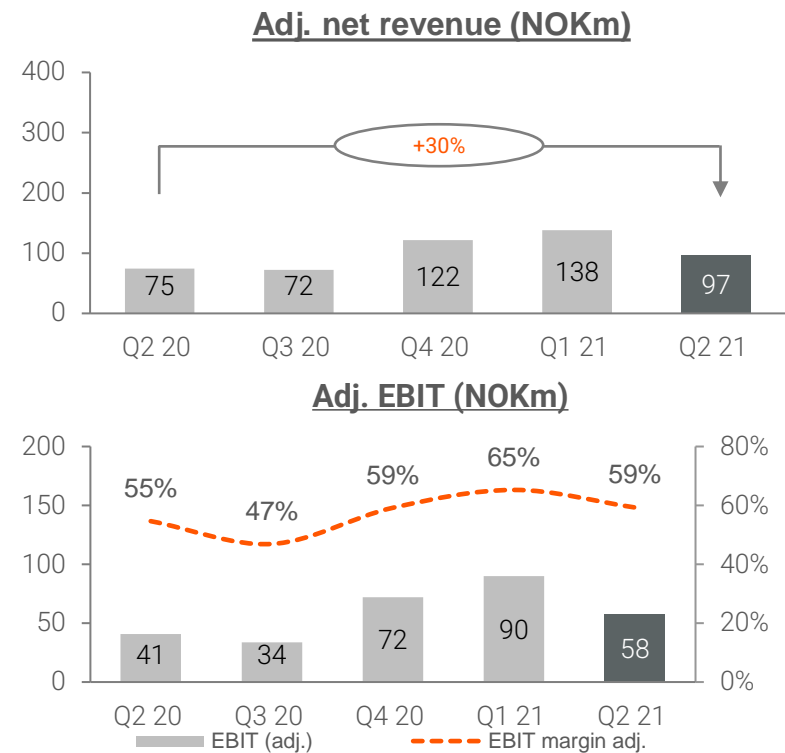
# Segment overview

## Consumer segment



- Net revenue increase 4% YoY - Q2 2020 was affected by extraordinary low elspot prices and favourable market dynamics
- EBIT adj. margin down 9 pp YoY
- LTM EBIT adj. margin of 32%

## Business segment

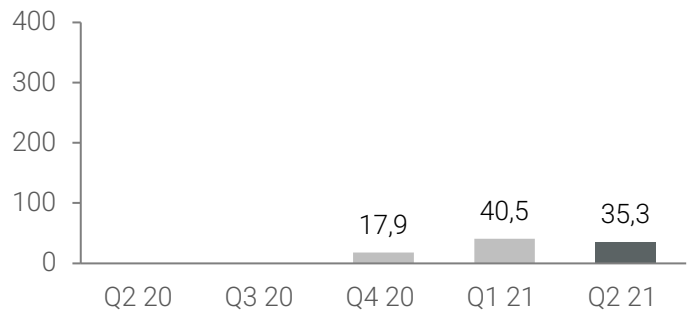


- 22 NOKm increase in net revenue, driven ~85/15 by volume growth/margin improvement
- EBIT adj. margin increase 4 pp YoY
- LTM EBIT adj. margin of 59%

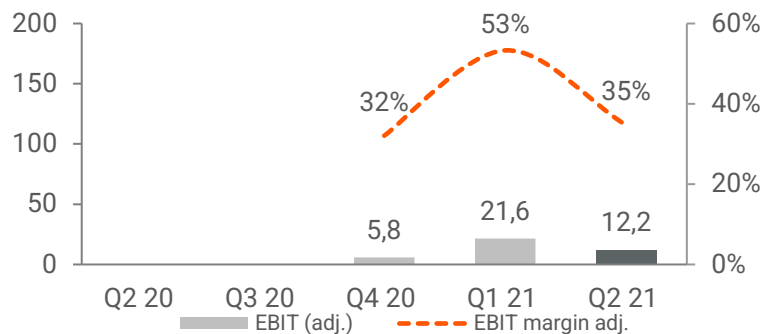
# Segment overview cont.

## Nordic segment

Adj. net revenue (NOKm)



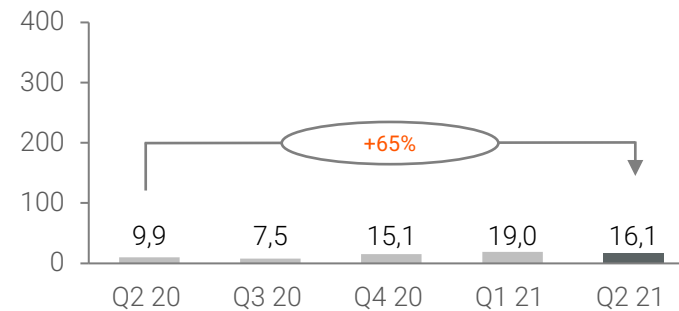
Adj. EBIT (NOKm)



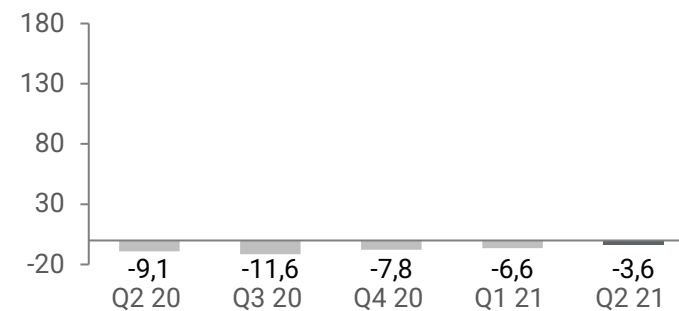
- Segment performance in line with revised guidance
- The Q4 2020 figures only include the period from 11 Nov to year-end

## New Growth Initiatives

Adj. net revenue (NOKm)



Adj. EBIT (NOKm)

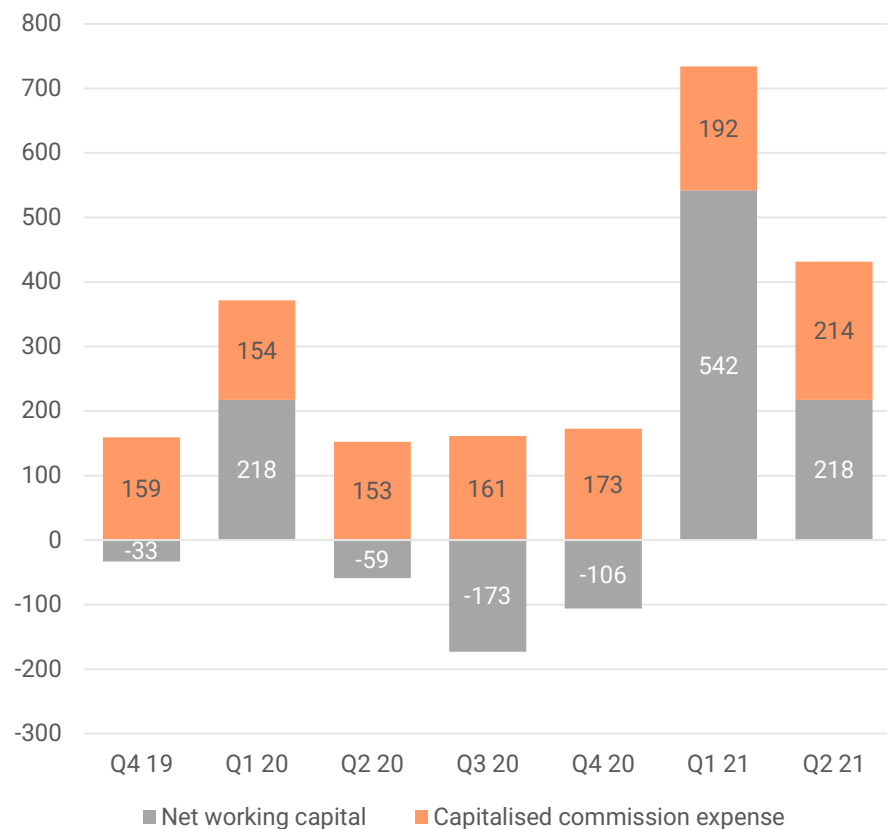


- The new growth initiatives segment is showing improved EBIT adj. for the fourth consecutive quarter
- The improvement in EBIT is mainly driven by Mobile



# NWC development

## Net working capital<sup>1</sup> (NOKm)



- Net working capital (NWC) is decreasing to 218 NOKm at quarter-end Q2 2021
  - NWC in Q1 2021 was inflated due to easter at quarter-end
- NWC increasing by 277 NOKm YoY
  - Prices increase 647% YoY and volume increase 55% YoY

Sources: Company information

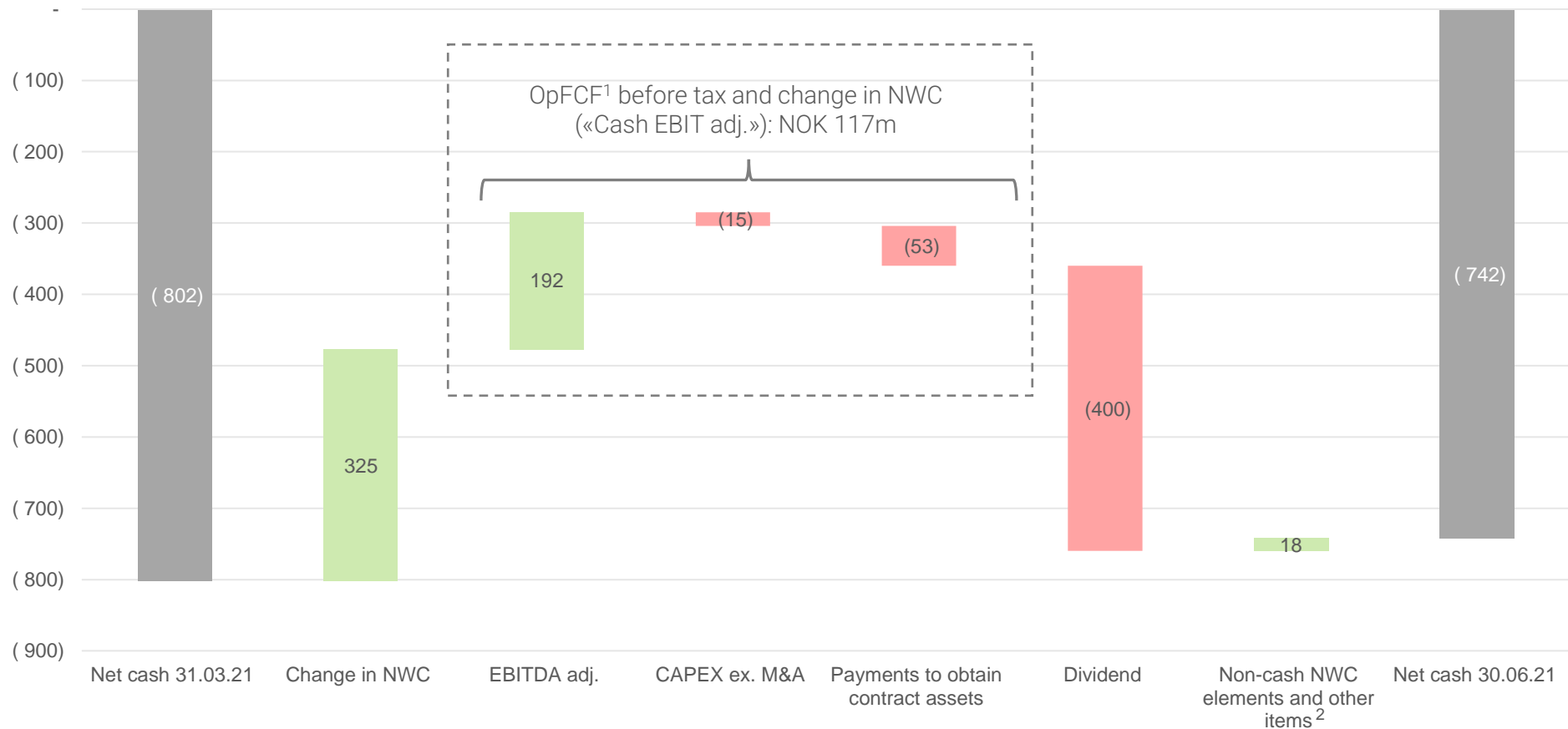
1) NWC includes the following items from current assets: Inventories, intangible assets, trade receivables, derivative financial instruments and other current assets (that is, all current assets in the balance sheet except cash and cash equivalents); and the following items from current liabilities: trade payables, current income tax liabilities, derivative financial instruments, social security and other taxes and other current liabilities excl. 46 NOKm in short-term interest bearing debt

2) Volume sold in the Consumer, Business and Nordic segments

3) Average of daily system prices in NOK

# Net cash development

## Change in net cash Q-o-Q (NOKm)



Sources: Company information

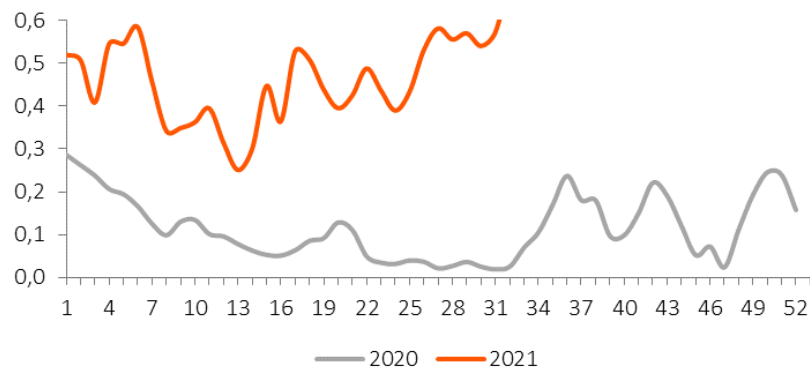
1) OpFCF defined as EBITDA adj. less CAPEX excl. M&A and payments to obtain contract assets

2) Non-cash NWC relates to items included in "change in NWC" that are not affecting net cash position. Other includes interest, tax, change in long-term receivables, proceeds from non-current receivables, proceeds from other long-term liabilities, share based payment expense, change in post-employment liabilities, payment of lease liability and adjustments made on EBITDA.

# Hedging strategy

- Historically, Fjordkraft has not done any hedging of the variable contracts, apart from on certain price ceiling contracts
- The increase in elspot price volatility has increased consumers' demand for predictable electricity cost and risk mitigating products
- In order to adapt to this demand, and to increase the predictability of Fjordkraft's purchase price, Fjordkraft will hedge a larger portion of the variable contract portfolio going forward

## Weekly elspot prices (NOK/kWh)<sup>1</sup>



## A pan-Nordic and complex power market handled through clear mandates and strict governance

### Several wholesale markets

- the day-ahead market
- the intraday market
- the balancing market

### Several bidding areas due to grid congestions

- Larger players get a natural diversification to local price risk

### COGS mainly affected by these elements

- The price of electricity within the different price areas
- The price of guarantees of origins
- The price of electricity certificates
- Various trading fees
- Accuracy of consumption estimates
- Purchasing strategy



Fjordkraft has a low risk tolerance with clear mandates and strict governance

### Sources:

1) Weekly system prices in NOK from Nordpool

# Outlook for 2021-2023<sup>1</sup>

<b>Group</b>	<ul style="list-style-type: none"> <li>Targeting high-single digit net revenue growth. 2021 expected above double digit due to acquisitions in 2020</li> <li>Targeting a sustainable EBIT margin of 36-38%</li> <li>Ambition to act as a consolidator in a fragmented market</li> </ul>	
<b>Consumer</b>	<b>Growth</b> <ul style="list-style-type: none"> <li>Targeting mid-single digit annual net revenue growth</li> </ul>	Revised in Q1: Expecting a slightly negative net revenue growth and an EBIT margin in the area of 30% in 2021
	<b>EBIT margin</b> <ul style="list-style-type: none"> <li>Targeting a sustainable level of 32-34%</li> </ul>	
<b>Business</b>	<b>Growth</b> <ul style="list-style-type: none"> <li>Targeting a sustainable level of mid-single digit growth. 2021 expected above double digit due to acquisitions in 2020</li> </ul>	Revised in Q1: Expecting a higher EBIT margin than targeted in 2021
	<b>EBIT margin</b> <ul style="list-style-type: none"> <li>Targeting a sustainable level of 52-54%</li> </ul>	
<b>Nordic</b>	<ul style="list-style-type: none"> <li>Targeting an annual EBIT contribution of ~50 NOKm</li> </ul>	Revised in Q1: Expecting an EBIT contribution of ~65 NOKm in 2021
<b>NGI</b>	<ul style="list-style-type: none"> <li>Targeting a 50% improvement in nominal EBIT from 2020 to 2021 and a positive run-rate EBIT from late 2021</li> </ul>	Revised in Q1: Expecting a 75% improvement in nominal EBIT from 2020 to 2021
<b>Cap.ex.</b>	<ul style="list-style-type: none"> <li>Targeted to be in the area of NOK 65-70m annually</li> </ul>	
<b>Leverage</b>	<ul style="list-style-type: none"> <li>Targeting a leverage of 2-2.5x NIBD/EBITDA with variations intra-year due to seasonality in net working capital</li> <li>Current balance sheet enabling substantial capacity to finance acquisitions</li> </ul>	
<b>Dividend</b>	<ul style="list-style-type: none"> <li>Target pay-out ratio of at least 80% of net income, adjusted for certain cash and non-cash items<sup>2</sup></li> <li>Attractive and increasing dividend</li> </ul>	

1) Outlook on an organic basis, not including additional M&A transactions in the period. All targets are based on adjusted figures, further described under alternative performance measures in the quarterly report

2) Adjusted EBIT + net finance – estimated tax – amortisation of acquisition debt



# Q&A

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# Appendix



# PROFIT AND LOSS ACCOUNT

NOK in thousands	Note	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full Year 2020
<b>Continuing operations</b>							
Revenue	2,3	4 062 952	2 578 081	671 380	6 641 032	1 981 637	4 214 727
Direct cost of sales	2	(3 553 371)	(2 170 449)	(340 967)	(5 723 820)	(1 169 822)	(2 647 005)
<b>Revenue less direct cost of sales</b>		<b>509 581</b>	<b>407 631</b>	<b>330 413</b>	<b>917 212</b>	<b>811 815</b>	<b>1 567 722</b>
Personnel expenses	2	(111 493)	(79 849)	(54 648)	(191 342)	(133 243)	(328 485)
Other operating expenses	2	(131 246)	(115 934)	(97 758)	(247 180)	(222 352)	(471 938)
Depreciation right-of-use assets		(4 663)	(4 997)	(3 133)	(9 660)	(6 233)	(13 302)
Depreciation and amortisation	2,7	(95 111)	(92 104)	(45 360)	(187 215)	(91 008)	(291 872)
<b>Total operating expenses</b>		<b>(342 514)</b>	<b>(292 883)</b>	<b>(200 899)</b>	<b>(635 397)</b>	<b>(452 835)</b>	<b>(1 105 596)</b>
Impairment and change in provision for onerous contracts	4	9 122	(151 288)	-	(142 166)	-	(268 493)
Other gains and losses, net	4,9	5 388	164 677	2 568	170 066	4 474	331 539
<b>Operating profit</b>		<b>181 577</b>	<b>128 138</b>	<b>132 082</b>	<b>309 715</b>	<b>363 453</b>	<b>525 172</b>
Income/loss from investments in associates and joint ventures		734	1 188	(198)	1 922	(351)	1 168
Interest income		2 499	4 123	4 067	6 623	10 448	16 814
Interest expense lease liability		(658)	(595)	(410)	(1 253)	(838)	(1 813)
Interest expense	11	(10 219)	(8 775)	(1 052)	(18 994)	(2 710)	(11 982)
Other financial items, net		(12 922)	(1 095)	(2 677)	(14 017)	(2 437)	(15 692)
<b>Net financial income/(cost)</b>		<b>(20 566)</b>	<b>(5 153)</b>	<b>(270)</b>	<b>(25 719)</b>	<b>4 112</b>	<b>(11 505)</b>
<b>Profit/ (loss) before tax</b>		<b>161 011</b>	<b>122 985</b>	<b>131 812</b>	<b>283 996</b>	<b>367 565</b>	<b>513 667</b>
Income tax (expense)/ income	5	(27 368)	(23 772)	(29 211)	(51 140)	(81 294)	(113 604)
<b>Profit/ (loss) for the period</b>		<b>133 643</b>	<b>99 212</b>	<b>102 601</b>	<b>232 856</b>	<b>286 271</b>	<b>400 063</b>
Basic earnings per share (in NOK)*	6	1,17	0,87	0,98	2,04	2,74	3,73
Diluted earnings per share (in NOK)*	6	1,15	0,86	0,97	2,01	2,71	3,69

\* Based on a weighted average of 1 14 284 733 shares outstanding. It is issued 1 504 000 share options to employees.

# ADJUSTED EBIT reconciliation

## Reconciliation to statement of profit and loss for the period

NOK in thousands	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full year 2020
<b>Revenue adjusted</b>	<b>4 062 952</b>	<b>2 559 342</b>	<b>648 761</b>	<b>6 622 294</b>	<b>1 959 017</b>	<b>4 183 361</b>
Corporate 1)	-	18 739	20 904	18 739	20 904	29 650
Special Items 2)	-	-	1 716	-	1 716	1 716
<b>Revenue</b>	<b>4 062 952</b>	<b>2 578 081</b>	<b>671 380</b>	<b>6 641 032</b>	<b>1 981 637</b>	<b>4 214 727</b>
<b>Direct cost of sales adjusted</b>	<b>(3 553 371)</b>	<b>(2 171 283)</b>	<b>(334 738)</b>	<b>(5 724 653)</b>	<b>(1 163 592)</b>	<b>(2 639 876)</b>
Corporate 1)	-	834	(6 230)	834	(6 230)	(7 129)
<b>Direct cost of sales</b>	<b>(3 553 371)</b>	<b>(2 170 449)</b>	<b>(340 967)</b>	<b>(5 723 820)</b>	<b>(1 169 822)</b>	<b>(2 647 005)</b>
<b>Revenue less direct cost of sales adjusted</b>	<b>509 581</b>	<b>388 059</b>	<b>314 023</b>	<b>897 640</b>	<b>795 425</b>	<b>1 543 486</b>
Corporate 1)	-	19 573	14 674	19 573	14 674	22 521
Special Items 2)	-	-	1 716	-	1 716	1 716
<b>Revenue less direct cost of sales</b>	<b>509 581</b>	<b>407 631</b>	<b>330 413</b>	<b>917 212</b>	<b>811 815</b>	<b>1 567 722</b>
<b>Total operating expenses adjusted</b>	<b>(294 293)</b>	<b>(246 954)</b>	<b>(189 856)</b>	<b>(541 247)</b>	<b>(433 615)</b>	<b>(935 208)</b>
Special items 2)	2 354	-	(2 927)	2 354	(2 927)	(42 213)
Depreciation of acquisitions 3)	(50 575)	(45 929)	(8 116)	(96 504)	(16 293)	(128 175)
<b>Total operating expenses</b>	<b>(342 514)</b>	<b>(292 883)</b>	<b>(200 899)</b>	<b>(635 397)</b>	<b>(452 835)</b>	<b>(1 105 596)</b>
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Interest expense	(10 219)	(8 775)	(1 052)	(18 994)	(2 710)	(11 982)
Other financial items, net	(12 922)	(1 095)	(2 677)	(14 017)	(2 437)	(15 692)
<b>Profit/(loss) before tax</b>	<b>161 011</b>	<b>122 985</b>	<b>131 812</b>	<b>283 996</b>	<b>367 565</b>	<b>513 667</b>

1) Corporate consists of estimate deviations previous year and special revenue items. A large proportion of the Group's final settlement of sales and distribution of electricity is made after the Group has finalised its financial statements. At the date of reporting, the Group recognises electricity revenue and the associated cost of sales based on a best estimate approach. Thus, any estimate deviation related to the previous reporting period is recognised in the following reporting period. Management is of the opinion that the underlying operating profit in the reporting period should be adjusted for such estimate deviations related to previous reporting periods.



# ADJUSTED EBIT reconciliation cont.

2) Special items consists of one-time items as follows:

NOK in thousands	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full year 2020
Special items incurred specific to:						
- acquisition related costs and implementation costs	(7 485)	-	(2 927)	(7 485)	(2 927)	(21 579)
- income related to compensatory damages	-	-	1 716	-	1 716	1 716
- one off amortisation of customer contracts in acquired companies	-	-	-	-	-	(5 745)
- severance packages and other one off costs in acquired companies	6 451	-	-	6 451	-	(14 889)
- gain from sale of trade receivables previously impaired	3 387	-	-	3 387	-	-
<b>Special items</b>	<b>2 354</b>	<b>-</b>	<b>(1 210)</b>	<b>2 354</b>	<b>(1 210)</b>	<b>(40 497)</b>

3) Depreciation of acquisitions consists of depreciation related to customer portfolios and acquisitions of companies accounted for in intangible assets in the consolidated statement of financial position. The Group has decided to report the operating profit of the segments adjusted for depreciation of acquisitions. In order to accommodate this, historically reported figures have been adjusted accordingly:

NOK in thousands	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full year 2020
TrønderEnergi Marked acquisition	(2 608)	(2 608)	(5 180)	(5 217)	(10 359)	(20 718)
Oppdal Everk Kraftomsetning acquisition	(572)	(572)	(787)	(1 144)	(1 574)	(3 148)
Vesterålskraft Strøm acquisition	(484)	(484)	(565)	(968)	(1 131)	(2 261)
Innlandskraft acquisition	(35 446)	(31 068)	-	(66 514)	-	(36 254)
Troms Kraft Strøm acquisition	(10 625)	(10 434)	-	(21 059)	-	(7 037)
Troms Kraft Strøm acquisition - Depreciation of fixed price customer	-	-	-	-	-	(52 910)
Other customer acquisitions	(839)	(762)	(1 584)	(1 602)	(3 229)	(5 847)
<b>Depreciation of acquisitions</b>	<b>(50 575)</b>	<b>(45 929)</b>	<b>(8 116)</b>	<b>(96 504)</b>	<b>(16 293)</b>	<b>(128 175)</b>

4) Other gains and losses, net consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity.

# BALANCE SHEET

NOK in thousands	Note	31 March 2021	30 June 2021	30 June 2020	31 December 2020
<b>Assets:</b>					
<b>Non-current assets</b>					
Deferred tax assets		35 143	36 065	-	37 316
Right-of-use assets property, plant and equipment		92 302	91 232	63 430	81 724
Property, plant and equipment		8 819	8 431	6 205	8 409
Goodwill	7	1 424 680	1 429 576	166 696	1 442 849
Intangible assets	7	798 173	764 586	172 466	869 568
Cost to obtain contracts		191 660	214 065	152 559	172 656
Investments in associates and joint ventures		11 902	13 090	9 649	11 168
Other non-current financial assets		62 488	46 822	25 764	63 877
<b>Total non-current assets</b>		<b>2 625 166</b>	<b>2 603 866</b>	<b>596 769</b>	<b>2 687 566</b>
<b>Current assets</b>					
Intangible assets		3 443	1 698	1 950	2 880
Inventories		6 248	6 101	801	2 398
Trade receivables	8,11,13	2 279 982	1 416 226	455 853	1 476 927
Derivative financial instruments	9	138 514	438 418	229 834	193 175
Other current assets		111 145	65 172	36 038	167 065
Cash and cash equivalents		561 092	261 282	749 445	599 348
<b>Total current assets</b>		<b>3 100 423</b>	<b>2 188 897</b>	<b>1 473 923</b>	<b>2 441 793</b>
<b>Total assets</b>		<b>5 725 589</b>	<b>4 792 763</b>	<b>2 070 691</b>	<b>5 129 359</b>
<b>Equity and liabilities:</b>					
<b>Equity</b>					
Share capital		34 285	34 289	31 376	34 285
Share premium		991 614	991 998	127 738	991 614
Retained earnings		1 034 773	748 824	794 929	918 148
<b>Total equity</b>		<b>2 060 672</b>	<b>1 775 112</b>	<b>954 043</b>	<b>1 944 047</b>

# BALANCE SHEET

NOK in thousands	Note	31 March 2021	30 June 2021	30 June 2020	31 December 2020
<b>Non-current liabilities</b>					
Employee benefit obligations	10	79 688	84 713	96 489	110 828
Interest-bearing long term debt	11	789 260	766 694	111 200	812 808
Deferred tax liabilities		140 118	135 377	15 800	130 499
Lease liability - long term		78 133	73 892	54 111	67 442
Other provisions for liabilities		14 501	16 399	-	14 649
<b>Total non-current liabilities</b>		<b>1 101 701</b>	<b>1 077 075</b>	<b>277 600</b>	<b>1 136 225</b>
<b>Current liabilities</b>					
Trade and other payables	13	1 365 123	866 070	160 164	1 029 604
Overdraft facilities	11	472 648	136 801	-	29 400
Current income tax liabilities		35 912	64 206	107 237	129 098
Derivative financial instruments	9	53 722	187 750	214 085	110 616
Social security and other taxes		170 295	84 667	103 669	143 425
Lease liability - short term		17 414	20 654	12 031	17 366
Other current liabilities	12	448 103	580 428	241 862	589 578
<b>Total current liabilities</b>		<b>2 563 216</b>	<b>1 940 576</b>	<b>839 049</b>	<b>2 049 087</b>
<b>Total liabilities</b>		<b>3 664 917</b>	<b>3 017 651</b>	<b>1 116 649</b>	<b>3 185 312</b>
<b>Total equity and liabilities</b>		<b>5 725 589</b>	<b>4 792 763</b>	<b>2 070 691</b>	<b>5 129 359</b>

# CASH FLOW

NOK in thousands	Note	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full Year 2020
<b>Operating activities</b>							
Profit/ (loss) before tax		161 011	122 985	131 812	283 996	367 565	513 667
<b>Adjustments for</b>							
Depreciation	7	61 838	57 569	17 525	119 407	34 782	168 012
Depreciation right-of-use assets		4 663	4 997	3 133	9 660	6 233	13 302
Amortisation of contract assets		33 273	34 534	27 835	67 808	56 226	123 860
Impairment of intangible asset	4,7	9 533	290	-	9 823	-	197 470
Interest income		(2 499)	(4 123)	(4 067)	(6 623)	(10 448)	(16 814)
Interest expense lease liability		658	595	410	1 253	838	1 813
Interest expense		10 219	8 775	1 052	18 994	2 710	11 982
Income/loss from investments in associates and joint ventures ventures		(734)	(1 188)	198	(1 922)	351	(1 168)
Change in long-term receivables		297	3 441	13 820	3 738	-	(7 686)
Share based payment expense		919	990	802	1 909	1 579	3 252
Change in post-employment liabilities		1 976	2 357	(3 518)	4 333	(936)	(302)
Payments to obtain a contract		(53 206)	(55 866)	(26 245)	(109 072)	(49 550)	(137 280)
<b>Changes in working capital (non-cash effect)</b>							
Impairment loss recognised in trade receivables	8	(4 581)	(40 635)	3 505	(45 215)	20 240	19 342
Provision for onerous contracts recognised in other current liabilities	4	(18 655)	150 998	-	132 343	-	71 023
Change in fair value of derivative financial instruments	4,9	(5 388)	(164 677)	(2 568)	(170 066)	(4 474)	(331 539)
<b>Changes in working capital</b>							
Inventories		(3 850)	147	(349)	(3 703)	(7)	(1 453)
Trade receivables	8	(813 933)	909 836	408 535	95 903	1 031 373	260 279
Purchase of el-certificates		(84 153)	(2 039)	-	(86 191)	(245 712)	(245 712)
Non-cash effect from cancelling el-certificates		83 978	1 921	(187)	85 898	263 594	263 594
Purchase of guarantees of origination		(4 320)	15	(176)	(4 305)	(1 573)	(4 064)
Non-cash effect from disposal of guarantees of origination		3 949	2 277	3 143	6 226	5 501	7 089
Other current assets		54 117	47 632	77 286	101 749	(17 572)	19 435
Trade and other payables		350 929	(506 545)	(227 876)	(155 616)	(657 979)	61 721
Other current liabilities	12	(72 240)	(112 489)	(15 526)	(184 729)	(362 662)	(351 741)
<b>Cash generated from operations</b>		<b>(286 197)</b>	<b>461 794</b>	<b>408 542</b>	<b>175 597</b>	<b>440 079</b>	<b>638 082</b>
Interest paid		(11 060)	(7 485)	(1 898)	(18 545)	(4 107)	(22 058)
Interest received		2 499	4 123	4 067	6 623	10 448	16 814
Income tax paid	5	(122 145)	-	-	(122 145)	(90 024)	(113 533)
<b>Net cash from operating activities</b>		<b>(416 903)</b>	<b>458 432</b>	<b>410 711</b>	<b>41 530</b>	<b>356 395</b>	<b>519 305</b>

# CASH FLOW

NOK in thousands	Note	Q1 2021	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Full Year 2020
<b>Investing activities</b>							
Purchase of property, plant and equipment		(1 291)	(312)	-	(1 603)	-	(497)
Purchase of intangible assets	7	(13 418)	(19 131)	(22 724)	(32 550)	(37 803)	(64 767)
Proceeds from sale of intangible assets	7	-	-	-	-	10 000	10 000
Net cash outflow on acquisition of subsidiaries		-	-	-	-	-	(1 033 527)
Net cash outflow on acquisition of shares in associates		-	-	-	-	(10 000)	(10 000)
Net (outflow)/proceeds from non-current receivables		1 092	12 225	(74)	13 317	(399)	(16 985)
Net (outflow)/proceeds from other long-term liabilities		829	1 442	-	2 271	-	(194)
<b>Net cash used in investing activities</b>		<b>(12 788)</b>	<b>(5 777)</b>	<b>(22 798)</b>	<b>(18 565)</b>	<b>(38 201)</b>	<b>(1 115 970)</b>
<b>Financing activities</b>							
Proceeds from overdraft facilities	11	443 248	(335 847)	-	107 401	-	29 400
Proceeds from revolving credit facility	11	-	-	-	-	-	500 000
Repayment of revolving credit facility	11	-	-	-	-	-	(500 000)
Proceeds from issuance of shares		-	389	389	389	2 731	2 730
Dividends paid		-	(399 986)	(313 717)	(399 986)	(313 717)	(313 717)
Formation expenses		-	-	(10)	-	(10)	(10)
Proceeds from long term debt	11	-	-	-	-	-	937 000
Instalments of long term debt	11	(23 425)	(23 425)	(13 900)	(46 850)	(27 800)	(65 125)
Repayment of long term debt	11	-	-	-	-	-	(152 900)
Payment of lease liability		(4 530)	(4 834)	(2 966)	(9 364)	(5 488)	(12 450)
<b>Net cash used in financing activities</b>		<b>415 293</b>	<b>(763 703)</b>	<b>(330 204)</b>	<b>(348 410)</b>	<b>(344 284)</b>	<b>424 928</b>
<b>Net change in cash and cash equivalents</b>		<b>(14 398)</b>	<b>(311 048)</b>	<b>57 710</b>	<b>(325 446)</b>	<b>(26 091)</b>	<b>(171 738)</b>
<b>Cash and cash equivalents at start of period</b>		<b>599 348</b>	<b>561 092</b>	<b>691 735</b>	<b>599 348</b>	<b>775 536</b>	<b>775 536</b>
Effects of exchange rate changes on cash and cash equivalents		(23 859)	11 239	-	(12 620)	-	(4 450)
<b>Cash and cash equivalents at end of period</b>		<b>561 092</b>	<b>261 282</b>	<b>749 445</b>	<b>261 282</b>	<b>749 445</b>	<b>599 348</b>

# FORWARD-LOOKING STATEMENTS

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements with respect to Fjordkraft's expectations and plans, strategy, management's objectives, future performance, costs, revenue, earnings and other trend information. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Fjordkraft.

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