

# Fjordkraft Holding ASA and the Fjordkraft Group

Quarterly report - Q1 2021



## Q1 Highlights

- **6% YoY increase in net revenue and 9% YoY decrease in EBIT adj. versus a historically strong Q1 in 2020**
  - Unfavourable market dynamics with significant and rapid increase in elspot prices, particularly in January
- **# of deliveries in the Consumer and Business segments decreased by 17,251 in the quarter**
  - Negative one-off effect of about 10,900 deliveries from the Innlandskraft transaction, primarily due to stop of sales activities and the termination of the Eidsiva brand
  - Extended Alliance grew by 2,908 deliveries in the quarter, number of mobile subscribers grew by 2,280, while number of deliveries in the Nordic segment decreased by 3,466

## Key figures Q1

NOK in thousands	Q1 2021	Q1 2020	Full Year 2020
Gross revenue	4 062 952	1 310 256	4 214 727
Net revenue	509 581	481 402	1 567 722
Net revenue adjusted	509 581	481 402	1 543 486
EBIT reported	181 577	231 371	525 172
EBIT adjusted	215 288	237 642	608 276
Net income	133 643	183 670	400 063
Basic earnings per share (in NOK)	1,17	1,76	3,73
Diluted earnings per share (in NOK)	1,15	1,74	3,69
EBIT margin	36 %	48 %	33 %
EBIT margin adjusted	42 %	49 %	39 %
Net interest bearing debt (cash)	801 707	-511 035	343 626
Capex excl. M&A	14 709	13 998	64 926
Volume sold (GWh)	7 376	4 154	14 916
# of deliveries ('000) excl. Extended Alliance	1 006	621	1 027

## Unfavourable market dynamics affecting the quarter

The first quarter of 2021 has been a quarter with great volatility in the electricity market. At the start of the quarter, the Norwegian area prices varied between 24 and 27 NOK øre per kWh. On 8 January, four out of five area prices in Norway were priced at 80 NOK øre per kWh, a rapid and significant increase driven by cold and dry weather. The volatility continued into February, with prices even passing 1 NOK per kWh in certain areas. When prices increase with such magnitude over a short period of time, this puts pressure on the Group's margins, which is the main driver for the 9% YoY decrease in EBIT adjusted. Net revenue adjusted increased by 6% YoY and was driven by M&A growth.

The number of deliveries in the Consumer and Business segments decreased by 17,251 in the quarter. In Q1, the Group experienced a negative one-off effect of about 10,900 deliveries from the Innlandskraft transaction, primarily due to stop of sales activities and the termination of the Eidsiva brand. The one-off effect from the termination was expected, however, the effect was larger than anticipated. Apart from the negative one-off effect from the termination of the Eidsiva brand, the shutdown of physical distribution channels following Covid-19 has had a negative impact on the Group's growth figures. Negative media attention following the Consumer Authority dialogue has also had an impact - all these matters are now settled. The certification "Trygg Strømhandel" is progressing as scheduled, and the first electricity retailers are expected to be certified in Q3 2021. Extended Alliance grew by 2,908 deliveries in the quarter, number of mobile subscribers grew by 2,280, while number of deliveries in the Nordic

segment decreased by 3,466 - the latter is related to the phaseout of tender customers with low profitability.

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

### Consumer

Number of electricity deliveries in the Consumer segment decreased by 19 thousand deliveries in the quarter. At the end of Q1 2021 the segment comprised 736 thousand deliveries, which represents a growth of 194 thousand deliveries YoY. The volume sold in first quarter 2021 was 3,735 GWh, which is a 60% increase from the first quarter 2020, mainly driven by M&A growth.

Adjusted net revenue amounted to 312 NOKm (362 NOKm), adjusted OPEX amounted to 202 NOKm (173 NOKm) and EBIT adj. amounted to 110 NOKm (189 NOKm). Adjusted EBIT margin in the quarter was 35%, a decrease from the very strong 52% in Q1 2020. The decrease from 2020 is driven by unfavourable market dynamics. However, the results are fairly in line with the first quarters in 2018 and 2019.

### Business

At the end of first quarter 2021, the Business segment comprised 109 thousand electricity deliveries, which represents an increase of 2 thousand deliveries in the quarter. The volume sold in fourth quarter 2020 was 2,635 GWh, an increase of 44% compared to first quarter 2020. The increase is driven by volume growth, mainly from M&A.

Adjusted net revenue was 138 NOKm (108 NOKm), adjusted OPEX of 48 NOKm (49 NOKm)

and EBIT adj. was 90 NOKm (59 NOKm). Adjusted EBIT margin in the quarter was 65%, which is an increase from the 55% in Q1 2020. The growth is driven by increased volume, mainly from M&A

### Nordic

Nordic is a new reporting segment, comprising Switch Nordic Green with the brand Nordic Green Energy, operating in Sweden and Finland. At the end of first quarter 2021, the segment comprised 161 thousand deliveries, a decrease of 3 thousand driven by the phaseout of tender customers with low profitability. Volume sold was 1,005 GWh in the quarter. Adjusted net revenue amounted to 41 NOKm, OPEX adjusted to 19 NOKm and EBIT adjusted amounted to 22 NOKm.

### New Growth Initiatives

At the end of first quarter 2021, the number of mobile subscribers was 135 thousand, a growth of 2 thousand subscribers in the quarter.

Alliance volume in first quarter 2021 was 1,665 GWh, which is a 26% YoY increase driven by the inclusion of volume from the Innlandskraft transaction, while Extended Alliance deliveries increased by 3 thousand in the quarter, now comprising a total of 59 thousand deliveries.

Adjusted net revenue in the New Growth Initiatives segment amounts to 19 NOKm, a YoY increase of 8 NOKm. The increase in net revenue is driven by both Alliance and Mobile. OPEX adjusted amounted to 26 NOKm (22 NOKm), while EBIT adjusted amounted to -7 NOKm (-10 NOKm), driven by both Alliance and Mobile.

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## Financials

**Gross revenue** amounted to 4,063 NOKm (1,310 NOKm), an increase of 210%, due to higher elspot prices and volume sold.

**Adjusted net revenue** amounted to 510 NOKm (481 NOKm), an increase of 6%. The increase is driven by M&A.

**Adjusted operating expenses** amounted to 294 NOKm (244 NOKm), an increase of 20%, primarily driven by M&A.

**Adjusted EBIT** amounted to 215 NOKm (238 NOKm), a growth of 14% YoY due to the factors described above.

**Net financial income** amounted to -20.6 NOKm (4.4 NOKm).

**Profit for the period** amounted to 134 NOKm (184 NOKm) in the quarter due to the factors described above.

### Consolidated cash flow

Net cash generated from operating activities was -417 NOKm (-54 NOKm). Net cash used in investing activities was -13 NOKm (-15 NOKm). Net cash used in financing activities was NOK 415 NOKm (-14 NOKm), primarily consisting of proceeds from overdraft facilities.

### Financial position

The total capital as of 31.03.2021 was 5,726 NOKm (2,635 NOKm), an increase of 3,086 NOKm from Q1 2020. The main driver for the increase in the inclusion of recent acquisitions.

### Events after the reporting period

The annual general meeting of Fjordkraft Holding ASA was held on 21 April 2021. The proposed

dividend of NOK 3.50 per share, corresponding to NOKt 399 986 was approved by the general meeting.

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

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## 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. Fjordkraft seeks to reduce market risk to a low level and does not take speculative positions in the electricity market.

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## Outlook

The Group has an ambition to grow organically in all segments, as well as acting as a consolidator in a fragmented market. The Group's financial targets are presented in the quarterly presentation.

# Condensed interim financial statements



## Condensed consolidated statement of profit or loss

NOK in thousands	Note	Q1 2021	Q1 2020	Full year 2020
<b>Continuing operations</b>				
Revenue	2,3	4 062 952	1 310 256	4 214 727
Direct cost of sales	2	(3 553 371)	(828 855)	(2 647 005)
<b>Revenue less direct cost of sales</b>		<b>509 581</b>	<b>481 402</b>	<b>1 567 722</b>
Personnel expenses	2	(111 493)	(78 596)	(328 485)
Other operating expenses	2	(131 246)	(124 593)	(471 938)
Depreciation right-of-use assets		(4 663)	(3 100)	(13 302)
Depreciation and amortisation	2,7	(95 111)	(45 647)	(291 872)
<b>Total operating expenses</b>		<b>(342 514)</b>	<b>(251 936)</b>	<b>(1 105 596)</b>
Impairment and change in provision for onerous contracts	4	9 122	-	(268 493)
Other gains and losses, net	4,9	5 388	1 906	331 539
<b>Operating profit</b>		<b>181 577</b>	<b>231 371</b>	<b>525 172</b>
Income/loss from investments in associates and joint ventures		734	(153)	1 168
Interest income		2 499	6 381	16 814
Interest expense lease liability		(658)	(429)	(1 813)
Interest expense	10	(10 219)	(1 658)	(11 982)
Other financial items, net		(12 922)	240	(15 692)
<b>Net financial income/(cost)</b>		<b>(20 566)</b>	<b>4 382</b>	<b>(11 505)</b>
<b>Profit/ (loss) before tax</b>		<b>161 011</b>	<b>235 754</b>	<b>513 667</b>
Income tax (expense)/income	5	(27 368)	(52 084)	(113 604)
<b>Profit/ (loss) for the period</b>		<b>133 643</b>	<b>183 670</b>	<b>400 063</b>
Basic earnings per share (in NOK)*	6	1,17	1,76	3,73
Diluted earnings per share (in NOK)*	6	1,15	1,74	3,69

\* Based on a weighted average of 1 14 281 800 shares outstanding. It is issued 1 520 000 share options to employees.

## Condensed consolidated statement of comprehensive income

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
<b>Profit/ (loss) for the period</b>	<b>133 643</b>	<b>183 670</b>	<b>400 063</b>
<b>Other comprehensive income/ (loss):</b>			
<b>Items to be reclassified to profit or loss in subsequent periods:</b>			
Currency translation differences	(43 768)	-	(11 201)
<b>Total</b>	<b>(43 768)</b>	<b>-</b>	<b>(11 201)</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) on pension obligations (net of tax)	25 830	(26 024)	(7 073)
<b>Total</b>	<b>25 830</b>	<b>(26 024)</b>	<b>(7 073)</b>
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	<b>(17 937)</b>	<b>(26 024)</b>	<b>(18 273)</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b>115 706</b>	<b>157 646</b>	<b>381 790</b>

## Condensed consolidated statement of financial position

NOK in thousands	Note	31 March 2021	31 March 2020	31 December 2020
<b>Assets:</b>				
<b>Non-current assets</b>				
Deferred tax assets		35 143	-	37 316
Right-of-use assets property, plant and equipment		92 302	62 255	81 724
Property, plant and equipment		8 819	6 656	8 409
Goodwill	7	1 424 680	166 696	1 442 849
Intangible assets	7	798 173	166 816	869 568
Cost to obtain contracts		191 660	154 149	172 656
Investments in associates and joint ventures		11 902	9 847	11 168
Other non-current financial assets		62 488	39 510	63 877
<b>Total non-current assets</b>		<b>2 625 166</b>	<b>605 929</b>	<b>2 687 566</b>
<b>Current assets</b>				
Intangible assets		3 443	4 730	2 880
Inventories		6 248	452	2 398
Trade receivables	8, 10, 12	2 279 982	867 893	1 476 927
Derivative financial instruments	9	138 514	350 901	193 175
Other current assets		111 145	113 324	167 065
Cash and cash equivalents		561 092	691 735	599 348
<b>Total current assets</b>		<b>3 100 423</b>	<b>2 029 035</b>	<b>2 441 793</b>
<b>Total assets</b>		<b>5 725 589</b>	<b>2 634 964</b>	<b>5 129 359</b>
<b>Equity and liabilities:</b>				
<b>Equity</b>				
Share capital		34 285	31 372	34 285
Share premium		991 614	127 353	991 614
Retained earnings		1 034 773	1 005 256	918 148
<b>Total equity</b>		<b>2 060 672</b>	<b>1 163 980</b>	<b>1 944 047</b>



Condensed consolidated statement  
of financial position

NOK in thousands	Note	31 March 2021	31 March 2020	31 December 2020
<b>Non-current liabilities</b>				
Net employee defined benefit plan liabilities		79 688	100 008	110 828
Interest-bearing long term debt	10	789 260	125 100	812 808
Deferred tax liabilities		140 118	17 667	130 499
Lease liability - long term		78 133	52 848	67 442
Other provisions for liabilities		14 501	-	14 649
<b>Total non-current liabilities</b>		<b>1 101 701</b>	<b>295 623</b>	<b>1 136 225</b>
<b>Current liabilities</b>				
Trade and other payables	12	1 365 123	388 040	1 029 604
Overdraft facilities	10	472 648	-	29 400
Current income tax liabilities		35 912	76 160	129 098
Derivative financial instruments	9	53 722	337 719	110 616
Social security and other taxes		170 295	105 678	143 425
Lease liability - short term		17 414	11 951	17 366
Other current liabilities	11	448 103	255 812	589 578
<b>Total current liabilities</b>		<b>2 563 216</b>	<b>1 175 360</b>	<b>2 049 087</b>
<b>Total liabilities</b>		<b>3 664 917</b>	<b>1 470 983</b>	<b>3 185 312</b>
<b>Total equity and liabilities</b>		<b>5 725 589</b>	<b>2 634 964</b>	<b>5 129 359</b>

The Board of Fjordkraft Holding ASA, Bergen, 11 May 2021



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	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Retained earnings	Total
<b>Balance at 1 January 2020</b>	<b>31 349</b>	<b>125 035</b>	-	-	<b>846 833</b>	<b>1 003 216</b>
Profit/(loss) for the year	-	-	-	-	183 670	183 670
Share-based payment	-	-	-	-	777	777
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	(26 024)	(26 024)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158 423</b>	<b>158 423</b>
Share capital increase (note 6)	23	2 318	-	-	-	2 341
Dividends paid (note 6)	-	-	-	-	-	-
<b>Transactions with owners</b>	<b>23</b>	<b>2 318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 341</b>
<b>Balance at 31 March 2020</b>	<b>31 372</b>	<b>127 353</b>	<b>-</b>	<b>-</b>	<b>1 005 256</b>	<b>1 163 980</b>
<b>Balance at 1 January 2021</b>	<b>34 285</b>	<b>991 614</b>	-	<b>(11 201)</b>	<b>929 348</b>	<b>1 944 047</b>
Profit/(loss) for the year	-	-	-	-	133 643	133 643
Share-based payment	-	-	-	-	919	919
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(43 768)	25 830	(17 937)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43 768)</b>	<b>160 393</b>	<b>116 625</b>
Share capital increase (note 6)	-	-	-	-	-	-
Dividends paid (note 6)	-	-	-	-	-	-
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2021</b>	<b>34 285</b>	<b>991 614</b>	<b>-</b>	<b>(54 969)</b>	<b>1 089 741</b>	<b>2 060 672</b>

## Condensed consolidated statement of cash flows

NOK in thousands	Note	Q1 2021	Q1 2020	Full year 2020
<b>Operating activities</b>				
Profit/(loss) before tax		161 011	235 754	513 667
<b>Adjustments for</b>				
Depreciation	7	61 838	17 257	168 012
Depreciation right-of-use assets		4 663	3 100	13 302
Amortisation of contract assets		33 273	28 391	123 860
Impairment of intangible asset	4,7	9 533	-	197 470
Interest income		(2 499)	(6 381)	(16 814)
Interest expense lease liability		658	429	1 813
Interest expense		10 219	1 658	11 982
Income/loss from investments in associates and joint ventures		(734)	153	(1 168)
Change in long-term receivables		297	(13 820)	(7 686)
Share based payment expense		919	777	3 252
Change in post-employment liabilities		1 976	2 582	(302)
Payments to obtain a contract		(53 206)	(23 304)	(137 280)
<b>Changes in working capital (non-cash effect)</b>				
Impairment loss recognised in trade receivables	8	(4 581)	16 736	19 342
Provision for onerous contracts recognised in other current liabilities	4	(18 655)	-	71 023
Change in fair value of derivative financial instruments	4,9	(5 388)	(1 906)	(331 539)
<b>Changes in working capital</b>				
Inventories		(3 850)	342	(1 453)
Trade receivables	8	(813 933)	622 838	260 279
Purchase of el-certificates		(84 153)	(245 712)	(245 712)
Non-cash effect from cancelling el-certificates		83 978	263 782	263 594
Purchase of guarantees of origination		(4 320)	(1 397)	(4 064)
Non-cash effect from disposal of guarantees of origination		3 949	2 357	7 089
Other current assets		54 117	(94 858)	19 435
Trade and other payables		350 929	(430 103)	61 721
Other current liabilities	11	(72 240)	(347 136)	(351 741)
<b>Cash generated from operations</b>		<b>(286 197)</b>	<b>31 536</b>	<b>638 082</b>
Interest paid		(11 060)	(2 209)	(22 058)
Interest received		2 499	6 381	16 814
Income tax paid	5	(122 145)	(90 024)	(113 533)
<b>Net cash from operating activities</b>		<b>(416 903)</b>	<b>(54 316)</b>	<b>519 305</b>

**Condensed consolidated statement  
of cash flows**

NOK in thousands	Note	Q1 2021	Q1 2020	Full year 2020
<b>Investing activities</b>				
Purchase of property, plant and equipment		(1 291)	-	(497)
Purchase of intangible assets	7	(13 418)	(15 079)	(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	(325)	(16 985)
Net (outflow)/proceeds from other long-term liabilities		829	-	(194)
<b>Net cash used in investing activities</b>		<b>(12 788)</b>	<b>(15 404)</b>	<b>(1 115 970)</b>
<b>Financing activities</b>				
Proceeds from overdraft facilities	10	443 248	-	29 400
Proceeds from revolving credit facility	10	-	-	500 000
Repayment of revolving credit facility	10	-	-	(500 000)
Proceeds from issuance of shares		-	2 341	2 730
Dividends paid		-	-	(313 717)
Formation expenses		-	-	(10)
Proceeds from long term debt	10	-	-	937 000
Instalments of long term debt	10	(23 425)	(13 900)	(65 125)
Repayment of long term debt	10	-	-	(152 900)
Payment of lease liability		(4 530)	(2 522)	(12 450)
<b>Net cash used in financing activities</b>		<b>415 293</b>	<b>(14 081)</b>	<b>424 928</b>
<b>Net change in cash and cash equivalents</b>		<b>(14 398)</b>	<b>(83 801)</b>	<b>(171 738)</b>
<b>Cash and cash equivalents at start of period</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)	-	(4 450)
<b>Cash and cash equivalents at end of period</b>		<b>561 092</b>	<b>691 735</b>	<b>599 348</b>

# Notes to the condensed consolidated financial statements

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## Note 1

### Accounting policies

#### General information

Fjordkraft Holding 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.

Fjordkraft Holding 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 11 May 2021.

#### 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 2020, which have been prepared in accordance with IFRS.

#### Going concern

The Group has adopted the going concern basis in preparing its 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 2020, except that income tax expense is recognised in each interim period using the expected weighted average annual income tax rate for the full financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

There are not any new or amended accounting standards or interpretations of which application is mandatory for reporting periods commencing 1 January 2021, 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 2020, except for income taxes and post-employment benefits.

Income tax expense and deferred income tax liability is calculated by applying a weighted average of tax rates across jurisdictions, while in annual financial statements income tax expense and deferred income tax liability is calculated by applying the tax rate for each individual jurisdiction to measures of income for each jurisdiction.

Present value of defined benefit obligations and the fair value of plan assets at the end of each interim reporting period is estimated by extrapolation of the latest actuarial valuation, while in the annual financial statements this estimate is based on an updated actuarial valuation.

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## 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 profit before tax earned by each segment without the allocation of non-recurring expenses, depreciation of acquisitions, impairment and change in provision for onerous contracts, other gains and losses, income/loss from investments in associates and joint ventures, interest income, interest expense, interest expense lease liability, and other financial items, net. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as the Group's accounting policies.

All of the Group's revenue is from external parties and is from activities currently carried out in Norway, Sweden and Finland. There are no customers representing more than 10% of revenue.

The tables below is an analysis of the Group's revenue and profit by reportable segment. New growth initiatives comprise of other business activities (sale of mobile service to private consumers and power sale, included related services, to Alliance Partners) which are not considered separate operating segments.

Note 2  
Segment information

Q1 2021						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	2 191 316	1 302 773	484 668	3 978 757	84 195	4 062 952
<b>Total external segment revenue adjusted</b>	<b>2 191 316</b>	<b>1 302 773</b>	<b>484 668</b>	<b>3 978 757</b>	<b>84 195</b>	<b>4 062 952</b>
Direct cost of sales adjusted	(1 879 117)	(1 164 864)	(444 204)	(3 488 185)	(65 186)	(3 553 371)
<b>Revenue less direct cost of sales adjusted</b>	<b>312 199</b>	<b>137 909</b>	<b>40 464</b>	<b>490 572</b>	<b>19 009</b>	<b>509 581</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(162 849)	(41 424)	(16 292)	(220 565)	(24 447)	(245 013)
Depreciation and amortisation adjusted	(39 125)	(6 385)	(2 586)	(48 097)	(1 183)	(49 280)
<b>Total operating expenses adjusted</b>	<b>(201 974)</b>	<b>(47 809)</b>	<b>(18 878)</b>	<b>(268 662)</b>	<b>(25 631)</b>	<b>(294 293)</b>
<b>Operating profit adjusted</b>	<b>110 224</b>	<b>90 100</b>	<b>21 586</b>	<b>221 910</b>	<b>(6 622)</b>	<b>215 288</b>
Q1 2020						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	739 990	504 478	-	1 244 468	65 788	1 310 256
<b>Total external segment revenue adjusted</b>	<b>739 990</b>	<b>504 478</b>	<b>-</b>	<b>1 244 468</b>	<b>65 788</b>	<b>1 310 256</b>
Direct cost of sales adjusted	(378 241)	(396 359)	-	(774 600)	(54 254)	(828 855)
<b>Revenue less direct cost of sales adjusted</b>	<b>361 749</b>	<b>108 119</b>	<b>-</b>	<b>469 868</b>	<b>11 534</b>	<b>481 402</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(139 593)	(44 125)	-	(183 718)	(19 471)	(203 189)
Depreciation and amortisation adjusted	(33 460)	(4 659)	-	(38 119)	(2 452)	(40 571)
<b>Total operating expenses adjusted</b>	<b>(173 053)</b>	<b>(48 784)</b>	<b>-</b>	<b>(221 837)</b>	<b>(21 923)</b>	<b>(243 760)</b>
<b>Operating profit adjusted</b>	<b>188 696</b>	<b>59 335</b>	<b>-</b>	<b>248 031</b>	<b>(10 389)</b>	<b>237 642</b>

\*Comprise of other business activities (sale of mobile services to private customers and power sale, included related services, to Alliance partners) which are not considered separate operating segments



**Note 2**  
**Segment information**

NOK in thousands	Full year 2020					
	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	2 144 219	1 479 533	263 894	3 887 645	295 716	4 183 361
<b>Total external segment revenue adjusted</b>	<b>2 144 219</b>	<b>1 479 533</b>	<b>263 894</b>	<b>3 887 645</b>	<b>295 716</b>	<b>4 183 361</b>
Direct cost of sales adjusted	(1 039 480)	(1 102 666)	(245 954)	(2 388 101)	(251 775)	(2 639 876)
<b>Revenue less direct cost of sales adjusted</b>	<b>1 104 738</b>	<b>376 866</b>	<b>17 940</b>	<b>1 499 544</b>	<b>43 941</b>	<b>1 543 486</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(531 316)	(149 062)	(9 256)	(689 634)	(74 378)	(764 012)
Depreciation and amortisation adjusted	(138 226)	(21 557)	(2 932)	(162 715)	(8 481)	(171 196)
<b>Total operating expenses adjusted</b>	<b>(669 542)</b>	<b>(170 619)</b>	<b>(12 188)</b>	<b>(852 349)</b>	<b>(82 859)</b>	<b>(935 208)</b>
<b>Operating profit adjusted</b>	<b>435 196</b>	<b>206 247</b>	<b>5 752</b>	<b>647 194</b>	<b>(38 918)</b>	<b>608 278</b>

\*Comprise of other business activities (sale of mobile services to private customers and power sale, included related services, to Alliance partners) which are not considered separate operating segments

**Note 2**  
**Segment information**

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

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
<b>Revenue adjusted</b>	4 062 952	1 310 256	4 183 361
Corporate 1)	-	-	29 650
Special items 2)	-	-	1 716
<b>Revenue</b>	<b>4 062 952</b>	<b>1 310 256</b>	<b>4 214 727</b>
<b>Direct cost of sales adjusted</b>	(3 553 371)	(828 855)	(2 639 876)
Corporate 1)	-	-	(7 129)
<b>Direct cost of sales</b>	<b>(3 553 371)</b>	<b>(828 855)</b>	<b>(2 647 005)</b>
<b>Revenue less direct cost of sales adjusted</b>	509 581	481 402	1 543 486
Corporate 1)	-	-	22 521
Special items 2)	-	-	1 716
<b>Revenue less direct cost of sales</b>	<b>509 581</b>	<b>481 402</b>	<b>1 567 722</b>
<b>Total operating expenses adjusted</b>	(294 293)	(243 760)	(935 208)
Special items 2)	2 354	-	(42 213)
Depreciation of acquisitions 3)	(50 575)	(8 177)	(128 175)
<b>Total operating expenses</b>	<b>(342 514)</b>	<b>(251 936)</b>	<b>(1 105 596)</b>
Impairment and change in provision for onerous contracts	9 122	-	(268 493)
Other gains and losses 4)	5 388	1 906	331 539
<b>Operating profit</b>	<b>181 577</b>	<b>231 371</b>	<b>525 172</b>
Income/loss from investments in associates and joint ventures	734	(153)	1 168
Interest income	2 499	6 381	16 814
Interest expense lease liability	(658)	(429)	(1 813)
Interest expense	(10 219)	(1 658)	(11 982)
Other financial items, net	(12 922)	240	(15 692)
<b>Profit/(loss) before tax</b>	<b>161 011</b>	<b>235 754</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.

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**Note 2**
**Segment information**

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

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Special items incurred specific to:			
- acquisition related costs and implementation costs	(7 485)	-	(21 579)
- income related to compensatory damages	-	-	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	-	(14 889)
- gain from sale of trade receivables previously impaired	3 387	-	-
<b>Special items</b>	<b>2 354</b>	<b>-</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	Q1 2020	Full year 2020
TrønderEnergi Marked acquisition	(2 608)	(5 180)	(20 718)
Oppdal Everk Kraftomsetning acquisition	(572)	(787)	(3 148)
Vesterålskraft Strøm acquisition	(484)	(565)	(2 261)
Innlandskraft acquisition	(35 446)	-	(36 254)
Troms Kraft Strøm acquisition	(10 625)	-	(7 037)
Troms Kraft Strøm acquisition - Depreciation of fixed price customer contracts	-	-	(52 910)
Other customer acquisitions	(839)	(1 645)	(5 847)
<b>Depreciation of acquisitions</b>	<b>(50 575)</b>	<b>(8 177)</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.

## Note 3

### Revenue recognition

The following table summarises revenue from contracts with customers:

<b>Revenue</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Full year 2020</b>
NOK in thousands			
Revenue - Consumer segment (1)	2 191 316	739 990	2 144 219
Revenue - Business segment (2)	1 302 773	504 478	1 479 533
Revenue - Nordic (3)	484 668	-	263 894
Revenue - New growth initiatives (4)	84 195	65 788	295 716
Revenue - Corporate	-	-	31 366
<b>Total revenue</b>	<b>4 062 952</b>	<b>1 310 256</b>	<b>4 214 727</b>

#### Timing of revenue recognition

##### Over time:

NOK in thousands	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Full year 2020</b>
Revenue - Consumer segment	2 166 860	728 506	2 090 297
Revenue - Business segment	1 292 110	497 780	1 453 829
Revenue - Nordic	484 668	-	263 894
Revenue - New growth initiatives	83 029	65 372	293 952
Revenue - Corporate	-	-	31 366
<b>Total revenue recognised over time</b>	<b>4 026 667</b>	<b>1 291 658</b>	<b>4 133 338</b>

##### At a point in time:

NOK in thousands	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Full year 2020</b>
Revenue - Consumer segment	24 456	11 484	53 921
Revenue - Business segment	10 663	6 698	25 704
Revenue - Nordic	-	-	-
Revenue - New growth initiatives	1 166	416	1 764
<b>Total revenue recognised at a point in time</b>	<b>36 285</b>	<b>18 598</b>	<b>81 389</b>

<b>Total revenue</b>	<b>4 062 952</b>	<b>1 310 256</b>	<b>4 214 727</b>
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(1) Revenue in the consumer segment comprise sale of electrical power to private consumers in Norway

(2) Revenue in the business segment comprise sale of electrical power to businesses in Norway

(3) Revenue in the nordic segment comprise sale of electrical power and related services to private consumers and businesses in Finland and Sweden

(4) Comprise of other business activities (sale of mobile service to private customers and power sale, included related services, to Alliance partners)

## Note 4

### Impairment, change in provision for onerous contracts, and other gains and losses.

NOK in thousands	Note	Q1 2021	Q1 2020	Full year 2020
<b>Impairment and provisions for onerous contracts:</b>				
Change in provision for onerous contracts*		18 655	-	(71 023)
Impairment of intangible assets - Fixed price customer contracts*	7	(9 533)	-	(180 540)
Impairment of intangible assets - Software and development projects	7	-	-	(16 930)
<b>Total impairment and provisions for onerous contracts</b>		<b>9 122</b>	<b>-</b>	<b>(268 493)</b>
<b>Other gains and losses</b>				
Change in fair value of derivative financial instruments*	9	5 388	1 906	331 539
<b>Total other gains and losses, net</b>		<b>5 388</b>	<b>1 906</b>	<b>331 539</b>
<b>Total</b>		<b>14 510</b>	<b>1 906</b>	<b>63 046</b>

\*The change in provision for onerous contracts and impairment of intangible assets in Q1 2021 relates to portfolios of fixed price customer contracts in the Nordic segment.

The majority of these contracts were acquired as part of the business combination when the group acquired Troms Kraft Strøm AS (rebranded to Fjordkraft Nordic AS) and its subsidiary Switch Nordic Green AB (which has end-user operations in Sweden and Finland, through the brand Nordic Green Energy) in 2020, while the remaining are new fixed price contracts entered into with customers in the Nordic segment after the business combination.

The fixed price customer contracts acquired as part of the business combination are recognised as intangible assets (refer note 7), and depreciated systematically over the contract lengths using a pattern that reflects 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).

New fixed price customer contracts are not recognised in the balance sheet, unless the contracts are onerous contracts.

As a result of an increase in market prices of electrical power in Sweden, indicators of impairment were identified and impairment charges of NOKt 9 533 (2020: NOKt 180 540) were recognised at 31 March 2021 to the fixed price customer contracts related to Swedish customers. For fixed price customer contracts related to customers in Finland, there has been an opposite effect, leading to a reduction of the provision for onerous contracts of NOKt 18 655 (2020: increased provision of NOKt 71 023).

The price risk related to fixed price customer contracts are hedged with portfolios of power derivatives, recognised as derivative financial instruments and measured at fair value through profit and loss (the group does not apply hedge accounting).

Of changes in fair value of derivative financial instruments in Q1 2021, net unrealised losses of NOKt 5 825 (2020: gain of NOKt 314 869) relates to these portfolios of power derivatives, and gains of NOKt 11 214 (2020: NOKt 16 670) relates to the groups other portfolios of power derivatives.

The net effect of impairment (negative NOKt 9 533), provisions for onerous fixed price customer contracts (positive NOKt 18 655), and the change in fair value of the corresponding portfolios of hedging contracts, is a net income/gain of NOKt 4 739 in Q1 2021 (2020: NOKt 8 371). This net effect is mainly caused by imbalance between the portfolios of customer contracts, and the corresponding portfolios of hedging contracts.

## Note 5 Income tax

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Profit before tax	161 011	235 754	513 667
Tax expense	(27 368)	(52 084)	(113 604)
Average tax rate	17,0 %	22,1 %	22,1 %
Tax payable	28 960	54 528	127 032
Adjustments to prior years tax payable	(4 914)	-	4 734
Change in deferred tax	3 322	(2 444)	(18 162)
<b>Tax expense recognised in statement of profit or loss</b>	<b>27 368</b>	<b>52 084</b>	<b>113 604</b>

## Note 6 Earnings per share

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

### Basic earnings per share

	Q1 2021	Q1 2020	Full year 2020
Profit/(loss) attributable to equity holders of the company *	133 643	183 670	400 063
Total comprehensive income attributable to equity holders of the company *	115 706	157 646	381 790
Total number of ordinary shares in issue	114 281 800	104 572 216	114 281 800
Weighted average number of ordinary shares in issue	114 281 800	104 532 527	107 200 552
<b>Earnings per share in NOK</b>	<b>1,17</b>	<b>1,76</b>	<b>3,73</b>
<b>Total comprehensive income per share in NOK</b>	<b>1,01</b>	<b>1,51</b>	<b>3,56</b>

Share options	1 520 000	1 164 000	1 190 000
<b>Diluted earnings per share in NOK</b>	<b>1,15</b>	<b>1,74</b>	<b>3,69</b>

<b>Dividend per share in NOK</b>	<b>-</b>	<b>-</b>	<b>3,00</b>
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\*NOK in thousands

The change in share options from December 2020 is due to extension of the share option program with one extra year (a total of 330 000 new share options).

## Note 7 Intangible assets

Non-current intangible assets								
Q1 2021								
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 2021	297 473	9 063	770 256	243 640	147 531	1 467 964	1 442 849	2 910 813
Additions - Purchase	81	12 753	-	-	-	12 834	-	12 834
Additions - Internally generated	123	461	-	-	-	584	-	584
Transferred from construction in progress	2 632	(2 632)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(211)	(10)	(11 355)	(13 038)	(1 895)	(26 509)	(18 169)	(44 678)
<b>Accumulated cost 31 March 2021</b>	<b>300 098</b>	<b>19 635</b>	<b>758 901</b>	<b>230 602</b>	<b>145 636</b>	<b>1 454 872</b>	<b>1 424 680</b>	<b>2 879 552</b>
Acc. depreciation and impairment 1 Januar 2021	(1 98 820)	-	(149 408)	(232 787)	(17 383)	(598 398)	-	(598 398)
Depreciation for the period	(10 668)	-	(43 510)	-	(6 997)	(61 175)	-	(61 175)
Impairment for the period*	-	-	-	(9 533)	-	(9 533)	-	(9 533)
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(29)	-	716	11 719	-	12 406	-	12 406
<b>Acc. depreciation and impairment 31 March</b>	<b>(209 518)</b>	<b>-</b>	<b>(192 201)</b>	<b>(230 602)</b>	<b>(24 380)</b>	<b>(656 701)</b>	<b>-</b>	<b>(656 701)</b>
<b>Carrying amount 31 March 2021</b>	<b>90 581</b>	<b>19 635</b>	<b>566 700</b>	<b>-</b>	<b>121 256</b>	<b>798 173</b>	<b>1 424 680</b>	<b>2 222 853</b>

\*Fixed price customer contracts are depreciated systematically over the remaining life of these contracts (up to five years) using a pattern that reflects how the acquisition value of the contracts are distributed over these contract periods (cost model in IAS 38). Refer note 4 for more information regarding impairment of fixed price customer contracts.

**Note 7**  
**Intangible assets**

<b>Non-current intangible assets</b>								
<b>Q1 2020</b>								
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 2020	213 393	15 147	170 805	-	13 903	413 249	166 696	579 945
Additions - Purchase	-	13 240	1 081	-	-	14 321	-	14 321
Additions - Internally generated	454	304	-	-	-	758	-	758
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	4 761	(4 761)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals*	-	(10 000)	-	-	-	(10 000)	-	(10 000)
Currency translation differences	-	-	-	-	-	-	-	-
<b>Accumulated cost 31 March 2020</b>	<b>218 609</b>	<b>13 929</b>	<b>171 886</b>	<b>-</b>	<b>13 903</b>	<b>418 328</b>	<b>166 696</b>	<b>585 024</b>
Accumulated depreciation 1 January 2020	(144 240)	-	(81 281)	-	(9 189)	(234 710)	-	(234 710)
Depreciation for the period	(8 581)	-	(7 351)	-	(873)	(16 805)	-	(16 805)
Impairment for the period	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
<b>Accumulated depreciation 31 March 2020</b>	<b>(152 821)</b>	<b>-</b>	<b>(88 632)</b>	<b>-</b>	<b>(10 062)</b>	<b>(251 515)</b>	<b>-</b>	<b>(251 515)</b>
<b>Carrying amount 31 March 2020</b>	<b>65 787</b>	<b>13 929</b>	<b>83 258</b>	<b>-</b>	<b>3 842</b>	<b>166 816</b>	<b>166 696</b>	<b>333 512</b>

\* Disposal of NOKt 10 000 relates to sale of asset to the associated company Metzum AS.



## Note 7 Intangible assets

Non-current intangible assets								
Full year 2020								
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 2020	213 393	15 147	170 805	-	13 903	413 249	166 696	579 945
Additions - Purchase	204	61 598	338	-	-	62 139	-	62 139
Additions - Internally generated	2 628	-	-	-	-	2 628	-	2 628
Additions from business combinations	21 760	3 049	601 782	245 664	133 876	1 006 131	1 278 400	2 284 530
Transferred from construction in progress	59 649	(59 649)	-	-	-	-	-	-
Disposals***	(123)	(11 082)	-	-	-	(11 205)	-	(11 205)
Currency translation differences	(37)	-	(2 668)	(2 025)	(248)	(4 978)	(2 246)	(7 224)
<b>Accumulated cost 31 December 2020</b>	<b>297 473</b>	<b>9 063</b>	<b>770 256</b>	<b>243 640</b>	<b>147 531</b>	<b>1 467 964</b>	<b>1 442 849</b>	<b>2 910 813</b>
Acc. depreciation and impairment 1 Januar 2020	(144 240)	-	(81 281)	-	(9 189)	(234 710)	-	(234 710)
Depreciation for the year	(37 668)	-	(68 159)	(52 910)	(8 194)	(166 931)	-	(166 931)
Impairment for the year**/**	(16 930)	-	-	(180 540)	-	(197 470)	-	(197 470)
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	18	-	31	663	-	712	-	712
<b>Acc. depreciation and impairment 31 December</b>	<b>(198 820)</b>	<b>-</b>	<b>(149 408)</b>	<b>(232 787)</b>	<b>(17 383)</b>	<b>(598 398)</b>	<b>-</b>	<b>(598 398)</b>
<b>Carrying amount 31 December 2020</b>	<b>98 653</b>	<b>9 063</b>	<b>620 851</b>	<b>10 852</b>	<b>130 149</b>	<b>869 568</b>	<b>1 442 849</b>	<b>2 312 418</b>

\*Through the acquisition of Troms Kraft Strøm AS in November 2020, a portfolios of fixed price customer contracts were acquired. These fixed price customer contracts are depreciated systematically over the remaining life of these contracts (up to five years) using a pattern that reflects how the acquisition value of the contracts are distributed over these contract periods (cost model in IAS 38). Refer note 4 for more information regarding impairment of fixed price customer contracts.

\*\* As part of the business combination where the group acquired Innlandskraft AS in September 2020, the group acquired Software at total NOKt 21 760. In Q4 2020 the group decided that some of this software will not be of use to the group going forward, thus an impairment of NOKt 16 930 has been recognised.

\*\*\* Disposals of NOKt 10 000 relates to sale of asset to the associated company Metzsum AS.

## Note 8

### Trade receivables

#### 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 to 60 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). 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 and an analysis of whether the customer is an active customer to whom the Group continues to supply goods and services to or has ceased purchasing good or services from the Group. 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.

To account for Covid-19 effects the Group made an additional loss allowance provision of NOKt 10 800 in 2020. After an updated assessment of credit risk due to Covid-19 in the first quarter of 2021, the additional loss allowance provision has been reduced to NOKt 5 400 in Q1 2021. There has been no other changes in the estimation techniques or significant assumptions made during the current and prior reporting periods.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one years past due, whichever occurs earlier. The trade receivables that have been written off are still subject to collection processes.

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

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Gross nominal amount	2 379 079	960 713	1 582 007
Loss allowance provision	(99 096)	(92 820)	(105 080)
<b>Trade receivables, net</b>	<b>2 279 982</b>	<b>867 893</b>	<b>1 476 927</b>

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS:

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Loss allowance provision, opening balance	105 080	75 837	75 837
Additions from business combinations	-	-	7 778
Change in loss allowance recognised in profit or loss for the period	(5 677)	16 984	21 594
Currency translation difference	(307)	-	(129)
<b>Loss allowance provision, balance at end of period</b>	<b>99 096</b>	<b>92 820</b>	<b>105 080</b>

The movement in lifetime ECL in the first quarter is mainly due to reduction of the additional loss allowance provision related to Covid-19.

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

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Receivables written off	984	1 171	6 998
Movement in provision for impairment	(5 677)	16 984	21 594
Received payment on previously written off receivables	(3 632)	(1 059)	(5 878)
<b>Net impairment expense recognised on trade receivables</b>	<b>(8 325)</b>	<b>17 095</b>	<b>22 713</b>

## 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. The Group does not apply hedge-accounting, all financial electricity derivatives are measured at fair value through profit and loss.

The group has the following derivative financial instruments:

NOK in thousands	31 March 2021	31 March 2020	31 December 2020
<b>Current assets</b>			
Electricity Forwards with Statkraft	51 555	-	66 843
Electricity Options with Statkraft	-	-	242
Electricity Forwards with customers	84 173	346 868	119 654
Electricity Options with customers	2 785	4 033	6 435
Other derivatives	-	-	-
<b>Total current assets - Derivative financial instruments</b>	<b>138 514</b>	<b>350 901</b>	<b>193 175</b>
<b>Current liabilities</b>			
Electricity Futures with Nasdaq OMX	-	-	13 755
Electricity Forwards with Statkraft	3 821	131 976	18 449
Electricity Options with Statkraft	8 388	6 615	7 018
Electricity Forwards with customers	39 660	199 129	70 363
Electricity Options with customers	77	-	451
Other derivatives	1 775	-	581
<b>Total current liabilities - Derivative financial instruments</b>	<b>53 722</b>	<b>337 719</b>	<b>110 616</b>

## 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 that are recognised and measured at fair value in the financial statements. Changes in fair value are recognised through other gains and losses, net in the consolidated statement of profit or loss. 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	Level 1	Level 2	Level 3	Total
<b>At 31 March 2021</b>				
NOK in thousands				
<b>Financial assets</b>				
Derivative financial instruments	-	111 960	26 554	138 514
<b>Total financial assets at fair value</b>	<b>-</b>	<b>111 960</b>	<b>26 554</b>	<b>138 514</b>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>At 31 March 2021</b>				
NOK in thousands				
<b>Financial liabilities</b>				
Derivative financial instruments	-	33 209	20 512	53 722
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>33 209</b>	<b>20 512</b>	<b>53 722</b>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>At 31 March 2020</b>				
NOK in thousands				
<b>Financial assets</b>				
Derivative financial instruments	-	227 964	122 937	350 901
<b>Total financial assets at fair value</b>	<b>-</b>	<b>227 964</b>	<b>122 937</b>	<b>350 901</b>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>At 31 March 2020</b>				
NOK in thousands				
<b>Financial liabilities</b>				
Derivative financial instruments	-	220 554	117 166	337 719
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>220 554</b>	<b>117 166</b>	<b>337 719</b>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>				
NOK in thousands				
<b>Financial assets</b>				
Derivative financial instruments	-	131 045	62 130	193 175
<b>Total financial assets at fair value</b>	<b>-</b>	<b>131 045</b>	<b>62 130</b>	<b>193 175</b>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>				
NOK in thousands				
<b>Financial liabilities</b>				
Derivative financial instruments	-	96 045	14 571	110 616
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>96 045</b>	<b>14 571</b>	<b>110 616</b>

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**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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. Changes in assets and liabilities measured at fair value based on level 3 during the year are presented in the tables below.

**Valuation techniques used to determine fair values**

Specific valuation techniques used to value derivative financial instruments include present value of future cash flows, based on forward prices from Nasdaq OMX 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 forward contracts and option contracts associated with purchase and sale of electricity. Key inputs to the valuation are discount rates, contract- and market prices. Level 3 inputs consists of a) expected power price in price areas Bergen and

Kristiansand, and b) expected power price on contracts with maturity more than five years from the reporting date, as the marked for corresponding forward contracts is considered illiquid.

The fair value of cash and cash equivalents, trade receivables, other non-current financial assets and trade and other payables approximate their carrying value.

## Note 9

### Derivatives and fair value measurement of financial instruments

#### Assets and liabilities measured at fair value based on level 3

##### At 31 March 2021

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 January 2021	62 130	14 571	47 559
Additions or derecognitions	-	(2 821)	2 821
Unrealised changes in value recognised in profit and loss	(35 576)	8 763	(44 339)
<b>Closing balance 31 March 2021</b>	<b>26 554</b>	<b>20 512</b>	<b>6 041</b>
<b>Net realised gain (+) / loss (-) recognised in profit and loss Q1 2021</b>			<b>36 041</b>

##### At 31 March 2020

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 January 2020	28 399	24 220	4 179
Additions or derecognitions	(231)	(1 296)	1 065
Unrealised changes in value recognised in profit and loss	94 768	94 242	527
<b>Closing balance 31 March 2020</b>	<b>122 937</b>	<b>117 166</b>	<b>5 771</b>
<b>Net realised gain (+) / loss (-) recognised in profit and loss Q1 2020</b>			<b>2 161</b>

##### At 31 December 2020

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 January 2020	28 399	24 220	4 179
Additions or derecognitions	(2 087)	(7 422)	5 335
Unrealised changes in value recognised in profit and loss	35 818	(2 227)	38 045
<b>Closing balance 31 December 2020</b>	<b>62 130</b>	<b>14 571</b>	<b>47 559</b>
<b>Net realised gain (+) / loss (-) recognised in profit and loss 2020</b>			<b>(9 456)</b>

#### Sensitivity analysis of factors classified to level 3

NOK in thousands	10 % reduction	10 % increase
Net effect from power prices	(8 791)	14 291

#### Fair value of other financial instruments

The Group also has financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. There has not been identified any significant difference between fair value and carrying amount at 31 March 2021.

## Note 10

### Credit facilities

#### Long term debt

NOK in thousands	Effective interest rate	31 Mar 2021	31 Mar 2020	31 Dec 2020
Term loan DNB	NIBOR 3 months + 1,35 %	-	180 700	-
Term loan DNB	NIBOR 3 months + 1,75 %	890 150	-	913 575
<b>Total</b>		<b>890 150</b>	<b>180 700</b>	<b>913 575</b>

#### Credit facilities agreement

In September 2020 Fjordkraft entered into a new facilities agreement with DNB, which 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 1 000 000 overdraft facility

#### The term loan - NOKt 1 000 000 - The acquisition facility

Fjordkraft may draw upon the term loan facility until 31 October 2021. The termination date of the loan is in September 2023, though Fjordkraft has the option to extend the termination date by two periods of twelve months. Each term loan drawn upon the facility is to be repaid in quarterly repayments of 2,5 % of the original amount of the term loan, with the remainder being repaid in full on the termination date. The reference interest rate is NIBOR.

NOKt 460 000 was drawn upon this facility in September 2020, in order to repay the former term loan, and to partly finance the acquisition of Innlandskraft AS. In November 2020 additional NOKt 477 000 was drawn upon the facility in order to partly finance the acquisition of Troms Kraft Strøm AS. Quarterly instalments of NOKt 23 425 was repaid in December 2020 and in March 2021. At 31 March 2021 the remaining term loan principal balance is NOKt 890 150.

The loan instalments of NOKt 93 700 that are due the next twelve months have been reclassified from interest-bearing long term debt to interest-bearing short term debt, which is included in other current liabilities in the balance sheet.

#### The revolving credit facility - NOKt 500 000 - The RCF

The revolving credit facility is available up until one month before the termination date. The termination date is in September 2023, though Fjordkraft has the option to extend the termination date by two periods of twelve months. Any drawings for the purpose of financing permitted acquisitions shall be converted into term loan drawings with the same repayment profile as the acquisition facility, and amounts so converted shall not be available for re-drawing.

The group has not made any drawings and/or repayments on this facility in Q1 2021. At 31 March 2021 the total revolving credit facility of NOKt 500 000 is undrawn.

#### The guarantee facility - NOKt 2 250 000

The purpose of the guarantee facility is the issuance of guarantees and letters of credit for the general corporate and working capital purpose of the group, hereunder guarantees related to re-invoicing agreements with grid owners, property rental agreements and so on. The termination date of the guarantee facility is in September 2023, though Fjordkraft has the option to extend the termination date by two periods of twelve months.

At 31 March 2021 guarantees of total NOKt 2 099 900 are issued under the guarantee facility.

#### The overdraft facility - NOKt 1 000 000

The overdraft facility is available one year from the agreement date in September 2020, and it will be renewed for another year unless Fjordkraft requests otherwise. This overdraft facility replaces the previous overdraft facility of NOKt 1 000 000 with DNB.

At 31 March 2021 a total of NOKt 472 648 are drawn upon the overdraft facility.

#### Security

The groups trade receivables has been pledged as security for all credit facilities under the new facilities agreement.

#### Transactions costs

Transactions costs of NOKt 8 577 related to establishing the new Term loan facility are recognised as part of amortised cost of the Term loan. Transaction costs related to establishing the The RCF, The guarantee facility, and the overdraft facility of a total NOKt 15 980, are amortised on a straight line basis over the period from establishing the facilities to the termination date.

#### 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 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.

Fjordkraft is in compliance with the covenant at the end of this reporting period.

## Note 11 Other current liabilities

NOK in thousands	Note	31 March 2021	31 March 2020	31 December 2020
El-certificate cancellation liabilities		8 138	26 290	87 514
Accrued power purchase		98 909	29 213	76 549
Provisions for onerous contracts	4	50 948	-	78 515
Prepayments from customers		64 382	72 729	119 631
Installments on long term loan due within 12 months	10	93 700	55 600	93 700
Payroll liabilities		58 915	36 696	44 059
Unsettled part of consideration for business combinations		48 812	-	48 812
Other current liabilities		24 299	35 284	40 798
<b>Total other current liabilities</b>		<b>448 103</b>	<b>255 812</b>	<b>589 578</b>

## Note 12 Related party transactions

Per 31 March 2021, the Group's related parties include major shareholders, Board of Directors, associated company and key management. The Board of Directors include a representative from BKK AS. BKK AS and subsidiaries are therefore considered to be related parties. The following transactions were carried out with related parties (NOK in thousands):

### Income from related parties

Related party	Relation	Purpose of transactions	Q1 2021	Q1 2020	Full year 2020
BKK AS and subsidiaries	Major shareholder	Sale of electrical power	23 443	6 369	21 707

Sale of electrical power in some cases includes reinvoiced grid.

### Expenses to related parties

Related party	Relation	Purpose of transactions	Q1 2021	Q1 2020	Full year 2020
BKK AS and subsidiaries	Major shareholder	Purchase of electrical power	4 312	2 569	10 573
BKK AS and subsidiaries	Major shareholder	Purchase of other services	6 745	6 627	25 925
Metzum AS	Associated company	Purchase of other services	10 568	3 114	21 191

Other services consists of payroll expenses, IT, office expenses and customer service.



## Note 12

### Related party transactions

#### Purchase of assets

Related party	Relation	Purpose of transactions	Q1 2021	Q1 2020	Full year 2020
BKK AS and subsidiaries	Major shareholder	Purchase of customer portfolio	-	73	539
Metzum AS	Associated company	Research and development	3 402	6 705	20 012

#### Distributions to related parties

Related party	Relation	Purpose of transactions	Q1 2021	Q1 2020	Full year 2020
BKK AS	Major shareholder	Dividend	-	-	47 799

#### Current receivables from related parties

Related party	Relation	Purpose of transactions	31 March 2021	31 March 2020	Full year 2020
BKK AS and subsidiaries	Major shareholder	Sale of electrical power	6 409	483	2 382

#### Current liabilities to related parties

Related party	Relation	Purpose of transactions	31 March 2021	31 March 2020	Full year 2020
BKK AS and subsidiaries	Major shareholder	Purchase of other services	-	375	824
Metzum AS	Associated company	Research and development	1 342	4 313	3 215

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

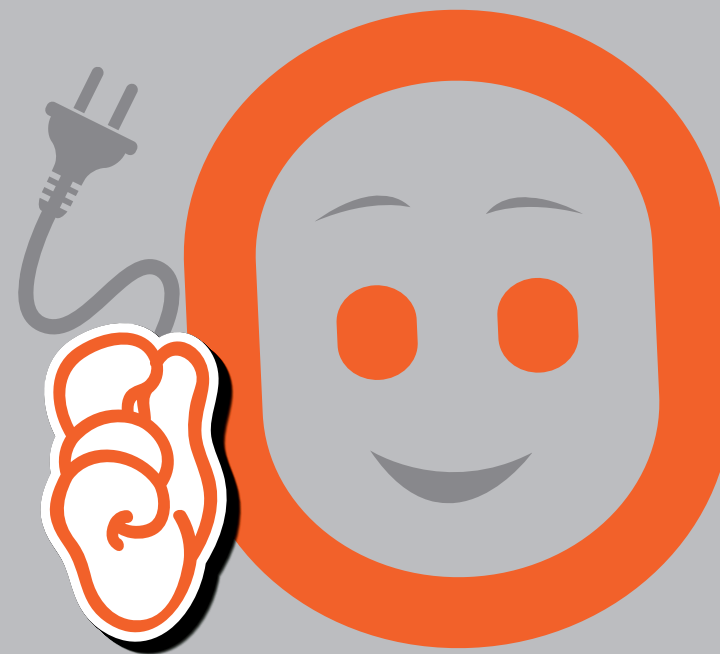
## Note 13

### Events after the reporting period

The annual general meeting of Fjordkraft Holding ASA was held on 21 April 2021. The proposed dividend of NOK 3.50 per share, corresponding to NOKt 399 986 was approved by the general meeting.

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 3rd of 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:

- *Estimate deviations from previous years:* 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
- *Other gains and losses, net:* Consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment & change in provision for onerous contracts:* Consist of impairment of intangible

assets and changes in provision for onerous contracts related to fixed price customer contracts

- *Special items:* Items that are not part of the ordinary business, such as acquisition related costs and launch of new services
- *Depreciation of acquisitions:* Depreciation related to customer portfolios and acquisitions of companies. The Group has decided to report the operating profit of the segments adjusted for depreciation of acquisitions

**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:

- *Estimate deviations from previous years:* 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
- *Other gains and losses, net:* Consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment & change in provision for onerous contracts:* Consist of impairment of intangible assets and changes in provision for onerous contracts related to fixed price customer contracts
- *Special items:* items that are not part of the ordinary business, such as acquisition related costs and launch of new services

## Alternative performance measures

**Gross revenue** is equivalent to *Revenue* as stated in the statement of profit or loss.

**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 liabilities deducted 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:

- *Estimate deviations from previous years:* A large proportion of the Group's final settle-

ment 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

- *Other special revenue adjustments:* which represents non-recurring income which is recognised in the profit or loss for the period

**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, 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, lease liability - short term, and other current liabilities. First year instalments related to long term debt from acquisition is classified as interest bearing debt.

**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.

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Alternative performance measures

**Financial statements with APM's**

Reported amounts:

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
Operating income	4 062 952	1 310 256	4 214 727
Cost of sales	(3 553 371)	(828 855)	(2 647 005)
<b>Net revenue</b>	<b>509 581</b>	<b>481 402</b>	<b>1 567 722</b>
Personnel expenses	(111 493)	(78 596)	(328 485)
Other operating expenses	(131 246)	(124 593)	(471 938)
<b>Operating expenses</b>	<b>(242 739)</b>	<b>(203 189)</b>	<b>(800 422)</b>
Impairment & change in provision for onerous contracts	9 122	-	(268 493)
Other gains and losses, net	5 388	1 906	331 539
<b>EBITDA</b>	<b>281 352</b>	<b>280 119</b>	<b>830 346</b>
Depreciation & amortisation	(99 774)	(48 748)	(305 174)
<b>EBIT reported (Operating profit)</b>	<b>181 577</b>	<b>231 371</b>	<b>525 172</b>
Net financials	(20 566)	4 382	(11 505)
<b>Profit/ (loss) before taxes</b>	<b>161 011</b>	<b>235 754</b>	<b>513 667</b>
Taxes	(27 368)	(52 084)	(113 604)
<b>Profit/ (loss) for the period</b>	<b>133 643</b>	<b>183 670</b>	<b>400 063</b>
<b>EBIT reported margin</b>	<b>36%</b>	<b>48%</b>	<b>33%</b>

## Alternative performance measures

### Adjusted amounts:

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
<b>Net revenue</b>	<b>509 581</b>	<b>481 402</b>	<b>1 567 722</b>
Adjustment: (Positive/ negative estimate deviations previous year)	-	-	(22 521)
Special items*	-	-	(1 716)
<b>Net revenue adjusted</b>	<b>509 581</b>	<b>481 402</b>	<b>1 543 486</b>
<b>EBITDA</b>	<b>281 352</b>	<b>280 119</b>	<b>830 346</b>
Adjustment: (Positive/ negative estimate deviations previous year)	-	-	(22 521)
Impairment & change in provision for onerous contracts	(9 122)	-	268 493
Other gains and losses	(5 388)	(1 906)	(331 539)
Special items*	(2 354)	-	34 694
<b>EBITDA adjusted (before unallocated and estimate deviations)</b>	<b>264 488</b>	<b>278 213</b>	<b>779 472</b>
<b>EBIT reported (Operating profit)</b>	<b>181 577</b>	<b>231 371</b>	<b>525 172</b>
Adjustment: (Positive/ negative estimate deviations previous year)	-	-	(22 521)
Impairment & change in provision for onerous contracts	(9 122)	-	268 493
Other gains and losses	(5 388)	(1 906)	(331 539)
Special items*	(2 354)	-	40 497
Part of depreciation related to acquisitions	50 575	8 177	128 175
<b>EBIT adjusted (before unallocated and estimate deviations)</b>	<b>215 288</b>	<b>237 642</b>	<b>608 276</b>
<b>EBIT margin adjusted</b>	<b>42%</b>	<b>49%</b>	<b>39%</b>

\* Special items consists of the following:

NOK in thousands	Q1 2021	Q1 2020	Full year 2020
- acquisition related costs and implementation costs	(7 485)	-	(21 579)
- income related to compensatory damages	-	-	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	-	(14 889)
- gain from sale of trade receivables previously impaired	3 387	-	-
<b>Special items</b>	<b>2 354</b>	<b>-</b>	<b>(40 497)</b>

## Alternative performance measures

### Other financial APM's

#### Net interest bearing debt (cash)

NOK thousands	31 Mar 2021	31 Mar 2020	31 Dec 2020
Interest-bearing long term debt	789 260	125 100	812 808
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	7 190	-	7 067
Reclassification of first year instalments long term debt	93 700	55 600	93 700
Overdraft facilities	472 648	-	29 400
Cash and cash equivalents	(561 092)	(691 735)	(599 348)
<b>Net interest bearing debt (cash)</b>	<b>801 707</b>	<b>(511 035)</b>	<b>343 626</b>

#### Financial position related APM's

NOK thousands	Q1 2021	Q1 2020	Full year 2020
Net working capital	542 463	217 540	(105 875)
OpFCF before tax and change in NWC	196 573	240 911	577 266
Capex excl. M&A	14 709	13 998	64 926

### Non-financial APM's

#### Deliveries

Numbers in thousands	Q1 2021	Q1 2020	Full year 2020
Electrical deliveries Consumer segment	736	542	755
Electrical deliveries Business segment	109	79	107
Electrical deliveries Nordic segment	161	-	164
<b>Total number of electrical deliveries *</b>	<b>1 006</b>	<b>621</b>	<b>1 027</b>

Number of mobile subscriptions	135	110	132
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\* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 065 thousand in Q1 2021.

Volume in GWh	Q1 2021	Q1 2020	Full year 2020
Consumer segment	3 735	2 328	8 144
Business segment	2 635	1 826	6 275
Nordic segment	1 005	-	497
<b>Total volume</b>	<b>7 376</b>	<b>4 154</b>	<b>14 916</b>