

Q4 2022
Quarterly report

Elmera Group



Q4 Highlights

- Group net revenue of 372 NOKm and EBIT adj. of 28 NOKm. Volatile elspot prices and customer migration led to losses on variable contracts in the Consumer segment in the quarter.
- Solid customer growth in the quarter with more than 20 000 new deliveries in the Consumer segment.
- Continued strong performance in the Business segment, with all time high pipeline into 2023.
- Loss in the Nordic segment due to residual profile costs – significant YoY improvement and in line with guidance from Q3.
- Strategic cooperation with Telia on mobile customers – positively affecting profitability.
- Proposed dividend: NOK 1,50 per share.

Key figures Q4

Revenue			
NOK in thousands	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022
Revenue adjusted	8 764 966	6 183 943	26 806 277
Direct cost of sales adjusted	(8 393 190)	(5 733 192)	(25 095 275)
Net revenue adjusted	371 776	450 751	1 711 002
Personnel and other operating expenses adjusted	(276 131)	(236 810)	(993 315)
Depreciation and amortisation adjusted	(68 141)	(58 051)	(257 633)
Total operating expenses adjusted	(344 272)	(294 861)	(1 250 948)
Operating profit adjusted	27 504	155 889	460 054
Acquisition related costs	-	-	-
Other one- off items	(2 660)	-	(2 660)
Unallocated revised net revenue	-	(43 444)	-
Depreciation of acquisitions	(32 972)	(45 830)	(132 323)
Estimate deviations	(4 472)	2 153	(4 472)
Unrealised gains and losses on derivatives	(2 566 865)	460 230	(47 791)
Change in provisions for onerous contracts	2 636 891	(438 247)	39 256
Impairment of intangible assets and cost to obtain contracts	(39 282)	-	(39 282)
Operating profit (EBIT)	18 141	90 751	272 781

Losses due to volatile elspot prices and customer migration

Elspot prices have been highly volatile in Norway in the quarter. This has been especially notable in Central and Northern Norway, where supply conditions in Sweden have led to an unprecedented price increase in December.

Pursuant to a regulatory change from 1 November, variable contracts have a mandatory 30-day notification period for price increases. However, as customers have no corresponding binding period, future delivery volumes have become less predictable in phases with high price volatility and shifts in consumer preferences.

Elmera Group has assisted customers in migrating from variable to spot contracts and has experienced a significant shift toward spot contracts in Q4. At year-end, variable contract customers represent 11% of the Consumer segment, down from approximately 27% at the beginning of Q4.

In order to manage price risk in the variable contract portfolio, the Group enters into forward contracts on parts of the estimated delivery volume. With decreasing elspot prices through October and November, the value of the forward contracts for the variable products these months was negative. Due to significant product migration, the remaining variable contract volume was not sufficient to absorb the negative impact from hedges. In addition, the rapidly increasing prices in December has had a negative margin impact on the remaining unhedged volumes on variable contracts.

The Group has stopped sale of variable contracts and have initiated a soft phase-out strategy for the product. The reduction in the variable contract portfolio through Q4 reduces the margin risk associated with the product category going forward.

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

Consumer

Number of electricity deliveries in the Consumer segment increased by 21 thousand deliveries in the quarter, to 685 thousand deliveries. Volume sold was 2 327 GWh, an increase of 10% from Q4 2021.

Adjusted net revenue amounted to 153 NOKm (326 NOKm), adjusted operating expenses amounted to 193 NOKm (197 NOKm) and EBIT adj. amounted to -40 NOKm (129 NOKm). The extreme market volatility and product migration has negatively affected all brands in the Group.

Business

At the end of the quarter, the Business segment comprised 120 thousand electricity deliveries, an increase of 3 thousand deliveries from last quarter, and the pipeline into 2023 is at an all-time high. The volume sold in the quarter was 1 987 GWh, a decrease of 3% from Q4 2021.

Adjusted net revenue amounted to 169 NOKm (143 NOKm), adjusted operating expenses

amounted to 69 NOKm (50 NOKm) and EBIT adj. amounted to 100 NOKm (93 NOKm).

Nordic

The Nordic segment's customer portfolio decreased by 13 thousand deliveries in the quarter. Volume sold was 740 GWh in the quarter, a decrease of 20% from Q4 2021.

Adjusted net revenue amounted to 18 NOKm, adjusted operating expenses to 53 NOKm and EBIT adjusted amounted to -35 NOKm, driven by increased profile costs on fixed price contracts. This is a significant improvement from Q4 2021, supported by the sales stop of fixed price contracts with profile risk.

New Growth Initiatives

At the end of the quarter, the number of mobile subscribers was 144 thousand, which is stable from last quarter.

Alliance volume in the quarter was 1 216 GWh, which is a 12% YoY decrease. The Extended Alliance deliveries decreased by 5 thousand in the quarter, as one partner was part in merger into a vertically integrated company.

Adjusted net revenue in the New Growth Initiatives segment amounts to 32 NOKm, a YoY increase of 6 NOKm. Adjusted operating expenses amounted to 29 NOKm (21 NOKm), while EBIT adjusted amounted to 3 NOKm (5 NOKm).

Financials

Gross revenue amounted to 8 518 NOKm (6 205 NOKm), an increase of 37%, due to higher elspot prices.

Adjusted net revenue amounted to 372 NOKm (451 NOKm), a decrease of 18% YoY.

Adjusted operating expenses amounted to 344 NOKm (295 NOKm).

Adjusted EBIT amounted to 28 NOKm (156 NOKm), a decrease of 82% YoY due to the factors described above.

Net financial income amounted to -71 NOKm (-29 NOKm).

Profit for the period amounted to -44 NOKm (33 NOKm) in the quarter due to the factors described above.

Consolidated cash flow

Net cash generated from operating activities was -54 NOKm (247 NOKm). Net cash used in investing activities was -2 NOKm (-82 NOKm). Net cash used in financing activities was NOK -101 NOKm (-116 NOKm).

Financial position

The total capital as of 31.12.2022 was 14 372 NOKm (10 117 NOKm).

Events after the reporting period

The Board of Directors has in the Board Meeting on 15 February 2023 proposed a dividend to the shareholders of NOK 1,50 per share. The proposed dividend is subject to approval by the general meeting.

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

Risks and uncertainties

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

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

The volume of fixed price contracts with profile risk is significantly reduced as from Q2 2023.

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

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

Outlook

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

Condensed interim financial statements

Condensed consolidated statement of profit or loss

NOK in thousands	Note	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full Year 2022	Full Year 2021 <i>Restated</i>
Continuing operations						
Revenue	2,3	6 210 748	8 517 949	6 204 995	25 521 514	15 075 445
Direct cost of sales	2,4	(5 883 451)	(8 080 624)	(5 773 545)	(23 823 519)	(13 357 147)
Personnel expenses	2	(109 598)	(124 062)	(106 538)	(421 029)	(409 123)
Other operating expenses	2	(128 592)	(154 728)	(130 280)	(574 946)	(488 517)
Depreciation and amortisation	2,7	(97 292)	(101 112)	(103 880)	(389 956)	(403 084)
Impairment of intangible assets and cost to obtain contracts	2,4,7	-	(39 282)	-	(39 282)	(9 762)
Operating profit		(8 184)	18 141	90 751	272 781	407 814
Income/loss from investments in associates and joint ventures		(548)	269	335	429	2 637
Interest income		4 819	10 973	3 245	26 952	12 801
Interest expense lease liability		(467)	(437)	(545)	(1 934)	(2 374)
Interest expense	12	(33 283)	(76 075)	(29 627)	(156 876)	(66 464)
Other financial items, net		(2 538)	(5 408)	(2 451)	(12 660)	(19 219)
Net financial income/(cost)		(32 018)	(70 677)	(29 043)	(144 089)	(72 619)
Profit/ (loss) before tax		(40 201)	(52 536)	61 707	128 692	335 195
Income tax (expense)/income	5	(14 449)	8 181	(29 160)	(54 845)	(78 166)
Profit/ (loss) for the period		(54 650)	(44 355)	32 547	73 847	257 029
Basic earnings per share (in NOK)	6	(0,50)	(0,41)	0,28	0,67	2,25
Diluted earnings per share (in NOK)	6	(0,50)	(0,40)	0,28	0,66	2,22

Condensed consolidated statement of comprehensive income

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full Year 2022	Full Year 2021 <i>Restated</i>
Profit/ (loss) for the period	(54 650)	(44 355)	32 547	73 847	257 029
Other comprehensive income/ (loss):					
Items which may be reclassified over profit or loss in subsequent periods:					
Hedging reserves (net of tax, note 10)	(72 838)	(24 242)	26 392	16 209	(71 347)
Currency translation differences	7 845	(11 441)	(22 227)	(756)	(56 574)
Total	(64 994)	(35 683)	4 165	15 454	(127 921)
Items that will not be reclassified to profit or loss:					
Actuarial gain/(loss) on pension obligations (net of tax)	39 647	(104 177)	27 021	3 610	17 577
Total	39 647	(104 177)	27 021	3 610	17 577
Total other comprehensive income/(loss) for the period, net of tax	(25 347)	(139 860)	31 184	19 064	(110 343)
Total comprehensive income/ (loss) for the period	(79 996)	(184 215)	63 731	92 911	146 686

Condensed consolidated statement of financial position

NOK in thousands	Note	30 September 2022 <i>Restated</i>	31 December 2022	31 December 2021 <i>Restated</i>
Assets:				
Non-current assets				
Deferred tax assets		35 695	34 990	35 092
Right-of-use assets property, plant and equipment		71 212	66 195	82 806
Property, plant and equipment		8 359	8 198	8 098
Goodwill	7	1 424 603	1 418 776	1 419 451
Intangible assets	7	593 490	558 325	694 630
Cost to obtain contracts		328 933	295 980	287 728
Investments in associates and joint ventures		13 965	14 234	13 805
Derivative financial instruments	9,10	1 963 853	1 863 551	348 745
Net plan assets of defined benefit pension plans	11	100 864	4 178	-
Other non-current financial assets		73 385	48 285	54 784
Total non-current assets		4 614 360	4 312 711	2 945 136
Current assets				
Intangible assets		12 061	763	7 518
Inventories		2 977	460	2 146
Trade receivables	8,14	4 590 741	7 551 433	5 183 128
Derivative financial instruments	9,10	7 630 070	2 370 117	1 634 021
Other current assets		104 828	66 025	38 847
Cash and cash equivalents		233 967	70 548	306 627
Total current assets		12 574 644	10 059 347	7 172 287
Total assets		17 189 004	14 372 058	10 117 423
Equity and liabilities:				
Equity				
Share capital		32 590	32 590	34 291
Share premium		993 294	993 294	992 094
Retained earnings		395 882	214 241	647 884
Total equity		1 421 766	1 240 126	1 674 269

**Condensed consolidated statement
of financial position**

NOK in thousands	Note	30 September 2022 <i>Restated</i>	31 December 2022	31 December 2021 <i>Restated</i>
Non-current liabilities				
Net employee defined benefit plan liabilities	11	62 937	79 780	93 837
Interest-bearing long term debt	12	651 879	629 169	720 009
Deferred tax liabilities		126 244	100 280	103 620
Lease liability - long term		53 779	49 477	65 259
Derivative financial instruments	9,10	1 422 976	1 492 743	240 622
Onerous contract provisions	4	1 922 579	784 239	337 135
Other provisions for liabilities		19 584	29 619	16 740
Total non-current liabilities		4 259 977	3 165 307	1 577 223
Current liabilities				
Trade and other payables	14	3 333 470	5 828 373	4 516 589
Overdraft facilities	12	606 852	534 112	-
Interest-bearing short term debt	12	275 000	275 000	-
Current income tax liabilities		67 793	50 506	94 283
Derivative financial instruments	9,10	4 512 690	1 692 584	721 854
Social security and other taxes		91 133	313 504	116 390
Lease liability - short term		21 030	20 284	21 055
Onerous contract provisions	4	1 799 596	285 336	751 893
Other current liabilities	13	799 694	966 927	643 868
Total current liabilities		11 507 260	9 966 625	6 865 932
Total liabilities		15 767 237	13 131 932	8 443 154
Total equity and liabilities		17 189 004	14 372 058	10 117 423

The Board of Elmera Group ASA. Beraen, 15 February 2023


Steinar Sørstebj
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	Treasury shares	Share premium	Hedging reserves	Foreign currency translation reserve	Retained earnings	Total
Balance at 31 December 2020 (As reported)	34 285	-	991 614	-	(11 201)	929 348	1 944 047
Prior period corrections (see note 15)	-	-	-	-	-	(20 873)	(20 873)
Balance at 1 January 2021 (Restated)	34 285	-	991 614	-	(11 201)	908 475	1 923 173
Profit/(loss) for the period (Restated)	-	-	-	-	-	257 029	257 029
Share-based payment	-	-	-	-	-	3 910	3 910
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(71 347)	(56 574)	17 577	(110 343)
Total comprehensive income/(loss) for the period incl. share-based payment	-	-	-	(71 347)	(56 574)	278 516	150 596
Share capital increase	6	-	480	-	-	-	486
Dividends paid	-	-	-	-	-	(399 986)	(399 986)
Transactions with owners	6	-	480	-	-	(399 986)	(399 500)
Balance at 31 December 2021 (Restated)	34 291	-	992 094	(71 347)	(67 775)	787 005	1 674 269
Balance at 1 January 2022	34 291	-	992 094	(71 347)	(67 775)	787 005	1 674 269
Profit/(loss) for the period	-	-	-	-	-	73 847	73 847
Share-based payment	-	-	-	-	-	4 790	4 790
Other comprehensive income/(loss) for the period, net of tax	-	-	-	16 209	(756)	3 610	19 064
Total comprehensive income/(loss) for the period incl. share-based payment	-	-	-	16 209	(756)	82 247	97 701
Share buyback	-	(1 715)	-	-	-	(131 112)	(132 827)
Share capital increase (note 6)	15	-	1 200	-	-	-	1 215
Dividends paid (note 6)	-	-	-	-	-	(400 231)	(400 231)
Transactions with owners	15	(1 715)	1 200	-	-	(531 343)	(531 843)
Balance at 31 December 2022	34 306	(1 715)	993 294	(55 137)	(68 531)	337 909	1 240 126

Condensed consolidated statement of cash flows

NOK in thousands	Note	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Operating activities						
Profit/(loss) before tax		(40 201)	(52 536)	61 707	128 692	335 195
<i>Adjustments for:</i>						
Depreciation	7	45 989	45 483	58 893	183 760	236 624
Depreciation right-of-use assets		4 982	4 978	5 061	20 303	19 687
Amortisation of cost to obtain contracts		46 321	50 651	39 927	185 893	146 773
Impairment of intangible assets and cost to obtain contracts	4,7	-	39 282	-	39 282	9 762
Interest income		(4 819)	(10 973)	(3 245)	(26 952)	(12 801)
Interest expense lease liability		467	437	545	1 934	2 374
Interest expense		33 283	76 075	14 588	156 876	66 464
Income/loss from investments in associates and joint ventures		548	(269)	(335)	(429)	(2 637)
Change in long-term receivables		(22 513)	24 317	(7 501)	25	(3 882)
Share-based payment expense		535	2 577	1 000	4 790	3 910
Change in post-employment liabilities		2 245	(20 031)	1 732	(13 607)	5 544
Payments to obtain a contract		(67 367)	(60 886)	(83 016)	(237 550)	(264 152)
<i>Changes in working capital (non-cash effect)</i>						
Impairment loss recognised in trade receivables	8	6 653	(25 250)	(4 853)	4 403	(57 666)
Provision for onerous contracts	4	1 067 974	(2 636 891)	(154 958)	(39 256)	1 019 479
Change in fair value of derivative financial instruments	4,9,10	(1 002 524)	2 562 251	132 968	12 182	(1 066 055)
<i>Changes in working capital</i>						
Inventories		1 048	2 517	3 686	1 686	251
Trade receivables	8	(2 035 092)	(2 945 692)	(3 159 071)	(2 385 823)	(3 667 407)
Purchase of el-certificates		(114)	(40)	271	(9 032)	(86 044)
Non-cash effect from cancelling el-certificates		-	1 060	-	9 394	85 898
Purchase of guarantees of origination		(1 550)	(285)	(2 418)	(29 494)	(11 206)
Non-cash effect from disposal of guarantees of origination		9 127	10 503	-	35 979	7 028
Other current assets		(115)	38 103	22 292	(26 609)	127 465
Trade and other payables		1 671 756	2 478 085	3 110 514	1 297 999	3 505 284
Other current liabilities	13	402 965	385 290	223 523	515 278	158 236
Cash generated from operations		119 599	(31 246)	261 312	(170 276)	558 125
Interest paid		(33 571)	(44 745)	(15 742)	(123 449)	(67 860)
Interest received		4 819	10 973	3 245	26 952	12 801
Income tax paid	5	(189)	6 561	(1 629)	(103 339)	(123 774)
Net cash from operating activities		90 659	(58 457)	247 187	(370 112)	379 293

**Condensed consolidated statement
of cash flows**

NOK in thousands	Note	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Investing activities						
Purchase of property, plant and equipment		(73)	(717)	(245)	(3 325)	(2 742)
Purchase of intangible assets	7	(8 616)	(12 333)	(38 021)	(41 007)	(83 225)
Proceeds from sale of intangible assets	7	-	-	-	-	-
Net cash outflow on acquisition of subsidiaries	13	-	-	(42 674)	-	(42 674)
Net cash outflow on acquisition of shares in associates		-	-	-	-	-
Net (outflow)/proceeds from non-current receivables		1 546	783	(1 492)	6 474	12 975
Net (outflow)/proceeds from other long-term liabilities		865	10 607	20	13 485	3 164
Net cash used in investing activities		(6 278)	(1 661)	(82 412)	(24 373)	(112 502)
Financing activities						
Proceeds from overdraft facilities	12	13 531	(72 741)	(87 178)	534 112	(29 400)
Proceeds from revolving credit facility	12	-	-	-	275 000	-
Repayment of revolving credit facility	12	-	-	-	-	-
Proceeds from issuance of shares		-	-	97	1 215	486
Dividends paid		-	-	-	(400 231)	(399 986)
Purchase of treasury shares		-	-	-	(132 827)	-
Proceeds from long term debt	12	-	-	-	-	-
Instalments of long term debt	12	(23 425)	(23 425)	(23 425)	(93 700)	(93 700)
Repayment of long term debt	12	-	-	-	-	-
Payment of lease liability		(4 994)	(4 962)	(5 448)	(20 245)	(19 095)
Net cash used in financing activities		(14 888)	(101 127)	(115 954)	163 324	(541 696)
Net change in cash and cash equivalents		69 492	(161 245)	48 821	(231 162)	(274 905)
Cash and cash equivalents at start of period		161 896	233 968	262 140	306 627	599 348
Effects of exchange rate changes on cash and cash equivalents		2 579	(2 173)	(4 333)	(4 918)	(17 816)
Cash and cash equivalents at end of period		233 968	70 548	306 627	70 548	306 627

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Note 1

Accounting policies

General information

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

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

These interim financial statements, which are unaudited, were approved by the Board of Directors for issue on 15 February 2023.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information as the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2021, 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 2021.

There are not any new or amended accounting standards or interpretations of which application is mandatory for reporting periods commencing 1 January 2022, 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 2021.

Comparative figures and reclassifications

The consolidated statements of profit or loss, comprehensive income, financial position, equity, cash flow and notes provide comparable information in respect of the previous period. See note 15 regarding restatement of comparative figures due to prior period adjustment requirements. In addition, the following changes have been made in comparative figures for Q4 2021 and full year 2021:

Note 1
Accounting policies***Presentation of interest compensation for extended credit days for electricity purchases***

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

Comparative figures have been reclassified to align with current presentation increasing Interest expense / decreasing Direct cost of sales with NOKt 15 039 and NOKt 23 882 in Q4 2021 and Full year 2021 respectively.

Presentation of unrealised gains and losses on derivative financial instruments in statement of profit or loss

Unrealised gains and losses on derivative financial instruments have previously been reported as Other gains and losses, net in the statement of profit or loss. From the annual report 2021 and going forward unrealised gains and losses on derivative financial instruments that are:

- customer contracts are presented as Revenue (Comparative figures have been reclassified to align with current presentation increasing (gains) / decreasing (loss) Revenue with NOKt 97 604 (gains) and NOKt -37 596 (losses) in Q4 2021 and Full year 2021 respectively), and

- hedging contracts are presented as Direct cost of sales (Comparative figures have been reclassified to align with current presentation decreasing (gains) / increasing (loss) Direct cost of sales with NOKt 387 073 (gains) and NOKt 1 126 064 (gains) in Q4 2021 and Full year 2021 respectively)

Presentation of changes in onerous contract provisions in statement of profit or loss

Changes in onerous contract provisions have previously been reported as part of Impairment and change in provision for onerous contracts in the statement of profit or loss. From the annual report 2021 and going forward changes in onerous contract provisions relating to contracts for the purchase and sale of electricity are presented as Direct cost of sales.

Comparative figures have been reclassified to align with current presentation increasing Direct cost of sales with NOKt 435 660 and NOKt 996 739 in Q4 2021 and Full year 2021 respectively.

Note 2

Segment information

Disaggregation of revenue from contracts with customers

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Board of Directors examines the Group's performance from a type of services perspective. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The Group's reportable segments under IFRS 8 - "Operating Segments" are therefore as follows:

- Consumer segment - Sale of electrical power and related services to private consumers in Norway.
- Business segment - Sale of electrical power and related services to business consumers in Norway.

- Nordic segment - Sale of electrical power and related services to consumers in Finland and Sweden.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. No operating segments have been aggregated in arriving at the reportable segments of the Group. The principal categories of customers are direct sales to private consumers, business consumers and alliance partners.

The segment profit measure is adjusted operating profit which is defined as operating profit earned by each segment without the allocation of: acquisition related costs and other one-off items, estimate deviations from previous periods, unallocated revised net revenue, unrealised gains and losses on derivatives, impairment of intangible assets, depreciation of acquisitions, and change in provisions for onerous contracts. This is

the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as the Group's accounting policies.

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

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

Note 2
Segment information

Q3 2022 <i>Restated</i>						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	2 724 345	2 946 842	486 843	6 158 030	102 249	6 260 279
Direct cost of sales adjusted	(2 487 446)	(2 839 366)	(435 878)	(5 762 690)	(73 850)	(5 836 540)
Net revenue adjusted	236 899	107 476	50 965	395 340	28 399	423 739
Personnel and other operating expenses adjusted	(130 391)	(50 887)	(30 991)	(212 269)	(25 919)	(238 188)
Depreciation and amortisation adjusted	(44 271)	(7 510)	(11 199)	(62 980)	(1 536)	(64 516)
Total operating expenses adjusted	(174 662)	(58 397)	(42 190)	(275 249)	(27 455)	(302 704)
Operating profit adjusted	62 237	49 079	8 775	120 091	944	121 035
Acquisition related costs						-
Other one-off items						-
Depreciation of acquisitions *						(32 775)
Estimate deviations						-
Unrealised gains and losses on derivatives						971 530
Change in provisions for onerous contracts						(1 067 974)
Impairment of intangible assets						-
Operating profit (EBIT)						(8 184)
*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.						
NOK in thousands						Q3 2022
TrønderEnergi Marked acquisition						(1 436)
Oppdal Everk Kraftomsetning acquisition						(425)
Vesterålskraft Strøm acquisition						(329)
Innlandskraft acquisition						(20 624)
Troms Kraft Strøm acquisition						(8 105)
Other customer acquisitions						(1 856)
Depreciation of acquisitions						(32 775)

Note 2

Segment information

Q4 2021 *Restated*

NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	3 204 873	2 249 447	627 470	6 081 790	102 153	6 183 943
Direct cost of sales adjusted	(2 878 791)	(2 106 382)	(671 600)	(5 656 773)	(76 419)	(5 733 192)
Net revenue adjusted	326 083	143 065	(44 130)	425 017	25 733	450 751
Personnel and other operating expenses adjusted	(151 774)	(42 604)	(22 892)	(217 270)	(19 540)	(236 810)
Depreciation and amortisation adjusted	(45 154)	(7 260)	(4 338)	(56 752)	(1 299)	(58 051)
Total operating expenses adjusted	(196 929)	(49 864)	(27 229)	(274 022)	(20 839)	(294 861)
Operating profit adjusted	129 154	93 200	(71 359)	150 995	4 895	155 889
Acquisition related costs						-
Other one-off items						-
Unallocated revised net revenue						(43 444)
Depreciation of acquisitions *						(45 830)
Estimate deviations						2 153
Unrealised gains and losses on derivatives						460 230
Change in provisions for onerous contracts						(438 247)
Impairment of intangible assets						-
Operating profit (EBIT)						90 751

*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.

NOK in thousands	Q4 2021
TrønderEnergi Marked acquisition	(2 608)
Oppdal Everk Kraftomsetning acquisition	(572)
Vesterålskraft Strøm acquisition	(484)
Innlandskraft acquisition	(31 068)
Troms Kraft Strøm acquisition	(10 320)
Other customer acquisitions	(778)
Depreciation of acquisitions	(45 830)

Note 2
Segment information

Full year 2022						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	13 122 968	11 095 287	2 228 015	26 446 270	360 006	26 806 277
Direct cost of sales adjusted	(12 215 674)	(10 535 045)	(2 100 425)	(24 851 144)	(244 130)	(25 095 275)
Net revenue adjusted	907 294	560 242	127 590	1 595 126	115 876	1 711 002
Personnel and other operating expenses adjusted	(565 940)	(209 153)	(114 243)	(889 336)	(103 979)	(993 315)
Depreciation and amortisation adjusted	(175 347)	(28 983)	(47 712)	(252 042)	(5 591)	(257 633)
Total operating expenses adjusted	(741 287)	(238 136)	(161 955)	(1 141 378)	(109 570)	(1 250 948)
Operating profit adjusted	166 007	322 106	(34 365)	453 748	6 306	460 054
Acquisition related costs						-
Other one-off items						(2 660)
Depreciation of acquisitions *						(132 323)
Estimate deviations						(4 472)
Unrealised gains and losses on derivatives						(47 791)
Change in provisions for onerous contracts						39 256
Impairment of intangible assets and cost to obtain contracts						(39 282)
Operating profit (EBIT)						272 781
*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.						
NOK in thousands						Full Year 2022
TrønderEnergi Marked acquisition						(5 761)
Oppdal Everk Kraftomsetning acquisition						(1 702)
Vesterålskraft Strøm acquisition						(1 492)
Innlandskraft acquisition						(83 343)
Troms Kraft Strøm acquisition						(32 572)
Other customer acquisitions						(7 453)
Depreciation of acquisitions						(132 323)

Note 2
Segment information

Full year 2021 <i>Restated</i>						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	7 802 881	5 257 664	1 773 888	14 834 434	365 732	15 200 165
Direct cost of sales adjusted	(6 691 380)	(4 788 340)	(1 710 899)	(13 190 618)	(285 170)	(13 475 788)
Net revenue adjusted	1 111 502	469 324	62 989	1 643 815	80 562	1 724 378
Personnel and other operating expenses adjusted	(586 248)	(159 441)	(70 661)	(816 349)	(83 634)	(899 993)
Depreciation and amortisation adjusted	(164 206)	(27 213)	(17 931)	(209 350)	(5 105)	(214 455)
Total operating expenses adjusted	(750 454)	(186 654)	(88 592)	(1 025 699)	(88 740)	(1 114 448)
Operating profit adjusted	361 048	282 671	(25 603)	618 116	(8 177)	609 930
Acquisition related costs						(1 034)
Other one-off items						3 387
Unallocated revised net revenue						(64 169)
Depreciation of acquisitions *						(188 629)
Estimate deviations						11 515
Unrealised gains and losses on derivatives						1 066 055
Change in provisions for onerous contracts						(1 019 479)
Impairment of intangible assets						(9 762)
Operating profit (EBIT)						407 814
*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.						
NOK in thousands						Full Year 2021
TrønderEnergi Marked acquisition						(10 434)
Oppdal Everk Kraftomsetning acquisition						(2 289)
Vesterålskraft Strøm acquisition						(1 936)
Innlandskraft acquisition						(128 650)
Troms Kraft Strøm acquisition						(42 031)
Other customer acquisitions						(3 289)
Depreciation of acquisitions						(188 629)

Note 3

Revenue recognition

The following table summarises revenue from contracts with customers:

Timing of revenue recognition

Over time:

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Revenue - Consumer segment	2 698 376	4 269 724	3 179 011	13 025 916	7 697 878
Revenue - Business segment	2 932 856	3 619 539	2 239 213	11 041 944	5 219 008
Revenue - Nordic	486 843	737 200	627 470	2 228 015	1 773 888
Revenue - New growth initiatives	97 023	96 697	100 590	340 764	360 175
Total revenue recognised over time	6 215 098	8 723 160	6 146 285	26 636 639	15 050 949

At a point in time:

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Revenue - Consumer segment	25 969	23 438	25 862	97 053	105 003
Revenue - Business segment	13 986	11 638	10 234	53 343	38 657
Revenue - Nordic	-	-	-	-	-
Revenue - New growth initiatives	5 226	6 731	1 562	19 242	5 557
Total revenue recognised at a point in time	45 181	41 807	37 659	169 638	149 217

Total revenue from contracts with customers (Revenue adjusted)	6 260 279	8 764 966	6 183 943	26 806 276	15 200 165
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Other revenue:

Estimate deviations	-	-	(107)	-	8 422
Unallocated revised revenue	-	-	(52 007)	-	(73 132)
Unrealised gains and losses on derivative customer contracts	(49 532)	(247 016)	73 163	(1 284 761)	(60 010)
Total revenue	6 210 748	8 517 949	6 204 994	25 521 514	15 075 445

Note 4

Onerous contract provisions

Fixed price customer contracts

The Group has significant portfolios of fixed price power contracts with end user customers where the volume is not fixed, mainly in the Nordic segment. These customer contracts do not qualify to be recognised as financial instruments. Portfolios of Fixed price customer contracts acquired as part of business combinations are however recognised as intangible assets (refer note 7), and depreciated systematically over the contract lengths using a pattern that reflect how the acquisition value of the contracts are distributed over the remaining length of the contracts (up to five years) (cost model in IAS 38). Fixed price customer contracts, not acquired through a business combination, are not recognised in the statement of financial position, unless the contracts are identified as onerous contracts. Fixed price customer contracts are assessed as onerous contracts if the estimated unavoidable costs of purchasing the estimated power volumes to be delivered on these contracts exceed the fixed price to be received from the costumers.

The price risk related to fixed price customer contracts are hedged with portfolios of electricity derivatives which are recognised as derivative financial instruments and measured at fair value through profit and loss. The hedged forward power prices in the corresponding portfolios of derivative hedge contracts are not taken into consideration when estimating the contracts' unavoidable costs as hedge accounting is not applied.

The Group has recognised the following provisions for onerous contracts:

NOK in thousands	30 September 2022	31 December 2022	31 December 2021
Onerous contract provisions - Non-current	1 922 579	784 239	337 135
Onerous contract provisions - Current	1 799 596	285 336	751 893
Onerous contract provisions - Total	3 722 175	1 069 575	1 089 027

When the onerous contracts are intended to be settled within 12 months of the reporting date, the provisions are presented as current. The difference between the change in onerous contracts provisions in the statement of financial position and the corresponding amount recognised in the statement of profit or loss (see table below) is due to currency translation differences.

Note 4**Onerous contract provisions****Financial statement impact of unrealised gains/losses:**

The Group's portfolios of fixed price customer contracts and the corresponding portfolios of derivative hedge contracts resulted in the following unrealised effects recognised in the statement of profit or loss:

NOK in thousands	Note	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Impairment and provisions for onerous contracts:						
Change in provisions for onerous contracts		(1 067 974)	2 636 891	(438 247)	39 256	(1 019 479)
Depreciation of intangible assets - Fixed price customer contracts	7	-	-	-	-	-
Impairment of intangible assets - Fixed price customer contracts	7	-	-	-	-	(9 762)
Impairment of cost to obtain contracts		-	(39 282)	-	(39 282)	-
Total depreciation, impairment and provisions for onerous contracts:		(1 067 974)	2 597 608	(438 247)	(26)	(1 029 241)
Unrealised gains and losses on derivatives related to fixed price customer contracts		981 504	(2 548 705)	425 718	(6 439)	1 029 510
Net unrealised gain/loss recognised in statement of profit or loss		(86 470)	48 903	(12 529)	(6 465)	269

As a result of increased forward market prices of electrical power in 2020 and 2021, indicators of impairment was identified, and impairment charges were recognised to the fixed price customer contracts recognised as intangible assets in the statement of financial position. As these intangible assets were fully impaired in 2021, there has been no further depreciation or impairment charges in 2022.

Change in provisions for onerous contracts includes both release of provisions for (parts of) contracts which have been delivered in the period, and change in provisions for new and remaining contracts. Forward market prices increased significantly during the first three quarters of 2022 which led to a substantial increase in provisions for onerous contracts and the unrealised gains on the corresponding portfolios of derivative hedge contracts. In the fourth quarter of 2022 forward market prices decreased significantly. The volume of fixed price power contracts has also decreased due to a movement towards spot based products for new customers and existing fixed price customer contracts being delivered. These effects has lead to a significant decrease in provisions for onerous contracts and the unrealised gains on the corresponding portfolios of derivative hedge contracts.

Market conditions in 2022, with high and volatile power prices, has lead to high profile costs. Expectations of high profile costs going forward causes negative estimated margins on some fixed price customer contracts, leading to a corresponding impairment of the cost to obtain these contracts.

The net impact in the statement of profit or loss, which is an unrealised net loss in 2022 of NOKt 6 465 (2021: NOKt 269 net gain) is mainly caused by (negative) margins in the customer contracts and imbalance between the portfolios of customer contracts, and the corresponding portfolios of derivative hedge contracts. Change in provision for onerous contracts and unrealised gains and losses on derivatives related to fixed price customer contracts are both presented as Direct cost of sales in the statement of profit or loss, while impairment of cost to obtain contracts is presented on a separate line.

Note 5

Income tax

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Profit before tax	(40 201)	(52 536)	61 707	128 692	335 195
Tax expense	(14 449)	8 181	(29 160)	(54 845)	(78 166)
<i>Average tax rate</i>	-35,9 %	15,6 %	47,3 %	42,6 %	23,3 %
Tax payable	17 344	(18 803)	28 466	64 623	94 283
Adjustments to prior years tax payable	(15)	-	(54)	(15)	(4 968)
Change in deferred tax	(2 880)	10 622	748	(9 762)	(11 149)
Tax expense recognised in statement of profit or loss	14 449	(8 181)	29 160	54 845	78 166

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

Note 6

Earnings per share

Ordinary shares in issue	30 September 2022	31 December 2022	31 December 2021
Total number of ordinary shares	114 351 800	114 351 800	114 301 800
Treasury shares	5 717 590	5 717 590	-
Total number of ordinary shares in issue	108 634 210	108 634 210	114 301 800

Basic earnings per share	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Profit/(loss) attributable to shareholders *	(54 650)	(44 355)	32 547	73 847	257 029
Total comprehensive income attributable to shareholders *	(79 996)	(184 215)	63 731	92 911	146 686
Weighted average number of ordinary shares in issue	108 634 210	108 634 210	114 299 514	110 833 229	114 291 767
Earnings per share in NOK	(0,50)	(0,41)	0,28	0,67	2,25
Total comprehensive income per share in NOK	(0,74)	(1,70)	0,56	0,84	1,28
Share options	1 710 000	1 710 000	1 504 000	1 710 000	1 500 000
Diluted earnings per share in NOK	(0,50)	(0,40)	0,28	0,66	2,22
Dividend per share in NOK	-	-	-	3,50	3,50

*NOK in thousands

In the second quarter of 2022 the Group initiated a share buyback program where a total of 5 717 590 shares were purchased. The program's purpose is to: (i) fulfil obligations arising as a result of the Group's share option program, and (ii) to redeem (i.e. cancel) shares by way of a share capital decrease in the Company, subject to approval from the general meeting. Treasury shares are not included in the calculation of Weighted average number of ordinary shares in issue.

Note 7

Intangible assets

Intangible assets

Q3 2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 July 2022	360 525	10 413	800 143	233 347	145 916	1 550 345	1 420 962	2 971 308
Additions - Purchase	2 096	6 418	-	-	-	8 515	-	8 515
Additions - Internally generated	-	101	-	-	-	101	-	101
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	7 578	(7 578)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	274	52	366	3 759	357	4 808	3 641	8 449
Accumulated cost 30 September 2022	370 475	9 406	800 509	237 106	146 273	1 563 768	1 424 603	2 988 371
Accumulated depreciation 1 July 2022	(245 552)	-	(384 761)	(50 640)	(36 964)	(717 918)	-	(717 919)
Depreciation for the period	(12 248)	-	(30 723)	-	(2 138)	(45 108)	-	(45 108)
Currency translation differences	(87)	-	2 027	(816)	-	1 124	-	1 124
Accumulated depreciation 30 September 2022	(257 887)	-	(413 458)	(51 456)	(39 102)	(761 903)	-	(761 904)
Accumulated impairment 1 July 2022	(22 724)	-	-	(182 707)	-	(205 431)	-	(205 431)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(2 943)	-	(2 943)	-	(2 943)
Accumulated impairment 30 September 2022	(22 724)	-	-	(185 650)	-	(208 374)	-	(208 374)
Carrying amount 30 September 2022	89 864	9 406	387 051	-	107 170	593 490	1 424 603	2 018 093

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

Note 7

Intangible assets

Intangible assets

Q4 2022								
NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 30 September 2022	370 475	9 406	800 509	237 106	146 273	1 563 768	1 424 603	2 988 371
Additions - Purchase	2 251	10 031	-	-	-	12 282	-	12 282
Additions - Internally generated	767	(715)	-	-	-	52	-	52
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	9 086	(9 086)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(106)	(190)	(841)	(3 537)	(385)	(5 059)	(5 827)	(10 886)
Accumulated cost 31 December 2022	382 472	9 446	799 668	233 569	145 888	1 571 043	1 418 775	2 989 819
Accumulated depreciation 30 September 2022	(257 887)	-	(413 458)	(51 456)	(39 102)	(761 904)	-	(761 904)
Depreciation for the period	(11 595)	-	(30 938)	-	(2 137)	(44 671)	-	(44 671)
Currency translation differences	(44)	-	(1 264)	767	-	(541)	-	(541)
Accumulated depreciation 31 December 2022	(269 527)	-	(445 660)	(50 688)	(41 239)	(807 116)	-	(807 116)
Accumulated impairment 30 September 2022	(22 724)	-	-	(185 650)	-	(208 374)	-	(208 374)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	2 770	-	2 770	-	2 770
Accumulated impairment 31 December 2022	(22 724)	-	-	(182 881)	-	(205 604)	-	(205 604)
Carrying amount 31 December 2022	90 221	9 446	354 007	-	104 648	558 322	1 418 775	1 977 100

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

Note 7
Intangible assets

Intangible assets**Q4 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 30 September 2021	325 967	25 732	762 121	234 533	146 110	1 494 464	1 428 246	2 922 710
Additions - Purchase	549	(1 792)	38 784	-	-	37 541	-	37 541
Additions - Internally generated	394	86	-	-	-	480	-	480
Additions from business combinations*	-	-	-	-	-	-	(2 000)	(2 000)
Transferred from construction in progress	18 679	(18 679)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(6)	(9)	(4 688)	(4 865)	(503)	(10 071)	(6 795)	(16 866)
Accumulated cost 31 December 2021	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Accumulated depreciation 30 September 2021	(209 196)	-	(279 069)	(50 945)	(29 826)	(569 035)	-	(569 035)
Depreciation for the period	(12 319)	-	(43 129)	-	(2 688)	(58 137)	-	(58 137)
Currency translation differences	(20)	-	852	1 103	-	1 935	-	1 935
Accumulated depreciation 31 December 2021	(221 535)	-	(321 346)	(49 842)	(32 514)	(625 238)	-	(625 238)
Accumulated impairment 30 September 2021	(22 724)	-	-	(183 588)	-	(206 312)	-	(206 312)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	3 762	-	3 762	-	3 762
Accumulated impairment 31 December 2021	(22 724)	-	-	(179 826)	-	(202 549)	-	(202 549)
Carrying amount 31 December 2021	101 324	5 339	474 873	-	113 093	694 630	1 419 451	2 114 081

* The changes to Goodwill included in Additions from business combinations are adjustments to the goodwill recognised when the group acquired Innlandskraft AS in Q3 2020. These changes are mainly caused by adjustments to the final purchase consideration.

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

Note 7
Intangible assets

Intangible assets

Full Year 2022								
NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2022	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Additions - Purchase	7 602	32 439	4	-	-	40 045	-	40 045
Additions - Internally generated	858	105	-	-	-	963	-	963
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	28 294	(28 294)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	136	(143)	3 446	3 901	281	7 621	(675)	6 946
Accumulated cost 31 December 2022	382 472	9 446	799 668	233 569	145 888	1 571 044	1 418 775	2 989 819
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 236)	-	(625 236)
Depreciation for the period	(47 861)	-	(123 977)	-	(8 726)	(180 565)	-	(180 565)
Currency translation differences	(131)	-	(337)	(847)	-	(1 315)	-	(1 315)
Accumulated depreciation 31 December 2022	(269 527)	-	(445 660)	(50 688)	(41 240)	(807 116)	-	(807 116)
Accumulated impairment 1 January 2022	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(3 054)	-	(3 054)	-	(3 054)
Accumulated impairment 31 December 2022	(22 724)	-	-	(182 881)	-	(205 604)	-	(205 604)
Carrying amount 31 December 2022	90 221	9 446	354 007	-	104 648	558 324	1 418 775	1 977 100

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

Note 7
Intangible assets

Intangible assets

Full year 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
Cost price 1 January 2021	297 473	9 063	770 256	243 640	147 531	1 467 963	1 442 849	2 910 813
Additions - Purchase	889	41 655	38 784	-	-	81 328	-	81 328
Additions - Internally generated	1 811	86	-	-	-	1 897	-	1 897
Additions from business combinations **	-	-	-	-	-	-	(4 802)	(4 802)
Transferred from construction in progress	45 456	(45 456)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(47)	(8)	(12 823)	(13 972)	(1 924)	(28 773)	(18 596)	(47 369)
Cost 31 December 2021	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Accumulated depreciation 1 January 2021	(176 096)	-	(149 408)	(52 761)	(17 383)	(395 648)	-	(395 649)
Depreciation for the year	(45 401)	-	(173 251)	-	(15 131)	(233 783)	-	(233 783)
Currency translation differences	(37)	-	1 312	2 919	-	4 195	-	4 195
Accumulated depreciation 31 December 2021	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 236)	-	(625 237)
Accumulated impairment 1 January 2021	(22 724)	-	-	(180 026)	-	(202 750)	-	(202 750)
Impairment for the year	-	-	-	(9 762)	-	(9 762)	-	(9 762)
Currency translation differences	-	-	-	9 961	-	9 961	-	9 961
Accumulated impairment 31 December 2021	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Carrying amount 31 December 2021	101 324	5 339	474 873	-	113 093	694 630	1 419 451	2 114 081

* Through the acquisition of Troms Kraft Strøm AS in November 2020, a portfolio 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). Fixed price customer contracts not acquired through a business combination are not recognised in the balance sheet, unless the contracts are identified as onerous contracts.

As a result of the increase in market prices of electrical power, indicators of impairment was identified and impairment charges of NOKt 9 762 were recognised to the fixed price customer contracts in 2021.

** The changes to Goodwill included in Additions from business combinations are adjustments to the goodwill recognised when the group acquired Innlandskraft AS and Troms Kraft Strøm AS in 2020. These changes are mainly caused by adjustments to the final purchase consideration.

*** Of total additions of customer portfolios, NOKt 37 348 relates to the acquisition of Skymobil AS' portfolio of mobile customers. The amount comprises the purchase price for the portfolio and directly attributable costs.

Note 8

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. Trade receivables are generally due for settlement within 30 days. No interest is charged on outstanding trade receivables, unless it is past due date.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). For customers in the business segment, the expected credit losses on trade receivables are estimated using a provision matrix by grouping trade receivables based on reference to past default experience for the group of customers. For customers in the private segment, the expected credit losses on trade receivables are estimated by an individual assessment of each specific customer performed by the Group's Debt Collection Service provider.

The customer's current financial position, adjusted for factors that are specific to the customers', general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, are all factors that are taken into account when measuring ECL.

There has been no changes in the estimation techniques or significant assumptions made during the current reporting period.

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

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

NOK in thousands	30 September 2022 <i>Restated</i>	31 December 2022	Full year 2021 <i>Restated</i>
Gross nominal amount	4 665 648	7 600 841	5 228 340
Loss allowance provision	(74 907)	(49 408)	(45 213)
Trade receivables, net	4 590 741	7 551 433	5 183 127

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	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Loss allowance provision, opening balance	68 173	74 907	50 599	45 213	105 080
Change in loss allowance recognised in profit or loss for the period	6 653	(25 250)	(5 247)	4 403	(59 543)
Currency translation difference	81	(249)	(140)	(208)	(324)
Loss allowance provision, balance at end of period	74 907	49 408	45 213	49 408	45 213

The movement in lifetime ECL in the fourth quarter is mainly due to write offs of overdue receivables previously included in the loss allowance provision.

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	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Receivables written off	920	38 070	3 677	39 518	53 846
Movement in provision for impairment	6 653	(25 250)	(5 247)	4 403	(59 543)
Received payment on previously written off receivables	(831)	(1 257)	(9 231)	(3 663)	(16 651)
Net impairment expense recognised on trade receivables	6 743	11 562	(10 800)	40 258	(22 348)

Note 9

Derivatives and fair value measurement of financial instruments

Derivatives

All financial electricity derivatives are either financial customer contracts, or purchased for the purpose of hedging physical or financial customer contracts. Hence derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. See note 10 for details for cash flow hedges.

NOK in thousands	30 September 2022 <i>Restated</i>	31 December 2022	31 December 2021 <i>Restated</i>
Derivative financial assets			
<i>Designated as hedging instruments for accounting purposes</i>			
Electricity derivatives - Hedge contracts	-	2 077	-
<i>Classified as held for trading for accounting purposes</i>			
Electricity derivatives - Hedge contracts	5 877 387	2 745 315	1 451 547
Electricity derivatives - Customer contracts	3 716 536	1 486 276	531 220
Other derivatives	-	-	-
Total derivative financial assets	9 593 923	4 233 668	1 982 766
Derivative financial liabilities			
<i>Designated as hedging instruments for accounting purposes</i>			
Electricity derivatives - Hedge contracts	37 976	72 772	78 962
<i>Classified as held for trading for accounting purposes</i>			
Electricity derivatives - Hedge contracts	1 110 961	129 552	320 611
Electricity derivatives - Customer contracts	4 786 435	2 982 676	561 659
Other derivatives	295	328	1 245
Total derivative financial liabilities	5 935 667	3 185 327	962 477

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. The table below provides details for the Group's financial instruments measured at fair value. The Group also has financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. There has not been identified any significant difference between fair value and carrying amount at 31 December 2022.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

**Recurring fair value measurements
At 31 December 2022**

NOK in thousands	Level 1	Level 2	Level 3	Total
Derivative financial assets				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	2 077	-	2 077
<i>Classified as held for trading for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	2 606 505	138 809	2 745 315
Electricity derivatives - Customer contracts	-	1 465 089	21 187	1 486 276
Other derivatives	-	-	-	-
Total financial assets at fair value	-	4 073 672	159 996	4 233 668
Derivative financial liabilities				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	72 772	-	72 772
<i>Classified as held for trading for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	116 904	12 648	129 552
Electricity derivatives - Customer contracts	-	2 842 661	140 015	2 982 676
Other derivatives	-	328	-	328
Total financial liabilities at fair value	-	3 032 664	152 663	3 185 327

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 relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs to a fair value valuation are not based on observable market data, the instrument is included in level 3.

Valuation techniques used to determine fair values

Specific valuation techniques used to value derivative financial instruments, in majority electricity derivatives, include present value of future cash flows based on forward power prices from Nasdaq Commodities at the balance sheet date. In the case of material long-term contracts, the cash flows are discounted at a discount rate calculated by using interest rates on Government bonds with matching maturities, added a risk premium of 0,2 percentage points. Valuation method is used for bilateral forward contracts and option contracts associated with purchase and sale of electricity. Key inputs to the valuation are expected power prices (Nordic system price and area prices in the power price areas in Norway, Sweden and Finland), contract prices and discount rates.

Level 3 inputs consists of expected power prices for delivery periods which there is no observable market price:

- Nordic system price for delivery periods beyond the next 10 calendar years,
- Area prices for price areas in Norway for delivery periods beyond the next 3 calendar years,
- Area prices for price areas in Sweden and Finland for delivery periods beyond the next 4 calendar years.

The Group does not hold electricity derivatives with maturities beyond the next 10 calendar years at 31 December 2022, hence all level 3 derivatives are long term area price contracts.

Note 10

Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast power purchase transactions in the five Norwegian price areas (cash flow hedges). While being considered as effective hedging instruments in Q3 and Q4 in 2021, Nordic system price forward contracts are no longer considered as effective hedging instruments from Q1 2022 if the hedged item includes all variability in the future cash flows related to future power purchases in price areas NO3 and NO4.

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

Fair value of hedging instruments where hedge accounting is applied

30 September 2022	Fair value hedge instrument *	Effective portion in OCI *	Ineffectiveness in P&L *	Hedged volume Q4 2022**	Hedged volume beyond Q4 2022**
Cash flow hedge of highly probable power purchase in price areas:					
South Norway (NO1, NO2, NO5)	(35 984)	(35 984)	-	136	11
Trondheim (NO3)	(843)	(1 962)	1 119	26	3
Tromsø (NO4)	(1 149)	(1 663)	514	7	5
Total	(37 976)	(39 609)	1 634	170	19
Tax effect		8 714			
Effective portion in OCI net of tax		(30 895)			

31 December 2022	Fair value hedge instrument*	Effective portion in OCI*	Ineffectiveness in P&L*	Hedged volume Q1 2023**	Hedged volume beyond Q1 2023**
Cash flow hedge of highly probable power purchase in price areas:					
South Norway (NO1, NO2, NO5)	(71 809)	(71 809)	-	61	0
Trondheim (NO3)	2 099	2 103	(3)	29	1
Tromsø (NO4)	(984)	(983)	(2)	8	1
Total	(70 694)	(70 689)	(5)	98	2
Tax effect		15 552			
Effective portion in OCI net of tax		(55 137)			

* NOK in thousands

** GWh in thousands

Note 10
Hedge Accounting

Fair value of hedging instruments where hedge accounting is applied

31 December 2021	Fair value hedge instrument*	Effective portion in OCI*	Ineffectiveness in P&L*	Hedged volume Q1 2022**	Hedged volume beyond Q1 2022**
Cash flow hedge of highly probable power purchase in price areas:					
South Norway (NO1, NO2, NO5)	(88 291)	(88 291)	-	451	22
Trondheim (NO3)	5 831	(2 744)	8 575	42	6
Tromsø (NO4)	3 498	(435)	3 933	16	2
Total	(78 962)	(91 470)	12 508	509	30
Tax effect		20 123			
Effective portion in OCI net of tax		(71 347)			

* NOK in thousands

** GWh in thousands

Change in fair value of hedging instruments where hedge accounting is applied

NOK in thousands	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Cash flow hedge of highly probable power purchase:					
Ineffective portion, recognised in P&L, total	(3 264)	(1 639)	13 150	(12 513)	12 508
Effective portion, recognised in OCI, total	(93 383)	(31 080)	33 836	20 781	(91 470)
Change in fair value, total	(96 647)	(32 719)	46 986	8 268	(78 962)
Effective portion, recognised in OCI, net of tax (22 %)	(72 838)	(24 242)	26 392	16 209	(71 347)

Ineffective portion of changes in fair value of designated hedging instruments are recognised to *Direct cost of sales* in the Statement of profit or loss. Realised gains and losses on hedging instruments are recognised to *Direct cost of sales* in the period they are realised.

Note 11

Pension liabilities

Amounts recognised in Statement of financial position

NOK in thousands	30 September 2022	31 December 2022	31 December 2021
Present value of funded obligations	251 619	361 631	361 192
Fair value of plan assets	351 506	355 132	345 243
Net deficit (plan assets) for funded plans	(99 887)	6 499	15 949
Present value of unfunded obligations	57 858	64 211	73 785
Total defined benefit pension plans	(42 029)	70 709	89 734
Other employee benefit obligations	4 103	4 893	4 103
Total employee benefit obligations, net	(37 927)	75 602	93 837

Presentation in Statement of financial position:

Net plan assets of defined benefit pension plans	100 864	4 178	-
Net employee defined benefit plan liabilities	62 937	79 780	93 837
Employee benefit obligations recognised in Statement of financial position, net	(37 927)	75 602	93 837

Significant actuarial assumptions

	30 September 2022	31 December 2022	31 December 2021
Discount rate	3,80 %	3,60 %	1,70 %
Salary growth rate	2,75 %	3,75 %	2,50 %
Expected growth in base social security amount (G)	2,50 %	3,50 %	2,25 %
Estimated return on plan assets	3,80 %	3,60 %	1,70 %
Pension growth rate	1,75 %	2,75 %	1,50 %

Note 12

Credit facilities

NOK in thousands	Effective interest rate	30 September 2022	31 December 2022	31 December 2021
Term loan	NIBOR 3 months + 1,30 %	749 600	726 175	819 875
Revolving credit facility	NIBOR 3 months + 1,30 %	275 000	275 000	-
Total principal amounts		1 024 600	1 001 175	819 875

Credit facilities agreement

Elmera Group's facilities agreement with DNB includes the following credit facilities;

- a NOKt 1 000 000 term loan - the acquisition facility
- a NOKt 500 000 revolving credit facility
- a NOKt 2 250 000 guarantee facility
- a NOKt 1 300 000 overdraft facility

In Q3 2022 the termination date of the term loan facility, the revolving credit facility, and the guarantee facility was extended by 12 months. The new termination date is in September 2025. In Q4 2022 the interest rate margin on the term loan facility and the revolving credit facility was decreased from 1,75% to 1,30%. For more information regarding the credit facilities agreement, see the 2021 annual report.

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

At 31 December 2022 the remaining term loan principal balance is NOKt 726 175.

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 statement of financial position.

The revolving credit facility - NOKt 500 000 - The RCF

The Group drew NOKt 150 000 on this facility in Q1 2022, and another NOKt 125 000 in Q2 2022. The revolving credit facility is classified as interest-bearing short term debt in the statement of financial position.

The guarantee facility - NOKt 2 250 000

At 31 December 2022 guarantees of total NOKt 2 040 442 are issued under the guarantee facility.

The overdraft facility - NOKt 1 300 000

The overdraft facility was increased from NOKt 1 000 000 to NOKt 1 300 000 in Q3 2022. At 31 December 2022 the Group has drawn NOKt 534 112 on the overdraft facility.

Financial covenant

Under the new credit facility, there is a leverage covenant that applies at all times, and which shall be calculated quarterly based on consolidated numbers. A leverage ratio is to be calculated as total long term interest bearing debt (term loan) deducted free cash to rolling 12 month EBITDA adjusted. The leverage ratio shall not exceed:

- more than 2,5 in respect of more than one quarter-end during any financial year, and
- more than 2,0 in respect of the remaining three quarter-ends during any such financial year.

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

Note 13

Other current liabilities

NOK in thousands	Note	30 September 2022 <i>Restated</i>	31 December 2022	31 December 2021 <i>Restated</i>
El-certificate cancellation liabilities		8 435	9 641	16 628
Accrued power purchase		540 759	731 799	407 428
Prepayments from customers		72 922	46 656	56 948
Instalments on long term loan due within 12 months	12	93 700	93 700	93 700
Payroll liabilities		44 288	58 537	57 727
Other		39 590	26 594	11 436
Total other current liabilities		799 694	966 927	643 868

Note 14

Related party transactions

Per 31 December 2022, the Group's related parties include major shareholders, Board of Directors, associated company and key management.

The Board of Directors previously included a representative from former major shareholder Eviny AS (previous BKK AS). In the general meeting held in the second quarter of 2021, this board member was not re-elected. Eviny AS and subsidiaries were therefore considered to be related parties in the first two quarters of 2021, but not as of 30 June 2021.

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

Income from related parties

Related party	Relation	Purpose of transactions	Q3 2022	Q4 2022	Q4 2021	Full Year 2022	Full Year 2021
Eviny AS and subsidiaries	Major shareholder	Sale of electrical power	-	-	-	-	31 131

Sale of electrical power in some cases includes reinvoiced grid rent.

Expenses to related parties

Related party	Relation	Purpose of transactions	Q3 2022	Q4 2022	Q4 2021	Full Year 2022	Full Year 2021
Eviny AS and subsidiaries	Major shareholder	Purchase of electrical power	-	-	-	-	6 588
Eviny AS and subsidiaries	Major shareholder	Purchase of other services	-	-	-	-	12 726
Metzum AS	Associated company	Purchase of other services	8 202	8 689	10 383	38 500	38 743
Atea AS	Other*	Purchase of products and other services	2 541	2 615	2 131	9 922	8 853

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

Purchase of assets

Related party	Relation	Purpose of transactions	Q3 2022	Q4 2022	Q4 2021	Full Year 2022	Full Year 2021
Eviny AS and subsidiaries	Major shareholder	Purchase of customer portfolio	-	-	-	-	181
Metzum AS	Associated company	Research and development	16	377	781	2 666	8 284
Atea AS	Other*	Products and development	40	298	3 788	481	4 077

Current liabilities to related parties

Related party	Relation	Purpose of transactions	30 September 2022	31 December 2022	31 December 2021
Metzum AS	Associated company	Research and development	292	959	1 411
Atea AS	Other*	Products and development	735	138	1 956

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

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

Note 15

Restatement of prior periods

Prior period comparative figures have been restated in Q4 2022.

Description of restatements in Q4

1) A substantial proportion of the Group's power sales is finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power are thus recognised based on estimates. The Group's internal control procedures have discovered that the estimate as per 31 December 2021 did not to an adequate degree reflect all available information at the time of reporting. Revenue and Direct cost of sales have been restated as set out in the tables.

2) The Group has made an adjustment to how fair value of derivative customer contracts are measured and recognised. With the alignment to the practice set out in IFRS 9, the fair value of such electricity derivatives have been overstated in prior periods. Prior period Revenue (Unrealised gains and losses on derivative customer contracts), and fair value of Derivative financial instruments have been restated as set out in the tables.

3) Prior period Direct cost of sales (change in provisions for onerous contracts), and Onerous contract provisions have been restated as set out in the tables.

Condensed consolidated statement of profit or loss - Prior period corrections

NOK in thousands		Q3 2022	Q4 2021	Full year 2021
Revenue	1), 2)	(79 870)	(76 448)	(95 546)
Direct cost of sales	1), 3)	-	5 977	(13 778)
Operating profit		(79 870)	(70 471)	(109 324)
Income tax (expense)/income	1), 2), 3)	(335)	15 458	23 984
Profit/(loss) for the period		(80 205)	(55 013)	(85 340)
Basic earnings per share (in NOK)		(0,74)	(0,48)	(0,75)
Diluted earnings per share (in NOK)		(0,73)	(0,48)	(0,74)

Condensed consolidated statement of financial position - Prior period corrections

NOK in thousands		1 January 2021	31 December 2021	30 September 2022
Assets				
Derivative financial instruments (non-current)	2)	-13 709	-16 866	-27 397
Derivative financial instruments (current)	2)	-11 995	-27 203	-25 704
Trade receivables	1)	-	-73 132	-73 132
Total assets		-25 705	-117 201	-126 232
Equity and liabilities				
Retained earnings	1), 2), 3)	-20 873	-106 213	-198 256
Deferred tax liabilities	2), 3)	-4 831	-14 698	-11 682
Derivative financial instruments (non-current)	2)	-	2 142	85 607
Derivative financial instruments (current)	2)	-	1 908	21 178
Onerous contract provisions (non-current)	3)	-	15 321	-
Onerous contract provisions (current)	3)	-	7 420	-
Current income tax liabilities	1)	-	-14 117	-14 117
Other current liabilities	1)	-	-8 963	-8 963
Total equity and liabilities		-25 705	-117 201	-126 232

Note 16

Events after the reporting period

The Board of Directors has in the Board Meeting on 15 February 2023 proposed a dividend to the shareholders of NOK 1,50 per share. The proposed dividend is subject to approval by the general meeting.

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

Appendix

Alternative performance measures

The alternative performance measures (abbreviated APM's) that hereby are provided by the Group are a supplement to the financial statements prepared in accordance with IFRS. The APM's are based on the guidelines for APM published by the European Securities and Markets Authority (ESMA) on or after 3 July 2016. As indicated in the guidelines an APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The performance measures are commonly used by analysts and investors.

The Group uses the following APM's (in bold). The words written in italics are included in the list of definitions or in the statement of profit or loss.

Cash EBIT is equivalent to Operating free cash flow before tax and change in Net working capital. This APM is used to illustrate the Group's underlying cash generation in the period.

Capex excl. M&A is used to present the

capital expenditures excluding mergers and acquisitions to illustrate the Group's organic maintenance capex.

EBIT reported is equivalent to *Operating profit* and is used to measure performance from operational activities. EBIT reported is an indicator of the company's profitability.

EBIT adjusted

In order to give a better representation of underlying performance, the following adjustments are made to the reported EBIT:

- *Acquisition related costs and other one-off items*: Items that are not part of the ordinary business
- *Estimate deviations from previous periods*: A substantial proportion of the Group's power sales is finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power are thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue* represents net revenue items which are revised

due to prior period adjustment requirements.

- *Unrealised gains and losses on derivatives*: Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment of intangible assets and cost to obtain contracts*: Consist of impairment of intangible assets and cost to obtain contracts related to fixed price customer contracts
- *Depreciation of acquisitions*: Consist of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.
- *Change in provisions for onerous contracts*: Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

EBIT reported margin is EBIT divided by *Net revenue*. This APM is a measure of the profitability and 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 an indicator of the earnings ability.

EBITDA is defined as operational profit/loss before depreciation and amortisation. This APM is used to measure performance from operating activities.

EBITDA adjusted

In order to give a better representation of underlying performance, the following adjustments are made to EBITDA:

- *Acquisition related costs and other one-off items*: Items that are not part of the ordinary business
- *Estimate deviations from previous periods*: A substantial proportion of the Group's power sales is finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power are thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue* represents net revenue items which are revised due to prior period adjustment requirements.

Alternative performance measures

- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Impairment of intangible assets and cost to obtain contracts:* Consist of impairment of intangible assets and cost to obtain contracts related to fixed price customer contracts
- *Change in provisions for onerous contracts:* Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

Net income is equivalent to *Profit/(loss) for the period* as stated in the statement of profit or loss.

Net income adjusted for certain cash and non-cash items is used in the dividend calculation, and defined as the following: [(Adjusted EBIT + net finance)*(1-average tax rate) – amortisation of acquisition debt].

Net interest-bearing debt (NIBD) shows the net cash position and how much cash would remain if all interest-bearing debt was paid. The calculation is total *Interest-bearing long term debt, Interest-bearing short term debt and Overdraft facilities*, deducted with the following; transaction costs recognised as part of amortised cost of Interest-bearing long term debt, reclassification of first year instalments long term debt, *Overdraft facilities*, and *Cash and cash equivalents*.

Net revenue is equivalent to *Revenue less direct cost of sales* as stated in the statement of profit or loss.

Net revenue adjusted

This APM presents *Net revenue* adjusted for:

- *Other one-off items:* Which represents non-recurring income is recognised *in the profit or loss for the period*
- *Estimate deviations from previous periods:* A substantial proportion of the Group's power sales is finally settled after the Group has finalised its periodical financial statements. Revenues related to sale of power are thus recognised based on estimates. Any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Unallocated revised net revenue* represents net revenue items which are revised due to prior period adjustment requirements.
- *Unrealised gains and losses on derivatives:* Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Change in provisions for onerous contracts:* Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity.

Net working capital (NWC) is used to measure short-term liquidity and the ability to utilise assets in an efficient matter. NWC includes the following items from current assets: *Inventories, Intangible assets, Trade receivables* and *Other current assets* (that is, all current assets in the statement of financial position except *Derivative financial instruments* and *Cash and cash equivalents*); and the following items from current liabilities;

Trade payables, Current income tax liabilities, Social security and other taxes, Lease liability - short term, and other current liabilities. First year instalments of interest-bearing long term debt, which are included in Other current liabilities, are however classified as interest bearing debt. The definition of NWC has in 2022 been changed compared to the definition used in the group's previous financial reports, as Derivative financial instruments and Onerous contract provisions are no longer included in NWC. The comparable figures for NWC at 31 December 2021 has been updated accordingly.

Non-cash NWC elements and other items

is used when analysing the development in NIBD. Non-cash NWC relates to items included in "change in NWC" that are not affecting Net interest-bearing debt while other items include interest, tax, change in long-term receivables, proceeds from non-current receivables, proceeds from other long-term liabilities and adjustments made on EBITDA.

Number of deliveries is used to present the number of electrical meters supplied with electricity. One customer may have one or more electricity deliveries.

OpFCF before tax and change in NWC

is Operating free cash flow and change in working capital, and is defined as *EBITDA adjusted less Capex excl. M&A* and payments to obtain contract assets.

Volume sold is used to present the underlying volume generating income in the period.

Alternative performance measures

Financial statements with APM's

Reported amounts:

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Operating income	6 210 748	8 517 949	6 204 995	25 521 514	15 075 445
Cost of sales	(5 883 451)	(8 080 624)	(5 773 545)	(23 823 519)	(13 357 147)
Net revenue	327 298	437 326	431 450	1 697 995	1 718 299
Personnel expenses	(109 598)	(124 062)	(106 538)	(421 029)	(409 123)
Other operating expenses	(128 592)	(154 728)	(130 280)	(574 946)	(488 517)
Impairment of intangible assets and cost to obtain contracts	-	(39 282)	-	(39 282)	(9 762)
Operating expenses	(238 190)	(318 073)	(236 819)	(1 035 258)	(907 401)
EBITDA	89 108	119 253	194 631	662 737	810 898
Depreciation & amortisation	(97 292)	(101 112)	(103 880)	(389 956)	(403 084)
EBIT reported (Operating profit)	(8 184)	18 141	90 751	272 781	407 814
Net financials	(32 018)	(70 677)	(29 043)	(144 089)	(72 619)
Profit/ (loss) before taxes	(40 201)	(52 536)	61 707	128 692	335 195
Taxes	(14 449)	8 181	(29 160)	(54 845)	(78 166)
Profit/ (loss) for the period	(54 650)	(44 355)	32 547	73 847	257 029
EBIT reported margin	-3%	4%	21%	16%	24%

Alternative performance measures

Adjusted amounts:

NOK in thousands	Q3 2022 <i>Restated</i>	Q4 2022	Q4 2021 <i>Restated</i>	Full year 2022	Full year 2021 <i>Restated</i>
Net revenue	327 298	437 326	431 450	1 697 995	1 718 299
Other one-off items	-	-	-	-	-
Unallocated revised net revenue	-	-	43 444	-	64 169
Estimate deviations previous periods	-	4 472	(2 153)	4 472	(11 515)
Unrealised gains and losses on derivatives	(971 530)	2 566 865	(460 230)	47 791	(1 066 055)
Change in provisions for onerous contracts	1 067 974	(2 636 891)	438 247	(39 256)	1 019 479
Net revenue adjusted	423 739	371 776	450 751	1 711 002	1 724 378
EBITDA	89 108	119 253	194 631	662 737	810 898
Acquisition related costs	-	-	-	-	1 034
Other one-off items	-	2 660	-	2 660	(3 387)
Unallocated revised net revenue	-	-	43 444	-	64 169
Estimate deviations previous periods	-	4 472	(2 153)	4 472	(11 515)
Impairment of intangible assets and cost to obtain contracts	-	39 282	0	39 282	9 762
Unrealised gains and losses on derivatives	(971 530)	2 566 865	(460 230)	47 791	(1 066 055)
Change in provisions for onerous contracts	1 067 974	(2 636 891)	438 247	(39 256)	1 019 479
EBITDA adjusted	185 550	95 642	213 940	717 685	824 385
EBIT reported (Operating profit)	(8 184)	18 141	90 751	272 781	407 814
Acquisition related costs	-	-	-	-	1 034
Other one-off items	-	2 660	-	2 660	(3 387)
Unallocated revised net revenue	-	-	43 444	-	64 169
Estimate deviations previous periods	-	4 472	(2 153)	4 472	(11 515)
Impairment of intangible assets and cost to obtain contracts	-	39 282	0	39 282	9 762
Unrealised gains and losses on derivatives	(971 530)	2 566 865	(460 230)	47 791	(1 066 055)
Change in provisions for onerous contracts	1 067 974	(2 636 891)	438 247	(39 256)	1 019 479
Depreciation of acquisitions	32 775	32 972	45 830	132 323	188 629
EBIT adjusted	121 032	27 504	155 889	460 054	609 930
EBIT margin adjusted	29%	7%	35%	27%	35%

Alternative performance measures

Other financial APM's

Net interest bearing debt (cash)

NOK thousands	30 September 2022	31 December 2022	31 December 2021
Interest-bearing long term debt	651 879	629 169	720 009
Interest-bearing short term debt	275 000	275 000	-
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	4 021	3 306	6 166
Reclassification of first year instalments long term debt	93 700	93 700	93 700
Overdraft facilities	606 852	534 112	-
Cash and cash equivalents	(233 967)	(70 548)	(306 627)
Net interest bearing debt (cash)	1 397 485	1 464 739	513 248

Financial position related APM's

NOK thousands	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>
Net working capital (NWC)*	491 185	532 789	(66 847)	532 789	(66 847)
OpFCF before tax and change in NWC	109 494	21 705	131 442	435 807	513 050
Capex excl. M&A	8 689	13 050	(518)	44 328	47 182

*The definition of NWC has in 2022 been changed compared to the definition used in the group's previous financial reports. The comparable figures for 2021 has been updated accordingly.

Non-financial APM's

Deliveries

Numbers in thousands	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Electrical deliveries Consumer segment	664	685	692	685	692
Electrical deliveries Business segment	117	120	111	120	111
Electrical deliveries Nordic segment	162	149	171	149	171
Total number of electrical deliveries*	943	954	975	954	975
Number of mobile subscriptions	143	144	160	144	160

* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 041 thousand in Q4 2022.

Volume in GWh	Q3 2022	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Consumer segment	1 086	2 327	2 122	7 648	9 486
Business segment	1 263	1 987	2 049	6 978	7 478
Nordic segment	539	740	925	2 879	3 229
Total volume	2 888	5 054	5 096	17 506	20 193