

# Fjordkraft Holding ASA and the Fjordkraft Group

Quarterly report - Q4 2021



## Q4 Highlights

- **Strong financial performance in the Norwegian operations in a challenging market environment**
  - **Consumer EBIT adj. (+24% YoY)**
  - **Business EBIT adj. (+22% YoY)**
  - **First quarter with profitability in the New Growth initiatives segment**
- **The Nordic segment has been significantly affected by the extraordinary situation in the Nordic power market in Q4 - loss of 71 NOKm in the quarter from hedging inefficiencies**
- **Loss of 34' customers in the Consumer segment in Q4 due to intense competition and termination of "price match" service**
- **Proposed dividend of 3.5 NOK per share for 2021**

## Key figures Q4

NOK in thousands	Q4 2021	Q4 2020	Full year 2021
Gross revenue	6 183 838	1 644 100	15 208 587
Net revenue	437 865	471 456	1 712 011
Net revenue adjusted	435 713	463 608	1 700 496
EBIT reported	146 183	105 115	493 256
EBIT adjusted	140 844	167 704	586 048
Net income	87 560	73 631	342 369
Basic earnings per share (in NOK)	0,77	0,64	3,00
Diluted earnings per share (in NOK)	0,76	0,64	2,96
EBIT margin	33 %	22 %	29 %
EBIT margin adjusted	32 %	36 %	34 %
Net interest bearing debt (cash)	513 248	343 626	513 248
Capex excl. M&A	(518)	15 681	47 182
Volume sold (GWh)	5 096	5 572	20 193
# of deliveries ('000) excl. Extended Alliance	975	1 027	975

## Strong financial performance in the Norwegian operations. Nordic segment affected by extremities

In the fourth quarter of 2021 we experienced market extremities without historical comparison. Elspot prices were record high, driven by geopolitical tension, high gas prices and a weak hydrological situation. During December, the daily elspot price in Finland and Southern Sweden passed 4 NOK/kWh on several occasions, and on average the price level and peak/off-peak price differences were around four times the normal level. The fixed price contracts in the Nordic segment are hedged according to our best estimated volume and the associated profile and volume risks are covered in the markup when these contracts are initiated. However, the market extremities that occurred in Q4, in combination with very cold weather in Sweden and Finland, especially in December, led to losses from hedging inefficiencies in the Nordic segment. The Group has initiated a process of aligning the business customers' contract structure and product portfolio with the Norwegian model in order to reduce the associated volume risk on the fixed price contracts going forward. Thus far, the consumption volumes in Sweden and Finland in Q1 have been in line with expectations and we have no indication of under-hedging in January. However, the increased peak/off-peak difference is likely to continue throughout Q1, which will negatively affect the segment's profitability in the quarter.

In Norway, the market situation has also been extraordinary, albeit not as extreme as in Sweden and Finland. The financial performance in the Norwegian segments is strong, with tailwind from good hedges. All segments show significant YoY

growth and New Growth Initiatives is reaching its first quarter with profitability since the launch of Mobile in 2017. However, the Group's net revenue adj. decrease 6% YoY and EBIT adj. decrease 16% YoY due to the losses in the Nordic segment.

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 34 thousand deliveries in the quarter due to intense competition and termination of the "price match" service. The average consumption per delivery fell by 24% vs Q4 2020 and was the main driver for the 29% decrease in volume sold. The decrease in average consumption is likely due to increased consumption awareness in a situation with extraordinary high elspot prices.

Adjusted net revenue amounted to 317 NOKm (309 NOKm), adjusted OPEX amounted to 197 NOKm (211 NOKm) and EBIT adj. amounted to 121 NOKm (98 NOKm). Adjusted EBIT margin in the quarter was 38%, an increase from 32% in Q4 2020, driven by good hedges and lower OPEX.

### Business

At the end of fourth quarter 2021, the Business segment comprised 111 thousand electricity deliveries, a slight decrease from 112 thousand last quarter. The volume sold in fourth quarter 2021 fell by 2% YoY, driven by a 7% decrease in average consumption per delivery.

Adjusted net revenue was 138 NOKm

(122 NOKm), adjusted OPEX of 50 NOKm (50 NOKm) and EBIT adj. was 88 NOKm (72 NOKm). Adjusted EBIT margin in the quarter was 64%, which is an increase from the 59% in Q4 2020. The growth is driven by improved product margins.

### Nordic

The Nordic segment increased the number of deliveries by 5 thousand in the quarter, and at the end of fourth quarter 2021 the segment comprised 171 thousand deliveries. Volume sold was 925 GWh in the quarter. The segment's financials were significantly affected by the market extremities described above, and adjusted net revenue amounted to -44 NOKm, OPEX adjusted to 27 NOKm and EBIT adjusted amounted to -71 NOKm.

### New Growth Initiatives

At the end of fourth quarter 2021, the number of mobile subscribers was 160 thousand, an increase of 29 thousand subscribers due to the acquisition of Skymobil.

Alliance volume in fourth quarter 2021 was 1,389 GWh, which is a 15% YoY growth. The Extended Alliance growth was 5 thousand deliveries in the quarter, corresponding to a YoY growth of more than 30 thousand deliveries.

Adjusted net revenue in the New Growth Initiatives segment amounts to 24 NOKm, a YoY increase of 9 NOKm, with Mobile being the most important contributor. OPEX adjusted amounted to 21 NOKm (23 NOKm), while EBIT adjusted amounted to 4 NOKm (-8 NOKm). The Mobile business shows a positive EBIT adj. in December 2021.

## Financials

**Gross revenue** amounted to 6,184 NOKm (1,644 NOKm), an increase of 276%, due to higher elspot prices and volume sold.

**Adjusted net revenue** amounted to 436 NOKm (464 NOKm), a decrease of 6%. The decrease is driven by hedging inefficiencies in the Nordic segment.

**Adjusted operating expenses** amounted to 295 NOKm (296 NOKm).

**Adjusted EBIT** amounted to 141 NOKm (168 NOKm), a decrease of 16% YoY due to the factors described above.

**Net financial income** amounted to -14 NOKm (-15 NOKm).

**Profit for the period** amounted to 88 NOKm (74 NOKm) in the quarter due to the factors described above.

### Consolidated cash flow

Net cash generated from operating activities was 247 NOKm (-68 NOKm). Net cash used in investing activities was -82 NOKm (-533 NOKm). Net cash used in financing activities was NOK -116 NOKm (479 NOKm).

### Financial position

The total capital as of 31.12.2021 was 9,658 NOKm (5,129 NOKm).

### Events after the reporting period

The Board of Directors has in the Board Meeting on 9 February 2022 proposed a dividend to the shareholders of NOK 3.5 per share. The proposed dividend is subject to approval by the general meeting.

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

## Risks and uncertainties

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

The group revised its risk management strategy and policy for power purchases in the Norwegian group entities in July 2021. In the revised strategy Fjordkraft will seek to reduce price variability for a higher percentage of the future power purchases in Norway. The hedging activities can be done with both forward contracts, futures, and options. Fjordkraft uses different derivatives to reduce variability in future power purchases, depending on

availability in the market. This will support the commercial goal to reduce the number of price changes for the variable price products, at the same time acknowledging the risk that the group might not be fully able to follow the price curve in a market with reduced prices.

The Group is exposed to volume and profile risk on the 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. Fjordkraft is certified according to DNV's "Trygg Strømhandel", which will contribute to increased transparency and reduced risk.

## Outlook

The Group's updated outlook will be presented on the upcoming Capital Markets Day on 6 April 2022.

# Condensed interim financial statements



## Condensed consolidated statement of profit or loss

NOK in thousands	Note1	Q3 2021	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
<b>Continuing operations</b>						
Revenue	2,3	2 383 717	6 183 838	1 644 100	15 208 587	4 214 727
Direct cost of sales	2	(2 026 783)	(5 745 973)	(1 172 644)	(13 496 576)	(2 647 005)
<b>Revenue less direct cost of sales</b>		<b>356 933</b>	<b>437 865</b>	<b>471 456</b>	<b>1 712 011</b>	<b>1 567 722</b>
Personnel expenses	2	(111 242)	(106 538)	(116 748)	(409 123)	(328 485)
Other operating expenses	2	(111 056)	(130 280)	(152 585)	(488 517)	(471 938)
Depreciation right-of-use assets		(4 966)	(5 061)	(3 958)	(19 687)	(13 302)
Depreciation and amortisation	2,7	(97 363)	(98 819)	(152 988)	(383 397)	(291 872)
<b>Total operating expenses</b>		<b>(324 627)</b>	<b>(340 699)</b>	<b>(426 278)</b>	<b>(1 300 723)</b>	<b>(1 105 596)</b>
Impairment and change in provision for onerous contracts	4	(428 675)	157 544	(268 493)	(413 296)	(268 493)
Other gains and losses, net	4,9,10	433 727	(108 528)	328 430	495 265	331 539
<b>Operating profit</b>		<b>37 359</b>	<b>146 183</b>	<b>105 115</b>	<b>493 256</b>	<b>525 172</b>
Income/loss from investments in associates and joint ventures		380	335	2 433	2 637	1 168
Interest income		2 933	3 245	3 196	12 801	16 814
Interest expense lease liability		(576)	(545)	(585)	(2 374)	(1 813)
Interest expense	12	(9 000)	(14 588)	(8 335)	(42 583)	(11 982)
Other financial items, net		(2 751)	(2 451)	(11 250)	(19 219)	(15 692)
<b>Net financial income/(cost)</b>		<b>(9 014)</b>	<b>(14 004)</b>	<b>(14 541)</b>	<b>(48 737)</b>	<b>(11 505)</b>
<b>Profit/ (loss) before tax</b>		<b>28 345</b>	<b>132 178</b>	<b>90 574</b>	<b>444 519</b>	<b>513 667</b>
Income tax (expense)/ income	5	(6 391)	(44 618)	(16 943)	(102 150)	(113 604)
<b>Profit/ (loss) for the period</b>		<b>21 954</b>	<b>87 560</b>	<b>73 631</b>	<b>342 369</b>	<b>400 063</b>
Basic earnings per share (in NOK)*	6	0,19	0,77	0,64	3,00	3,73
Diluted earnings per share (in NOK)*	6	0,19	0,76	0,64	2,96	3,69

\* Based on a weighted average of 1 14 291 767 shares outstanding. It is issued 1 500 000 share options to employees.

## Condensed consolidated statement of comprehensive income

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
<b>Profit/ (loss) for the period</b>	<b>21 954</b>	<b>87 560</b>	<b>73 631</b>	<b>342 369</b>	<b>400 063</b>
<b>Other comprehensive income/ (loss):</b>					
<b>Items which may be reclassified to profit or loss in subsequent periods:</b>					
Hedging reserves (net of tax, note 10)	(97 738)	26 392	-	(71 347)	-
Currency translation differences	(6 496)	(22 227)	(11 201)	(56 574)	(11 201)
<b>Total</b>	<b>(104 234)</b>	<b>4 165</b>	<b>(11 201)</b>	<b>(127 921)</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)	(33 192)	27 021	18 951	17 577	(7 073)
<b>Total</b>	<b>(33 192)</b>	<b>27 021</b>	<b>18 951</b>	<b>17 577</b>	<b>(7 073)</b>
<b>Total other comprehensive income/ (loss) for the period, net of tax</b>	<b>(137 426)</b>	<b>31 184</b>	<b>7 750</b>	<b>(110 343)</b>	<b>(18 273)</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b>(115 472)</b>	<b>118 744</b>	<b>81 381</b>	<b>232 026</b>	<b>381 790</b>

## Condensed consolidated statement of financial position

NOK in thousands	Note	30 September 2021	31 December 2021	31 December 2020
<b>Assets:</b>				
<b>Non-current assets</b>				
Deferred tax assets		35 904	35 092	37 316
Right-of-use assets property, plant and equipment		86 939	82 806	81 724
Property, plant and equipment		8 509	8 098	8 409
Goodwill	7	1 428 246	1 419 451	1 442 849
Intangible assets	7	719 119	694 630	869 568
Cost to obtain contracts		246 459	287 728	172 656
Investments in associates and joint ventures		13 470	13 805	11 168
Other non-current financial assets		45 790	54 784	63 877
<b>Total non-current assets</b>		<b>2 584 435</b>	<b>2 596 391</b>	<b>2 687 566</b>
<b>Current assets</b>				
Intangible assets		5 319	7 518	2 880
Inventories		5 833	2 146	2 398
Trade receivables	8,12,14	2 048 036	5 256 259	1 476 927
Derivative financial instruments	9,10	1 072 647	1 449 758	193 175
Other current assets		61 636	38 847	167 065
Cash and cash equivalents		262 140	306 627	599 348
<b>Total current assets</b>		<b>3 455 611</b>	<b>7 061 155</b>	<b>2 441 793</b>
<b>Total assets</b>		<b>6 040 046</b>	<b>9 657 546</b>	<b>5 129 359</b>
<b>Equity and liabilities:</b>				
<b>Equity</b>				
Share capital		34 289	34 291	34 285
Share premium		991 998	992 094	991 614
Retained earnings		634 352	754 097	918 148
<b>Total equity</b>		<b>1 660 640</b>	<b>1 780 482</b>	<b>1 944 047</b>

Condensed consolidated statement  
of financial position

NOK in thousands	Note	30 September 2021	31 December 2021	31 December 2020
<b>Non-current liabilities</b>				
Employee benefit obligations	11	126 747	93 837	110 828
Interest-bearing long term debt	12	743 984	720 009	812 808
Deferred tax liabilities		91 702	118 318	130 499
Lease liability - long term		69 552	65 259	67 442
Other provisions for liabilities		17 159	16 740	14 649
<b>Total non-current liabilities</b>		<b>1 049 143</b>	<b>1 014 164</b>	<b>1 136 225</b>
<b>Current liabilities</b>				
Trade and other payables	14	1 415 035	4 516 589	1 029 604
Overdraft facilities	12	87 178	-	29 400
Current income tax liabilities		77 329	108 400	129 098
Derivative financial instruments	9,10	517 530	974 554	110 616
Social security and other taxes		85 894	116 390	143 425
Lease liability - short term		20 813	21 055	17 366
Other current liabilities	13	1 126 485	1 125 914	589 578
<b>Total current liabilities</b>		<b>3 330 264</b>	<b>6 862 901</b>	<b>2 049 087</b>
<b>Total liabilities</b>		<b>4 379 407</b>	<b>7 877 064</b>	<b>3 185 312</b>
<b>Total equity and liabilities</b>		<b>6 040 046</b>	<b>9 657 546</b>	<b>5 129 359</b>

The Board of Fjordkraft Holding ASA, Bergen, 9 February 2022



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	Hedging reserves	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 period	-	-	-	-	400 063	400 063
Share-based payment	-	-	-	-	3 242	3 242
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(11 201)	(7 073)	(18 273)
<b>Total comprehensive income/(loss) for the period incl. share-based payment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11 201)</b>	<b>396 232</b>	<b>385 032</b>
Share capital increase	2 936	866 580	-	-	-	869 515
Dividends paid	-	-	-	-	(313 717)	(313 717)
<b>Transactions with owners</b>	<b>2 936</b>	<b>866 580</b>	<b>-</b>	<b>-</b>	<b>(313 717)</b>	<b>555 798</b>
<b>Balance at 31 December 2020</b>	<b>34 285</b>	<b>991 614</b>	<b>-</b>	<b>(11 201)</b>	<b>929 348</b>	<b>1 944 047</b>
<b>Balance at 1 January 2021</b>	<b>34 285</b>	<b>991 614</b>	<b>-</b>	<b>(11 201)</b>	<b>929 348</b>	<b>1 944 047</b>
Profit/(loss) for the period	-	-	-	-	342 369	342 369
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)
<b>Total comprehensive income/(loss) for the period incl. share-based payment</b>	<b>-</b>	<b>-</b>	<b>(71 347)</b>	<b>(56 574)</b>	<b>363 856</b>	<b>235 936</b>
Share capital increase (note 6)	6	480	-	-	-	486
Dividends paid (note 6)	-	-	-	-	(399 986)	(399 986)
<b>Transactions with owners</b>	<b>6</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>(399 986)</b>	<b>(399 500)</b>
<b>Balance at 31 December 2021</b>	<b>34 291</b>	<b>992 094</b>	<b>(71 347)</b>	<b>(67 775)</b>	<b>893 218</b>	<b>1 780 482</b>

## Condensed consolidated statement of cash flows

NOK in thousands	Note	Q3 2021	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
<b>Operating activities</b>						
Profit/ (loss) before tax		28 345	132 178	90 574	444 519	513 667
<b>Adjustments for</b>						
Depreciation	7	58 325	58 893	114 767	236 624	168 012
Depreciation right-of-use assets		4 966	5 061	3 958	19 687	13 302
Amortisation of contract assets		39 039	39 927	38 221	146 773	123 860
Impairment of intangible asset	4,7	(61)	-	197 470	9 762	197 470
Interest income		(2 934)	(3 245)	(3 196)	(12 801)	(16 814)
Interest expense lease liability		577	545	585	2 374	1 813
Interest expense		9 001	14 588	8 335	42 583	11 982
Income/loss from investments in associates and joint ventures		(380)	(335)	(2 433)	(2 637)	(1 168)
Change in long-term receivables		(119)	(7 501)	(7 686)	(3 882)	(7 686)
Share based payment expense		1 001	1 000	862	3 910	3 252
Change in post-employment liabilities		(521)	1 732	(331)	5 544	(302)
Payments to obtain a contract		(72 064)	(83 016)	(49 510)	(264 152)	(137 280)
<b>Changes in working capital (non-cash effect)</b>						
Impairment loss recognised in trade receivables	8	(7 597)	(4 853)	(2 478)	(57 666)	19 342
Provision for onerous contracts recognised in other current liabilities	4	428 736	(157 544)	71 023	403 535	71 023
Change in fair value of derivative financial instruments	4,9,10	(433 727)	108 528	(328 429)	(495 265)	(331 539)
<b>Changes in working capital</b>						
Inventories		268	3 686	(1 197)	251	(1 453)
Trade receivables	8	(625 364)	(3 211 078)	(790 707)	(3 740 539)	260 279
Purchase of el-certificates		(123)	271	-	(86 044)	(245 712)
Non-cash effect from cancelling el-certificates		-	-	-	85 898	263 594
Purchase of guarantees of origination		(4 483)	(2 418)	(561)	(11 206)	(4 064)
Non-cash effect from disposal of guarantees of origination		802	-	1 588	7 028	7 089
Other current assets		3 424	22 292	39 987	127 465	19 435
Trade and other payables		550 386	3 110 514	453 910	3 505 284	61 721
Other current liabilities	13	119 841	232 086	133 248	167 198	(351 741)
<b>Cash generated from operations</b>		<b>97 336</b>	<b>261 313</b>	<b>(32 001)</b>	<b>534 244</b>	<b>638 082</b>
Interest paid		(9 691)	(15 742)	(16 135)	(43 978)	(22 058)
Interest received		2 933	3 245	3 196	12 801	16 814
Income tax paid	5	-	(1 629)	(23 508)	(123 774)	(113 533)
<b>Net cash from operating activities</b>		<b>90 578</b>	<b>247 187</b>	<b>(68 448)</b>	<b>379 293</b>	<b>519 305</b>

**Condensed consolidated statement  
of cash flows**

NOK in thousands	Note	Q3 2021	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
<b>Investing activities</b>						
Purchase of property, plant and equipment		(894)	(245)	492	(2 742)	(497)
Purchase of intangible assets	7	(1 2 654)	(38 021)	(14 513)	(83 225)	(64 767)
Proceeds from sale of intangible assets	7	-	-	-	-	10 000
Net cash outflow on acquisition of subsidiaries	13	-	(42 674)	(501 872)	(42 674)	(1 033 527)
Net cash outflow on acquisition of shares in associates		-	-	-	-	(10 000)
Net (outflow)/proceeds from non-current receivables		1 150	(1 492)	(17 131)	12 975	(16 985)
Net (outflow)/proceeds from other long-term liabilities		872	20	(194)	3 164	(194)
<b>Net cash used in investing activities</b>		<b>(1 1 525)</b>	<b>(82 412)</b>	<b>(533 219)</b>	<b>(112 502)</b>	<b>(1 115 970)</b>
<b>Financing activities</b>						
Proceeds from overdraft facilities	12	(49 623)	(87 178)	29 400	(29 400)	29 400
Proceeds from revolving credit facility	12	-	-	500 000	-	500 000
Repayment of revolving credit facility	12	-	-	(500 000)	-	(500 000)
Proceeds from issuance of shares		-	97	-	486	2 730
Dividends paid		-	-	-	(399 986)	(313 717)
Formation expenses		-	-	-	-	(10)
Proceeds from long term debt	12	-	-	477 000	-	937 000
Instalments of long term debt	12	(23 425)	(23 425)	(23 425)	(93 700)	(65 125)
Repayment of long term debt	12	-	-	-	-	(152 900)
Payment of lease liability		(4 284)	(5 448)	(3 911)	(19 095)	(12 450)
<b>Net cash used in financing activities</b>		<b>(77 331)</b>	<b>(115 954)</b>	<b>479 064</b>	<b>(541 696)</b>	<b>424 928</b>
<b>Net change in cash and cash equivalents</b>		<b>1 722</b>	<b>48 821</b>	<b>(122 603)</b>	<b>(274 905)</b>	<b>(171 738)</b>
<b>Cash and cash equivalents at start of period</b>		<b>261 282</b>	<b>262 140</b>	<b>726 400</b>	<b>599 348</b>	<b>775 536</b>
Effects of exchange rate changes on cash and cash equivalents		(863)	(4 333)	(4 450)	(17 816)	(4 450)
<b>Cash and cash equivalents at end of period</b>		<b>262 140</b>	<b>306 627</b>	<b>599 348</b>	<b>306 627</b>	<b>599 348</b>

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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, 51 47 Bergen, Norway.

These interim financial statements, which are unaudited, were approved by the Board of Directors for issue on 9 February 2022.

#### 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:

- the group implemented hedge accounting for some hedges established in the third and fourth quarter of 2021. See note 10 for further information

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.

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## Note 2 Segment information

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**

<b>Q3 2021</b>						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	1 098 805	855 515	346 386	2 300 707	93 221	2 393 927
<b>Total external segment revenue adjusted</b>	<b>1 098 805</b>	<b>855 515</b>	<b>346 386</b>	<b>2 300 707</b>	<b>93 221</b>	<b>2 393 927</b>
Direct cost of sales adjusted	(870 170)	(767 249)	(315 049)	(1 952 469)	(74 319)	(2 026 783)
<b>Revenue less direct cost of sales adjusted</b>	<b>228 636</b>	<b>88 266</b>	<b>31 337</b>	<b>348 238</b>	<b>18 902</b>	<b>367 143</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(145 489)	(42 865)	(12 686)	(201 040)	(21 258)	(222 298)
Depreciation and amortisation adjusted	(41 283)	(6 731)	(6 721)	(54 735)	(1 298)	(56 033)
<b>Total operating expenses adjusted</b>	<b>(186 771)</b>	<b>(49 597)</b>	<b>(19 407)</b>	<b>(255 775)</b>	<b>(22 556)</b>	<b>(278 332)</b>
<b>Operating profit adjusted</b>	<b>41 864</b>	<b>38 669</b>	<b>11 929</b>	<b>92 463</b>	<b>(3 654)</b>	<b>88 812</b>

<b>Q4 2021</b>						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	3 204 873	2 249 446	627 470	6 081 790	102 153	6 183 942
<b>Total external segment revenue adjusted</b>	<b>3 204 873</b>	<b>2 249 446</b>	<b>627 470</b>	<b>6 081 790</b>	<b>102 153</b>	<b>6 183 942</b>
Direct cost of sales adjusted	(2 887 406)	(2 111 459)	(671 600)	(5 670 465)	(77 767)	(5 748 230)
<b>Revenue less direct cost of sales adjusted</b>	<b>317 467</b>	<b>137 987</b>	<b>(44 130)</b>	<b>411 324</b>	<b>24 386</b>	<b>435 713</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(151 801)	(42 610)	(22 857)	(217 268)	(19 548)	(236 819)
Depreciation and amortisation adjusted	(45 145)	(7 268)	(4 338)	(56 751)	(1 298)	(58 049)
<b>Total operating expenses adjusted</b>	<b>(196 946)</b>	<b>(49 878)</b>	<b>(27 195)</b>	<b>(274 019)</b>	<b>(20 846)</b>	<b>(294 868)</b>
<b>Operating profit adjusted</b>	<b>120 521</b>	<b>88 109</b>	<b>(71 325)</b>	<b>137 305</b>	<b>3 539</b>	<b>140 844</b>

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

Q4 2020						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	788 587	499 949	263 894	1 552 429	82 924	1 635 353
<b>Total external segment revenue adjusted</b>	<b>788 587</b>	<b>499 949</b>	<b>263 894</b>	<b>1 552 429</b>	<b>82 924</b>	<b>1 635 353</b>
Direct cost of sales adjusted	(479 900)	(378 037)	(245 954)	(1 103 892)	(67 852)	(1 171 745)
<b>Revenue less direct cost of sales adjusted</b>	<b>308 687</b>	<b>121 911</b>	<b>17 940</b>	<b>448 538</b>	<b>15 072</b>	<b>463 608</b>
<b>Expenses</b>						
Personnel and other operating expenses adjusted	(174 038)	(43 641)	(9 256)	(226 935)	(21 786)	(248 721)
Depreciation and amortisation adjusted	(37 086)	(6 049)	(2 932)	(46 067)	(1 117)	(47 184)
<b>Total operating expenses adjusted</b>	<b>(211 124)</b>	<b>(49 690)</b>	<b>(12 188)</b>	<b>(273 002)</b>	<b>(22 903)</b>	<b>(295 905)</b>
<b>Operating profit adjusted</b>	<b>97 562</b>	<b>72 221</b>	<b>5 752</b>	<b>175 535</b>	<b>(7 831)</b>	<b>167 704</b>

Full Year 2021						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives*	Total segments
<b>Revenue</b>						
Revenue adjusted	7 802 881	5 257 664	1 773 888	14 834 434	365 732	15 200 165
<b>Total external segment revenue adjusted</b>	<b>7 802 881</b>	<b>5 257 664</b>	<b>1 773 888</b>	<b>14 834 434</b>	<b>365 732</b>	<b>15 200 165</b>
Direct cost of sales adjusted	(6 704 802)	(4 796 617)	(1 710 899)	(13 212 318)	(287 350)	(13 499 669)
<b>Revenue less direct cost of sales adjusted</b>	<b>1 098 079</b>	<b>461 048</b>	<b>62 989</b>	<b>1 622 116</b>	<b>78 382</b>	<b>1 700 496</b>
<b>Expenses</b>						
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)
<b>Total operating expenses adjusted</b>	<b>(750 454)</b>	<b>(186 654)</b>	<b>(88 592)</b>	<b>(1 025 699)</b>	<b>(88 740)</b>	<b>(1 114 448)</b>
<b>Operating profit adjusted</b>	<b>347 625</b>	<b>274 394</b>	<b>(25 603)</b>	<b>596 417</b>	<b>(10 357)</b>	<b>586 048</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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Revenue adjusted</b>	<b>2 393 927</b>	<b>6 183 942</b>	<b>1 635 353</b>	<b>15 200 165</b>	<b>4 183 361</b>
Corporate 1)	(10 210)	(105)	8 747	8 422	29 650
Special items 2)	-	-	-	-	1 716
<b>Revenue</b>	<b>2 383 717</b>	<b>6 183 838</b>	<b>1 644 100</b>	<b>15 208 587</b>	<b>4 214 727</b>
<b>Direct cost of sales adjusted</b>	<b>(2 026 783)</b>	<b>(5 748 230)</b>	<b>(1 171 745)</b>	<b>(13 499 669)</b>	<b>(2 639 876)</b>
Corporate 1)	-	2 257	(899)	3 093	(7 129)
<b>Direct cost of sales</b>	<b>(2 026 783)</b>	<b>(5 745 973)</b>	<b>(1 172 644)</b>	<b>(13 496 576)</b>	<b>(2 647 005)</b>
<b>Revenue less direct cost of sales adjusted</b>	<b>367 143</b>	<b>435 713</b>	<b>463 608</b>	<b>1 700 496</b>	<b>1 543 486</b>
Corporate 1)	(10 210)	2 152	7 848	11 515	22 521
Special items 2)	-	-	-	-	1 716
<b>Revenue less direct cost of sales</b>	<b>356 933</b>	<b>437 865</b>	<b>471 456</b>	<b>1 712 011</b>	<b>1 567 722</b>
<b>Total operating expenses adjusted</b>	<b>(278 332)</b>	<b>(294 868)</b>	<b>(295 905)</b>	<b>(1 114 448)</b>	<b>(935 208)</b>
Special items 2)	-	-	(26 414)	2 354	(42 213)
Depreciation of acquisitions 3)	(46 295)	(45 830)	(103 959)	(188 629)	(128 175)
<b>Total operating expenses</b>	<b>(324 627)</b>	<b>(340 699)</b>	<b>(426 278)</b>	<b>(1 300 723)</b>	<b>(1 105 596)</b>
Impairment and change in provision for onerous contracts	(428 675)	157 544	(268 493)	(413 296)	(268 493)
Other gains and losses 4)	433 727	(108 528)	328 430	495 265	331 539
<b>Operating profit</b>	<b>37 359</b>	<b>146 183</b>	<b>105 115</b>	<b>493 256</b>	<b>525 172</b>
Income/loss from investments in associates and joint ventures	380	335	2 433	2 637	1 168
Interest income	2 933	3 245	3 196	12 801	16 814
Interest expense lease liability	(576)	(545)	(585)	(2 374)	(1 813)
Interest expense	(9 000)	(14 588)	(8 335)	(42 583)	(11 982)
Other financial items, net	(2 751)	(2 451)	(11 250)	(19 219)	(15 692)
<b>Profit/(loss) before tax</b>	<b>28 345</b>	<b>132 178</b>	<b>90 574</b>	<b>444 519</b>	<b>513 667</b>

1) Corporate consists of estimate deviations previous periods 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.

## Note 2

### Segment information

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

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Special items incurred specific to:					
- acquisition related costs and implementation costs	-	-	(5 780)	(7 485)	(21 579)
- income related to compensatory damages	-	-	-	-	1 716
- one off amortisation of customer contracts in acquired companies	-	-	(5 745)	-	(5 745)
- severance packages and other one off costs in acquired companies	-	-	(14 889)	6 451	(14 889)
- gain from sale of trade receivables previously impaired	-	-	-	3 387	-
<b>Special items</b>	<b>-</b>	<b>-</b>	<b>(26 414)</b>	<b>2 354</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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
TrønderEnergi Marked acquisition	(2 608)	(2 608)	(5 180)	(10 434)	(20 718)
Oppdal Everk Kraftomsetning acquisition	(572)	(572)	(787)	(2 289)	(3 148)
Vesterålskraft Strøm acquisition	(484)	(484)	(565)	(1 936)	(2 261)
Innlandskraft acquisition	(31 068)	(31 068)	(36 254)	(128 650)	(36 254)
Troms Kraft Strøm acquisition	(10 652)	(10 320)	(7 037)	(42 031)	(7 037)
Troms Kraft Strøm acquisition - Depreciation of fixed price customer contracts	-	-	(52 910)	-	(52 910)
Other customer acquisitions	(910)	(777)	(1 226)	(3 289)	(5 847)
<b>Depreciation of acquisitions</b>	<b>(46 295)</b>	<b>(45 830)</b>	<b>(103 959)</b>	<b>(188 629)</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:

#### Revenue

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue - Consumer segment (1)	1 098 805	3 204 873	788 587	7 802 881	2 144 219
Revenue - Business segment (2)	855 515	2 249 446	499 949	5 257 664	1 479 533
Revenue - Nordic (3)	346 386	627 470	263 894	1 773 888	263 894
Revenue - New growth initiatives (4)	93 221	102 153	82 924	365 732	295 716
Revenue - Corporate	(10 210)	(105)	8 747	8 422	31 366
<b>Total revenue</b>	<b>2 383 717</b>	<b>6 183 838</b>	<b>1 644 100</b>	<b>15 208 587</b>	<b>4 214 727</b>

#### Timing of revenue recognition

##### Over time:

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue - Consumer segment	1 070 711	3 179 011	769 691	7 697 878	2 090 297
Revenue - Business segment	847 929	2 239 213	493 691	5 219 008	1 453 829
Revenue - Nordic	346 386	627 470	263 894	1 773 888	263 894
Revenue - New growth initiatives	91 764	100 590	82 460	360 175	293 952
Revenue - Corporate	(10 210)	(105)	8 747	8 422	31 366
<b>Total revenue recognised over time</b>	<b>2 346 580</b>	<b>6 146 179</b>	<b>1 618 482</b>	<b>15 059 370</b>	<b>4 133 338</b>

##### At a point in time:

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue - Consumer segment	28 094	25 862	18 896	105 003	53 921
Revenue - Business segment	7 587	10 234	6 258	38 657	25 704
Revenue - Nordic	-	-	-	-	-
Revenue - New growth initiatives	1 457	1 562	464	5 557	1 764
<b>Total revenue recognised at a point in time</b>	<b>37 137</b>	<b>37 659</b>	<b>25 618</b>	<b>149 217</b>	<b>81 389</b>
<b>Total revenue</b>	<b>2 383 717</b>	<b>6 183 838</b>	<b>1 644 100</b>	<b>15 208 587</b>	<b>4 214 727</b>

(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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Impairment and provisions for onerous contracts:</b>						
Change in provision for onerous contracts*		(428 736)	157 544	(71 023)	(403 535)	(71 023)
Impairment of intangible assets - Fixed price customer contracts*	7	62	-	(180 540)	(9 762)	(180 540)
Impairment of intangible assets - Software and development projects	7	-	-	(16 930)	-	(16 930)
<b>Total impairment and provisions for onerous contracts</b>		<b>(428 675)</b>	<b>157 544</b>	<b>(268 493)</b>	<b>(413 296)</b>	<b>(268 493)</b>
<b>Other gains and losses</b>						
Change in fair value of derivative financial instruments*	9	433 727	(108 528)	328 430	495 265	331 539
<b>Total other gains and losses, net</b>		<b>433 727</b>	<b>(108 528)</b>	<b>328 430</b>	<b>495 265</b>	<b>331 539</b>
<b>Total</b>		<b>5 052</b>	<b>49 016</b>	<b>59 937</b>	<b>81 969</b>	<b>63 046</b>

\*The change in provision for onerous contracts in Q4 2021 relates to portfolios of fixed price customer contracts.

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. The remaining are new fixed price contracts entered into with customers in the Nordic segment after the business combination and fixed price contracts entered into with consumers in Norway.

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 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).

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

Provisions for onerous contracts has been reduced with NOKt 157 544 in the fourth quarter. The provision amounts to a total of NOKt 473 083 at 31 December 2021.

The price risk related to fixed price customer contracts are hedged with system price forward contract and EPAD forward contracts.

Of changes in fair value of derivative financial instruments in the fourth quarter, net unrealised losses of NOKt 151 104 (Q3 2021: gains of NOKt 437 870, 2020: gains of NOKt 314 869) relates to these portfolios of power derivatives, and gains of NOKt 42 576 (Q3 2021: NOKt 4 143 (loss), 2020: NOKt 16 670 (gains)) relates to the groups other portfolios of power derivatives.

The net effect of reduced provisions for onerous fixed price customer contracts (positive NOKt 157 544), and the change in fair value of the corresponding portfolios of hedging contracts, is a net income/gain of NOKt 6 440 in the fourth quarter of 2021 (Q3 2021: NOKt 9 195, 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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit before tax	28 345	132 178	90 574	444 519	513 667
Tax expense	(6 391)	(44 618)	(16 943)	(102 150)	(113 604)
Average tax rate	22,5 %	33,8 %	18,7 %	23,0 %	22,1 %
Tax payable	13 411	38 024	40 801	108 400	127 032
Adjustments to prior years tax payable	-	(54)	4 914	(4 968)	4 734
Change in deferred tax	(7 021)	6 648	(28 771)	(1 282)	(18 162)
<b>Tax expense recognised in statement of profit or loss</b>	<b>6 391</b>	<b>44 618</b>	<b>16 944</b>	<b>102 150</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

	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit/(loss) attributable to equity holders of the company *	21 954	87 560	73 631	342 369	400 063
Total comprehensive income attributable to equity holders of the company *	(115 472)	118 744	81 381	232 026	381 790
Total number of ordinary shares in issue	114 297 800	114 301 800	114 281 800	114 301 800	114 281 800
Weighted average number of ordinary shares in issue	114 297 800	114 299 514	114 281 800	114 291 767	107 200 552
<b>Earnings per share in NOK</b>	<b>0,19</b>	<b>0,77</b>	<b>0,64</b>	<b>3,00</b>	<b>3,73</b>
<b>Total comprehensive income per share in NOK</b>	<b>(1,01)</b>	<b>1,04</b>	<b>0,71</b>	<b>2,03</b>	<b>3,56</b>
Share options	1 504 000	1 500 000	1 190 000	1 500 000	1 190 000
<b>Diluted earnings per share in NOK</b>	<b>0,19</b>	<b>0,76</b>	<b>0,64</b>	<b>2,96</b>	<b>3,69</b>
<b>Dividend per share in NOK</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,50</b>	<b>3,00</b>

\*NOK in thousands

The change in share options from September 2021 is due to vesting in the share option program where a total of 4 000 shares were exercised.

## Note 7 Intangible assets

Non-current intangible assets								
Q3 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 July 2021	319 577	19 280	762 970	235 261	146 192	1 483 280	1 429 576	2 912 857
Additions - Purchase	-	12 149	(181)	-	-	11 969	-	11 969
Additions - Internally generated	686	-	-	-	-	686	-	686
Additions from business combinations	-	-	-	-	-	-	-	-
Transferred from construction in progress	5 703	(5 703)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	1	6	(669)	(728)	(82)	(1 470)	(1 330)	(2 801)
<b>Accumulated cost 30 September 2021</b>	<b>325 967</b>	<b>25 732</b>	<b>762 121</b>	<b>234 533</b>	<b>146 110</b>	<b>1 494 464</b>	<b>1 428 246</b>	<b>2 922 711</b>
Accumulated depreciation 1 July 2021	(197 696)	-	(236 015)	(51 090)	(27 001)	(511 801)	-	(511 801)
Depreciation for the period	(11 492)	-	(43 297)	-	(2 825)	(57 614)	-	(57 614)
Currency translation differences	(8)	-	243	145	-	379	-	379
<b>Accumulated depreciation 30 September 2021</b>	<b>(209 196)</b>	<b>-</b>	<b>(279 069)</b>	<b>(50 945)</b>	<b>(29 826)</b>	<b>(569 035)</b>	<b>-</b>	<b>(569 035)</b>
Accumulated impairment 1 July 2021	(22 724)	-	-	(184 171)	-	(206 895)	-	(206 895)
Impairment for the period *	-	-	-	62	-	62	-	62
Currency translation differences	-	-	-	522	-	522	-	522
<b>Accumulated impairment 30 September 2021</b>	<b>(22 724)</b>	<b>-</b>	<b>-</b>	<b>(183 588)</b>	<b>-</b>	<b>(206 312)</b>	<b>-</b>	<b>(206 312)</b>
Disposals	-	-	-	-	-	-	-	-
<b>Carrying amount 30 September 2021</b>	<b>94 048</b>	<b>25 732</b>	<b>483 052</b>	<b>-</b>	<b>116 285</b>	<b>719 119</b>	<b>1 428 246</b>	<b>2 147 365</b>

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

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

<b>Non-current intangible assets</b>								
<b>Q4 2021</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 October 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)
<b>Accumulated cost 31 December 2021</b>	<b>345 582</b>	<b>5 339</b>	<b>796 218</b>	<b>229 668</b>	<b>145 607</b>	<b>1 522 414</b>	<b>1 419 451</b>	<b>2 941 866</b>
Accumulated depreciation 1 October 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
<b>Accumulated depreciation 31 December 2021</b>	<b>(221 535)</b>	<b>-</b>	<b>(321 346)</b>	<b>(49 842)</b>	<b>(32 514)</b>	<b>(625 238)</b>	<b>-</b>	<b>(625 238)</b>
Accumulated impairment 1 October 2021	(22 724)	-	-	(183 588)	-	(206 312)	-	(206 312)
Impairment for the period **	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	3 762	-	3 762	-	3 762
<b>Accumulated impairment 31 December 2021</b>	<b>(22 724)</b>	<b>-</b>	<b>-</b>	<b>(179 826)</b>	<b>-</b>	<b>(202 549)</b>	<b>-</b>	<b>(202 549)</b>
Disposals	-	-	-	-	-	-	-	-
<b>Carrying amount 31 December 2021</b>	<b>101 324</b>	<b>5 339</b>	<b>474 873</b>	<b>-</b>	<b>113 093</b>	<b>694 630</b>	<b>1 419 451</b>	<b>2 114 081</b>

\* The changes to Goodwill included in Additions from business combinations are adjustments to the goodwill recognised when the group acquired Troms Kraft Strøm AS in Q4 2020. These changes are mainly caused by adjustments to the final purchase consideration.

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

\*\*\* Of total additions of customer portfolios in Q4, 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 7**  
**Intangible assets**

<b>Non-current intangible assets</b>								
<b>Q4 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 October 2020	256 087	31 197	534 940	-	122 931	945 155	1 127 050	2 072 204
Additions - Purchase	204	15 318	(1 660)	-	-	13 862	-	13 862
Additions - Internally generated	688	(38)	-	-	-	650	-	650
Additions from business combinations	4 172	150	239 645	245 664	24 849	514 479	318 046	832 525
Transferred from construction in progress	36 483	(36 483)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	(123)	(1 082)	-	-	-	(1 205)	-	(1 205)
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>1 467 963</b>	<b>1 442 849</b>	<b>2 910 812</b>
Accumulated depreciation 1 October 2020	(166 073)	-	(103 020)	-	(11 714)	(280 806)	-	(280 806)
Depreciation for the period	(10 041)	-	(46 420)	(52 910)	(5 669)	(115 040)	-	(115 040)
Currency translation differences	18	-	31	149	-	198	-	198
<b>Accumulated depreciation 31 December 2020</b>	<b>(176 096)</b>	<b>-</b>	<b>(149 408)</b>	<b>(52 761)</b>	<b>(17 383)</b>	<b>(395 648)</b>	<b>-</b>	<b>(395 648)</b>
Accumulated impairment 1 October 2020	(5 794)	-	-	-	-	(5 794)	-	(5 794)
Impairment for the period	(16 930)	-	-	(180 540)	-	(197 470)	-	(197 470)
Currency translation differences	-	-	-	514	-	514	-	514
<b>Accumulated impairment 31 December 2020</b>	<b>(22 724)</b>	<b>-</b>	<b>-</b>	<b>(180 026)</b>	<b>-</b>	<b>(203 264)</b>	<b>-</b>	<b>(203 264)</b>
Disposals	-	-	-	-	-	-	-	-
<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>

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

<b>Non-current intangible assets</b>								
<b>Full Year 2021</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 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)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	(47)	(8)	(12 823)	(13 972)	(1 924)	(28 773)	(18 596)	(47 369)
<b>Accumulated cost 31 December 2021</b>	<b>345 582</b>	<b>5 339</b>	<b>796 218</b>	<b>229 668</b>	<b>145 607</b>	<b>1 522 413</b>	<b>1 419 451</b>	<b>2 941 866</b>
Accumulated depreciation 1 January 2021	(176 096)	-	(149 409)	(52 761)	(17 383)	(395 649)	-	(395 649)
Depreciation for the period	(45 401)	-	(173 251)	-	(15 131)	(233 783)	-	(233 783)
Currency translation differences	(37)	-	1 312	2 919	-	4 195	-	4 195
<b>Accumulated depreciation 31 December 2021</b>	<b>(221 534)</b>	<b>-</b>	<b>(321 347)</b>	<b>(49 842)</b>	<b>(32 514)</b>	<b>(625 237)</b>	<b>-</b>	<b>(625 237)</b>
Accumulated depreciation 1 January 2021	(22 724)	-	-	(180 026)	-	(202 750)	-	(202 750)
Impairment for the period **	-	-	-	(9 762)	-	(9 762)	-	(9 762)
Currency translation differences	-	-	-	9 961	-	9 961	-	9 961
<b>Accumulated impairment 31 December 2021</b>	<b>(22 724)</b>	<b>-</b>	<b>-</b>	<b>(179 826)</b>	<b>-</b>	<b>(202 550)</b>	<b>-</b>	<b>(202 550)</b>
Disposals	-	-	-	-	-	-	-	-
<b>Carrying amount 31 December 2021</b>	<b>101 324</b>	<b>5 339</b>	<b>474 873</b>	<b>-</b>	<b>113 093</b>	<b>694 630</b>	<b>1 419 451</b>	<b>2 114 081</b>

\* 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 and Troms Kraft Strøm AS in Q4 2020. These changes are mainly caused by adjustments to the final purchase consideration.

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

\*\*\* Of total additions of customer portfolios in Q4, 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 7**  
**Intangible assets**

<b>Non-current intangible assets</b>								
<b>Full Year 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	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>
Accumulated depreciation 1 January 2020	(138 446)	-	(81 281)	-	(9 189)	(228 916)	-	(228 916)
Depreciation for the year*	(37 668)	-	(68 159)	(52 910)	(8 194)	(166 931)	-	(166 931)
Currency translation differences	18	-	31	149	-	198	-	198
<b>Accumulated depreciation 31 December 2020</b>	<b>(176 096)</b>	<b>-</b>	<b>(149 408)</b>	<b>(52 761)</b>	<b>(17 383)</b>	<b>(395 649)</b>	<b>-</b>	<b>(395 649)</b>
Accumulated impairment 1 January 2020	(5 794)	-	-	-	-	(5 794)	-	(5 794)
Impairment for the year**	(16 930)	-	-	(180 540)	-	(197 470)	-	(197 470)
Currency translation differences	-	-	-	514	-	514	-	514
<b>Accumulated impairment 31 December 2020</b>	<b>(22 724)</b>	<b>-</b>	<b>-</b>	<b>(180 026)</b>	<b>-</b>	<b>(202 750)</b>	<b>-</b>	<b>(202 750)</b>
Disposals	-	-	-	-	-	-	-	-
<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 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). 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 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). In the fourth quarter of 2021, the Group has made a change in the estimation technique used for estimating expected credit loss. For customers in the business segment, the expected credit losses on trade receivables are still 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 now 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.

To account for Covid-19 effects the Group made an additional loss allowance provision of NOKt 10 800 in 2020. During 2021 most of the Government's restrictions has been lifted and macroeconomic conditions have started to normalise. After an updated assessment of credit risk due to Covid-19 in 2021, the additional loss allowance provision was removed. 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	30 Sept 2021	Full year 2021	Full year 2020
Gross nominal amount	2 098 635	5 301 472	1 582 007
Loss allowance provision	(50 599)	(45 213)	(105 080)
<b>Trade receivables, net</b>	<b>2 048 036</b>	<b>5 256 259</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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Loss allowance provision, opening balance	58 234	50 599	100 804	105 080	75 837
Additions from business combinations	-	-	4 878	-	7 778
Change in loss allowance recognised in profit or loss for the period	(7 620)	(5 247)	(474)	(59 543)	21 594
Currency translation difference	(15)	(140)	(129)	(324)	(129)
<b>Loss allowance provision, balance at end of period</b>	<b>50 599</b>	<b>45 213</b>	<b>105 080</b>	<b>45 213</b>	<b>105 080</b>

The movement in lifetime ECL in 2021 is mainly due to removal of the additional loss allowance provision related to Covid-19, changes in the Group's CRM system related to write-offs (overdue receivables previously included in loss allowance provision was written off) and the change in estimation technique described above.

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 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Receivables written off	(496)	3 677	2 439	53 846	6 998
Movement in provision for impairment	(7 620)	(5 247)	(227)	(59 543)	21 594
Received payment on previously written off receivables	(1 498)	(9 231)	(3 679)	(16 651)	(5 878)
<b>Net impairment expense recognised on trade receivables</b>	<b>(9 614)</b>	<b>(10 800)</b>	<b>(1 466)</b>	<b>(22 348)</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 has the following derivative financial instruments:

NOK in thousands	30 September 2021	31 December 2021	31 December 2020
<b>Current assets</b>			
Electricity Forwards with Statkraft and Fortum	690 734	874 455	66 843
Electricity Options with Statkraft and Fortum	-	14	242
Electricity Forwards with customers	372 967	567 866	119 654
Electricity Options with customers	8 946	7 423	6 435
Other derivatives	-	-	-
<b>Total current assets - Derivative financial instruments</b>	<b>1 072 647</b>	<b>1 449 758</b>	<b>193 175</b>
<b>Current liabilities</b>			
Electricity Futures with Nasdaq OMX	-	-	13 755
Electricity Forwards with Statkraft and Fortum	46 167	470 350	18 449
Electricity Options with Statkraft and Fortum	8 281	7 329	7 018
Electricity Forwards with customers	461 199	495 573	70 363
Electricity Options with customers	638	58	451
Other derivatives	1 244	1 245	581
<b>Total current liabilities - Derivative financial instruments</b>	<b>517 530</b>	<b>974 554</b>	<b>110 616</b>
<b>Designation of derivatives</b>			
<b>Current assets</b>			
Designated as hedging instruments	-	-	-
Classified as held for trading for accounting purposes	1 072 647	1 449 758	193 175
<b>Total current assets - Derivative financial instruments</b>	<b>1 072 647</b>	<b>1 449 758</b>	<b>193 175</b>
<b>Current liabilities</b>			
Designated as hedging instruments	1 25 949	78 962	-
Classified as held for trading for accounting purposes	391 581	895 591	110 616
<b>Total current assets - Derivative financial instruments</b>	<b>517 530</b>	<b>974 554</b>	<b>110 616</b>

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.

The group's accounting policy for cash flow hedges are set out in note 10.

## 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 At 30 September 2021	Level 1	Level 2	Level 3	Total
NOK in thousands				
<b>Financial assets</b>				
Derivative financial instruments	-	881 689	190 959	1 072 647
<b>Total financial assets at fair value</b>	-	<b>881 689</b>	<b>190 959</b>	<b>1 072 647</b>

Recurring fair value measurements At 30 September 2021	Level 1	Level 2	Level 3	Total
NOK in thousands				
<b>Financial liabilities</b>				
Derivative financial instruments	-	350 438	167 091	517 530
<b>Total financial liabilities at fair value</b>	-	<b>350 438</b>	<b>167 091</b>	<b>517 530</b>

Recurring fair value measurements At 31 December 2021	Level 1	Level 2	Level 3	Total
NOK in thousands				
<b>Financial assets</b>				
Derivative financial instruments	-	1 437 390	12 368	1 449 758
<b>Total financial assets at fair value</b>	-	<b>1 437 390</b>	<b>12 368</b>	<b>1 449 758</b>
<b>Financial liabilities</b>				
Derivative financial instruments	-	962 587	11 967	974 554
<b>Total financial liabilities at fair value</b>	-	<b>962 587</b>	<b>11 967</b>	<b>974 554</b>

Recurring fair value measurements At 31 December 2020	Level 1	Level 2	Level 3	Total
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>131 045</b>	<b>62 130</b>	<b>193 175</b>

Recurring fair value measurements At 31 December 2020	Level 1	Level 2	Level 3	Total
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>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 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 discount rates, contract- and market prices.

At the beginning of Q4 2021 level 3 inputs consisted 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 market for corresponding forward contracts is considered illiquid. During Q4 Nasdaq Commodities listed EPAD (Electricity Price Area Differential) contracts for the price areas Bergen and Kristiansand, thus expected power prices in these price areas are no longer considered to be level 3 input. All affected electricity derivatives are transferred to level 2 at the beginning of Q4.

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 30 September 2021

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 July 2021	72 858	62 414	10 443
Additions or derecognitions	-	(1 300)	1 300
Realisations and unrealised changes in value recognised in profit or loss	118 101	105 976	12 124
<b>Closing balance 30 September 2021</b>	<b>190 959</b>	<b>167 091</b>	<b>23 867</b>
<b>Net realised gain (+) / loss (-) recognised in profit and loss Q3 2021</b>			<b>39 348</b>

##### At 31 December 2021

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 October 2021	190 959	167 091	23 867
Transferred to level 2 (see above)	(183 817)	(160 623)	(23 194)
Additions or derecognitions	-	-	-
Realisations and unrealised changes in value recognised in profit or loss	5 226	5 499	(273)
<b>Closing balance 31 December 2021</b>	<b>12 368</b>	<b>11 967</b>	<b>400</b>
<b>Net realised gain (+) / loss (-) recognised in profit and loss Q4 2021</b>			<b>-</b>

##### At 31 December 2020

NOK in thousands	Assets	Liabilities	Total, net
Opening balance 1 October 2020	52 301	38 230	14 071
Additions or derecognitions	(79)	(3 679)	3 599
Realisations and unrealised changes in value recognised in profit or loss	9 908	(19 980)	29 888
<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 Q4 2020</b>			<b>(10 396)</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
Realisations and unrealised changes in value recognised in profit or 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	(865)	865

#### 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 December 2021.

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## 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 (cash flow hedges).

Fjordkraft sells electricity with different pricing structures, while all electricity is purchased in the spot market. The majority of the customers have contracts based on spot prices. Fjordkraft also offers fixed price contracts for a defined period, and variable price contracts with or without price ceiling. The price in the variable price products can be changed with a 14 days' notice period. In the past, Fjordkraft has used options to manage risk caused by customer contracts with price ceiling, and forward contracts to manage risk for fixed price contracts and to some extent for variable rate contracts. The group revised its risk management strategy and policy for power purchases in the Norwegian group entities in July 2021. In the revised strategy Fjordkraft will seek to reduce price variability for a higher percentage of the future power purchases in Norway. The hedging activities can be done with both forward contracts, futures, and options. This will support the commercial goal to reduce the number of price changes for the variable price products, at the same time acknowledging the risk that the group might not be fully able to follow the price curve in a market with reduced prices.

Because of the increased volume of hedging activity for future power purchases, the group decided to implement hedge accounting. This only applies to contracts entered into after the revised risk management policy. Fjordkraft uses different derivatives to reduce variability in future power purchases, depending on availability in the market. Nordic system price forward contracts is the most important hedging instrument and formal hedge documentation has been prepared for such forward contracts acquired from the beginning of Q3 2021. Starting from Q4 2021 Fjordkraft has also prepared formal hedge documentation for area price forward contracts, EPAD (Electricity Price Area Difference) forward contracts, and for combinations of system price forward contracts and EPAD forward contracts, that are all part of the same risk management strategy.

The Norwegian group entities purchase electricity in all five Norwegian price areas. The Nordic system price forward contracts are designated to the different price areas, at the inception of the hedges, based on the expected distribution between the areas in the relevant period.

The Nordic system price is the main reference price in the Nordic electricity market, with area prices to a varying degree correlating to the system price. The three southern price areas in Norway (NO1, NO2 and NO5) are strongly correlated with both the system price and each other. There is also a high correlation for the two northern areas (NO3 and NO4), although this correlation is weaker than for the southernmost areas. Management has considered the market structure and concluded that the system price can be characterized as an identifiable and measurable component of the power price. In general, a change in the system price will

cause a change in the price in all price areas and will also impact the pricing of long-term contracts in all areas. In addition, most market participants develop expectation of future prices estimating future system price and area differentials individually. This implies that the system price is an identifiable risk component in the future purchase of electricity. For price areas where the forward area price is higher than the forward system price (NO1, NO2 and NO5), the hedged item is defined as the cash flows related to future purchase of electricity in the relevant areas, but only for those changes that are attributable to changes in the system price. For the two northern price areas (NO3 and NO4) the area price has been lower than the system price during the quarter. For these price areas, the hedged item includes all variability in the future cash flows related to future power purchases. Changes in the price differential between area price and system price will therefore create hedge ineffectiveness in the northern price areas when the hedging instrument is a system price forward contract alone. For the three southern price areas, movements in the price differential will not cause hedge ineffectiveness.

For all price areas the hedged item is defined as the first units of electricity purchased every hour, not already designated as a hedged item in another hedge. Since only a limited portion of the total purchase volume is hedged, actual purchase volume will be significantly higher than the hourly volume of the derivatives. Because of this there will not be any timing differences causing ineffectiveness.

## Note 10 Hedge Accounting

### Fair value of hedging instruments where hedge accounting is applied

30 September 2021	Fair value hedge instrument*	Effective portion in OCI*	Ineffectiveness in P&L*	Hedged volume Q4 2021**	Hedged volume 2022**
<b>Cash flow hedge of highly probable power purchase in price areas:</b>					
South Norway (NO1, NO2, NO5)	(92 509)	(92 509)	-	578	118
Trondheim (NO3)	(22 988)	(22 948)	(40)	144	29
Tromsø (NO4)	(10 452)	(9 849)	(602)	65	13
<b>Total</b>	<b>(125 949)</b>	<b>(125 305)</b>	<b>(642)</b>	<b>787</b>	<b>161</b>
Tax effect		27 567			
<b>Effective portion in OCI net of tax</b>		<b>(97 738)</b>			

31 December 2021	Fair value hedge instrument*	Effective portion in OCI*	Ineffectiveness in P&L*	Hedged volume Q1 2022**	Hedged volume Q2, Q3, Q4 2022**
<b>Cash flow hedge of highly probable power purchase in price areas:</b>					
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
<b>Total</b>	<b>(78 962)</b>	<b>(91 470)</b>	<b>12 508</b>	<b>509</b>	<b>30</b>
Tax effect		20 123			
<b>Effective portion in OCI net of tax</b>		<b>(71 347)</b>			

\* NOK in thousands

\*\* MWh in thousands

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

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Cash flow hedge of highly probable power purchase:</b>					
Ineffective portion, recognised in P&L, total	(642)	13 150	-	12 508	-
Effective portion, recognised in OCI, total	(125 306)	33 836	-	(91 470)	-
<b>Change in fair value, total</b>	<b>(125 949)</b>	<b>46 986</b>	<b>-</b>	<b>(78 962)</b>	<b>-</b>
Effective portion, recognised in OCI, net of tax (22 %)	(97 738)	26 392	-	(71 347)	-

In Q3 change in fair value for the hedging instruments and fair value at the end of the reporting period equals, since all hedging instruments at September 30 2021 were acquired during Q3 and only forward contracts is used.

Ineffective portion of changes in fair value of designated hedging instruments are recognised to Other gains and losses, net in the P&L. 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 Sept 2021	31 Dec 2021	31 Dec 2020
Present value of funded obligations	380 046	361 192	349 080
Fair value of plan assets	331 848	345 243	304 808
<b>Deficit for funded plans</b>	<b>48 198</b>	<b>15 949</b>	<b>44 272</b>
Present value of unfunded obligations	75 790	73 785	64 164
<b>Total deficit of defined benefit pension plans</b>	<b>123 988</b>	<b>89 734</b>	<b>108 436</b>
Other employee benefit obligations	2 759	4 103	2 392
<b>Employee benefit obligations recognised in Statement of financial position</b>	<b>126 747</b>	<b>93 837</b>	<b>110 828</b>
<b>Significant actuarial assumptions</b>			
Discount rate	1,50 %	1,70 %	1,50 %
Salary growth rate	2,50 %	2,50 %	2,00 %
Expected growth in base social security amount (G)	2,25 %	2,25 %	1,75 %
Estimated return on plan assets	1,50 %	1,70 %	1,50 %
Pension growth rate	1,50 %	1,50 %	1,00 %

## Note 12

### Credit facilities

Long term debt				
NOK in thousands	Effective interest rate	30 Sept 2021	31 Dec 2021	31 Dec 2020
Term loan	NIBOR 3 months + 1,75 %	843 300	819 875	913 575
<b>Total</b>		<b>843 300</b>	<b>819 875</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

In November 2021 Fjordkraft used the option to extend the termination date of the loan, the new termination date of the loan is in September 2024. Fjordkraft has the option to extend the termination date by another period 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. The term loan principals are being repaid in quarterly instalments of total NOKt 23 425. The first quarterly instalment was repaid in December 2020. At 31 December 2021 the remaining term loan principal balance is NOKt 819 875

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 revolving credit facility is available up until one month before the termination date. In November 2021 Fjordkraft used the option to extend the termination date, the new termination date is in September 2024. Fjordkraft has the option to extend the termination date by another period 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 Q4 2021. At 31 December 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. In November 2021 Fjordkraft used the option to extend the termination date, the new termination date is in September 2024. Fjordkraft has the option to extend the termination date by another period of twelve months. At 31 December 2021 guarantees of total NOKt 2 024 135 are issued under the guarantee facility.

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

The overdraft facility has been renewed and is available one year from September 2021. At 31 December 2021 the overdraft facility is undrawn.

#### 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 9 842 related to establishing and extending the Term loan facility are recognised as part of amortised cost of the Term loan. Transaction costs of NOKt 18 305 related to establishing and extending the RCF, The guarantee facility, and the overdraft, are amortised on a straight line basis over the period from establishing the facilities to the extended 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 13 Other current liabilities

NOK in thousands	Note	30 September 2021	31 December 2021	31 December 2020
El-certificate cancellation liabilities		12 173	16 628	87 514
Accrued power purchase		195 790	416 391	76 549
Provisions for onerous contracts	4	631 907	473 083	78 515
Prepayments from customers		67 297	56 948	119 631
Installments on long term loan due within 12 months	12	93 700	93 700	93 700
Payroll liabilities		60 346	57 727	44 059
Unsettled part of consideration for business combinations		48 812	-	48 812
Other current liabilities		16 459	11 436	40 798
<b>Total other current liabilities</b>		<b>1 126 485</b>	<b>1 125 914</b>	<b>589 578</b>

## Note 14

### Related party transactions

Per 31 December 2021, 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 Eviny AS (previous BKK AS). In the general meeting held in the second quarter of 2021, this board member was not re-elected. BKK AS and subsidiaries were therefore considered to be related parties in the first two quarters of 2021, but not as of 30 June 2021.

#### Income from related parties

Related party	Relation	Purpose of transactions	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Eviny AS and subsidiaries	Major shareholder	Sale of electrical power	-	-	6 315	31 131	21 707

#### Expenses to related parties

Related party	Relation	Purpose of transactions	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Eviny AS and subsidiaries	Major shareholder	Purchase of electrical power	-	-	3 083	6 588	10 573
Eviny AS and subsidiaries	Major shareholder	Purchase of other services	-	-	6 777	12 726	25 925
Metzum AS	Associated company	Purchase of other services	9 198	10 383	10 343	38 743	21 191
Atea ASA and subsidiaries	Other*	Purchase of products and other services	2 988	2 131	1 586	8 853	3 677

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

#### Purchase of assets

Related party	Relation	Purpose of transactions	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Eviny AS and subsidiaries	Major shareholder	Purchase of customer portfolio	-	-	-	181	539
Metzum AS	Associated company	Research and development	1 606	781	3 105	8 284	20 012
Atea ASA and subsidiaries	Other*	Products and development	-	3 788	7 428	4 077	10 022

#### Distributions to related parties

Related party	Relation	Purpose of transactions	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Eviny AS	Major shareholder	Dividend	-	-	-	-	47 799

#### Current receivables from related parties

Related party	Relation	Purpose of transactions	30 Sept 2021	31 Dec 2021	31 Dec 2020
Eviny AS and subsidiaries	Major shareholder	Sale of electrical power	-	-	2 382

#### Current liabilities to related parties

Related party	Relation	Purpose of transactions	30 Sept 2021	31 Dec 2021	31 Dec 2020
Eviny AS and subsidiaries	Major shareholder	Purchase of other services	-	-	824
Metzum AS	Associated company	Research and development	340	1 411	3 215
Atea ASA and subsidiaries	Other*	Products and development	(331)	1 956	4 677

\* The chairman of the Board of Directors in Fjordkraft Holding ASA is the CEO of Atea ASA.

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

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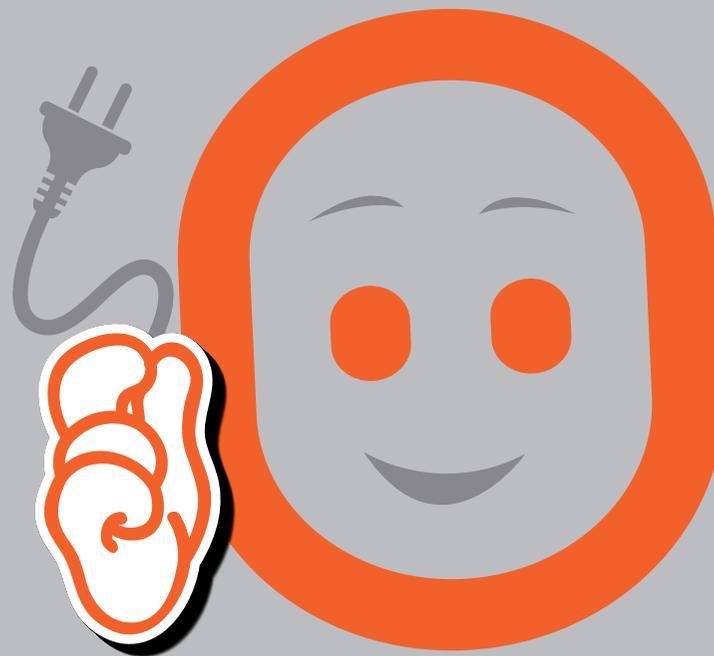
## Note 15 Events after the reporting period

The Board of Directors has in the Board Meeting on 9 February 2022 proposed a dividend to the shareholders of NOK 3.5 per share.

The proposed dividend is subject to approval 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 periods:* 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 periods:* 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:  $[(\text{Adjusted EBIT} + \text{net finance}) * (1 - \text{average tax rate}) - \text{amortisation of acquisition debt}]$ .

**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 debt 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 cash, overdraft facilities 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 periods:* 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 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.

### 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.

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

**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	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Operating income	2 383 717	6 183 838	1 644 100	15 208 587	4 214 727
Cost of sales	(2 026 783)	(5 745 973)	(1 172 644)	(13 496 576)	(2 647 005)
<b>Net revenue</b>	<b>356 933</b>	<b>437 865</b>	<b>471 456</b>	<b>1 712 011</b>	<b>1 567 722</b>
Personnel expenses	(111 242)	(106 538)	(116 748)	(409 123)	(328 485)
Other operating expenses	(111 056)	(130 280)	(152 585)	(488 517)	(471 938)
<b>Operating expenses</b>	<b>(222 298)</b>	<b>(236 819)</b>	<b>(269 333)</b>	<b>(897 639)</b>	<b>(800 422)</b>
Impairment & change in provision for onerous contracts	(428 675)	157 544	(268 493)	(413 296)	(268 493)
Other gains and losses, net	433 727	(108 528)	328 430	495 265	331 539
<b>EBITDA</b>	<b>139 687</b>	<b>250 063</b>	<b>262 060</b>	<b>896 340</b>	<b>830 346</b>
Depreciation & amortisation	(102 329)	(103 880)	(156 946)	(403 084)	(305 174)
<b>EBIT reported (Operating profit)</b>	<b>37 359</b>	<b>146 183</b>	<b>105 115</b>	<b>493 256</b>	<b>525 172</b>
Net financials	(9 014)	(14 004)	(14 541)	(48 737)	(11 505)
<b>Profit/ (loss) before taxes</b>	<b>28 345</b>	<b>132 178</b>	<b>90 574</b>	<b>444 519</b>	<b>513 667</b>
Taxes	(6 391)	(44 618)	(16 943)	(102 150)	(113 604)
<b>Profit/ (loss) for the period</b>	<b>21 954</b>	<b>87 560</b>	<b>73 631</b>	<b>342 369</b>	<b>400 063</b>
<b>EBIT reported margin</b>	<b>10%</b>	<b>33%</b>	<b>22%</b>	<b>29%</b>	<b>33%</b>

## Alternative performance measures

Adjusted amounts:

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Net revenue</b>	<b>356 933</b>	<b>437 865</b>	<b>471 456</b>	<b>1 712 011</b>	<b>1 567 722</b>
Adjustment: (Positive/ negative estimate deviations previous periods)	10 210	(2 152)	(7 848)	(11 515)	(22 521)
Special items*	-	-	-	-	(1 716)
<b>Net revenue adjusted</b>	<b>367 143</b>	<b>435 713</b>	<b>463 608</b>	<b>1 700 496</b>	<b>1 543 486</b>
<b>EBITDA</b>	<b>139 687</b>	<b>250 063</b>	<b>262 060</b>	<b>896 340</b>	<b>830 346</b>
Adjustment: (Positive/ negative estimate deviations previous periods)	10 210	(2 152)	(7 848)	(11 515)	(22 521)
Impairment & change in provision for onerous contracts	428 675	(157 544)	268 493	413 296	268 493
Other gains and losses	(433 727)	108 528	(328 430)	(495 265)	(331 539)
Special items*	-	-	20 612	(2 354)	34 694
<b>EBITDA adjusted (before unallocated and estimate deviations)</b>	<b>144 845</b>	<b>198 894</b>	<b>214 888</b>	<b>800 503</b>	<b>779 472</b>
<b>EBIT reported (Operating profit)</b>	<b>37 359</b>	<b>146 183</b>	<b>105 115</b>	<b>493 256</b>	<b>525 172</b>
Adjustment: (Positive/ negative estimate deviations previous periods)	10 210	(2 152)	(7 848)	(11 515)	(22 521)
Impairment & change in provision for onerous contracts	428 675	(157 544)	268 493	413 296	268 493
Other gains and losses	(433 727)	108 528	(328 430)	(495 265)	(331 539)
Special items*	-	-	26 414	(2 354)	40 497
Part of depreciation related to acquisitions	46 295	45 830	103 959	188 629	128 175
<b>EBIT adjusted (before unallocated and estimate deviations)</b>	<b>88 812</b>	<b>140 844</b>	<b>167 704</b>	<b>586 048</b>	<b>608 276</b>
<b>EBIT margin adjusted</b>	<b>24%</b>	<b>32%</b>	<b>36%</b>	<b>34%</b>	<b>39%</b>

\* Special items consists of the following:

NOK in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
- acquisition related costs and implementation costs	-	-	(5 780)	(7 485)	(21 579)
- income related to compensatory damages	-	-	-	-	1 716
- one off amortisation of customer contracts in acquired companies	-	-	(5 745)	-	(5 745)
- severance packages and other one off costs in acquired companies	-	-	(14 889)	6 451	(14 889)
- gain from sale of trade receivables previously impaired	-	-	-	3 387	-
<b>Special items</b>	<b>-</b>	<b>-</b>	<b>(26 414)</b>	<b>2 354</b>	<b>(40 497)</b>

## Alternative performance measures

### Other financial APM's

#### Net interest bearing debt (cash)

NOK thousands	30 Sept 2021	31 Dec 2021	31 Dec 2020
Interest-bearing long term debt	743 984	720 009	812 808
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	5 616	6 166	7 067
Reclassification of first year instalments long term debt	93 700	93 700	93 700
Overdraft facilities	87 178	-	29 400
Cash and cash equivalents	(262 140)	(306 627)	(599 348)
<b>Net interest bearing debt (cash)</b>	<b>668 339</b>	<b>513 248</b>	<b>343 626</b>

#### Financial position related APM's

NOK thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net working capital	44 086	(14 673)	(105 875)	(14 673)	(105 875)
OpFCF before tax and change in NWC	59 053	116 397	149 696	489 169	577 266
Capex excl. M&A	13 728	(518)	15 681	47 182	64 926

### Non-financial APM's

#### Deliveries

Numbers in thousands	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Electrical deliveries Consumer segment	726	692	755	692	755
Electrical deliveries Business segment	112	111	107	111	107
Electrical deliveries Nordic segment	166	171	164	171	164
<b>Total number of electrical deliveries *</b>	<b>1 004</b>	<b>975</b>	<b>1 027</b>	<b>975</b>	<b>1 027</b>
Number of mobile subscriptions	131	160	132	160	132

\* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 975 thousand in Q4 2021.

Volume in GWh	Q3 2021	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Consumer segment	1 556	2 122	2 979	9 486	8 144
Business segment	1 225	2 049	2 096	7 478	6 275
Nordic segment	616	925	497	3 229	497
<b>Total volume</b>	<b>3 398</b>	<b>5 096</b>	<b>5 572</b>	<b>20 193</b>	<b>14 916</b>