

Q2 2023
Quarterly report

Elmera Group



Q2 Highlights

- Net revenue adj. NOK 376m (-10% YoY) and EBIT adj. NOK 106m (-24% YoY).
- 2% volume growth YoY in Norway driven by growth in number of deliveries. 26% volume decrease in the Nordic segment due to fixed price exposure phase-out.
- EBIT adj. improvement of NOK 25m YoY in the Nordic segment following the phase-out of legacy fixed price contracts.
- Successful migration of mobile customer portfolio to Telia's network. Migration related churn of 15 thousand subscriptions – in line with expectations.
- Cost efficiency programme on track.
- Proceeds from Telia transaction (NOK 115m) received and dividend of 1.5 per share (NOK 163m) distributed.
- QoQ reduction in NWC and NIBD by NOK 350m and NOK 355m respectively.

Key figures Q2

Revenue			
NOK in thousands	Q2 2023	Q2 2022 <i>Restated</i>	Full year 2022
Revenue adjusted	3 465 792	4 890 378	26 806 277
Direct cost of sales adjusted	(3 089 941)	(4 471 218)	(25 095 275)
Net revenue adjusted	375 851	419 160	1 711 002
Personnel and other operating expenses adjusted	(203 776)	(217 808)	(993 315)
Depreciation and amortisation adjusted	(66 571)	(62 570)	(257 633)
Total operating expenses adjusted	(270 347)	(280 378)	(1 250 948)
Operating profit adjusted	105 504	138 782	460 054
Acquisition related costs	-	-	-
Other one-off items	(24 808)	-	(2 660)
Depreciation of acquisitions	(30 998)	(32 863)	(132 323)
Estimate deviations	(4 276)	-	(4 472)
Unrealised gains and losses on derivatives	(65 631)	1 638 954	(47 791)
Change in provisions for onerous contracts	59 080	(1 617 039)	39 256
Impairment of intangible assets	5 182	-	(39 282)
Operating profit (EBIT)	44 053	127 837	272 781

Significant YoY improvement in the Nordic segment and strong cash flow

In the second quarter of 2023, net revenue adjusted was NOK 376m and EBIT adj. was NOK 106m. The decrease from second quarter 2022 was primarily driven by product mix changes in the Consumer segment, as the market is converging towards spot-based products. Over the last twelve months the percentage of variable contracts in the consumer segment has been reduced from 27% to 7%.

The Nordic segment improved significantly compared to second quarter last year – in fact, the EBIT adj. of NOK 18m is the second-best quarterly result since the acquisition of Switch Nordic Green in 2020. The majority of legacy fixed price contracts with price and volume risk have now been phased out, and the focus going forward is to improve profitability and growth in the segment.

The Telia transaction was completed in April, and the proceeds from the transaction of NOK 115m were received. The migration of the customer base to Telia's network is the largest of its kind in Norwegian telecom history and was successfully completed in the quarter. The migration related churn has been in line with expectations. Through improved terms from Telia, the mobile business will positively impact the profits in the New Growth Initiatives segment from Q3 2023.

The cost efficiency program is progressing as planned and is one of the Group's main priorities in 2023.

Due to the reduction in net working capital and the results generated in the period, net

cash from operating activities was NOK 417m and net interest-bearing debt decreased by NOK 355m.

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

Consumer

The number of electricity deliveries in the Consumer segment decreased by six thousand deliveries in the quarter, to 678 thousand deliveries. Volume sold was 1,612 GWh, an increase of 1% from Q2 2022.

Adjusted net revenue amounted to NOK 175m (NOK 247m), adjusted operating expenses amounted to NOK 146m (NOK 174m) and EBIT adj. amounted to NOK 30m (NOK 74m). The change in product mix was the primary driver for the net revenue decrease.

Business

At the end of the quarter, the Business segment comprised 127 thousand electricity deliveries, a decrease of one thousand deliveries from last quarter. The volume sold in the quarter was 1,579 GWh, an increase of 2% from Q2 2022.

Adjusted net revenue amounted to NOK 115m (NOK 117m), adjusted operating expenses amounted to NOK 61m (NOK 49m) and EBIT adj. amounted to NOK 54m (NOK 68m).

Nordic

The Nordic segment's customer portfolio decreased by four thousand deliveries in the quarter, driven by phase-out of non-strategic customers. Volume sold was 470 GWh in the quarter, a decrease of 26% from Q2 2022.

Adjusted net revenue amounted to NOK 59m (NOK 27m), adjusted operating expenses to NOK 41m (NOK 34m) and EBIT adjusted amounted to NOK 18m (NOK -7m). The improvement is primarily driven by the phase-out of legacy fixed price contracts.

New Growth Initiatives

At the end of the quarter, the number of mobile subscribers was 123 thousand, a decrease of 15 thousand from last quarter related to the migration to Telia's network.

Alliance volume in the quarter was 750 GWh, which is a 20% YoY decrease following a decrease in number of Alliance partners. The Extended Alliance deliveries increased by nine thousand in the quarter.

Adjusted net revenue in the New Growth Initiatives segment amounts to NOK 26m (NOK 28m). Adjusted operating expenses amounted to NOK 23m (NOK 23m) and EBIT adjusted amounted to NOK 3m (NOK 4m).

Financials

Gross revenue amounted to NOK 3,513m (NOK 4,094m), a decrease of 14%, due to electricity price development.

Adjusted net revenue amounted to NOK 376m (NOK 419m), a decrease of 10% YoY.

Adjusted operating expenses amounted to NOK 270m (NOK 280m).

Adjusted EBIT amounted to NOK 106m (NOK 139m) a decrease of 24% YoY due to the factors described above.

Net financial income amounted to NOK -37m (NOK -18m).

Profit for the period amounted to NOK 9m (NOK 89m) in the quarter due to the factors described above.

Consolidated cash flow

Net cash from operating activities was NOK 417m (NOK -1,044m). Net cash used in investing activities was NOK -8m (NOK -10m). Net cash from financing activities was NOK -358m (NOK 157m).

Financial position

The total equity as of 30.06.2023 was NOK 1,389m (NOK 1,501m). The Telia transaction was completed in April, and the NOK 115m proceeds from the transaction were booked as a positive change in equity.

Events after the reporting period

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

Risks and uncertainties

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

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

The Group is also exposed to volume and price risk on variable contracts. The sale of these contracts has been stopped in the Consumer segment, and a soft phase-out of the product has been initiated. Variable contracts represented 7% of the deliveries in the Consumer segment as per the end of the second quarter 2023.

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

Outlook

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

Condensed interim financial statements

Condensed consolidated statement of profit or loss

NOK in thousands	Note	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022 <i>Restated</i>
Continuing operations							
Revenue	2,3	8 033 341	3 512 686	4 094 264	11 546 028	10 792 817	25 521 514
Direct cost of sales	2,4	(7 523 438)	(3 147 664)	(3 653 186)	(10 671 102)	(9 859 445)	(23 823 519)
Personnel expenses	2	(122 839)	(84 078)	(76 052)	(206 916)	(187 369)	(421 029)
Other operating expenses	2	(156 677)	(144 504)	(141 756)	(301 181)	(291 626)	(574 946)
Depreciation and amortisation	2,7	(98 583)	(97 569)	(95 432)	(196 152)	(191 552)	(389 956)
Impairment of intangible assets and cost to obtain contracts	2,4,7	12 890	5 182	-	18 072	-	(39 282)
Operating profit		144 695	44 053	127 837	188 748	262 824	272 781
Income/loss from investments in associates and joint ventures		1 017	301	470	1 319	709	429
Interest income		8 512	9 915	5 786	18 427	11 160	26 952
Interest expense lease liability		(449)	(416)	(499)	(865)	(1 030)	(1 934)
Interest expense	11	(39 519)	(43 099)	(29 120)	(82 618)	(47 519)	(156 876)
Other financial items, net		3 083	(3 250)	5 380	(166)	(4 714)	(12 660)
Net financial income/(cost)		(27 355)	(36 549)	(17 983)	(63 905)	(41 394)	(144 089)
Profit/ (loss) before tax		117 339	7 504	109 854	124 843	221 430	128 692
Income tax (expense)/income	5	(20 838)	1 883	(21 006)	(18 955)	(48 578)	(54 845)
Profit/ (loss) for the period		96 502	9 387	88 848	105 888	172 852	73 847
Profit/(loss) for the period attributable to:							
Non-controlling interest		-	(98)	-	(98)	-	-
Equity holders of Elmera Group ASA		96 502	9 484	88 848	105 986	172 852	73 847
Basic earnings per share (in NOK)	6	0,89	0,09	0,79	0,98	1,53	0,67
Diluted earnings per share (in NOK)	6	0,87	0,09	0,78	0,96	1,51	0,66

Condensed consolidated statement of comprehensive income

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Profit/ (loss) for the period	96 502	9 387	88 848	105 888	172 852	73 847
Other comprehensive income/ (loss):						
Items which may be reclassified over profit or loss in subsequent periods:						
Hedging reserves (net of tax, note 10)	56 624	(1 904)	18 481	54 719	113 290	16 209
Currency translation differences	42 114	(826)	22 289	41 288	2 841	(756)
Total	98 737	(2 731)	40 770	96 007	116 131	15 454
Items that will not be reclassified to profit or loss:						
Actuarial gain/(loss) on pension obligations (net of tax)	(20 698)	13 772	9 235	(6 926)	68 140	3 610
Total	(20 698)	13 772	9 235	(6 926)	68 140	3 610
Total other comprehensive income/(loss) for the period, net of tax	78 039	11 041	50 005	89 081	184 271	19 064
Total comprehensive income/ (loss) for the period	174 541	20 428	138 853	194 969	357 122	92 911
Total comprehensive income/(loss) for the period attributable to:						
Non-controlling interest	-	(98)	-	(98)	-	-
Equity holders of Elmera Group ASA	174 541	20 526	138 853	195 067	357 122	92 911

Condensed consolidated statement of financial position

NOK in thousands	Note	31 March 2023	30 June 2023	30 June 2022 <i>Restated</i>	31 December 2022
Assets:					
Non-current assets					
Deferred tax assets		37 573	37 478	35 262	34 990
Right-of-use assets property, plant and equipment		68 316	61 911	76 185	66 195
Property, plant and equipment		7 584	6 818	9 119	8 198
Goodwill	7	1 440 315	1 439 625	1 420 963	1 418 776
Intangible assets	7	544 812	517 436	626 996	558 325
Cost to obtain contracts		305 303	294 076	306 755	295 980
Investments in associates and joint ventures		15 251	15 552	14 513	14 234
Derivative financial instruments and firm commitments	9,10	992 526	917 191	1 654 041	1 863 551
Net plan assets of defined benefit pension plans		-	8 476	57 086	4 178
Other non-current financial assets		47 083	44 634	52 418	48 285
Total non-current assets		3 458 763	3 343 197	4 253 336	4 312 711
Current assets					
Intangible assets		2 762	13 611	19 331	763
Inventories		497	731	4 025	460
Trade receivables	8,13	3 879 133	1 813 334	2 557 764	7 551 433
Derivative financial instruments and firm commitments	9,10	1 197 091	1 050 235	4 777 614	2 370 117
Other current assets		137 944	37 244	104 458	66 025
Cash and cash equivalents		94 835	145 122	161 896	70 548
Total current assets		5 312 262	3 060 276	7 625 088	10 059 347
Total assets		8 771 026	6 403 474	11 878 424	14 372 058
Equity and liabilities:					
Equity					
Share capital		32 590	32 590	32 590	32 590
Share premium		993 294	993 294	993 294	993 294
Retained earnings		389 569	247 819	475 343	214 241
Non-controlling interests		-	115 358	-	-
Total equity		1 415 454	1 389 061	1 501 228	1 240 126

**Condensed consolidated statement
of financial position**

NOK in thousands	Note	31 March 2023	30 June 2023	30 June 2022 <i>Restated</i>	31 December 2022
Non-current liabilities					
Net employee defined benefit plan liabilities		103 321	95 462	67 744	79 780
Interest-bearing long term debt	11	606 459	583 748	674 589	629 169
Deferred tax liabilities		86 875	74 148	138 012	100 280
Lease liability - long term		51 699	44 970	58 761	49 477
Derivative financial instruments	9,10	886 683	822 951	1 203 073	1 492 743
Onerous contract provisions	4	227 534	239 559	1 239 540	784 239
Other provisions for liabilities		30 810	32 447	18 578	29 619
Total non-current liabilities		1 993 381	1 893 284	3 400 296	3 165 307
Current liabilities					
Trade and other payables	13	2 427 999	804 678	1 655 296	5 828 373
Overdraft facilities	11	657 095	525 786	593 322	534 112
Interest-bearing short term debt	11	518 700	368 700	368 700	368 700
Current income tax liabilities		34 684	49 455	50 950	50 506
Derivative financial instruments	9,10	985 109	897 973	2 497 669	1 692 584
Social security and other taxes		154 447	81 295	78 120	313 504
Lease liability - short term		20 158	20 422	21 020	20 284
Onerous contract provisions	4	81 347	14 517	1 397 077	285 336
Other current liabilities	12	482 652	358 302	314 747	873 227
Total current liabilities		5 362 191	3 121 129	6 976 900	9 966 625
Total liabilities		7 355 572	5 014 413	10 377 196	13 131 932
Total equity and liabilities		8 771 026	6 403 474	11 878 424	14 372 058

The Board of Elmera Group ASA, Bergen, 16 August 2023


Steinar Sonstebj
Chairman


Anne Marit Steen
Board member


Frank Økland
Board member


Magnhild K. B. Uglem
Board member


Heidi Theresa Ose
Board member


Live Bertha Haukvik
Board member


Per Oluf Solbraa
Board member


Stian Madsen
Board member


Rolf Barmen
CEO

Condensed consolidated statement of changes in equity

NOK in thousands	Issued capital	Treasury shares	Share premium	Hedging reserves	Foreign currency translation reserve	Retained earnings	Attributable to owners of parent	Non-controlling interests	Total
Balance at 1 January 2022	34 291	-	992 094	(71 347)	(67 775)	787 005	1 674 268	-	1 674 269
Profit/(loss) for the period	-	-	-	-	-	172 852	172 852	-	172 852
Share-based payment	-	-	-	-	-	1 679	1 679	-	1 679
Other comprehensive income/(loss) for the period, net of tax	-	-	-	113 290	2 841	68 140	184 271	-	184 271
Total comprehensive income/(loss) for the period incl. share-based payment	-	-	-	113 290	2 841	242 670	358 801	-	358 801
Share buyback	-	(1 715)	-	-	-	(131 112)	(132 827)	-	(132 827)
Share capital increase (note 6)	15	-	1 200	-	-	-	1 215	-	1 215
Dividends paid (note 6)	-	-	-	-	-	(400 231)	(400 231)	-	(400 231)
Transactions with owners	15	(1 715)	1 200	-	-	(531 343)	(531 843)	-	(531 843)
Balance at 30 June 2022	34 306	(1 715)	993 294	41 943	(64 934)	498 333	1 501 228	-	1 501 228
Balance at 1 January 2023	34 306	(1 715)	993 294	(55 137)	(68 531)	337 909	1 240 126	-	1 240 126
Profit/(loss) for the period	-	-	-	-	-	105 986	105 986	(98)	105 888
Share-based payment	-	-	-	-	-	1 463	1 463	-	1 463
Other comprehensive income/(loss) for the period, net of tax	-	-	-	54 719	41 288	(6 926)	89 081	-	89 081
Total comprehensive income/(loss) for the period incl. share-based payment	-	-	-	54 719	41 288	100 523	196 529	(98)	196 432
Transactions with non-controlling interests (note 14)	-	-	-	-	-	-	-	115 455	115 455
Dividends paid (note 6)	-	-	-	-	-	(162 951)	(162 951)	-	(162 951)
Transactions with owners	-	-	-	-	-	(162 951)	(162 951)	115 455	(47 496)
Balance at 30 June 2023	34 306	(1 715)	993 294	(418)	(27 243)	275 481	1 273 704	115 358	1 389 061

Condensed consolidated statement of cash flows

NOK in thousands	Note	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Operating activities							
Profit/(loss) before tax		117 339	7 504	109 854	124 843	221 430	128 692
<i>Adjustments for:</i>							
Depreciation	7	43 839	43 078	45 554	86 917	92 288	183 760
Depreciation right-of-use assets		5 276	5 259	5 174	10 535	10 343	20 303
Amortisation of cost to obtain contracts		49 468	49 233	44 705	98 701	88 921	185 893
Impairment of intangible assets and cost to obtain contracts	4,7	(12 890)	(5 182)	-	(18 072)	-	39 282
Interest income		(8 512)	(9 915)	(5 786)	(18 427)	(11 160)	(26 952)
Interest expense lease liability		449	416	499	865	1 030	1 934
Interest expense		39 519	43 099	29 120	82 618	47 519	156 876
Income/loss from investments in associates and joint ventures		(1 017)	(301)	(470)	(1 319)	(709)	(429)
Change in long-term receivables		(556)	(472)	(883)	(1 028)	(1 779)	25
Share-based payment expense		787	675	661	1 463	1 679	4 790
Change in post-employment liabilities		1 182	1 322	2 117	2 504	4 179	(13 607)
Payments to obtain a contract		(40 935)	(37 676)	(53 409)	(78 611)	(109 297)	(237 550)
<i>Changes in working capital (non-cash effect)</i>							
Impairment loss recognised in trade receivables	8	17 324	(17 890)	16 718	(565)	23 000	4 402
Provision for onerous contracts	4	(838 189)	(59 080)	1 617 039	(897 269)	1 529 661	(39 256)
Change in fair value of derivative financial instruments	4,9,10	880 078	73 090	(1 638 955)	953 168	(1 547 545)	12 182
<i>Changes in working capital</i>							
Inventories		(36)	(234)	(1 899)	(271)	(1 879)	1 686
Trade receivables	8	3 677 797	2 076 965	2 003 118	5 754 762	2 594 961	(2 385 823)
Purchase of el-certificates, GoOs and Climate Quotas		(10 765)	(41 854)	(36 465)	(52 619)	(36 538)	(38 527)
Non-cash effect from cancelling el-certificates, GoOs and Climate Quotas		8 765	31 007	23 035	39 772	24 683	45 373
Other current assets		(71 028)	100 584	(1 690)	29 555	(64 597)	(26 609)
Trade and other payables		(3 385 206)	(1 615 916)	(2 949 728)	(5 001 122)	(2 851 842)	1 297 999
Other current liabilities	12	(560 902)	(188 240)	(221 620)	(749 142)	(272 976)	515 278
Cash generated from operations		(88 214)	455 472	(1 013 311)	367 258	(258 628)	(170 276)
Interest paid		(70 492)	(48 516)	(26 866)	(119 008)	(45 134)	(123 449)
Interest received		8 512	9 915	5 786	18 427	11 160	26 952
Income tax paid	5	(61 843)	-	(9 718)	(61 843)	(109 712)	(103 339)
Net cash from operating activities		(212 037)	416 871	(1 044 109)	204 834	(402 314)	(370 112)

**Condensed consolidated statement
of cash flows**

NOK in thousands	Note	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Investing activities							
Purchase of property, plant and equipment		(184)	(35)	(2 375)	(219)	(2 535)	(3 325)
Purchase of intangible assets	7	(16 037)	(12 828)	(11 664)	(28 865)	(20 058)	(41 007)
Net (outflow)/proceeds from non-current receivables		1 758	2 922	2 197	4 680	4 146	6 474
Net (outflow)/proceeds from other long-term liabilities		(760)	2 272	1 997	1 513	2 013	13 485
Net cash used in investing activities		(15 223)	(7 669)	(9 845)	(22 892)	(16 434)	(24 373)
Financing activities							
Proceeds from overdraft facilities	11	122 983	(131 309)	593 322	(8 325)	593 322	534 112
Proceeds from revolving credit facility	11	150 000	-	125 000	150 000	275 000	275 000
Repayment of revolving credit facility	11	-	(150 000)	-	(150 000)	-	-
Proceeds from issuance of shares		-	-	-	-	1 215	1 215
Dividends paid		-	(162 951)	(400 231)	(162 951)	(400 231)	(400 231)
Purchase of treasury shares		-	-	(132 827)	-	(132 827)	(132 827)
Instalments of long term debt	11	(23 425)	(23 425)	(23 425)	(46 850)	(46 850)	(93 700)
Transactions with non-controlling interests		-	115 455	-	115 455	-	-
Payment of lease liability		(5 312)	(5 325)	(5 161)	(10 637)	(10 289)	(20 245)
Net cash from financing activities		244 247	(357 555)	156 677	(113 309)	279 339	163 324
Net change in cash and cash equivalents		16 986	51 647	(897 278)	68 633	(139 408)	(231 162)
Cash and cash equivalents at start of period		70 548	94 835	1 063 717	70 548	306 627	306 627
Effects of exchange rate changes on cash and cash equivalents		7 300	(1 359)	(4 545)	5 941	(5 324)	(4 918)
Cash and cash equivalents at end of period		94 835	145 122	161 896	145 122	161 896	70 548

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Note 1

Accounting policies

General information

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

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

These interim financial statements, which are unaudited, were approved by the Board of Directors for issue on 16 August 2023.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of informa-

tion as the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS.

Going concern

The Group has adopted the going concern basis in preparing 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 2022, with the exception of fair value hedge accounting principles which was not described in the annual report. See note 10 for information regarding fair value hedge accounting.

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

Use of estimates

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

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

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

Comparable figures and reclassifications

The consolidated statements of profit or loss, comprehensive income, financial position, equity, cash flow and notes provide comparable information in respect of the previous period. See information in the 2022 annual

report regarding restatement of comparative figures due to prior period adjustment requirements. In addition, the following changes have been made in comparative figures for Q2 2022, YTD 2022 and Full year 2022:

Presentation of interest compensation for extended credit days for electricity purchases

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

Comparative figures have been reclassified to align with current presentation increasing Interest expense / decreasing Direct cost of sales with NOKt 15 677 in Q2 2022 and NOKt 28 017 in YTD 2022.

Presentation of instalments on long term loan due within 12 months

The instalments on term loans that are due within 12 months from the reporting date has in previous reporting been reported in Other current liabilities in the statement of financial position. From the Q1 2023 quarterly report and going forward the amounts of term loan that are due within the next 12 months will be reported in Interest-bearing short term debt. Comparative figures have been reclassified to align with current presentation increasing Interest-bearing short term debt / decreasing Other current liabilities with NOKt 93 700 at 30 June 2022 and 31 December 2022.

Note 2

Segment information

Disaggregation of revenue from contracts with customers

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

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

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

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

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

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

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

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

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

Note 2
Segment information

Q1 2023						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	3 121 099	3 070 342	599 382	6 790 823	96 568	6 887 391
Direct cost of sales adjusted	(2 844 785)	(2 894 028)	(549 634)	(6 288 447)	(65 387)	(6 353 834)
Net revenue adjusted	276 314	176 314	49 748	502 376	31 181	533 557
Personnel and other operating expenses adjusted	(131 679)	(72 340)	(29 857)	(233 876)	(33 743)	(267 619)
Depreciation and amortisation adjusted	(45 128)	(8 335)	(13 410)	(66 873)	(1 254)	(68 127)
Total operating expenses adjusted	(176 807)	(80 675)	(43 267)	(300 749)	(34 997)	(335 746)
Operating profit adjusted	99 507	95 639	6 481	201 627	(3 816)	197 811
Acquisition related costs						-
Other one-off items						(11 898)
Depreciation of acquisitions *						(30 456)
Estimate deviations						-
Unrealised gains and losses on derivatives						(861 843)
Change in provisions for onerous contracts						838 189
Impairment of intangible assets and cost to obtain contracts						12 890
Operating profit (EBIT)						144 695
*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.						
NOK in thousands						Q1 2023
TrønderEnergi Marked acquisition						(1 232)
Oppdal Everk Kraftomsetning acquisition						(319)
Vesterålskraft Strøm acquisition						(269)
Innlandskraft acquisition						(16 727)
Troms Kraft Strøm acquisition						(8 648)
Other customer acquisitions						(3 261)
Depreciation of acquisitions						(30 456)

Note 2
Segment information

Q2 2022 *Restated*

NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	2 337 226	2 027 995	430 191	4 795 412	94 966	4 890 378
Direct cost of sales adjusted	(2 090 214)	(1 910 567)	(403 392)	(4 404 173)	(67 045)	(4 471 218)
Net revenue adjusted	247 012	117 428	26 799	391 239	27 921	419 160
Personnel and other operating expenses adjusted	(129 268)	(42 105)	(24 200)	(195 573)	(22 235)	(217 808)
Depreciation and amortisation adjusted	(44 235)	(7 318)	(9 775)	(61 328)	(1 242)	(62 570)
Total operating expenses adjusted	(173 503)	(49 423)	(33 975)	(256 901)	(23 477)	(280 378)
Operating profit adjusted	73 509	68 005	(7 176)	134 338	4 444	138 782
Acquisition related costs						-
Other one-off items						-
Depreciation of acquisitions *						(32 863)
Estimate deviations						-
Unrealised gains and losses on derivatives						1 638 954
Change in provisions for onerous contracts						(1 617 039)
Impairment of intangible assets and cost to obtain contracts						-
Operating profit (EBIT)						127 837

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

NOK in thousands	Q2 2022
TrønderEnergi Marked acquisition	(1 433)
Oppdal Everk Kraftomsetning acquisition	(425)
Vesterålskraft Strøm acquisition	(417)
Innlandskraft acquisition	(20 836)
Troms Kraft Strøm acquisition	(8 123)
Other customer acquisitions	(1 630)
Depreciation of acquisitions	(32 863)

Note 2
Segment information

YTD 2022 <i>Restated</i>						
NOK in thousands	Consumer	Business	Nordic	Total reportable segments	New growth initiatives	Total segments
Revenue adjusted	6 105 462	4 517 268	1 003 972	11 626 702	154 329	11 781 031
Direct cost of sales adjusted	(5 588 012)	(4 233 658)	(945 074)	(10 766 744)	(98 800)	(10 865 543)
Net revenue adjusted	517 450	283 610	58 898	859 958	55 529	915 488
Personnel and other operating expenses adjusted	(286 259)	(95 664)	(46 568)	(428 491)	(50 505)	(478 996)
Depreciation and amortisation adjusted	(87 347)	(14 639)	(20 562)	(122 548)	(2 428)	(124 975)
Total operating expenses adjusted	(373 606)	(110 303)	(67 130)	(551 039)	(52 933)	(603 971)
Operating profit adjusted	143 844	173 307	(8 232)	308 919	2 596	311 517
Acquisition related costs						-
Other one-off items						-
Depreciation of acquisitions *						(66 576)
Estimate deviations						-
Unrealised gains and losses on derivatives						1 547 544
Change in provisions for onerous contracts						(1 529 661)
Impairment of intangible assets and cost to obtain contracts						-
Operating profit (EBIT)						262 824
*Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.						
NOK in thousands						YTD 2022
TrønderEnergi Marked acquisition						(2 866)
Oppdal Everk Kraftomsetning acquisition						(851)
Vesterålskraft Strøm acquisition						(833)
Innlandskraft acquisition						(41 671)
Troms Kraft Strøm acquisition						(16 172)
Other customer acquisitions						(4 183)
Depreciation of acquisitions						(66 576)

Note 2
Segment information

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

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

NOK in thousands	Full Year 2022
TrønderEnergi Marked acquisition	(5 761)
Oppdal Everk Kraftomsetning acquisition	(1 702)
Vesterålskraft Strøm acquisition	(1 492)
Innlandskraft acquisition	(83 343)
Troms Kraft Strøm acquisition	(32 572)
Other customer acquisitions	(7 453)
Depreciation of acquisitions	(132 323)

Note 3

Revenue recognition

The following table summarises revenue from contracts with customers:

Timing of revenue recognition

Over time:

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Revenue - Consumer segment	3 098 466	1 418 724	2 311 938	4 517 190	6 057 816	13 025 916
Revenue - Business segment	3 056 480	1 562 375	2 016 664	4 618 855	4 489 549	11 041 944
Revenue - Nordic	599 382	376 710	430 191	976 092	1 003 972	2 228 015
Revenue - New growth initiatives	94 066	62 923	90 480	156 989	147 044	340 764
Total revenue recognised over time	6 848 394	3 420 732	4 849 273	10 269 126	11 698 380	26 636 639

At a point in time:

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Revenue - Consumer segment	22 633	20 214	25 288	42 847	47 646	97 053
Revenue - Business segment	13 862	17 164	11 331	31 026	27 719	53 343
Revenue - Nordic	-	-	-	-	-	-
Revenue - New growth initiatives	2 502	7 682	4 486	10 184	7 285	19 242
Total revenue recognised at a point in time	38 997	45 060	41 105	84 057	82 650	169 638

Total revenue from contracts with customers (Revenue adjusted)	6 887 391	3 465 792	4 890 378	10 353 183	11 781 031	26 806 277
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Other revenue:

Estimate deviations	-	3 769	-	3 769	-	-
Unrealised gains and losses on derivative customer contracts	1 145 950	43 126	(796 114)	1 189 076	(988 213)	(1 284 761)
Total revenue	8 033 341	3 512 686	4 094 264	11 546 028	10 792 817	25 521 514

Note 4

Onerous contract provisions

Fixed price customer contracts

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

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

The Group has recognised the following provisions for onerous contracts:

NOK in thousands	31 March 2023	30 June 2023	30 June 2022	31 December 2022
Onerous contract provisions - Non-current	227 534	239 559	1 239 540	784 239
Onerous contract provisions - Current	81 347	14 517	1 397 077	285 336
Onerous contract provisions - Total	308 881	254 076	2 636 617	1 069 575

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

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

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

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Impairment and provisions for onerous contracts:						
Change in provisions for onerous contracts	838 189	59 080	(1 617 039)	897 269	(1 529 661)	39 256
Impairment and reversal of impairment of cost to obtain contracts	12 890	5 182	-	18 072	-	(39 282)
Total impairment and provisions for onerous contracts:	851 080	64 262	(1 617 039)	915 341	(1 529 661)	(26)
Unrealised gains and losses on derivatives related to fixed price customer contracts	(832 160)	(60 074)	1 621 470	(892 234)	1 538 022	(6 439)
Net unrealised gain/loss recognised in statement of profit or loss	18 919	4 188	4 431	23 107	8 361	(6 465)

Change in provisions for onerous contracts includes both release of provisions for (parts of) contracts which have been delivered in the period, and change in provisions for new and remaining contracts. Forward market prices decreased significantly during the first quarter of 2023.

The remaining volume of fixed price power contracts has also decreased during the first two quarters of 2023 due to a movement towards spot based products for new customers and existing fixed price customer contracts being delivered. These effects has lead to a significant decrease in provisions for onerous contracts and the unrealised gains on the corresponding portfolios of derivative hedge contracts.

Market conditions in 2022, with high and volatile power prices, lead to high profile costs and expectations of high profile costs going forward. This effect caused negative estimated margins on some fixed price customer contracts, leading to a corresponding impairment of the cost to obtain these contracts. As parts of these fixed price contracts with negative estimated margins were delivered in the first two quarters of 2023, a corresponding reversal of the impairment of cost to obtain contracts was recognised.

The net impact in the statement of profit or loss, which is an unrealised net gain in the first two quarters of 2023 of NOKt 23 107 (YTD 2022: NOKt 8 361 net gain, Full year 2022: NOKt 6 465 net loss) is mainly caused by improved margins in the customer contracts and imbalance between the portfolios of customer contracts, and the corresponding portfolios of derivative hedge contracts. Change in provision for onerous contracts and unrealised gains and losses on derivatives related to fixed price customer contracts are both presented as Direct cost of sales in the statement of profit or loss, while impairment and reversal of impairment of cost to obtain contracts is presented on a separate line.

Note 5

Income tax

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Profit before tax	117 339	7 504	109 854	124 843	221 430	128 692
Tax expense	(20 838)	1 883	(21 006)	(18 955)	(48 578)	(54 845)
<i>Average tax rate</i>	17,8 %	-25,1 %	19,1 %	15,2 %	21,9 %	42,6 %
Tax payable	46 066	14 771	26 747	60 837	66 082	64 623
Adjustments to prior years tax payable	-	-	-	-	-	(15)
Change in deferred tax	(25 228)	(16 654)	(5 740)	(41 882)	(17 504)	(9 762)
Tax expense recognised in statement of profit or loss	20 838	(1 883)	21 006	18 955	48 578	54 845

Note 6

Earnings per share

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

Ordinary shares outstanding	31 March 2023	30 June 2023	30 June 2022	31 December 2022
Total number of ordinary shares in issue	114 351 800	114 351 800	114 351 800	114 351 800
Treasury shares	5 717 590	5 717 590	5 717 590	5 717 590
Total number of ordinary shares outstanding	108 634 210	108 634 210	108 634 210	108 634 210

Basic earnings per share

	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Profit/(loss) attributable to shareholders *	96 502	9 484	88 848	105 986	172 852	73 847
Total comprehensive income attributable to shareholders *	174 541	20 526	138 853	195 067	357 122	92 911
Weighted average number of ordinary shares outstanding	108 634 210	108 634 210	111 866 927	108 634 210	113 081 114	110 833 229
Earnings per share in NOK	0,89	0,09	0,79	0,98	1,53	0,67
Total comprehensive income per share in NOK	1,61	0,19	1,24	1,80	3,16	0,84
Share options	1 959 000	1 959 000	1 760 000	1 959 000	1 760 000	1 710 000
Diluted earnings per share in NOK	0,87	0,09	0,78	0,96	1,51	0,66
Dividend per share in NOK	-	1,50	3,50	1,50	3,50	3,50

*NOK in thousands

Note 7

Intangible assets

Intangible assets

Q1 2023

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

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

Note 7

Intangible assets

Intangible assets

Q2 2023								
NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 April 2023	392 686	15 688	817 479	251 667	147 689	1 625 208	1 440 315	3 065 523
Additions - Purchase	1 399	11 162	-	-	-	12 561	-	12 561
Additions - Internally generated	287	(21)	-	-	-	266	-	266
Transferred from construction in progress	11 396	(11 396)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	138	1	2 407	2 155	149	4 850	(689)	4 161
Accumulated cost 30 June 2023	405 905	15 434	819 886	253 822	147 838	1 642 886	1 439 625	3 082 511
Accumulated depreciation 1 April 2023	(282 075)	-	(480 836)	(54 616)	(43 097)	(860 624)	-	(860 624)
Depreciation for the period	(11 178)	-	(29 158)	-	(1 857)	(42 193)	-	(42 193)
Currency translation differences	(77)	-	(627)	(468)	-	(1 173)	-	(1 173)
Accumulated depreciation 30 June 2023	(293 330)	-	(510 621)	(55 084)	(44 954)	(903 988)	-	(903 989)
Accumulated impairment 1 April 2023	(22 724)	-	-	(197 051)	-	(219 774)	-	(219 774)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(1 688)	-	(1 688)	-	(1 688)
Accumulated impairment 30 June 2023	(22 724)	-	-	(198 739)	-	(221 462)	-	(221 462)
Carrying amount 30 June 2023	89 852	15 434	309 265	-	102 884	517 436	1 439 625	1 957 061

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

Note 7
Intangible assets

Intangible assets

Q2 2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 April 2022	345 824	13 363	789 256	222 468	144 868	1 515 779	1 409 733	2 925 513
Additions - Purchase	3 255	7 887	-	-	-	11 142	-	11 142
Additions - Internally generated	30	493	-	-	-	523	-	523
Transferred from construction in progress	11 387	(11 387)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	29	58	10 887	10 879	1 048	22 901	11 229	34 130
Accumulated cost 30 June 2022	360 525	10 413	800 143	233 347	145 916	1 550 345	1 420 962	2 971 308
Accumulated depreciation 1 April 2022	(233 727)	-	(351 285)	(48 210)	(34 739)	(667 961)	-	(667 962)
Depreciation for the period	(11 839)	-	(30 733)	-	(2 225)	(44 797)	-	(44 797)
Currency translation differences	13	-	(2 743)	(2 430)	-	(5 160)	-	(5 160)
Accumulated depreciation 30 June 2022	(245 552)	-	(384 761)	(50 640)	(36 964)	(717 918)	-	(717 919)
Accumulated impairment 1 April 2022	(22 724)	-	-	(174 258)	-	(196 982)	-	(196 982)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(8 449)	-	(8 449)	-	(8 449)
Accumulated impairment 30 June 2022	(22 724)	-	-	(182 707)	-	(205 431)	-	(205 431)
Carrying amount 30 June 2022	92 249	10 413	415 382	-	108 951	626 996	1 420 962	2 047 958

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

Note 7

Intangible assets

Intangible assets

YTD 2023								
NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2023	382 472	9 446	799 668	233 569	145 888	1 571 044	1 418 775	2 989 819
Additions - Purchase	3 870	24 475	-	-	-	28 345	-	28 345
Additions - Internally generated	520	-	-	-	-	520	-	520
Transferred from construction in progress	18 508	(18 508)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	536	21	20 219	20 253	1 949	42 977	20 850	63 827
Accumulated cost 30 June 2023	405 905	15 434	819 886	253 822	147 838	1 642 886	1 439 625	3 082 511
Accumulated depreciation 1 January 2023	(269 527)	-	(445 660)	(50 688)	(41 240)	(807 117)	-	(807 117)
Depreciation for the period	(23 700)	-	(57 756)	-	(3 713)	(85 170)	-	(85 170)
Currency translation differences	(103)	-	(7 205)	(4 395)	-	(11 703)	-	(11 703)
Accumulated depreciation 30 June 2023	(293 330)	-	(510 621)	(55 084)	(44 954)	(903 989)	-	(903 989)
Accumulated impairment 1 January 2023	(22 724)	-	-	(182 881)	-	(205 604)	-	(205 604)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(15 857)	-	(15 857)	-	(15 857)
Accumulated impairment 30 June 2023	(22 724)	-	-	(198 738)	-	(221 462)	-	(221 462)
Carrying amount 30 June 2023	89 852	15 434	309 265	-	102 884	517 436	1 439 625	1 957 061

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

Note 7

Intangible assets

Intangible assets

YTD 2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2022	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Additions - Purchase	3 255	15 990	4	-	-	19 249	-	19 249
Additions - Internally generated	91	719	-	-	-	810	-	810
Transferred from construction in progress	11 630	(11 630)	-	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-	-
Currency translation differences	(33)	(5)	3 921	3 679	308	7 872	1 512	9 383
Accumulated cost 30 June 2022	360 526	10 413	800 143	233 347	145 916	1 550 345	1 420 962	2 971 308
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 236)	-	(625 237)
Depreciation for the period	(24 019)	-	(62 315)	-	(4 451)	(90 785)	-	(90 785)
Currency translation differences	-	-	(1 099)	(798)	-	(1 898)	-	(1 898)
Accumulated depreciation 30 June 2022	(245 553)	-	(384 761)	(50 640)	(36 965)	(717 919)	-	(717 920)
Accumulated impairment 1 January 2022	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(2 881)	-	(2 881)	-	(2 881)
Accumulated impairment 30 June 2022	(22 724)	-	-	(182 707)	-	(205 431)	-	(205 431)
Carrying amount 30 June 2022	92 249	10 413	415 382	-	108 951	626 996	1 420 962	2 047 958

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

Note 7

Intangible assets

Intangible assets

Full year 2022

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Fixed price customer contracts*	Other intangible assets	Total non-current intangible assets excl. Goodwill	Goodwill	Total non-current intangible assets
Accumulated cost 1 January 2022	345 582	5 339	796 218	229 668	145 607	1 522 414	1 419 451	2 941 866
Additions - Purchase	8 910	32 439	4	-	-	41 353	-	41 353
Additions - Internally generated	858	105	-	-	-	963	-	963
Transferred from construction in progress	28 294	(28 294)	-	-	-	-	-	-
Government grants (SkatteFUNN)	(1 308)	-	-	-	-	(1 308)	-	(1 308)
Currency translation differences	136	(143)	3 446	3 901	281	7 621	(675)	6 946
Accumulated cost 31 December 2022	382 472	9 446	799 668	233 569	145 888	1 571 044	1 418 775	2 989 819
Accumulated depreciation 1 January 2022	(221 534)	-	(321 346)	(49 842)	(32 514)	(625 237)	-	(625 237)
Depreciation for the period	(47 861)	-	(123 977)	-	(8 726)	(180 565)	-	(180 565)
Currency translation differences	(131)	-	(337)	(847)	-	(1 315)	-	(1 315)
Accumulated depreciation 31 December 2022	(269 527)	-	(445 660)	(50 688)	(41 240)	(807 117)	-	(807 117)
Accumulated impairment 1 January 2022	(22 724)	-	-	(179 826)	-	(202 550)	-	(202 550)
Impairment for the period	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(3 054)	-	(3 054)	-	(3 054)
Accumulated impairment 31 December 2022	(22 724)	-	-	(182 881)	-	(205 604)	-	(205 604)
Carrying amount 31 December 2022	90 221	9 446	354 007	-	104 648	558 324	1 418 775	1 977 100

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

Note 8

Trade receivables

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

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

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

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

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

NOK in thousands	31 March 2023	30 June 2023	30 June 2022 <i>Restated</i>	Full year 2022
Gross nominal amount	1 392 992	960 822	1 097 055	1 771 569
Loss allowance provision	(67 485)	(49 331)	(68 173)	(49 408)
Trade receivables, net	1 325 507	911 492	1 028 882	1 722 161

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

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

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Loss allowance provision, opening balance	49 408	67 485	51 268	49 408	45 213	45 213
Change in loss allowance recognised in profit or loss for the period	17 324	(17 890)	16 718	(565)	23 000	4 403
Currency translation difference	754	(265)	186	489	(40)	(208)
Loss allowance provision, balance at end of period	67 485	49 331	68 173	49 331	68 173	49 408

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

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

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Receivables written off	417	29 370	64	29 787	528	39 518
Movement in provision for impairment	17 324	(17 890)	16 718	(565)	23 000	4 403
Received payment on previously written off receivables	(1 872)	(1 200)	(870)	(3 072)	(1 575)	(3 663)
Net impairment expense recognised on trade receivables	15 868	10 281	15 913	26 149	21 954	40 258

Note 9

Derivatives and fair value measurement of financial instruments

Derivatives

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

NOK in thousands	31 March 2023	30 June 2023	30 June 2022 <i>Restated</i>	31 December 2022
Derivative financial assets and firm commitments				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	-	19 741	2 077
<i>Classified as held for trading for accounting purposes</i>				
Electricity derivatives - Hedge contracts	1 008 536	872 707	4 234 500	2 745 315
Electricity derivatives - Customer contracts	1 069 110	935 401	2 177 413	1 486 276
Other derivatives	122	319	-	-
<i>Hedged item in fair value hedge</i>				
Firm commitments	111 850	158 998	-	-
Total derivative financial assets and firm commitments	2 189 618	1 967 426	6 431 654	4 233 668
Derivative financial liabilities				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	(1 905)	536	(38 930)	72 772
Electricity derivatives - Customer contracts	111 850	158 998	-	-
<i>Classified as held for trading for accounting purposes</i>				
Electricity derivatives - Hedge contracts	306 556	278 331	541 262	129 552
Electricity derivatives - Customer contracts	1 455 292	1 283 059	3 197 851	2 982 676
Other derivatives	-	-	559	328
Total derivative financial liabilities	1 871 792	1 720 924	3 700 742	3 185 327

Note 9**Derivatives and fair value measurement of financial instruments****Fair value measurements of financial instruments**

This note explains the judgements and estimates made in determining the fair values of the financial instruments and firm commitments that are recognised and measured at fair value in the financial statements. The table below provides details for the Group's financial instruments measured at fair value. The Group also has financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. There has not been identified any significant difference between fair value and carrying amount at 30 June 2023.

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

Recurring fair value measurements**At 30 June 2023**

NOK in thousands	Level 1	Level 2	Level 3	Total
Derivative financial assets and firm commitments				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	-	-	-
<i>Classified as held for trading for accounting purpose</i>				
Electricity derivatives - Hedge contracts	-	828 065	44 642	872 707
Electricity derivatives - Customer contracts	-	928 929	6 473	935 401
Other derivatives	-	319	-	319
<i>Hedged item in fair value hedge</i>				
Firm commitments	-	151 522	7 476	158 998
Total financial assets and firm commitments at fair value	-	1 908 835	58 591	1 967 426
Derivative financial liabilities				
<i>Designated as hedging instruments for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	536	-	536
Electricity derivatives - Customer contracts	-	151 522	7 476	158 998
<i>Classified as held for trading for accounting purposes</i>				
Electricity derivatives - Hedge contracts	-	270 145	8 186	278 331
Electricity derivatives - Customer contracts	-	1 238 364	44 695	1 283 059
Other derivatives	-	-	-	-
Total financial liabilities at fair value	-	1 660 567	60 357	1 720 924

Note 9
Derivatives and fair value measurement of financial instruments

There were no transfers between level 1 and 2 for recurring fair value measurements during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Valuation techniques used to determine fair values

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

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

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

The Group does not hold electricity derivatives with maturities beyond the next 10 calendar years at 30 June 2023, hence all level 3 derivatives are long term area price contracts.

Note 10 Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Cash flow hedge

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

Fair value hedge

From Q1 2023 the group designates certain

derivatives as fair value hedges of power price risk associated with certain firm commitments. The firm commitments which are the hedged items are fixed price power purchase contracts, where the price is fixed for the delivery of a fixed volume in a fixed delivery period in a designated price area. The hedging instruments are fixed price power sales contracts classified as financial electricity derivatives. The objective of the economic hedging arrangements is to hedge the exposure to changes in the fair value of the fixed price purchase contracts.

The hedge ratio is 1:1 as the critical terms of the hedged items and the hedging instruments are identical. The fair value hedges are expected to be highly effective and there was no significant impact on the statement of profit

or loss resulting from hedge ineffectiveness during the quarter.

In a fair value hedge the value change in unrealised gains or losses of the hedging instrument will meet the corresponding change in value of the hedged item and it is presented on the same line item in the statement of profit or loss. Ineffectiveness is recognised in profit or loss. Accumulated unrealised gains or losses on the hedged item are recognised as firm commitments in the line item Derivative financial instruments and firm commitments in the statement of financial position.

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

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

NOK in thousands	Q1 2023	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Full year 2022
Cash flow hedge of highly probable power purchase:						
Ineffective portion, recognised in P&L, total	5	-	1 648	5	(7 610)	(12 513)
Effective portion, recognised in OCI, total	72 594	(2 441)	23 694	70 153	145 244	20 781
Change in fair value, total	72 599	(2 441)	25 342	70 158	137 634	8 268
Effective portion, recognised in OCI, net of tax (22 %)	56 624	(1 904)	18 481	54 719	113 290	16 209

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

Note 10
Hedge Accounting

Cash flow hedges - Fair value of hedging instruments where hedge accounting is applied

Cash flow hedge of highly probable power purchase in Norwegian price areas:

NOK in thousands	Fair value of hedge instrument	Effective portion of change in fair value, recognised in OCI	Effective portion of change in fair value, recognised in OCI, net of tax	Ineffectiveness recognised in P&L	Hedged volume, subsequent quarter, in MWh	Hedged volume beyond subsequent quarter, in MWh
31 March 2023						
South Norway (NO1, NO2, NO5)	1 040	1 040	811	-	13 291	-
Trondheim (NO3)	846	846	660	-	10 927	34
Tromsø (NO4)	19	19	15	-	1 843	55
31 March 2023 - Total	1 905	1 905	1 486	-	26 061	89
30 June 2023						
South Norway (NO1, NO2, NO5)	(273)	(273)	(213)	-	5 848	-
Trondheim (NO3)	(228)	(228)	(178)	-	10 509	-
Tromsø (NO4)	(35)	(35)	(27)	-	612	-
30 June 2023 - Total	(536)	(536)	(418)	-	16 969	-
30 June 2022						
South Norway (NO1, NO2, NO5)	52 863	52 863	41 233	-	84 155	18 116
Trondheim (NO3)	3 940	553	431	3 387	7 967	5 355
Tromsø (NO4)	1 869	358	279	1 511	3 366	4 768
30 June 2022 - Total	58 671	53 774	41 943	4 898	95 488	28 238
31 December 2022						
South Norway (NO1, NO2, NO5)	(71 809)	(71 809)	(56 011)	-	60 944	146
Trondheim (NO3)	2 099	2 103	1 640	(3)	29 114	763
Tromsø (NO4)	(984)	(983)	(766)	(2)	7 894	967
31 December 2022 - Total	(70 694)	(70 689)	(55 137)	(5)	97 952	1 876

Note 10
Hedge Accounting

Fair value hedges

	Item in Statement of financial position	Nominal amounts, hedged volume in MWh	Carrying amount at end of period	Accumulated fair value ad- justment of the hedged items at end of period	Changes in fair value used for calculating hedge ineffec- tiveness
NOK in thousands					
Q1 2023					
<i>Hedged items:</i>					
Fixed price purchase contracts (Firm commitments)	Derivative financial instruments and firm commitments (assets)	518 108	111 850	111 850	111 850
<i>Hedging instruments:</i>					
Fixed price sales contracts (Electricity derivatives)	Derivative financial instruments (liabilities)	518 108	111 850	-	(111 850)
Q2 2023					
<i>Hedged items:</i>					
Fixed price purchase contracts (Firm commitments)	Derivative financial instruments and firm commitments (assets)	843 128	158 998	158 998	47 148
<i>Hedging instruments:</i>					
Fixed price sales contracts (Electricity derivatives)	Derivative financial instruments (liabilities)	843 128	158 998	-	(47 148)
YTD 2023					
<i>Hedged items:</i>					
Fixed price purchase contracts (Firm commitments)	Derivative financial instruments and firm commitments (assets)	843 128	158 998	158 998	158 998
<i>Hedging instruments:</i>					
Fixed price sales contracts (Electricity derivatives)	Derivative financial instruments (liabilities)	843 128	158 998	-	(158 998)

Fair value hedges - contractual maturities of hedged volumes in hedging instruments

Hedged volumes in MWh	0 - 3 months	3 - 12 months	1 - 5 years	5 + years	Total
31 March 2023					
Fixed price sales contracts (Electricity derivatives)	30 021	93 020	342 320	52 747	518 108
30 June 2023					
Fixed price sales contracts (Electricity derivatives)	32 289	168 396	573 197	69 246	843 128

Note 11

Credit facilities

NOK in thousands	Effective interest rate	31 March 2023	30 June 2023	30 June 2022	31 December 2022
Term loan	NIBOR 3 months + 1,75 %	702 750	679 325	773 025	726 175
Revolving credit facility	NIBOR 3 months + 1,75 %	425 000	275 000	275 000	275 000
Total principal amounts		1 127 750	954 325	1 048 025	1 001 175

Credit facilities agreement

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

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

The termination date of the term loan facility, the revolving credit facility, and the guarantee facility is in September 2024. In Q1 2023 the interest rate margin on the term loan facility and the revolving credit facility was increased from 1,30% to 1,75%. For more information regarding the credit facilities agreement, see the 2022 annual report.

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

At 30 June 2023 the remaining term loan principal balance is NOKt 679 325. The loan instalments of NOKt 93 700 that are due the next twelve months are reported in interest-bearing short term debt in the statement of financial position.

The revolving credit facility - NOKt 500 000 - The RCF

The Group drew NOKt 275 000 on this facility in 2022, and another NOKt 150 000 in Q1 2023. The latter was repaid in Q2 2023, thus NOKt 225 000 remains undrawn at 30 June 2023. The revolving credit facility is classified as interest-bearing short term debt in the statement of financial position.

The guarantee facility - NOKt 2 250 000

At 30 June 2023 guarantees of total NOKt 1 944 327 were issued under the guarantee facility.

The overdraft facility - NOKt 1 300 000

The overdraft facility was increased from NOKt 1 000 000 to NOKt 1 300 000 in 2022. At 30 June 2023 the Group had drawn NOKt 525 786 on the overdraft facility.

Financial covenant

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

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

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

Note 12

Other current liabilities

NOK in thousands	Note	31 March 2023	30 June 2023	30 June 2022 <i>Restated</i>	31 December 2022
El-certificate cancellation liabilities		9 027	4 223	6 970	9 641
Accrued power purchase		334 804	197 280	214 054	731 799
Prepayments from customers		37 467	43 673	27 818	46 656
Payroll liabilities		72 651	47 362	35 761	58 537
Other		28 703	65 764	30 144	26 594
Total Other current liabilities		482 652	358 302	314 747	873 227

Note 13

Related party transactions

Per 30 June 2023, the Group's related parties include major shareholders, Board of Directors, associated company and key management.

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

Expenses to related parties

Related party	Relation	Purpose of transactions	Q1 2023	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Full Year 2022
Metzum AS	Associated company	Purchase of other services	11 988	9 948	10 834	21 937	21 609	38 500
Atea AS	Other*	Purchase of products and other services	2 512	1 321	2 592	3 833	4 765	9 922

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

Purchase of assets

Related party	Relation	Purpose of transactions	Q1 2023	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Full Year 2022
Metzum AS	Associated company	Research and development	110	189	713	300	2 273	2 666
Atea AS	Other*	Products and development	272	71	91	343	143	481

Current liabilities to related parties

Related party	Relation	Purpose of transactions	31 March 2023	30 June 2023	30 June 2022	31 December 2022
Metzum AS	Associated company	Research and development	7 576	4 226	677	959
Atea AS	Other*	Products and development	1 828	769	232	138

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

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

Note 14 Significant transactions

Telia transaction

In April 2023 the Group completed the sale of 39% of the Group's mobile business to Telia, and received a guaranteed cash consideration for 90% of the mobile customer portfolio (NOKt 115 455) which was booked as a positive change in equity.

After this transaction the Group owns 61 % of the mobile business, which is organised as a subsidiary in the Group. Telia is considered a non-controlling interest.

Note 15 Events after the reporting period

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

Directors responsibility statement

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first six months of 2023, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Group's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report

for the first six months of 2023 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2023, and major related party transactions.

The Board of Elmera Group ASA, Bergen, 16 August 2023



Steinar Songstebj

Chairman



Magnhild K. B. Uglem

Board member



Per Oluf Solbraa

Board member



Anne Marit Steen

Board member



Heidi Theresa Ose

Board member



Stian Madsen

Board member



Frank Økland

Board member



Live Bertha Haukvik

Board member



Rolf Barmen

CEO

Appendix

Alternative performance measures

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

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

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

Capex excl. M&A is used to present the capital expenditures excluding mergers and

acquisitions to illustrate the Group's organic maintenance capex.

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

EBIT adjusted

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

- **Acquisition related costs and other one-off items:** Items that are not part of the ordinary business
- **Estimate deviations from previous periods:** A substantial proportion of the Group's 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 revenue from sale of electrical power 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

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

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

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

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

EBITDA adjusted

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

- **Acquisition related costs and other one-off items:** Items that are not part of the ordinary business
- **Estimate deviations from previous periods:** A substantial proportion of the Group's 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 revenue from sale of electrical power 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
- **Unrealised gains and losses on derivatives:** Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity.

Alternative performance measures

- **Impairment of intangible assets and cost to obtain contracts:** Consist of impairment of intangible assets and cost to obtain contracts related to fixed price customer contracts
- **Change in provisions for onerous contracts:** Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity

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

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

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

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

Net revenue adjusted

This APM presents *Net revenue* adjusted for:

- **Other one-off items:** Which represents non-recurring income is recognised *in the profit or loss for the period*
- **Estimate deviations from previous periods:** A substantial proportion of the Group's 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 revenue from sale of electrical power 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
- **Unrealised gains and losses on derivatives:** Consist of unrealised gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- **Change in provisions for onerous contracts:** Consist of change in provisions for onerous contracts associated with the purchase and sale of electricity.

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

position except *Derivative financial instruments* and *Cash and cash equivalents*); and the following items from current liabilities; *Trade payables, Current income tax liabilities, Social security and other taxes, Lease liability - short term*, and *other current liabilities*.

Non-cash NWC elements and other items

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

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

OpFCF before tax and change in NWC

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

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

Alternative performance measures

Financial statements with APM's

Reported amounts:

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Revenue	8 033 341	3 512 686	4 094 264	11 546 028	10 792 817	25 521 514
Direct cost of sales	(7 523 438)	(3 147 664)	(3 653 186)	(10 671 102)	(9 859 445)	(23 823 519)
Net revenue	509 904	365 022	441 078	874 925	933 371	1 697 995
Personnel expenses	(122 839)	(84 078)	(76 052)	(206 916)	(187 369)	(421 029)
Other operating expenses	(156 677)	(144 504)	(141 756)	(301 181)	(291 626)	(574 946)
Impairment of intangible assets and cost to obtain contracts	12 890	5 182	-	18 072	-	(39 282)
Operating expenses	(266 626)	(223 400)	(217 808)	(490 025)	(478 995)	(1 035 258)
EBITDA	243 278	141 622	223 270	384 900	454 376	662 737
Depreciation & amortisation	(98 583)	(97 569)	(95 432)	(196 152)	(191 552)	(389 956)
EBIT reported (Operating profit)	144 695	44 053	127 837	188 748	262 824	272 781
Net financials	(27 355)	(36 549)	(17 983)	(63 905)	(41 394)	(144 089)
Profit/ (loss) before taxes	117 339	7 504	109 854	124 843	221 430	128 692
Taxes	(20 838)	1 883	(21 006)	(18 955)	(48 578)	(54 845)
Profit/ (loss) for the period	96 502	9 387	88 848	105 888	172 852	73 847
EBIT reported margin	28 %	12%	29%	22%	28%	16%

Alternative performance measures

Adjusted amounts:

NOK in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Net revenue	509 904	365 022	441 078	874 925	933 371	1 697 995
Other one-off items	-	-	-	-	-	-
Estimate deviations previous periods	-	4 276	-	4 276	-	4 472
Unrealised gains and losses on derivatives	861 843	65 631	(1 638 954)	927 474	(1 547 544)	47 791
Change in provisions for onerous contracts	(838 189)	(59 080)	1 617 039	(897 269)	1 529 661	(39 256)
Net revenue adjusted	533 557	375 851	419 160	909 408	915 488	1 711 002
EBITDA	243 278	141 622	223 270	384 900	454 376	662 737
Acquisition related costs	-	-	-	-	-	-
Other one-off items	11 898	24 808	-	36 705	-	2 660
Estimate deviations previous periods	-	4 276	-	4 276	-	4 472
Impairment of intangible assets and cost to obtain contracts	(12 890)	(5 182)	-	(18 072)	-	39 282
Unrealised gains and losses on derivatives	861 843	65 631	(1 638 954)	927 474	(1 547 544)	47 791
Change in provisions for onerous contracts	(838 189)	(59 080)	1 617 039	(897 269)	1 529 661	(39 256)
EBITDA adjusted	265 938	172 075	201 352	438 014	436 492	717 685
EBIT reported (Operating profit)	144 695	44 053	127 837	188 748	262 824	272 781
Acquisition related costs	-	-	-	-	-	-
Other one-off items	11 898	24 808	-	36 705	-	2 660
Estimate deviations previous periods	-	4 276	-	4 276	-	4 472
Impairment of intangible assets and cost to obtain contracts	(12 890)	(5 182)	-	(18 072)	-	39 282
Unrealised gains and losses on derivatives	861 843	65 631	(1 638 954)	927 474	(1 547 544)	47 791
Change in provisions for onerous contracts	(838 189)	(59 080)	1 617 039	(897 269)	1 529 661	(39 256)
Depreciation of acquisitions	30 456	30 998	32 863	61 453	66 576	132 323
EBIT adjusted	197 811	105 504	138 782	303 315	311 517	460 054
EBIT margin adjusted	37%	28%	33%	33%	34%	27%

Alternative performance measures

Other financial APM's

Net interest bearing debt (cash)

NOK thousands	31 March 2023	30 June 2023	30 June 2022	31 December 2022
Interest-bearing long term debt	606 459	583 748	674 589	629 169
Interest-bearing short term debt	518 700	368 700	368 700	368 700
Transaction costs recognised as part of amortised cost of Interest-bearing long term debt	2 591	1 877	4 736	3 306
Overdraft facilities	657 095	525 786	593 322	534 112
Cash and cash equivalents	(94 835)	(145 122)	(161 896)	(70 548)
Net interest bearing debt (cash)	1 690 010	1 334 990	1 479 451	1 464 739

Financial position related APM's

NOK thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Net working capital	900 396	550 768	565 447	550 768	565 447	532 789
OpFCF before tax and change in NWC	208 782	121 536	133 904	330 319	304 607	435 807
Capex excl. M&A	16 221	12 863	14 039	29 084	22 589	44 328

Non-financial APM's

Deliveries

Numbers in thousands	Q1 2023	Q2 2023	Q2 2022 <i>Restated</i>	YTD 2023	YTD 2022 <i>Restated</i>	Full year 2022
Electrical deliveries Consumer segment	684	678	661	678	661	685
Electrical deliveries Business segment	128	127	117	127	117	120
Electrical deliveries Nordic segment	134	131	164	131	164	149
Total number of electrical deliveries*	946	936	942	936	942	954
Number of mobile subscriptions	138	123	148	123	148	144

* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 1 008 thousand in Q2 2023.

Volume in GWh	Q1 2023	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Full year 2022
Consumer segment	2 748	1 612	1 594	4 360	4 235	7 648
Business segment	2 396	1 579	1 546	3 975	3 728	6 978
Nordic segment	657	470	632	1 127	1 600	2 879
Total volume	5 801	3 661	3 772	9 462	9 563	17 506