Annual report 2020

Board of Directors' report

Financial statements

- Income statement
- Balance sheet
- Cash flow statement
- Notes

Auditor's report

The Board of Directors' report 2020 – Elektroimportøren AS

Operations and locations

Elektroimportøren AS is the parent company in a group comprising the subsidiaries Elektroimportøren Holding AS, Elektroimportøren Norge AS, Namron AS and Spoton AS. There are no minority interests in the Group.

The Group is selling electro material, lighting and related product groups to private and professional players in physical department stores, through e-commerce and in customer centres.

The demand for the Company's products is increasing, particularly within smart house technology, chargers for electric vehicles and electrification in general.

The goods are sold in physical department stores and through e-commerce. During 2020, two new department stores were established: Tønsberg and Klepp. There are totally 23 department stores in addition to e-commerce at the end of the accounting year.

Other matters

On 16 December 2020, Elektroimportøren AS was listed on Euronext Growth Oslo. The listing was carried out as a divestment from existing owners.

Going concern

In accordance with the Accounting Act section 3-3a, we confirm that the assumptions for going concern exist. These assumptions are based on profit forecasts for the year 2021 and the Group's long-term strategic forecasts for the years to come. The Group's economic and financial position is sound.

Future developments

We expect the total market to grow in line with the general price increase in the coming year, but also higher growth as a result of establishing new department stores and by improving and making existing sales channels more effective. There is, however, some uncertainty as to how the market will develop when society has returned to a more normal situation after Covid-19.

The capacity of the central warehouse has increased considerably during 2020 due to a doubling of the existing autostore solution. In addition, a doubling of the physical central warehouse is planned during 2021. This will give a good basis to manage further growth.

Comments related to the financial statements

The Group's turnover in 2020 amounted to MNOK 1 316, an increase of MNOK 964 in 2019. The Group has had an underlying positive development of turnover through growth in existing sales channels and newly opened stores. Profit for the year was MNOK 81,3 compared with MNOK 23,8 in 2019. The year 2020 was financially satisfactory.

The parent company has no sales income, and the profit for the year was MNOK 39,0 due to group contribution taken to income.

Total cash flows from operating activities were MNOK 155,6, and the ordinary result before tax constituted MNOK 107,2 for the Group. The difference is primarily due to increases in inventory, trade receivables and payables, and investments related to the opening of new department stores.

Total investments in the Group was MNOK 41,6 in 2020.

At year-end, the Group's total liquid funds amounted to MNOK 94,1. The Group's ability to self-financing investments is good.

The Group's financial position is satisfactory, and all short-term payment liabilities can be covered by available liquid funds and credit facilities. The solidity is also good with an equity ratio of 19,1%.

Financial risk

Overall view on objectives and strategy

The Group is exposed to financial risk in different areas, especially concerning foreign currency risk. A hedging strategy has been established, where the goal is to mitigate the financial risk related to significant changes in exchange rates.

In the Group's opinion, there is no specific risk related to achieving the goals set for the business in 2021 or in the years to come, and a further growth in sales and earnings is expected by establishing new stores and increasing effectiveness throughout the entire value chain.

Market risk

The Group is indirectly and directly exposed to changes in purchase prices as a consequence of how the Norwegian krone develops against other currencies. Forward contracts have been made to reduce the Company's foreign currency risk and thereby the market risk related to operations.

Credit risk

Credit is given to private businesses as well as public authorities and departments. Historically, the extent of losses has been small, although there was some increase in 2020. This was a result of a severely pressed industry with increased competition and reduced margins and subsequent bankruptcies. As at 31 December 2020, the risk for losses on receivables is considered to be moderate, and we have a provision of NOK 1 500 000 in the balance sheet that should be adequate to cover the risk for losses.

No agreements have been made on netting or financial instruments that reduce the credit risk.

Liquidity risk

The Group's liquidity is considered to be good.
Further efforts in improving the payment terms from suppliers will contribute to increase the liquidity considerably. We also have adequate flexibility in established financing terms with our bank connection.

Working environment and employees

There are no employees in the parent company. The number of employees in the Group at the end of 2020 were 461, of which 78 women. The leave of absence due to illness totalled 7,4% of the permanent workforce. This is an increase compared with 2019 (5,6%). The increase is mainly due to the Covid-19 virus. 3,4% of the absence was long-term.

No serious work-related accidents or incidents resulting in significant material damage or personal injury have occurred or been reported during the year. The working environment is considered to be good, and efforts for improvements are made on an ongoing basis. More stable management in stores and at the main office is in place to secure continuity in improvement initiatives over time.

Gender equality and discrimination

The Group's aim is to be a workplace with full equality between women and men. There shall be no discrimination due to gender in areas like salaries, promotions and recruitment.

Traditionally, the Group has been dominated by men in relation to industry and history but has nevertheless a fair share of women. Working time arrangements are set by the various positions and are independent of gender.

Key figures:

- Employees in the Group comprise 383 men and 78 women at the end of the year
- Temporarily employed (including temps from agencies) during the year have been 142, of which 18% women
- Part-time employees constitute 71, of which 10% are women
- The average number of weeks of sick-child leave for women is 42 and 14 weeks for men.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion, and faith. The Group's goal is to be a workplace where there is no discrimination of any kind, also including functional disabilities.

We have established a set of guidelines for all employees to ensure equality concerning gender, ethnicity, age etc. (Code of conduct). In recruiting we emphasise to secure a balance of gender, and during 2020, the number of women in leading positions has increased (department store managers and board representation).

As part of further improvements, employee surveys have been carried out in the stores and at the main office. The results substantiate that the guidelines in «Code of conduct» are being complied with.

We will carry out regular employee surveys in the time to come to ensure that we continue to have a workplace characterised by a lack of harassment, conflicts and inequality.

Environmental reporting

The Group's operations are not regulated by licences or orders. The Group does not pollute the external environment and has no manufacturing.

Events after the balance sheet date

The Company is closely monitoring the ongoing Covid-19 outbreak and has implemented measures to minimise possible negative effects on employees, operations and financial results. So far there have been no significant negative effects on turnover, supplies of goods or other operational matters. The business has continued to demonstrate a satisfactory financial development. In the beginning of 2021, some warehouses have been closed for shorter periods for private customers due to various municipal infection control measures. This has been compensated by initiatives like deliveries in car parks and improved delivery alternatives through e-commerce.

Oslo, 25 March 2021

Amund Skarholt
Chairman

Fredrik T. Bysveen
Board member

Gaute Gillebo
Board member

Robert Ingberg Iversen
Board member

Kjersti Helen Krokeide Hobøl
Board member

Ronny Blomseth
Board member

Andreas Niss
CEO

ELEKTROIMPORTØREN AS

Income statement

Parent company 2019	Parent company 2020	Note		Group Note	Group 2020	Group 2019
-	-		Revenue	2	1 315 894 342	964 159 847
-	**-**		**Total operating income**		**1 315 894 342**	**964 159 847**
-	-		Cost of goods sold		798 389 377	589 669 060
-	-		Salary expenses	10, 11	219 293 730	176 144 337
-	-		Depreciation of tangible and intangible assets	6, 7	31 753 923	28 105 644
-	-		Write-down of tangible and intangible assets	6	1 363 996	736 565
188 679	1 825 333	10	Other operating expenses	10	143 491 298	121 107 907
188 679	**1 825 333**		**Total operating expenses**		**1 194 292 324**	**915 763 513**
-188 679	**-1 825 333**		**Operating profit**		**121 602 019**	**48 396 335**
-	-		Other interest income		80	123
-	11 394		Other finance income		321 841	385 018
5 530 689	58 290 886	4	Income on investment in subsidiary		-	-
1 019 603	498 739		Interest income from group companies		-	-
6 361 613	3 439 489	4	Interest expense to group companies			
19 582	3 524 803		Other finance expense		4 906 032	2 621 254
-	-		Other interest expense		9 862 178	12 690 007
169 097	**51 836 727**		**Net finance income**		**-14 446 289**	**-14 926 120**
-19 582	**50 011 394**		**Ordinary profit before tax**		**107 155 730**	**33 470 215**
-	11 000 000	9	Tax expense on ordinary profit	9	25 885 387	9 628 012
-19 582	**39 011 394**		**Profit for the year**		**81 270 343**	**23 842 203**
			Transfers and allocations:			
-	50 000 000		Dividend		50 000 000	
-19 582	-49 988 616		Other equity		31 270 343	23 842 203
-19 582	**11 384**		**Total transfers and allocations**		**81 270 343**	**23 842 203**

ELEKTROIMPORTØREN AS

Assets

Parent company 2019	Parent company 2020	Note		Group Note	Group 2020	Group 2019
			ASSETS			
			Non-current assets			
			Intangible assets			
-	-		Deferred tax asset	9	-	-
-	-		Patents, licences, brands and similar rights	7	7 355 970	7 905 050
-	-		Goodwill	7	122 605 068	131 864 388
-	-		**Total intangible assets**		**129 961 038**	**139 769 438**
			Property, plant and equipment			
-	-		Operating equipment, office furniture and machinery, tools etc.	6, 15	142 778 350	124 518 343
-	-		**Total property, plant and equipment**		**142 778 350**	**124 518 343**
			Financial non-current assets			
125 670 100	125 670 100	3, 15	Investments in subsidiaries		-	-
18 005 019	18 503 758		Other financial receivables	11	-	-
143 675 119	**144 173 858**		**Total financial non-current assets**		-	-
			Current assets			
-	-		Inventory	5, 15	208 160 494	204 555 198
			Receivables			
-	-		Trade receivables	8, 15	54 386 514	40 571 522
5 530 689	261 651 354	4	Other receivables on group companies		-	-
6 188	4 944		Other receivables		28 250 874	21 924 670
5 536 877	**261 656 298**		**Total receivables**		**82 637 388**	**62 496 192**
162	3 209 480	14, 15	**Bank deposits, cash etc.**	14, 15	94 080 031	893 826
149 212 158	**409 039 636**		**TOTAL ASSETS**		**657 617 301**	**532 232 997**

ELEKTROIMPORTØREN AS

Equity and liabilities

Parent company 2019	Parent company 2020	Note		Note	Group 2020	Group 2019
			EQUITY AND LIABILITIES			
			Equity			
1 036 610	1 036 610	12, 13	Share capital	12, 13	1 036 610	1 036 610
-	-	12, 13	Share capital not registered	12, 13		
11 974 428	11 974 428	13	Share premium	13	11 974 428	11 974 428
-	-	13	Share premium not registered	13		
13 011 038	**13 011 038**		**Total paid-in capital**		**13 011 038**	**13 011 038**
			Retained earnings			
12 000 911	1 012 305	13	Other equity	13	112 535 092	81 264 735
12 000 911	**1 012 305**		**Total retained earnings**		**112 535 092**	**81 264 735**
25 011 949	**14 023 343**		**Total equity**		**125 546 130**	**94 275 773**
			Liabilities			
			Provision for liabilities			
-	-	9	Deferred tax	9	42 611	675 722
-	-		**Total provision for liabilities**		**42 611**	**675 722**
			Other non-current liabilities			
-	-		Debt to credit institutions	15, 16	202 922 685	185 455 234
124 169 266	312 608 755	4, 16	Non-current group liabilities			
			Other non-current liabilities	16	-	39 468 560
124 169 266	**312 608 755**		**Total other non-current liabilities**		**202 922 685**	**224 923 794**
			Current liabilities			
-	20 000 000		Debt to credit institutions	15, 16	22 702 086	52 201 848
30 942	1 134 205		Trade payables		120 797 627	90 948 489
-	11 000 000	9	Income tax payable	9	26 518 497	7 989 840
-	-		Public taxes due		50 559 057	30 455 009
-	-		Other liabilities to group companies		-	-
-	50 000 000		Dividends payable		50 000 000	-
-	273 333		Other current liabilities	16	58 528 607	30 762 522
30 942	**82 407 538**		**Total current liabilities**		**329 105 874**	**212 357 708**
124 200 209	**395 016 293**		**Total liabilities**		**532 071 170**	**437 957 223**
149 212 158	**409 039 636**		**TOTAL EQUITY AND LIABILITIES**		**657 617 301**	**532 232 997**

Oslo, 25 March 2021

Amund Skarholt
Chair

Kjersti Helen Krokelde Hobøl
Board member

Robert Ingberg Iversen
Board member

Gaute Gillebo
Board member

Ronny Blomseth
Board member

Fredrik Toft Bysveen
Board member

Andreas Niss
CEO

ELEKTROIMPORTØREN INVEST AS

Cash flow statement

Parent company			Group	
2019	**2020**		**2020**	**2019**
		Operating activities		
-19 582	50 011 394	Ordinary result before tax	107 155 730	33 470 215
-3 590 459	-	Tax paid in the period	-7 989 840	-8 932 812
		Gain/loss from sales of non-current assets	-	-268 850
-	-	Ordinary depreciation and write-downs	33 117 919	28 842 209
-	-	Change in trade receivables	-13 814 992	-12 918 630
30 942	1 103 263	Change in trade payables	29 849 138	-9 352 191
-	-	Change in inventory	-3 605 296	-27 209 461
-2 782 544	-50 001 243	Change in other accruals	10 906 555	39 015 738
-6 361 644	**1 113 414**	**Net cash flows from operating activities**	**155 619 213**	**42 646 217**
		Investing activities		
-	-	Proceeds from sale of property, plant and equipment	-	365 000
-	-	Proceeds from sale of shares and investments	-	-
-	-	Proceeds from adjustment of acquisition price subsidiary	-	-
-	-	Purchase of licences, brands etc.	-	-15 000
-	-	Purchase of property, plant and equipment	-41 569 525	-46 984 265
-	-	Purchase of shares and investments	-	-
-	**-**	**Net cash flows used in investing activities**	**-41 569 525**	**-46 634 265**
		Financing activities		
-	50 000 000	Group contribution	-	-
-	205 000 000	Proceeds from new borrowings	215 800 000	
-	-	Proceeds from new short-term debt, bank overdraft etc.		
6 361 614	-252 906 582	Net change in group balances	-	-
-	-	Repayment of debt	-236 663 485	-20 000 000
6 361 614	**2 093 418**	**Net cash flows used in financing activities**	**-20 863 485**	**-20 000 000**
-30	3 206 832	Net change in cash	93 186 203	-23 988 048
192	162	Cash and bank deposits at 1 January	893 828	24 881 876
162	3 206 994	Cash and bank deposits at 31 December	94 080 031	893 828

ELEKTROIMPORTØREN AS

Notes to the 2020 financial statements

Note 1 - Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Basis for consolidation
The Group's consolidated financial statements comprise the parent company and companies in which Elektroimportøren AS has a controlling interest (directly or indirectly). A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise actual control over the company. The consolidated financial statements have been prepared as if the Group was one financial entity. Transactions and balances between group companies have been eliminated. The consolidated financial statements have been prepared by uniform principles, as the subsidiary applies the same accounting principles as the parent company.

The purchase method is applied when accounting for business combinations. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date when control is achieved and until the date such control ceases.

There are no minority interests in the Group.

Sales income
Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred. The extent of how much the 14 days' cancellation right is applied (e-commerce) constitutes an insignificant part, and no provisions are made for this in the accounts.

Subsidiary
The subsidiary is valued at cost in the company accounts. The investment is valued at cost for the shares unless a write-down is required. Write-downs to fair value are made when the fall in value is not considered to be temporary and is required to comply with generally accepted accounting principles. Write-downs are reversed if the reason for the write-down no longer exists.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are provided for in the financial statements of the provider. If dividends/group contribution exceed withheld profit after the acquisition date, the excess amount represents repayment of invested capital, and the distribution is deducted from the investment's value in the parent company's balance sheet.

Balance sheet classification and valuation
Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets/liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognised at their nominal value when established.

Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at their nominal value when established.

Property, plant and equipment
Property, plant and equipment is capitalised and depreciated on a straight-line basis over the asset's expected lifetime. Significant assets comprising major components with variable lifetimes are decomposed with different depreciation periods for the various components. Direct maintenance of property, plant and equipment is expensed as incurred, whereas costs for upgrading or improvements are added to the acquisition cost and depreciated with the related asset.

Leasing/leasing agreements
Leasing agreements are considered to be financial or operating after a concrete assessment of each individual agreement. Assets leased on terms whereby most of the financial risk and reward of the asset is transferred to the company (financial leasing), are capitalised as property, plant and equipment and depreciated. For other leasing agreements (operating leasing), the lease is expensed on a straight-line basis over the lease period as other operating expenses.

Intangible assets
Intangible assets are amortised over their expected lifetime. Goodwill and brands are amortised over 20 years. Excess value related to existing lease contract is amortised over the remaining lease period. Goodwill primarily concerns expectations of future growth and earnings, and as long as the business is generating better results than the basis for calculating the goodwill value, it will not be impaired in use. Accordingly, an amortisation period of 20 years better reflects the Group's result and position than a shorter amortisation period.

Inventory
Inventory is recognised at the lower of cost and net sales price. The net sales price is the estimated price at ordinary operations less necessary sales costs. The cost is arrived at using a weighted cost price and includes the expenses incurred in acquiring the goods and the costs of bringing them to their current state and location.

Receivables
Accounts receivable and other current receivables are recorded in the balance sheet at their nominal value less provisions for losses. Provisions for losses are based on an individual assessment of the receivables. In addition, a general provision is made to cover losses on the remaining receivables.

Short-term investments
Short-term investments (stocks and shares classified as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends received and other distributions from the companies are recognised as other finance income.

Income tax
The tax expense consists of the tax payable and changes in deferred tax. Deferred tax/tax assets are calculated on all differences between the book and tax value of assets and liabilities. Deferred tax is calculated at 22% of the basis of temporary differences between book and tax values in addition to tax losses to carry forward at the end of the accounting year. Net deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets can be utilised.

Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Foreign currency
Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in foreign currencies are translated into Norwegian kroner using the exchange rate applicable on the balance sheet date. Non-monetary items measured at historical cost in a foreign currency are translated into Norwegian kroner using the exchange rate applicable on the transaction date. Non-monetary items measured at fair value expressed in a foreign currency are translated at the exchange rate applicable on the measurement date. Changes to exchange rates are recognised as costs of goods sold as occurred during the accounting period.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other liquid investments.

Note 2 - Revenue

The Group's revenue is primarily related to sales of electromaterial, lighting and cables, in addition to heating and ventilation products.

The sale is generated through the following channels:

	2020	2019
Stores	1 132 563 514	828 410 109
E-commerce	172 736 251	125 592 983
Order receipts	7 313 532	7 327 997
Freight income	2 125 345	2 451 028
Other income	1 155 701	377 730
Total revenue	**1 315 894 343**	**964 159 847**

All turnover in the Group takes place in Norway.

Note 3 - Subsidiaries

Elektroimportøren AS has the following subsidiary:

	Book value	Ownership share	Result 2020	Equity at 31 December 2020
Elektroimportøren Holding AS	125 670 100	100 %	79 776	139 059 065

Other companies in the Group:

Company name	Owned by	Book value	Ownership share	Result 2020	Equity at 31 December 2020
Elektroimportøren Norge AS	Elektroimportøren Holding AS	169 031 642	100 %	51 650 455	80 998 577
Namron AS	Elektroimportøren Holding AS	40 261 078	100 %	48 053 240	114 338 331
Spoton AS	Namron AS	30 000	100 %	6 595	23 405

Note 4 - Intercompany transactions and balances

Parent company
This year's intercompany transactions comprise recognised group contribution amounting to NOK 8 290 886 from Namron AS and NOK 50 000 000 from Elektroimportøren Norge AS.

At the end of the year, Elektroimportøren AS had the following balances with other group companies:

Long-term receivable on Namron AS	18 503 758	18 005 019
Short-term receivable on group companies	**2020**	**2019**
Short-term receivable on Elektroimportøren Norge AS	253 360 468	5 530 689
Short-term receivable on Namron AS	8 290 886	-
Long-term debt to group company	**2020**	**2019**
Long-term debt to Elektroimportøren Holding AS	127 608 755	124 169 266

Interest on the long-term receivable on Namron AS of NOK 18 503 758 is calculated at the same terms as external debt to credit institutions.
Interest income for 2020 constitutes NOK 498 739.

Interest on long-term debt to Elektroimportøren Holding AS of NOK 127 608 755 is calculated at the same terms as external debt to credit institutions.
Interest expenses for 2020 constitute NOK 3 439 489.

Note 5 - Inventory

	2020	2019
Purchased inventory at cost	220 222 876	210 069 006
Provision for obsolescence and waste	-12 062 382	-5 513 808
Book value of inventory	**208 160 494**	**204 555 198**

Note 6 - Property, plant and equipment

	Office machines	Machinery, office furniture and passenger cars	Vans	Total
Cost at 1 Jan. 2020	50 828 668	131 539 165	7 642 064	190 009 897
Additions purchased assets	12 662 507	28 545 458	361 560	41 569 525
Disposals sold assets				-
Cast at 31 Dec. 2020	63 491 175	160 084 623	8 003 624	231 579 422
Accumulated depreciation 1 Jan. 2020	17 611 188	38 729 062	2 674 628	59 014 877
Accumulated write-downs 1 Jan. 2020		6 476 666		6 476 666
Depreciation for the year	5 386 212	15 037 541	1 521 780	21 945 533
Write-downs for the year		1 363 996		1 363 996
				-
Accumulated depreciation 31 Dec. 2020	22 997 400	53 766 603	4 196 408	80 960 410
Accumulated write-downs 31 Dec. 2020		7 840 662		7 840 662
				-
Carrying amount 31 December 2020	**40 493 776**	**98 477 358**	**3 807 216**	**142 778 350**
Economic lifetime	3-5 years	3-10 years	5 years	

In 2017, the Group made a financial leasing agreement concerning a new inventory system, and an additional agreement regarding an extension of this system was made in 2020. The balance sheet value is NOK 21 279 645, to be depreciated over 10 years. Next year's instalment is classified as other current liabilities. Other liabilities are classified as other non-current liabilities.

Note 7 - Intangible assets

	Brands	Goodwill	Total
Cost at 1 Jan. 2020	11 062 564	185 105 479	196 168 043
Additions purchased assets	-	-	-
Cost at 31 Dec. 2020	11 062 564	185 105 479	196 168 043
Accumulated depreciation 1 Jan. 2020	3 157 514	53 241 091	56 398 605
Accumulated write-downs 1 Jan. 2020	-	-	
Depreciation for the year	549 080	9 259 320	9 808 401
Accumulated depreciation 31 Dec. 2020	3 706 594	62 500 412	66 207 006
Accumulated write-downs 31 Dec. 2020	-	-	-
Carrying amount 31 December 2020	**7 355 970**	**122 605 068**	**129 961 038**
Economic lifetime	0-20 years	20 years	

Note 8 - Trade receivables

	2020	2019
Trade receivables at nominal value	55 886 514	41 871 522
Provision for losses	-1 500 000	-1 300 000
Book value of trade receivables	**54 386 514**	**40 571 522**

Note 9 - Income taxes

Parent company			*Group*	
2019	2020		2020	2019
		This year's tax expense includes:		
-	11 000 000	Tax payable	26 518 497	7 989 840
-	-	Change in deferred tax	-633 110	1 638 173
-	-	Correction of former errors		
-	11 000 000	**Total tax expense of the year**	25 885 387	9 628 013
		Calculation of tax basis:		
-19 583	50 011 394	Ordinary result before tax	107 155 730	33 470 215
19 583	-11 394	Permanent differences	10 505 122	10 339 855
-	-	Change in temporary differences	2 877 770	-7 492 615
-	-	Limitation of interest deduction between related parties	-	-
-	50 000 000	**Tax basis for the year**	120 538 622	36 317 455
-	11 000 000	Tax payable (22%) of tax basis	26 518 497	7 989 840
		Specification of temporary differences:	0	
-	-	Property, plant and equipment	26 496 429	22 274 081
-	-	Inventory	-32 812 134	-26 501 843
-	-	Receivables	-753 235	-524 863
-	-	Brands	7 275 010	7 824 090
-	-	Losses to carry forward	-12 382	-
-	-	**Net temporary differences at 31 December**	193 688	3 071 465
-	-	Deferred tax assets (-)/deferred tax (22 %)	42 611	675 722

Group contributions from Namron AS of NOK 8 920 886 and from Elektroimportøren Norge AS of NOK 50 000 000 have been recognised in Elektroimportøren AS.

Note 10 - Salary expenses and auditor's fees

Parent company 2019	Parent company 2020		Group 2020	Group 2019
-	-	Salaries	182 564 171	141 575 187
-	-	Social security tax	22 269 268	20 410 469
-	-	Pension costs	3 935 087	3 480 886
-	-	Other salary costs	10 525 206	10 677 796
-	-	**Total salary expenses**	**219 293 732**	**176 144 338**

The parent company has no employees. The Group employed 348 man-labour years in the accounting year.

Remuneration to executives

The company has no CEO. Namron AS has a registered CEO, employed in Elektroimportøren Holding AS and functioning as the Group CEO.

Salary/fee	2 383 540
Other remuneration	151 434
Contribution to pension schemes	168 389

Total board fees for the Group companies amount to NOK 1 300 000.

Auditor's fees

	Parent company	*Group*
Agreed fees for the statutory audit 2020	51 800	441 800
Other audit related assistance	29 200	79 600
Other attestation services	0	0
Other tax and VAT assistance	10 400	53 000

VAT is not included in the audit fees.

Note 11 - Mandatory occupational pension

The Group is required to have an occupational pension scheme pursuant to the Act on Occupational Pension, and has established a defined contribution pension scheme that complies with the requirements in the act.

Note 12 - Shareholders and share capital

On 16 December 2020, the company was listed on Euronext Growth Oslo.

The share capital in the company as of 31 December 2020 consists of:

	Number of shares	Nominal value per share	Total share capital
Ordinary shares	20 732 200	0.05	1 036 610
Total	**20 732 200**		**1 036 610**

Name	Number of shares	Ownership share	Voting rights
Herkules Private Equity IV LP2	3 063 088	14,8 %	14,8 %
WQZ INVESTMENTS GROUP LTD	1 968 911	9,5 %	9,5 %
HERKULES PRIVATE EQUITY IV LP1	1 086 912	5,2 %	5,2 %
VERDIPAPIRFONDET NORDEA NORGE VERD	949 475	4,6 %	4,6 %
SEB PRIME SOLUTIONS SISSENER CANOP	750 000	3,6 %	3,6 %
VERDIPAPIRFONDET EIKA SPAR	718 441	3,5 %	3,5 %
VERDIPAPIRFONDET DELPHI NORGE	600 000	2,9 %	2,9 %
VERDIPAPIRFONDET EIKA NORDEN	576 740	2,8 %	2,8 %
NISS INVEST AS	545 075	2,6 %	2,6 %
VERDIPAPIRFONDET DNB SMB	518 134	2,5 %	2,5 %
VERDIPAPIRFONDET PARETO INVESTMENT	477 000	2,3 %	2,3 %
Morgan Stanley & Co. Int. Plc.	475 533	2,3 %	2,3 %
VERDIPAPIRFONDET EIKA NORGE	448 111	2,2 %	2,2 %
The Bank of New York Mellon SA/NV	413 497	2,0 %	2,0 %
KATHEMA AS	350 031	1,7 %	1,7 %
Norron Sicav - Target	312 768	1,5 %	1,5 %
ROBERT IVERSEN HOLDING AS	305 696	1,5 %	1,5 %
VERDIPAPIRFONDET NORDEA AVKASTNING	299 834	1,4 %	1,4 %
PESCARA INVEST AS	260 000	1,3 %	1,3 %
VERDIPAPIRFONDET HOLBERG NORGE	260 000	1,3 %	1,3 %
Other shareholders	6 352 954	30,6 %	30,6 %
Total number of shares	20 732 200	100 %	100 %

Shares owned by board members and CEO:

Name	Title	Number of shares	Footnote
Amund Skarholt	Chair	10 000	
Kjersti Helen Krokeide Hobøl	Board member	11 000	
Ronny Blomseth	Board member	10 363	
Robert Ingberg Iversen	Board member	305 696	1)
Gaute Gillebo	Board member	4 150 000	2)
Fredrik Toft Bysveen	Board member	4 150 000	3)
Karl Andreas Alexander Niss	CEO	545 075	4)

1) Robert Iversen owns 305 696 shares through Robert Iversen Holding AS, which is 100% owned by Iversen.

2) Gaute Gillebo represents the funds Herkules Private Equity IV LP1 and LP2 owns totally 4 150 000 shares.
3) Fredrik Toft Bysveen represents the funds Herkules Private Equity IV LP1 and LP2 owns totally 4 150 000 shares
4) Andreas Niss owns 545 075 shares through Niss Invest AS, which is 100 % owned by Niss.

Note 13 - Equity

Parent company

	Share capital	Share premium	Other equity	Total
Equity at 1 Jan. 2020	1 036 610	11 974 428	12 000 911	25 011 949
Result for the year	-	-	39 011 394	39 011 394
Dividends payable	-	-	-50 000 000	-50 000 000
Equity at 31 Dec. 2020	**1 036 610**	**11 974 428**	**1 012 305**	**14 023 343**

Group

	Share capital	Share premium	Other equity	Total
Equity at 1 Jan. 2020	1 036 610	11 974 428	81 264 735	94 275 773
Result for the year	-	-	81 270 343	81 270 343
Dividends payable	-	-	-50 000 000	-50 000 000
Other changes	-	-	14	14
Equity at 31 Dec. 2020	**1 036 610**	**11 974 428**	**112 534 779**	**125 546 130**

Note 14 - Bank deposits

The Group has an employee tax guarantee and therefore no restricted account for employee taxes.

Note 15 - Assets pledged as security and guarantees

Parent company
Shares in Elektroimportøren Holding AS have been pledged as security for the Group's liabilities to credit institutions.

Group
The subsidiaries have pledged shares, property, plant and equipment, trade receivables and inventory as security.

Book value of pledged assets

	2020	2019
Trade receivables	54 386 514	40 571 522
Inventory	208 160 494	204 555 198
Property, plant and equipment	142 778 350	124 518 343
Bank deposits	94 080 031	893 664
Total	**499 405 389**	**370 538 727**

Specification of secured debt

Agreement of guarantee secured by mortgage	Mortgagor	Mortgagee	Secured debt
Agreement on factoring	Namron AS	DNB	350 000 000
Agreement on factoring	Elektroimportøren Norge AS	DNB	350 000 000
Pledge in inventory	Namron AS	DNB	350 000 000
Pledge in inventory	Elektroimportøren Norge AS	DNB	350 000 000
Pledge in property, plant and equipment	Namron AS	DNB	350 000 000
Pledge in property, plant and equipment	Elektroimportøren Norge AS	DNB	350 000 000

Liabilities to credit institutions exclusive of financial leasing at the end of 2020 amounts to NOK 205 000 000 (of a total facility of NOK 325 000 000, including a non-utilised bank overdraft in Namron AS of NOK 120 000 000). The first year's instalment, NOK 20 000 000, is classified as current liabilities. The remaining debt is due within 3 years.

Bank guarantees of NOK 16 391 863 are given concerning the Group's rental obligations, in addition to an employee taxes guarantee of NOK 6 000 000.

Note 16 - Non-current liabilities

Parent company			Group	
2019	2020		2020	2019
-	185 000 000	Debt to credit institutions	185 000 000	185 000 000
-	0	Earn-out obligation to shareholders, including accumulated interest	0	30 000 000
-	0	Non-current liabilities related to financial leasing	17 922 685	9 923 794
124 169 266	127 608 755	Non-current intercompany liabilities	-	-
0	**312 608 755**	**Total non-current liabilities**	**202 922 685**	**224 923 794**

The earn-out obligation to shareholders was settled in its entirety in 2020.

In 2017, the Group made a financial agreement concerning a new robotised inventory system (Autostore). An additional agreement in connection with an extension of this inventory system was made in 2020. The balance sheet value of the asset is NOK 21 279 645 and is depreciated over 10 years.

Non-current liabilities including financial leasing constitutes NOK 225 624 771, of which NOK 22 702 086 are classified as current liabilities (first year's instalment).

Note 17 - Significant tenancy agreements

The Group has the following tenancy obligations:

Rent object	Lessee	Expiration of agreement	Costs 2020	Annual minimum rent**
Alna, Strømsveien 312	Elektroimportøren Norge AS	31.12.2029	3 503 866	3 570 096
Åsane, Liamyrane 4	Elektroimportøren Norge AS	15.12.2028	2 754 000	2 809 080
Billingstad, Billingstadsletta 14-18	Elektroimportøren Norge AS	31.12.2025	2 909 592	2 930 096
Lade, Haakon VII's gate 8-10***	Elektroimportøren Norge AS	31.12.2030	2 094 226	1 474 469
Ski, Åsveien 9	Elektroimportøren Norge AS	15.06.2026	2 243 212	2 259 020
Tromsø, Alkevegen 9A	Elektroimportøren Norge AS	30.09.2026	2 282 813	2 323 868
Fredrikstad, Dikeveien 18	Elektroimportøren Norge AS	31.03.2024	1 413 492	1 413 492
Hamar, Midtstranda 95	Elektroimportøren Norge AS	31.12.2026	1 492 272	1 503 016
Sandefjord, Pindsleveien 6	Elektroimportøren Norge AS	31.01.2027	887 318	889 224
Kristiansand, Barstølveien 102	Elektroimportøren Norge AS	30.04.2027	1 972 698	2 006 371
Gjøvik, Kallerudlia 4	Elektroimportøren Norge AS	30.09.2025	1 154 118	1 162 391
Sandnes, Stavangerveien 32A	Elektroimportøren Norge AS	24.09.2027	2 065 968	2 101 238
Sarpsborg, Lilletunveien 3	Elektroimportøren Norge AS	31.12.2027	1 271 400	1 508 616
Skien, Kjørbekkdalen 12D	Elektroimportøren Norge AS	30.11.2022	1 817 635	1 863 076
Bodø, Plassmyrveien 50	Elektroimportøren Norge AS	31.03.2028	1 623 783	1 786 812
Arendal, Sagvannsveien	Elektroimportøren Norge AS	15.04.2028	1 420 653	1 444 904
Drammen, Ing. Rybergs gate 56	Elektroimportøren Norge AS	30.06.2028	1 669 821	1 600 284
Ålesund, Smibakken 10	Elektroimportøren Norge AS	30.09.2028	1 672 897	1 701 456
Moss, Rabekkgata 20	Elektroimportøren Norge AS	31.10.2028	1 224 756	1 233 534
Haugesund,, Raglamyrveien 5	Elektroimportøren Norge AS	30.04.2029	1 476 528	1 631 196
Tiller, Iver Lykkes vei 4A	Elektroimportøren Norge AS	31.05.2029	1 957 404	2 010 692
Tønsberg, Solkilen 2*	Elektroimportøren Norge AS	31.01.2030	1 246 675	1 883 414
Klepp, Solavegen 25*	Elektroimportøren Norge AS	30.11.2025	214 572	2 024 680
Oslo, Nedre Kalbakkvei 88	Namron AS	31.12.2025	1 178 232	1 430 590
Vestby, Stormåsen 13	Namron AS	15.08.2032	5 198 892	5 236 159
TOTAL			46 746 822	49 797 775

* The premises were not rented the whole year. The annual normal rent for Solkilen 2 is NOK 1 870 008 and Solavegen 25 NOK 2 024 680.
** Share costs are not included. The annual minimum rent is the KPI adjusted rent for 2020.
*** Moved to new premises in December 2020. The new tenancy contract has a lower rent.

Note 18 - Foreign currency hedging

Namron AS has entered into forward contracts on purchases of currency to hedge its cash flows (purchases in foreign currency). The forward contracts (hedge instruments) are not carried in the balance sheet. At the end of 2020, the company had made agreements on purchases of the following currencies at a future date:

Currency	Currency amount
SEK	2 800 000
USD	7 820 000

Note 19 - Events after the balance sheet date

The company is closely monitoring the ongoing Covid-19 outbreak and has implemented measures to minimise possible negative effects on employees, operations and financial results. So far there have been no significant negative effects on turnover, supply of goods or other operational matters. The business has continued to demonstrate a satisfactory financial development. In the beginning of 2021, some warehouses have been closed for shorter periods for private customers due to various municipal infection control measures. This has been compensated by initiatives like deliveries in car parks and by improved delivery alternatives through e-commerce.

Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Elektroimportøren AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Elektroimportøren AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020 the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE)

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3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 25 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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