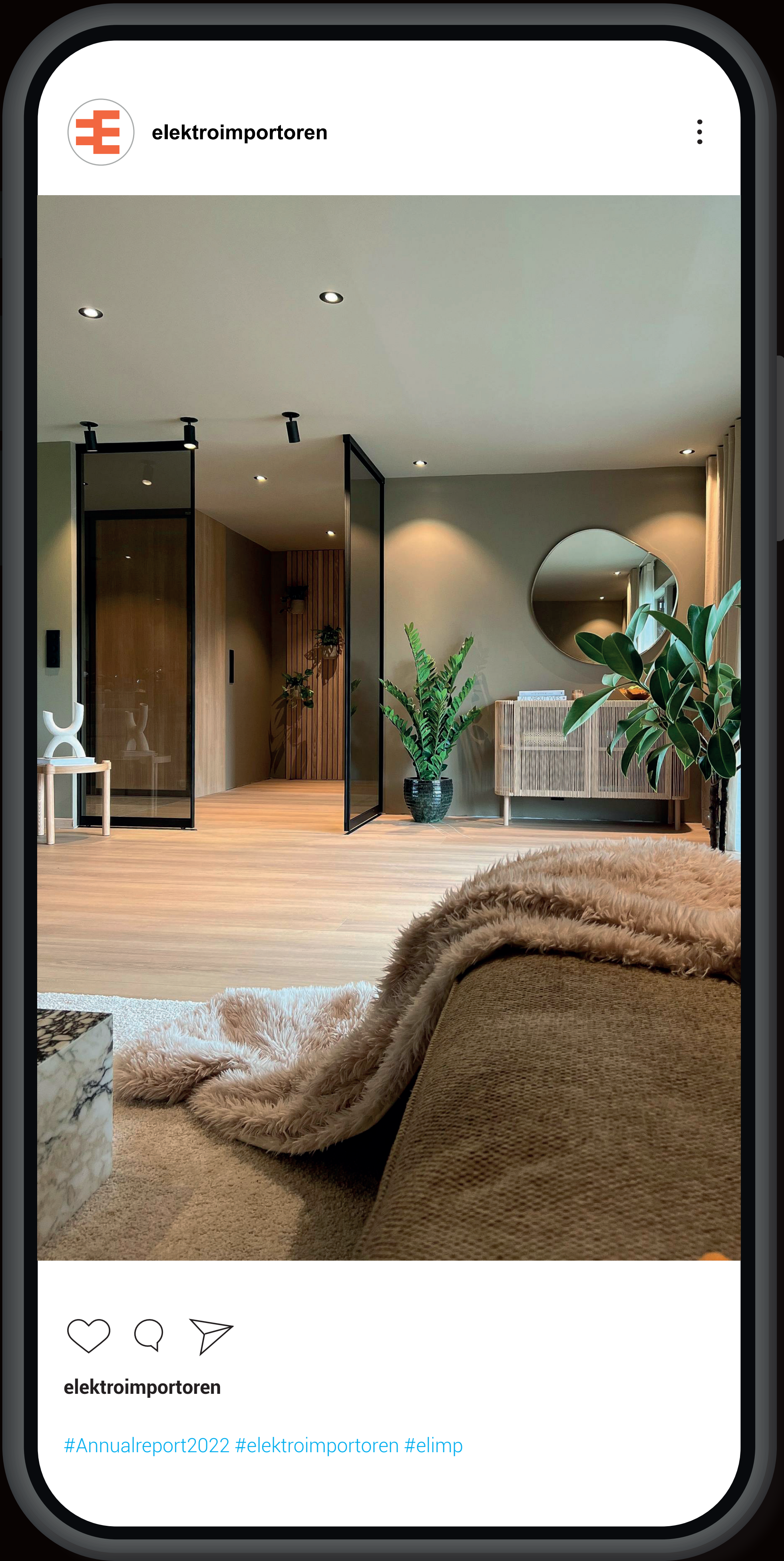
Elektroimportøren AS

Annual Report 2022



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Elektroimportøren in brief

Elektroimportøren AS is a full-range provider of electrical equipment. The company operates a web shop and stores in Norway with the brand Elektroimportøren and in Sweden with the brand Elbutik. The company has a presence in the entire value chain of electrical equipment, from product development and manufacturing with its private label Namron – to connecting electric installers and consumers for a seamless customer experience with the service platform SpotOn. The company targets both B2B and B2C customers and more than one third of total sales are generated from the private label Namron, securing a disruptive pricing model and sustainable operating margin. Elektroimportøren has a true omnichannel model, which includes a popular web shop and physical stores with high share of professional, skilled expert workers.

Number of stores	Employees	Revenues (2022)	EBITDA (2022)
27	**528**	**1,626**	**206**

Key investment highlights

Full-range provider of electrical equipment with an unique business model present in the entire value chain

Proven track record of strong, profitable organic growth

Strong underlying growth trend in the Nordic electrical components market

Focused strategy and multiple growth levers going forward

Growth areas:

SpotOn – Further develop SpotOn as a full service platform for connecting installers and consumers

Solar panels – Take a strong position in the growing market for solar panels

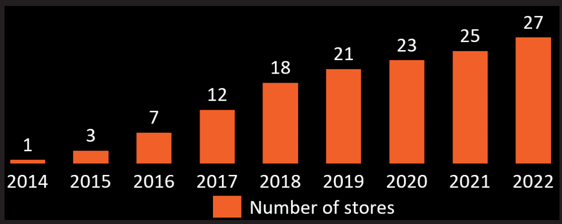
New stores in Norway – Continuing with opportunistic roll out of new stores in Norway depending on available high quality locations

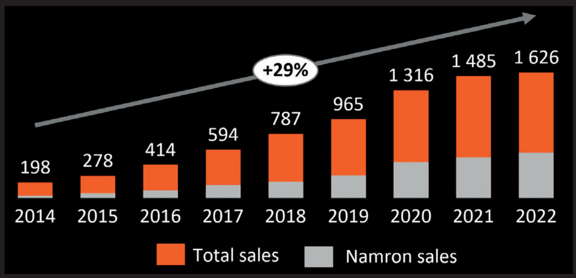
Sweden – Opening of physical stores in Sweden following the acquisition of Elbutik

Key milestones

Elektroimportøren was established in Oslo, Norway in 1994 with one store. In 1996 we introduced ecommerce to the Norwegian market by establishing the webshop "elektroimportoren.no". From 2014 the company has expanded its presence by rolling out several new physical stores every year.

- **2023** First physical store in Sweden
- **2022** Nordic expansion through acquisition of Elbutik in Sweden
- **2020** Listed on Euronext Growth Oslo
- **2019** Launch of service platform SpotOn
- **2014** Majority ownership acquired by Hercules; new management, new strategy and nationwide store roll-out and growth
- **2007** White label Namron established
- **1996** Webshop launched
- **1994** Founded with one store in Oslo, Norway





Elektroimportøren is a full-range provider of electrical quipment with an unique and disruptive business model

From product development to installation, Elektroimportøren is present in the enitre value chain of electrical equipment

Namron is a leading supplier that offers a wide range of products in lighting, electrical equipment, cables, heating and smart home. Namron was established in 2007 and is a company fully owned by Elektroimportøren. The company has its head office in Oslo, a central warehouse in Vestby, and factories in China.

Namron aims to be the industry's most valuable brand. Through continuously product-development, efficient production and creative innovation, Namron aims to create products that provides great value for money and makes customer's product selection easy. High quality performance products ensures that our customers great value for money.

31%
of sales (2022)

501
mnok in sales (2022)

Elektroimportøren is a full-range provider of electrical equipment. The company operates a web shop and stores in Norway with the brand Elektroimportøren and in Sweden with the brand Elbutik.

The company targets both B2B and B2C customers. Elektroimprtøren has a true omnichannel model, which includes a popular web shop and physical stores with high share of professional, skilled expert workers.

We understand that it is difficult to get started when you do not know which electrician you should contact or how much it will cost to get the job done.

Elektroimportøren has made it liberatingly easy to get the job done, by reliable professionals at a reasonable price, at a time that suits you. The way it should be.

With SpotOn, you can sit comfortably in your own home and order what you need, exactly when it suits you. We will fix the rest.

SpotOn

- Fully digital ordering
- Multiple choice of products
- Fixed price for product and installation
- Confirmation of times and appointment
- Certified electricians
- As promised – Guaranteed

2022 Highlights

- Total sales for the full year of 2022 were NOK 1,626 million up 9.5% from NOK 1,485 million in 2021. Like-for-like sales for the full year decreased with 1.9%.

- For the full year B2B sales increased with 8.4% while B2C sales including Elbutik (from March 2022) increased with 10.4%. B2C sales in Norway for the full year decreased with 3.7%.

- Sale of full service product SpotOn continues with strong sales growth with NOK 33 million (NOK 15 million).

- For the full year gross profit was NOK 606 million up from NOK 573 million in 2021. Gross margin percentage for the full year of 37.3% down from 38.6% in 2021.

- EBITDA for the full year ended at NOK 206 million compared to NOK 222 million in 2021.

- Elektroimportøren has a clear strategy for continued growth including Spoton, Solar and new stores in both Norway and Sweden. Given these growth initiatives the board of directors will propose an ordinary dividend of NOK 10.8 million, NOK 0.5 per share. The board believes that reinvesting most of the profit in the business will provide the greatest benefit for the company and its stakeholders at this time. The long-term dividend policy is not changed.

CEO Letter

2022 has been an exciting year for us. We have made our first acquisition and by doing so entered the Swedish market. We have continued to develop our industry leading service offering through the development of Spoton as well as launching new Namron products into the market and our store portfolio have grown from 25 to 27 stores in Norway.

We managed to grow revenues in 2022 despite tougher market conditions and a record 2021 to beat. A solid execution of campaigns, good development from our new stores and continued growth in demand for our core products made 2022 our best ever in sales and another year of continuous growth for Elektroimportøren.

Total sales for the full year of 2022 were NOK 1.626 million, representing an increase of 9.5 per cent from NOK 1.485 million in 2021. For the full year gross profit was NOK 606 million up from NOK 573 million in 2021, resulting in a gross margin of 37.3 percent compared to 38.6 per cent in 2021. EBITDA for the full year ended at NOK 206 million compared to NOK 222 million in 2021.

Elektroimportøren is experiencing a strong underlying growth trend in the Nordic electrical components market, supported by ongoing trends in the overall electro market. These trends include digitalization, increasing energy prices and more focus on climate change. We see an increasing demand for products that can help our customers save energy. Throughout the quarter we have continued to work with the expansion of our energy saving product assortment. This includes products like heating pumps, smart home solutions and solar panels.

The company's focused strategy and multiple growth levers going forward include further developing SpotOn as a full-service platform for connecting installers and consumers, taking a strong position in the growing market for solar panels, continuing with opportunistic roll-out of new stores in Norway depending on available high-quality locations, and opening physical stores in Sweden following the acquisition of Elbutik.

We are well prepared for entering the solar business in the first half of 2023 and believe we can take a strong position in this growing market. Our core business is well positioned for the increased focus on ESG, especially within the energy efficiency area. There is a strong potential for growth and our ambition is to handle ESG as an opportunity that strengthens our market position further, both in the B2C and B2B segment.

I would like to send my greatest thanks to all colleagues who through their hard work, passion and leading expertise makes sure that we, as we develop as a company, stay true to our mission of delivering the best customer experience in the most professional way. Elektroimportøren remains committed to delivering long-term value for its stakeholders through its unique business model, strong financial performance, and clear growth strategy.

Andreas Niss
CEO Elektroimportøren

Board and management

Board of Directors

Amund Skarholt

Chair

Amund Skarholt was elected chair of the board prior to the listing on Euronext Growth Oslo in 2021. Mr. Skarholt has extensive experience as a board member and as a part of the executive management of several larger companies. In addition to serving as the chair of the board of the company, Mr. Skarholt is currently the chair of the board of Hansen Protection ASA, Hansen Protection AS, Nokas Verdihåndtering AS, Hesselberg Maskin AS, AS Sigurd Hesselberg, Hesselberg Truck AS, Gardia Sikring AS, Avarn Security AS and Protection AS. Mr. Skarholt is also a member of the board of GK Gruppen AS, Sector Alarm Topco AS and Stiftelsen Let's Build. In addition to serving on the board of several companies, Mr. Skarholt has held positions in the executive management of several leading companies including Tomra, Securitas and IBM.

Gaute Gillebo

Director

Gaute Gillebo has been part of the board of directors since 1 June 2018, and in the period from 1 June 2018 until the first day of admission Mr. Gillebo served as the chair of the board. Mr. Gillebo is partner and investment director in Aeternum Capital, which he joined in 2021. He has extensive board experience from different companies and sectors. Prior to joining Aeternum Capital, Mr. Gillebo was 12 years with PE firm Herkules Capital. He has also experience with M&A advisory from ABG Sundal Collier and Norden Investment Banking, as well as auditing and consulting from PricewaterhouseCoopers. Mr. Gillebo holds a Master of Science degree in Economics and Business Administration, with a specialization in finance, from the Norwegian School of Economics (NHH).

Robert Ingberg Iversen

Director

Robert Ingberg Iversen has been part of the board of directors since 11 December 2020. Mr. Iversen is the chair of the board of directors of the company's subsidiary Elektroimportøren Holding AS, serving on the board of directors of Elektroimportøren Holding AS since August 2014, and was appointed as the chair in December 2018. Iversen is also a member of the board of S/Pluss AS and Schjærven AS. Mr. Iversen has several years of extensive management experience from several leading companies including holding positions within the executive management of XXL Sport & Villmark, Elkjøp Norge and Lefdal Elektromarked.

Kjersti Hobøl

Director

Kjersti Hobøl was elected as a board member prior to the listing on Euronext Growth Oslo in 2021. In addition to serving as a board member of the company, Hobøl is a member of the board of Mestergull AS, Nille AS, Aspelin Ramm Holding AS and XXL ASA. Hobøl currently holds the position as CEO of Nille AS and Nille Holding AS. She has extensive management experience and has, in addition to the position as CEO of Nille AS, held the position as CEO in, among others, KID ASA.

Ronny Blomseth

Director

Ronny Blomseth was elected as a board member prior to the listing on Euronext Growth Oslo in 2021. In addition to serving as a board member of the company, Blomseth is a member of the board of Power Norge AS, Ark Bokhandel AS and XXL ASA. Blomseth currently holds the position as CEO of Power International AS. Blomseth also holds a bachelor's degree in marketing from BI Norwegian Business School.

All directors are considered independent of the group management team. Gaute Gillebo is not independent of the company`s main shareholder.

Group Management

Andreas Niss

Chief Executive Officer

Andreas Niss has been the CEO of Elektroimportøren since 2014. Mr. Niss has background from various positions within retail and marketing, including as Managing Director and Development Manager in Elkjøp Norge. Mr. Niss holds a degree in Marketing & Economics from IHM Business School.

Jørgen Wist

SVP of Namron

Jørgen Wist joined Elektroimportøren in 2014 and is employed as Senior Vice President of Namron. Mr. Wist has previous worked in Nille AS and Ernst and Young AS.

Ørnulf Kiær

SVP of Online

Ørnulft Kiær is employed as Senior Vice President of Online and has been a part of Elektroimportøren since 1994 and has a part of the earlystage Elektroimportøren concept from day 1 prior to the opening of the Alnabru store. Mr. Kiær has jonlty worked as business architect in Evry for approximately 20 years.

Petter Bjørnstad

Chief Financial Officer

Petter Bjørnstad has been the CFO of Elektroimportøren since 2014. Mr. Bjørnstad has background from his positions as CFO in Nille AS and CFO in Elkjøp Nordic. In addition, Mr. Bjørnstad has worked as Group Chief Accountant in Telenor and as auditor in PricewaterhouseCoopers. Mr. Bjørnstad is a certified public accountant from the Norwegian School of Economics (NHH).

André Swensen

SVP of Logistics

André Swensen joined Elektroimportøren in 2015 and is employed as Senior Vice President of Logistics. Mr. Swensen has experience within logistics and supply in Europris and Nille AS. Mr. Swensen holds a bachelor in Marketing and management from Auckland University of Technology and a Bachelor of Business Administration from Butler University – College of Business Administration.

Espen Taraldsen

Chain Director

Espen Taraldsen joined Elektroimportøren in 2011and is employed as Chain Director. Mr. Taraldsen has approximately 10 years' experience from store management in Elkjøp.

Odd Christian Olsen

Sales Director Professionals

Odd Christian Olsen joined Elektroimportøren in 2015 and is employed as Sales Director Professionals. Mr. Olsen has previous been employed as sales manager in Sikringen/Solar.

Liv Møskeland

Marketing Manager

Liv Møskeland joined Elektroimportøren in 2016 and is employed as Marketing Manager. Mrs. Møskeland has experience as marketing manager in Elkjøp.

André Hesselroth

Category & buying director

André Hesselroth joined Elektroimportøren in 2020 and is employed as Category & buying director. Mr. Hesselroth has experience within retail from Elkjøp and Lefdal.

Board of Directors report

Operations and locations

The Group includes, in addition to the holding company Elektroimportøren AS, the following subsidiaries:

- Elektroimportøren Holding AS
- Elektroimportøren Norge AS
- Namron AS
- Spoton AS
- Elbutik Scandinavia AB, incl. sister companies

All subsidiaries are wholly owned, and there are no minority interests in the Group.

The Group are selling electro material, lighting, and other electro installation products to private consumers and to the professional market through online and physical stores. During 2022 two new stores are opened (Kristiansund and Strømsø (Drammen)), and at year end 2022 the Group have 27 physical stores in addition to the online store.

There is a growing demand for the products the Group offers to the customers, especially smarthome products, and electrical vehicle chargers. We also see an increase in demand for solar panels and energy products.

The financial statements for 2022 is reported in accordance with IFRS.

Elektroimportøren acquired 100% of the shares in Elbutik Scandinavia AB 28 January 2022, and its sister companies ("Elbutik.se") from Lades AB. The transaction was completed 3 March 2022 which is the acquisition date.

The consideration to be paid at closing of the Transaction has been settled by a combination of cash and new shares in Elektroimportøren AS.

Elbutik.se is Sweden's largest online player in the market for electric installation material and related products to private consumers. This acquisition opens up the Swedish market of SEK 15 billion for Elektroimportøren's concept. For more information relating to this acquisition see note 23 to the financial accounts.

Elbutik.se is viewed as a great platform to start the roll-out of a Swedish omnichannel player including physical stores. We believe that by using our retail knowledge and experience from Norway together with the market and product expertise from Elbutik we have a good starting point for success.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2023 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future outlook

We expect there will be an increase in demand for the Group`s products, especially within smarthome products, solar panels and products within general electrification. The Group are also expecting to open new physical stores during 2023 and the coming years.

There are growing uncertainty relating to how the market will develop after Covid 19, the invasion of Ukraine, increased interest expenses, price increased on freight and raw materials.

Comments relating to the financial statements

The Group`s revenue increased from 1,485 MNOK last year to 1,626 MNOK in 2022. Net income in 2022 was 52.1 MNOK, at last year 97.3 MNOK.

Total cash flow from operating activities was 113.8 MNOK, while profit before taxes was 67.1 MNOK. The variance is mainly due to depreciation and increase in inventory and trade receivables.

Total capital expenditure for the Group in 2022 was 188.3 MNOK, including 152.9 MNOK relating to the acquisition of Elbutik.

Total cash and cash equivalents at 31 December 2022 were 2.9 MNOK, and the Group`s ability to self-finance investments is good.

The Group's financial position is sound and adequate to settle short-term debt as of 31.12.2022 with the Group's most liquid assets, and available credit facilities. The Group`s equity ratio at 31.12.2022 was 24.4%.

The parent company have no revenue but receives group contribution from subsidiaries. Profit for the year was 72.2 MNOK with 99.6 MNOK in 2021. Cashflow from operating activities was -37.2 MNOK, while profit before taxes was 92.5 MNOK. Net cash at year end was 0.1 MNOK.

Financial risk

Overall view on objectives and strategy

The Group is exposed to financial risk in different areas, especially exchange rate risk. The goal is to reduce the financial risk as much as possible, and the Group`s currency strategy included hedging future purchases in foreign currency through fx contracts. The main exposure is NOK against USD.

In the Group's opinion, there is no specific risk related to achieving the goals set for the business in 2023 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 because 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. As of 31 December 2022, 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. The provision is unchanged from last year.

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

Liquidity risk

The Group's liquidity is good. Further efforts in improving the purchase to sale lifecycle will contribute to increase the liquidity. We also have adequate flexibility in established overdraft facility and cap ex facility.

Working environment and employees

There are no employees in the parent company. The number of employees in the Group at the end of 2022 were 528, of which 90 women. The leave of absence due to illness totalled 7,2 % of the permanent workforce. This is an increase compared to 2021. The relative high level is mainly due to the Covid-19 virus. 6% 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 438 men and 90 women at the end of the year
- Temporarily employed (including temps from agencies) during the year have been 133, of which 17% women
- Part-time employees constitute 112, of which 18% are women
- The average number of weeks of maternity leave for women is 38 and 17 weeks for men.
- The different roles and positions in physical stores, in the central warehouse and at headquarters is defined according to the concrete needs in the different parts of the Group`s operation. All stores have the same setup. The Group prioritises to have fixed full-time employees, but some part-time employees is needed due to long opening hours in stores, managing through holidays and seasonal variance.

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.

The group 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 2022 the number of women in leading positions has increased (department store managers).

The group 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.

The group have defined certain roles within the group, and because of the nature of our business most of the employees are within these categories:

- Warehouse operation, 5 women and 20 men. No variance between salaries based on gender.
- Sales force in stores (skilled electricians), 6 women and 76 men, where women earn 3% more than men. This variance is based on difference in working experience and not the gender.

- Store managers, 4 women and 22 men where men earn 12% more than the women. Some of the store managers have significant longer experience, and this is reflected in the yearly salaries for these managers. If we keep them out of the calculation, there are no significant variance between the genders on yearly salaries.

Environmental reporting

In 2022 we certified Elektroimportøren according to Miljøfyrtårn. We are now taking this further by mapping up the impact Elektroimportøren has on Sustainability. As most retailers we have a complex value chain, and we have both a positive and negative impact on environmental and social dimensions. During the third Quarter of 2023 we will Update our emission accounting and climate risk assessments.

As we see it, our core business is well positioned for an increased focus on ESG, especially within the energy efficiency area. We see strong potential for growth, and we will handle ESG as an opportunity that strengthens our market position further, both in the B2C and B2B segment.

We are preparing for new regulations on the ESG area, as well as our business model for adjustments to make sure we handle both positive and negative impact in the best possible way.

For 2023 we will make sure that we handle our business and value chain in line with the Transparency Act and have our Due Diligences in place and this will be published on the website of Elektroimportoren.

We prepare our business and reporting aligned with the future regulatory landscape to be able to meet the Corporate Sustainable Reporting Directive requirements.

The Group's operations are not regulated by licences or orders.

Events after the balance sheet date

The Group has not identified any financial or operational exposure or other consequences of the Russian invasion of Ukraine. However, we still closely monitor the development of the consumer confidence.

Elektroimportøren AS has a Directors and Officers liability insurance covering pure financial loss claims against the Board of Directors and Executive Management, with an adequate insurance limit.

Oslo, February 15 2023
The board of Elektroimportøren AS

Amund Skarholdt

Robert Ingberg Iversen

Gaute Gillebo

Ronny Blomseth

Kjersti Helen Krokeide Hobøl

Consolidated statement of profit and loss

		Year ended 31 December	
All amounts in NOK 1000	Notes	2022	2021
Revenue	5	1 623 588	1 484 981
Other income		2 047	349
Total revenue and income		**1 625 635**	**1 485 330**
Cost of goods sold	15	1 019 143	912 305
Employee benefits expenses	6.20	254 811	243 321
Depreciation and amortisation expenses	11,12	92 307	77 334
Other operating expenses	19	145 800	107 446
Total operating expenses		**1 512 061**	**1 340 406**
Operating profit		**113 574**	**144 924**
Financial income	7	381	217
Financial expenses	7	46 806	20 571
Net finance expenses		**-46 425**	**-20 354**
Profit before tax		**67 149**	**124 570**
Income tax expenses	9	15 083	27 328
Profit for the year		**52 066**	**97 241**
Attributable to:			
Equity holders of the parent		52 066	97 241
Basic and diluted Earnings per share	**10**	**2.41**	**4.69**

Other comprehensive income

Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods	0	0
Items that will not be reclassified to profit or loss in subsequent periods	0	0
Exchange differences on translation of foreign operation	320	0
Total comprehensive income for the year net of tax	**52 386**	**97 241**
Attributable to:		
Equity holders of the parent	52 386	97 241

Consolidated statement of profit and loss

All amounts in NOK 1000

	Notes	31.12.2022	31.12.2021
ASSETS			
Deferred tax assets	9	8 445	4 167
Goodwill	12	432 406	185 077
Trademark and other intangible assets	12	22 415	6 807
Total intangible assets		**463 266**	**196 051**
Property, plant and equipment	11.22	463 113	457 712
Total tangible assets		**463 113**	**457 712**
TOTAL NON CURRENT ASSETS		**926 379**	**653 763**
Inventories	15	319 273	263 898
Trade receivables	14	70 055	64 239
Other current assets	13.14	39 559	40 572
Total receivables and other current assets		**109 614**	**104 811**
Cash and cash equivalents	16	2 914	76 435
TOTAL CURRENT ASSETS		**431 801**	**445 144**
TOTAL ASSETS		**1 358 180**	**1 098 907**

Consolidated statement of financial position

All amounts in NOK 1000

	Notes	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Share capital		1 079	1 037
Share premium		77 187	11 974
Total paid-in equity		**78 266**	**13 011**
Retained earnings		253 167	261 164
TOTAL EQUITY		**331 433**	**274 175**
Non current lease liabilities	22	306 344	293 497
Non current liabilities to financial institutions	18	295 000	165 000
Other non current liabilities	23	42 056	-2 122
TOTAL NON CURRENT LIABILITIES		**643 400**	**456 375**
Current lease liabilities	22	71 746	61 052
Current liabilities to financial institutions	18	43 877	20 000
Trade creditors	3	153 951	149 670
Taxes payable	9	21 317	28 408
Public duties payable		45 645	45 076
Other current liabilities		46 811	64 151
TOTAL CURRENT LIABILITIES		**383 346**	**368 357**
TOTAL LIABILITIES		**1 026 747**	**824 732**
TOTAL EQUITY AND LIABILITIES		**1 358 180**	**1 098 907**

Oslo, 23 March 2023

Amund Skarholt
Chair person

Andreas Niss
CEO

Gaute Gillebo
Board member

Robert Ingberg Iversen
Board member

Kjersti Helen Krokeide Hobøl
Board member

Ronny Blomseth
Board member

Consolidated statement of changes in equity

all amounts in NOK 1000

	Share capital	Share premium	Retained earnings	Total equity
Balance 1 January 2020	1 037	11 974	134 011	147 022
Profit for the year			79 911	79 911
Lease remeasurement				-
Balance 31 December 2020	**1 037**	**11 974**	**213 923**	**226 934**
Balance 1 January 2021	1 037	11 974	213 923	226 934
Profit for the year			97 241	97 241
Dividend (2,41 NOK per share)			-50 000	-50 000
Balance 31 December 2021	**1 037**	**11 974**	**261 164**	**274 175**

all amounts in NOK 1000

	Notes	Share capital	Share premium	Retained earnings	Total equity
Balance 1 January 2022		1 037	11 974	261 164	274 175
Increase in share capital	23	42	64 830		64 872
Profit for the year				52 066	52 066
Dividend (2,78 NOK per share)				-60 000	-60 000
Other comprehensive income				320	320
Balance 31 December 2022		**1 079**	**76 804**	**253 550**	**331 433**

Consolidated statement of cash flows

All amounts in NOK 1000

		Year ended 31 December	
	Notes	**2022**	**2021**
Profit before income tax		67 149	124 570
Taxes paid in the period	9	- 28 409	- 26 518
Depreciation and impairment	11	88 622	77 325
Interest		46 712	24 705
Change in working capital			
Change in inventory		- 37 464	- 55 737
Change in trade receivables		- 6 595	- 9 853
Change in trade creditors		- 5 279	28 872
Change in other short term liabilities	23	- 10 913	- 11 807
Net cash flow from operations		**113 822**	**151 556**
Cash flow from investments			
Purchase of fixed assets	11	- 35 366	- 34 921
Acquisition of Elbutik	23	- 152 954	
Net cash flow from investments		**- 188 320**	**- 34 921**
Cash flow from financing			
Proceeds from long term borrowings	18	190 000	-
Repayment of term loans	18	- 40 000	- 20 000
Net interest paid	18	- 26 973	- 5 244
Lease payments for the principal portion of lease liability	22	- 62 051	- 59 036
Dividend payments to shareholders	18	- 60 000	- 50 000
Net cash flow from financing		**976**	**- 134 280**
Cash and cash equivalents at the beginning of the period		**76 436**	**94 080**
Net change in cash and cash equivalents		- 73 522	- 17 644
Cash and cash equivalents at the end of the period		**2 914**	**76 436**

Notes to the consolidated financial statement

NOTE 1 - GENERAL INFORMATION

1.1. General information

Elektroimportøren AS and its subsidiaries (`the group') sell electrical installation products through wholly owned stores and on internet. The group has 27 physical stores.

Elektroimportøren AS is a Norwegian limited liability company, and the Group's head office is at Nedre Kalbakkvei 88b, 1081 Oslo.

On the 28 January 2022, Elektroimportøren acquired 100% of the shares in Elbutik Scandinavia AB and its sister companies ("Elbutik.se") from Lades AB. The transaction was completed 3 March 2022 which is the acquisition date.

Elbutik.se is Sweden's largest online player in the market for electric installation material and related products to private consumers. This acquisition opens up the Swedish market for Elektroimportøren's concept.

Elbutik.se is viewed as a great platform to start the roll-out of a Swedish omnichannel player including physical stores. We believe that by using our retail knowledge and experience from Norway together with the market and product expertise from Elbutik we have a good starting point for success.

The Group`s consolidated financial statement for the year ended 31 December 2022 were authorised for issue by the Board of directors on 23 March 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Elektroimportøren AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union as well as the requirements in the Norwegian accounting act.

The consolidated financial statements have been prepared under the historical cost convention, with the exception of the revaluation of financial assets and financial liabilities (derivative instruments) at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company, and all values are rounded to the nearest thousand (NOK 000), except when otherwise indicated.

2.2 Consolidation and business combinations

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group applies the acquisition method to account for business combinations.

When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

2.3 Segment reporting

The Elektroimportøren group is defined and identified as one operating segment. The group management is identified as the chief operating decision-maker responsible for allocating resources and monitoring the operating segment. Operating segments are reported consistent with internal reporting provided to the chief operating decision-maker.

2.4 Foreign currency translation

Functional and presentation currency

Each entity in the group determines its functional currency based on the economic environment in which it operates, and items included in the financial statements of each entity are measured using that functional currency. When preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognized in the functional currency, using the transaction date's currency rate.

Presentation currency is NOK.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or costs.

2.5 Property, plant, and equipment

Property, plant, and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Fixtures 3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within `Other income or other operating expenses respectively in the income statement.

2.6 Intangible assets

Goodwill

Goodwill arises in business combinations as discussed in note 2.2. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. As of December 31, the goodwill is related to existing operation in Norway, and the acquisition of Elbutik.

Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks are considered to have a useful life of 15-20 years. Amortisation is calculated using the straight-line method to allocate their cost over the estimated useful life. The assets` useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. And asset`s carrying amount is written down to recoverable amount if the asset`s carrying amount is greater than it`s estimated recoverable amount.

2.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value or amortised cost. The classification is based on the SPPI model (Solely payments of principal and interest) in IFRS 9.

(a) Financial assets at fair value through profit or loss are derivative instruments not designated as hedging instruments.
(b) Financial assets at amortised cost are Trade receivables, held at amortized cost. All trade receivables are classified as current assets.

2.8.2 Recognition and measurement

Financial assets are initially recognised at their fair value, and subsequently measured at amortised cost. Trade receivables are evaluated for possible impairment each reporting period using the simplified credit loss model. See section 2.11. Trade receivables are derecognised when the right to receive cash flows has expired.

2.8.3 Impairment of financial assets

For the purpose of impairment, goodwill acquired in a business combination is allocated to the cash generating unit (CGU) which is expected to benefit from the synergies of the combination. Goodwill is monitor at the operating segment level.

Most of the the Group's sales are "over the counter" in the stores, where payment is received from the customer at the time of the sale, but still a significant portion of the B2B sales a trade receivable is recognised. Historically Elektroimportøren has not experienced significant losses on trade receivables. The group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Derivative financial instruments

The Group enters into derivative contracts to provide economic hedges for parts of the Group's exposure to currency rate risk. 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 with changes through profit and loss at the end of each reporting period. The Group does not apply hedge accounting.

2.11 Inventories, purchased goods and changes in inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The cost of purchased goods sold comprises the direct costs (purchase price), import duties and freight. A significant part of the inventory purchases are denominated in USD. Cost of purchased goods sold is determined using FIFO (first in first out). Changes in inventory also includes a provision for obsolescence and lost goods.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Liabilities to financial institutions

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees and commission costs paid on the establishment and maintenance of short-term bank borrowing facilities are recognised as bank transaction costs in the accounting period when the costs are paid.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities (22% in Norway, 20.6% in Sweden).

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Provisions

Provisions for legal claims, service warranties and obligations are recognised when the group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration expected to be received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when control of a good or service transfers to a customer. The Group offers its customers the option to return purchased goods within 60 days. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. At year end the numbers of returns are insignificant.

Sales of goods
The group operates a chain of retail outlets for selling electrical installation products. Sales of goods are recognised when a group entity transfers control to the customer, usually when goods are picked up by the customer in store or distributed from central warehouse to the customer. Retail sales are both in cash or by debit/credit card, or as a accounts receivable (B2B sales).

Some of the B2B customers receive bonuses based on total sales volume for the year. The Group makes provisions based on expected level of bonuses during the year, but at year end the final and exact amount is reported in the Consolidated statement of profit and loss.

Internet revenue
Revenue from the sale of goods over the internet is recognised at the point that control of the inventory have passed to the customer, which is the point of delivery to the carrier. Revenue is adjusted for the value of expected returns. The return policy for products sold over the internet is the same as for products sold in the stores. Transactions are settled by credit or payment card or as accounts receivables (B2B sales).

Service sales
The group offers a full-service solution (Spoton) including products and installation at fixed price. Revenue is recognised and transactions are settled through credit card when installation is complete.

2.19 Interest income

Interest income arises primarily from interest received on short-term bank deposits and is recognised as earned.

2.20 Dividend distribution

Dividend distributions to the shareholders is recognised as a liability in the Group financial statements in the period in which the dividends are approved by the shareholders at the annual shareholder meeting.

2.21 Employee benefits

The company has various pension schemes. The pension schemes are financed through payments to insurance companies. The company has only defined contribution plans.

The pension schemes are in line with the the mandatory occupational pension act.

The group pays contributions to privately administered pension insurance plans on a mandatory, contractual basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.22 Leases

The group leases various offices, warehouses, retail stores, equipment, and vehicles. Rental contracts for the retail stores represent a significant part of the number of contracts and values and are typically made for fixed periods of five to ten years. The contracts may include extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions. The determination of the lease term may require significant judgement, as discussed in note 4.2. The lease agreements does not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Payments associated with short term leases of equipment and vehicles, and all leases of low value-assets are recognised on a straight line-basis as an expense in profit and loss. Short-term leases are leases with a lease term of twelve months or less. Low value assets comprise IT equipment and small items of office furniture.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Amounts expected to be payable by the group under residual value guarantees

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

The amount of the initial measurement of lease liability any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and restoration costs. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2.23 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. The company does not apply hedge accounting in accordance with IFRS 9.

Derivatives are only used for economic hedging purposes and not as speculative investments.

The group treasury's risk management policy is to hedge up to a 50% of forecast US dollar cash flows for inventory purchases up to 12 months.

Foreign exchange risk

Exposures to currency exchange rates arise from the group's international purchases, which are primarily denominated in USD. The group uses foreign currency derivative contracts to hedge foreign exchange risk which are recorded at fair value. At 31. December 2022, the group had future contracts for 42% of the anticipated USD cash flow for a period of 12 months.

The group has a net investment in Swedish operations by the acquisition of Elbutik in 2022. The Groups has no hedging activity related to the investment.

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

Sensitivity on change in USD vs NOK +10%	Purchase inUSD	
	Effect on Profit before Tax	Effect on OCI
2022	15 543	0
2021	14 070	0

Sensitivity on change in USD vs NOK -10%	Purchase inUSD	
	Effect on Profit before Tax	Effect on OCI
2022	-15 543	0
2021	-14 070	0

Interest risk

The group's interest rate risk arises from long-term borrowings and bank deposits. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. The company is also subject to interest rate risk related to short term bank overdraft drawn during the financial year. Borrowings at variable rates expose the Group to cash flow interest rate risk.

Sensitivity on interest onliabilities to financial institutions and net cash +1%		
	Effect on Profit before Tax	Effect on OCI
2022	-2 797	0
2021	-2 050	0

Sensitivity on interest onliabilities to financial institutions and net cash +1%		
	Effect on Profit before Tax	Effect on OCI
2022	2 797	0
2021	2 050	0

Credit risk

Most of the group's turnover comes from cash sales or debit/credit card-based sales where settlement in cash takes place within a few days of the sales transaction, but a significant portion of the turnover to B2B customers are on credit. As such, the group has some exposure to credit risk relating to accounts receivable balances. Historical losses on trade receivables have been relatively low. The Group have a credit policy outlining conditions for giving credit to a customer. Credit is only given for professional customers with a good credit rating. For certain amounts Group finance must authorise the credit limit.

The group have implemented robust routines for sending reminders and follow up outstanding amounts.

Credit risk also arises from derivative financial instruments and deposits with banks and financial institutions. However, counterparts are limited to financial institutions with high creditworthiness. Historically, default and losses related to credit risk have been low.

Total receivables due was 6.6 MNOK with 3.6 MNOK between 0 and 30 days, 1.1 MNOK between 30 and 120 days, and 1.9 MNOK older than 120 days.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group has capital-intensive inventory in central warehouse and stores and has fluctuations related to working capital due to seasonality and the timing of the deliveries and payments. Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance.

Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance.

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex lease liabilities)	40 000	40 000	255 000		
Lease liabilities	74 065	69 535	68 723	59 908	169 366
Trade and other payables	267 725				
Derivatives	2 001				
	383 791	**109 535**	**323 723**	**59 908**	**169 366**

At 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex lease liabilities)	20 000	165 000			
Lease liabilities	63 061	62 004	60 770	59 984	186 301
Trade and other payables	287 305				
	370 366	**227 004**	**60 770**	**59 984**	**186 301**

Loans consist of one long term loan from DNB (note 18). The remaining balance on the long term TLA facility of TNOK 335 000 is due in Q1 2025 with annual instalments of TNOK 40 000.

3.2 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, providing returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, reduce excess loan repayments, exploit available credit facilities, or sell financial assets. In order to achieve the Group's overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

3.3 Fair value estimation

Assets	31.12.2022	31.12.2021
Financial assets, change in fair value is recognised over P&L as part of financial income og losses		
Derivates at fair value		
- Foreign currency derivate contracts		2 000
Total assets	-	**2 000**

Liabilities	31.12.2022	31.12.2021
Financial liabilities, change in fair value is recognised over P&L as part of financial income og losses		
Derivates at fair value		
- Foreign currency derivate contracts	1 961	-
Total liabilities	**1 961**	-

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial instruments is valued based observable values according to level 2 in the fair value hierarchy.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Estimates and judgments are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

Group management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Group tests annually whether the Group's trademark and goodwill has suffered any impairment in accordance with IAS 36. The recoverable amounts of the defined cash-generating unit, Elektroimportøren, have been determined based on value-in-use calculations. This calculation requires use of estimates. The impairment tests are especially sensitive for negative changes in long-term growth, gross margin and discount rate.

Significant judgement is required in the assessment of a business combination. This includes determining if an acquisition is a business combination or an asset acquisition, determining an acquiring part, the time of control and determining the allocation of fair value to the assets and liabilities acquired. The purchase price allocation is also judgmental as it includes allocation of the purchase price to the assets and liabilities based on estimated fair value. The Group have applied the DCF-model as the valuation method, and the assumptions are based on management's long-term forecasts.

See note 12 – Intangible assets for more information.

4.2 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTE 5 – SEGMENT AND REVENUE REPORTING

The group management is the chief operating decision-maker, and the reporting is on a consolidated basis, forming the basis for the group management's assessment of operational and strategic performance. The Group as a whole is therefore defined and identified as one segment.

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

The sale is generated through the following channels:

	2022	2021
Stores	1 324 179	1 279 244
E-commerce	288 429	195 336
Order receipts	7 063	8 596
Freight income	3 922	1 805
Other income	2 042	349
Total revenue	**1 625 635**	**1 485 330**

From March 2022 the turnover includes numbers from both Norway and Sweden.

Split of turnover between B2B and B2C

	2022	2021
Sales to B2B	780 326	718 540
Sales to B2C	845 309	766 789
Total revenue	**1 625 635**	**1 485 330**

Split of turnover between Norway and Sweden

	2022
Sales Norway	1 517 339
Sales Sweden	108 296
Total revenue	**1 625 635**

NOTE 6 - EMPLOYEE REMUNERATION AND AUDIT FEES

6a Employee benefit expenses

	2022	2021
Wages and salaries	204 218	198 609
Social security cost	33 989	29 337
Board remuneration	1 100	1 300
Pension costs - defined contribution plans (note 20)	7 335	4 496
Other benefits	8 169	9 578
Total employee benefit expenses	**254 811**	**243 321**
Number of full-time equivalents	413	378

There have not been any loans to employees or guarantees granted to employees for either 2022 or 2021.

Accruals

	2022	2021
Salary related accruals included in Other short-term liabilities	38 134	54 940
Total salary related accruals	**38 134**	**54 940**

6b Benefits key management personnel and board directors

Cash paid benefits

				2022		
Key Management	**Position**	**Salary**	**Pension**	**Bonus**	**Other Benefits**	**Total**
Karl Andreas Alexander Niss	CEO	3 138	173	2 612	188	6 111
Nils Petter Bjørnstad	CFO	2 441	173	1 905	168	4 688
Board of Directors						
Amund Skarholt	Chairman of the Boar	300				300
Robert Ingberg Iversen	Board member	200				200
Gaute Gillebo	Board member	200				200
Kjersti Helen Krokeide Hobøl	Board member	200				200
Ronny Blomseth	Board member	200				200
Total		**6 679**	**347**	**4 517**	**357**	**11 899**

				2021		
Key Management	**Position**	**Salary**	**Pension**	**Bonus**	**Other Benefits**	**Total**
Karl Andreas Alexander Niss	CEO	2 509	181	5 184	157	8 031
Nils Petter Bjørnstad	CFO	2 199	181	2 104	171	4 655
Board of Directors						
Amund Skarholt	Chairman of the Boar	300				300
Robert Ingberg Iversen	Board member	200				200
Gaute Gillebo	Board member	200				200
Kjersti Helen Krokeide Hobøl	Board member	200				200
Ronny Blomseth	Board member	200				200
Fredrik Toft Bysveen	*Resigned Feb'22*	*200*				200
Total		**6 008**	**362**	**7 288**	**328**	**13 986**

There have not been any loans or guarantees granted to key employees for either 2022 or 2021. The CEO has 18 months' salary as termination benefit. The Group has no share-based payment arrangements for their employees.

6c Audit fees

	2022	2021
Statutory audit	1 100	885
Other services - IFRS implementation	190	10
Tax	50	78
Total fees	**1 340**	**973**

See note 20 for pension expenses.

NOTE 7 - FINANCE INCOME AND EXPENSES

	2022	2021
Finance costs		
Bank Interest expenses	17 039	5 396
Bank transaction expenses	2 651	2 155
Other finance expenses	10 860	2 780
Gains and losses on derivatives	-2 913	-5 142
Interest on lease liability	19 169	15 381
Total finance expenses	**46 806**	**20 570**
Finance income		
Other finance income	381	217
Total finance income	**381**	**217**
Net finance expenses	**46 425**	**20 354**

NOTE 8 - INVESTMENTS IN SUBSIDIARIES

The group had the following subsidiaries 31 December 2022:

Name	Place of business	Nature of business	Proportion of shaares directly held by parent (%)
Elektroimportøren Holding AS	Norway	Holding company	100 %
Elektroimportøren Norge AS	Norway	Goods retailer	100 %
Namron AS	Norway	Wholesaler	100 %
Spoton AS	Norway	Non operating comapny	100 %
Elbutik Scandinavia AB	Sweden	Goods retailer	100 %
Enelco AB	Sweden	Wholesaler	100 %
Skånsk Elgross AB	Sweden	Wholesaler	100 %
Elot AB	Sweden	Goods retailer	100 %
Elexbo AB	Sweden	Goods retailer	100 %

All subsidiaries are included in the consolidation.

NOTE 9 - INCOME TAX EXPENSE

	2022	2021
Current tax		
Current tax on profits for the year	21 317	28 408
Total current tax	**21 317**	**28 408**
Deferred tax		
Origination and reversal of temporary differences	-6 234	-1 079
Total change in deferred tax	**-6 234**	**-1 079**
Income tax expense	**15 083**	**27 328**

Reconciliation between tax expense and profit before taxes multiplied with the applicable tax rate:

	2022	2021
Profit before tax	**67 149**	**124 570**
Tax calculated at domestic tax rate (22% Norway and 20,6% Sweden)) applicable to profits	14 840	27 405
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	243	-76
Applied performable deficit	0	-1
Income Tax expense	**15 083**	**27 328**
Tax charge in percent of profit before tax	22.5 %	21.9 %

	2022	2021
Deferred tax assets:		
- Trade receivables	152	174
- Inventories	7 016	6 711
- Financial lease liabilities	83 180	76 834
- Accumulated deficit	1 264	0
- Derivatives	440	0
	92 051	**83 719**

	2022	2021
Deferred tax liabilities:		
- Tangible and intangible assets	6 072	6 128
- Trademark	4 307	1 480
- Financial lease assets	72 997	71 038
- Derivatives	0	440
- Financial Cost	228	467
	83 606	**79 553**
Deferred tax liabilities (net)	**-8 446**	**-4 167**

Specification of temporary differences Asset/liability (-)	**2022**	**2021**
Tangible and intangible assets	27 602	27 855
Trademark	20 490	6 726
Trade receivables	-691	-791
Inventories	-31 889	-30 506
Financial lease assets	331 447	328 202
Financial lease liabilities	-378 090	-354 549
Financial cost	1 038	2 122
Forward currency contracts	-2 001	2 000
Tax losses Sweden	-6 134	0
Sum temporary differences	**-38 228**	**-18 941**
Basis for deferred tax	-38 228	-18 941
Deferred tax in the balance sheet (22%/20,6%)	**-8 446**	**-4 167**

NOTE 10 - EARNINGS PER SHARE

There are only one class of shares, and there are no diluting effects.

	2022	**2021**
Weighted average number of shares	21 582 200	20 732 200
Profit for the year	52 066	97 241
Earnings per share (basic and diluted)	**2.41**	**4.69**

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	Office Machines	Fixtures, machinery and cars	Vans	Right of use assets	Total
Year ended 31 December 2022					
Opening net book amount	40 013	87 883	5 113	324 702	457 711
Remeasurement IFRS				8 207	8 207
Additions	8 533	17 254	1 153	61 798	88 738
Sale of fixed assets	0	-292		-317	-609
Depreciation charge	-8 634	-17 323	-2 033	-62 944	-90 933
Closing net book amount	**39 912**	**87 522**	**4 233**	**331 447**	**463 113**
At 31 December 2022					
Cost	79 505	175 825	12 445	498 487	766 262
Accumulated depreciation	-39 593	-80 462	-8 212	-167 041	-295 307
Accumulated impairment	0	-7 841	0	0	-7 841
Net book amount	**39 912**	**87 522**	**4 233**	**331 447**	**463 114**
Useful life (years)	**3-5**	**3-10**	**5**	**2-10**	

	Office Machines	Fixtures, machinery and cars	Vans	Right of use assets	Total
Year ended 31 December 2021					
Opening net book amount	40 494	77 973	3 807	313 099	435 373
Remeasurement IFRS				7 644	7 644
Additions	7 481	24 161	3 288	58 398	93 328
Depreciation charge	-7 962	-14 251	-1 982	-54 439	-78 634
Closing net book amount	**40 013**	**87 883**	**5 113**	**324 702**	**457 711**
At 31 December 2021					
Cost	70 972	158 863	11 291	428 974	670 102
Accumulated depreciation	-30 959	-63 140	-6 179	-104 272	-204 549
Accumulated impairment	0	-7 841	0	0	-7 841
Net book amount	**40 013**	**87 883**	**5 113**	**324 702**	**457 711**
Useful life (years)	**3-5**	**3-10**	**5**	**2-10**	

Indicators of impairment of property, plant and equipment including Right of use assets have been assessed. Management concluded that there were no indicators as per 31 December 2022.

NOTE 12 - INTANGIBLE ASSETS

Cost	Trademark and other intangibles	Goodwill	Total
At 1 January 2022	**11 063**	**185 077**	**196 140**
Additions	16 999	247 091	264 091
At 31 December 2022	**28 062**	**432 168**	**460 231**
Accumulated amortisation and impairment			
At 1 January 2022	4 256	0	4 256
Amortisation charge	1 391	0	1 391
At 31 December 2022	**5 647**	**0**	**5 647**
Net book value			
Cost	28 062	432 168	460 231
Accumulated amortisation and impairment	5 648	0	5 648
At 31 December 2022	**22 415**	**432 168**	**454 583**
Useful life	**15-20**	**Indefinite**	

Additions on Goodwill and Trademark is related to the acquisition of Elbutik. See note 23 for purchase price allocation. Included in additions on Trademark MNOK 1,8 is related to investment in solar energy.

Impairment tests for trademark and goodwill

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and assumptions approved by board covering a five-year period.

The group has one CGU, and goodwill is tested for impairment at this level, which represents the lowest level in the entity at which goodwill is monitored for internal management purposes.

The key assumptions related to future cash flow are sales growth and gross margin percentage development. These key assumptions are based on historical performances. Based on budget for 2023 and business plan for coming years the Group has a significant headroom compared to capitalized goodwill in the statement of financial position, and a reasonably possible change in any of the key assumptions used, will not cause impairment.

Key assumptions 31 December 2021:

- Budget figures for 2022, and business plan for 2023-2025
- Sales growth in budget period between 9% and 13% per year (lower than historical growth)
- Discount rate 9%

Key assumptions 31 December 2022:

- Budget figures for 2023, and business plan for 2024-2026
- Sales growth in budget period between 5% and 7% per year (lower than historical growth)
- Flat development in gross margin percentage
- Discount rate 9% after tax
- Long term growth 2 % (consistent with long term inflation)

NOTE 13 - FINANCIAL INSTRUMENTS

13.1 Financial instruments by category

	31 December 2022		
	Financial assets at amortised cost	Derivatives at fair value	Total
Assets as per balance sheet			
Derivative financial instruments			0
Trade receivables	70 055		70 055
Cash and bank deposits	2 914		2 914
Total	**72 969**	**0**	**72 969**

	Other financial liabilities at amotised cost	Derivatives at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	295 000		295 000
Long term lease liability	306 344		306 344
Short term liabilities to financial institutions	40 000		40 000
Short term lease liability	71 746		71 746
Derivates		1 961	1 961
Trade creditors	153 951		153 951
Total	**867 041**		**869 002**

	31 December 2021		
	Financial assets at amortised cost	Derivatives at fair value	Total
Assets as per balance sheet			
Derivative financial instruments		2 000	2 000
Trade receivables	64 239		64 239
Cash and bank deposits	76 435		76 435
Total	**140 674**	**2 000**	**142 674**

	Other financial liabilities at amotised cost	Derivatives at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	165 000		165 000
Long term lease liability	288 612		288 612
Short term liabilities to financial institutions	20 000		20 000
Short term lease liability	60 037		60 037
Trade creditors	149 670		149 670
Total	**683 319**		**683 319**

Trade receivables, trade creditors and bank loans carrying amounts are in line with fair value. In addition to fair value adjustments on the derivatives (FX contracts) we have FX losses of 4,7 MNOK in 2022 and FX gains of 2,5 MNOK in 2021.

NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables

The carrying amounts of the Group's trade and other receivables are denominated in NOK and SEK.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The Group has not pledged any of the trade receivables as collateral or security. Management has evaluated the trade receivables credit risk provision and has recorded for losses on receivables of TNOK 1.500 as of 31 December 2022 (and TNOK 1.500 as of 31 December 2021).

Other current assets

Other receivables include prepaid purchase of inventory, mainly from China, and other prepaid expenses. It also includes provision for accrued supplier bonuses.

NOTE 15 – INVENTORIES

	31.12.2022	31.12.2021
Inventory at purchase cost	329 087	269 500
Inventory write-downs to net realizable value	-9 814	-5 602
Inventories	**319 273**	**263 898**

The cost of goods sold also includes write-downs of inventory during the year as shown in the table below.

Cost of goods sold

	2022	2021
Cost of goods sold	**1 003 854**	**907 859**
Stock losses	11 853	4 793
Change in provision for obsolescence	3 436	-347
Cost of goods sold	**1 019 143**	**912 305**

NOTE 16 - CASH AND CASH EQUIVALENTS

	31.12.2022	31.12.2021
Cash in bank and in hand	2 914	75 556
Short-term bank overnight deposits	0	880
	2 914	**76 435**

The Group does not have any restricted cash bank accounts. See note 18 for further information.

NOTE 17 - SHARE CAPITAL

Share capital (all amounts in NOK)

All amounts in NOK	Number of shares	Ordinary shares	Face value	Total face value
At 31 December 2022	21 582 200	21 582 200	0.05	1 079 110
At 31 December 2021	20 732 200	20 732 200	0.05	1 036 610
At 31 December 2020	20 732 200	20 732 200	0.05	1 036 610
At 31 December 2019	20 732 200	20 732 200	0.05	1 036 610

The top 20 shareholders December 31st:

	31 December 2022	
	# Shares	Ownership
AETERNUM CAPITAL AS	3 568 911	16.5 %
Verdipapirfond Odin Norge	1 989 012	9.2 %
Stenshagen Invest AS	1 200 000	5.6 %
VJ INVEST AS	1 104 593	5.1 %
Morgan Stanley	963 599	4.7 %
Nordnet Bank AB	941 089	4.4 %
VERDIPAPIRFONDET HOLBERG NORGE	800 000	3.7 %
Varner Equities	690 311	3.2 %
J.P. MORGAN BANK LUXEMBOURG S.A.	655 036	3.0 %
VERDIPAPIRFONDET NORDEA NORGE VERD	631 413	2.9 %
NISS INVEST AS	545 075	2.5 %
VEVLEN GÅRD AS	512 516	2.4 %
J.P. Morgan SE	472 870	3.0 %
The Bank of New York Mellon SA/NV	435 574	2.0 %
VERDIPAPIRFONDET EIKA SPAR	419 116	1.9 %
KATHEMA AS	350 031	1.6 %
VERDIPAPIRFONDET DELPHI NORGE	345 049	1.6 %
VERDIPAPIRFONDET PARETO INVESTMENT	327 445	1.5 %
VERDIPAPIRFONDET EIKA NORGE	324 231	1.5 %
ROBERT IVERSEN HOLDING AS	305 696	1.4 %

Key management shareholdings:

Name	31.12.2022	31.12.2021
Amund Skarholt	10 000	10 000
Kjersti Helen Krokeide Hobøl	11 000	11 000
Ronny Blomseth	10 363	10 363
Robert Ingberg Iversen (100% of Robert Iversen Holding AS)	305 696	305 696
Gaute Gillebo (represents Aeternum capital)	3 568 911	1 968 911
Karl Andreas Alexander Niss (100% of Niss Invest AS)	545 075	545 075
Nils Petter Bjørnstad (100% of Kathema AS)	350 031	350 031

NOTE 18 - LIABILITIES TO FINANCIAL INSTITUTIONS

	31.12.2022	31.12.2021
Long term		
Bank loans	295 000	165 000
Total long term liabilities to financial institutions	**295 000**	**165 000**
Short term		
Bank loans	40 000	20 000
Total short term liabilities to financial institutions	**40 000**	**20 000**
Total liabilities to financial institutions	**335 000**	**185 000**

Bank loans mature March 2025. Average interest rate in 2022 is 4,5% (2021: 2,6%).

Total loans include secured liabilities (bank and collateralized loans) of TNOK 335 000 (2021: TNOK 185 000). The group has a bank overdraft of TNOK 120 000, and a capex facility of TNOK 60 000. The Bank loan are secured by 100% of the shares in Elektroimportøren AS.

The bank loan and overdraft are secured by inventory, trade receivables, fixed assets and cash.

The exposure of the Group's loan to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	01.01.2022	Cash flow	New	Leases	31.12.2022
Current liabilities to financial institutions	20 000	-40 000	63 877		43 877
Current lease liabilities (note 22)	62 051	-62 051	71 746		71 746
Non-current liabilities to financial institutions	165 000		130 000		295 000
Non-current lease liabilities	293 497			12 847	306 344
Dividends payable	-	-60 000	60 000		-
Total liabilities from financing activities	**540 548**	**-162 051**	**325 623**	**12 847**	**716 967**

NOTE 19 - OTHER OPERATING EXPENSES

	2022	2021
Other expenses in leased premises other than IFRS 16	24 241	19 587
Advertising and other marketing costs	39 799	34 773
Other expenses	81 639	53 086
Total other expenses	**145 679**	**107 446**

NOTE 20 - POST-EMPLOYMENT BENEFITS

The table below outlines where the group's post-employment amounts and activity are included in the financial statements.

Income statement charge included in operating profit for:	**2022**	**2021**
Pensions earned this year - the group pension scheme	7 335	4 496
Social security fees	1 150	634
Net pension expenses	8 485	5 130

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 21 - RELATED PARTIES

The Group's related parties include its associates, key management, members of the board and majority shareholders.

None of the Board members have been granted loans or guarantees in the current year. Furthermore, none of the Board members are included in the Group's pension or bonus plans.

There are no transactions that have been entered into with related parties during 2022 and 2021, beyond the transactions disclosed in note 6.

NOTE 22 - LEASES

Right-of-use assets
The Group leases several assets such as offices and other facilities, machinery and equipment and vehicles. The Group's right-of-use assets are categorized and presented in the table below:

Right-of-use assets	Buildings	Machinery and equipment	Vehicles	Total
Acquisition cost 1 January 2022	**390 698**	**37 784**	**493**	**428 975**
Remeasurement (index)	7 259	948	-	**8 207**
Sale	-	-	-493	**-493**
Addition of right-of-use assets	60 506	1 292	-	**61 798**
Acquisition cost 31 December 2022	**458 463**	**40 024**	**-**	**498 487**
Accumulated depreciation and impairment 1 January 2022	**93 445**	**10 651**	**176**	**104 272**
Sale			-176	**-176**
Depreciation	57 298	5 646	-	**62 944**
Accumulated depreciation and impairment 31 December 2022	**150 743**	**16 297**	**-**	**167 040**
Carrying amount of right-of-use assets 31 December 2022	**307 720**	**23 726**	**-**	**331 447**
Lower of remaining lease term or economic life	5-10 years	5-10 years	5 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Buildings	Machinery and equipment	Vehicles	Total
Less than 1 year	67 490	6 575		**74 065**
1-2 years	63 318	6 217		**69 535**
2-3 years	62 864	5 859		**68 723**
3-4 years	55 287	4 620		**59 908**
4-5 years	47 429	2 242		**49 671**
More than 5 years	115 334	4 361		**119 695**
Total undiscounted lease liabilities at 31 December 2021	**411 722**	**29 875**	**-**	**441 597**

Summary of the lease liabilities	Buildings	Machinery and equipment	Vehicles	Total
Lease liabilities at 1 January 2022	324 801	29 396	353	**354 550**
Remeasurement	7 259	948	-	**8 207**
New lease liabilities recognised in the year	66 151	1 292	-	**67 443**
Cash payments for the principal portion of the lease liability	-64 380	-6 281	-	**-70 661**
Cash payments for the interest portion of the lease liability	1 857	154	-353	**1 658**
Interest expense on lease liabilities	15 622	1 271	-	**16 893**
Total lease liabilities at 31 December 2022	**351 310**	**26 780**	**-**	**378 090**

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

Summary of other lease expenses recognised in profit or loss	Total
Variable lease payments expensed in the period	909
Operating expenses in the period related to low value assets	100
Total lease expenses included in other operating expenses	**1 009**

Total cash outflow for leases including IFRS 16 leases, variable lease elements and not capitalized lease agreements was 65 MNOK for 2021 and 60 MNOK in 2021.

Note 23 - PURCHASE PRICE ALLOCATION ACQUISITION OF ELBUTIK

On the 28 January 2022, Elektroimportøren acquired 100% of the shares in Elbutik Scandinavia AB and its sister companies ("Elbutik.se") from Lades AB. The transaction was completed 3 March 2022 which is the acquisition date.

The basis for calculating the opening balance sheet is March 3. The consideration at closing of the Transaction has been settled by a combination of cash and new shares in Elektroimportøren AS.

Cash amount paid on 3 March 2022 was SEK 187 million. The Board of Directors of Elektroimportøren AS has resolved to increase the share capital of the Company by NOK 42.500 through the issuance of 850.000 new shares at a subscription price of NOK 76.27 per share. Total purchase price including shares and cash amount and fair value as of the transaction date 3 March was SEK 257 million.

Based on audited figures for 2021 the cash part of the purchase price for Elbutik Scandinavia AB was adjusted with a reduction of SEK 19 million. In addition, there is an earnout for previous owners based on development in EBITDA for the online business. The agreement entitles the seller to an Earnout in the range from zero to SEK 53 million as a maximum. This is included in the purchase price as of the acquisition date with 43,6 MNOK. Based on budgets and forecast of Elbutik the assumption is that the full amount will be paid.

Elbutik.se is Sweden's largest online player in the market for electric installation material and related products to private consumers. This acquisition opens up the Swedish market for Elektroimportøren's concept.

Elbutik.se is viewed as a great platform to start the roll-out of a Swedish omnichannel player including physical stores. We believe that by using our retail knowledge and experience from Norway together with the market and product expertise from Elbutik we have a good starting point for success.

Sales included in the Group figures from the acquisition date is 108,3 MNOK, and net losses of 3 MNOK. Sales for the full year was 136 MNOK, and net losses of 3,5 MNOK.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Elbutik as at the date of acquisition were:

Amounts in 1000 NOK	**Fair value recognised on acquisition**
Assets	
Trade mark	15 154
Deferred tax asset	-1 011
Property, plant and equipment	1 245
Right-of-use assets	20 070
Cash and cash equivalents	-418
Trade receivables	5 647
Inventories	14 286
Other current assets	4 672
Total assets	**59 646**
Liabilities	
Trade creditors	-10 516
Lease liabilities	-25 716
Other current liabilities	-9 402
Total liabilities	**-45 634**
Total identifiable net assets at fair value	**14 012**
Goodwill arising on acquisition	**247 328**
Purchase consideration transferred	**261 340**

The fair value of the trade receivables amounts to NOK 5.6 million. which is the same as the gross amount and was fully collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, but as we have decided to move the central warehouse in 2023, we have reduced this asset according to not being able to use them for all the remaining period.

The trademark of 15 MNOK comprises the value of the Elbutik trademark in the Swedish market, as we are using this trademark when opening physical stores in Sweden. The trademark is valued based on discounted cash flow model based on leasing of the trademark.

The goodwill of NOK 247 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the existing acquired business. and there are no specific separable segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

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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 (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of 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 comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its 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,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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 annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is 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 board of directors' report contains the information required by applicable legal requirements and 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that

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the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group'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 the Group, 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 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 and the Group'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 and the Group'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 and the Group to cease to continue as a going concern.

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- 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 the board of directors 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.

Oslo, 24 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Trond Stian Nytveit
State Authorised Public Accountant (Norway)


Elektro
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