Elektroimportøren AS

Annual Report 2023

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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 (2023)	EBITDA (2023)
28	561	1,604	135

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

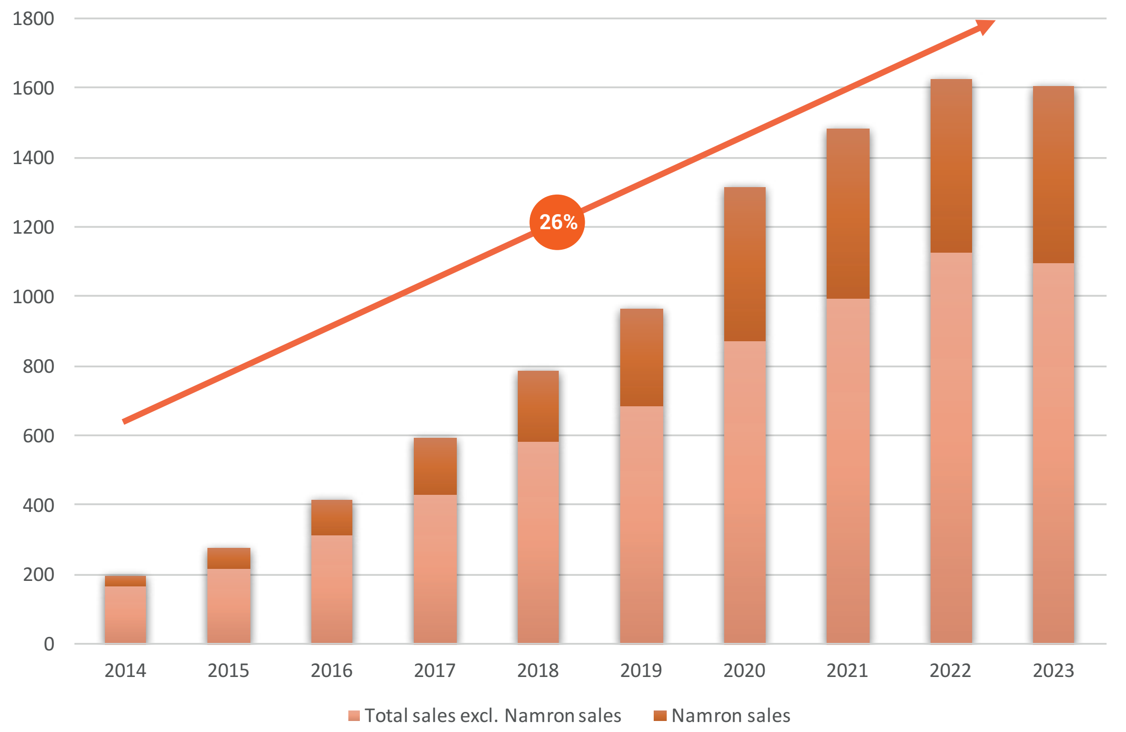
Elektro importøren Elbutik namron the smarter choice SpotOn

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

Revenue development and Namron share of revenue 2014-2023



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 entire 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.

32%
of sales (2023)

509
mnok in sales (2023)

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

2023 Highlights

- Total revenue for the full year of 2023 were NOK 1,604 million down 1.3% from NOK 1,626 million in 2022. Like-for-like sales for the full year decreased with 5.1%.

- For the full year B2B revenue increased with 0.2% while B2C revenue including Elbutik (from March 2022) decreased with 2.7%.

- Sale of full-service product SpotOn increased with 1.5% to NOK 33.7 million.

- For the full year gross profit was NOK 553 million down from NOK 606 million in 2022. Gross margin percentage for the full year was 34.5% down from 37.3% in 2022.

- EBITDA for the full year ended at NOK 135 million compared to NOK 206 million in 2022.

- Elektroimportøren has a clear strategy for continued growth including Spoton, Solar and new stores in both Norway and Sweden. Throughout the year, market conditions have remained tough across the industry due to inflation and increased interest rates. The Group has focused on managing prices to retain margins and cost reductions for operational excellence. The Groups core business, the store network in Norway, is performing strong and the Group is well positioned and optimistic regarding the long-term outlook for the industry. Given the financial performance in 2023 the board of directors will not propose an ordinary dividend. The long-term dividend policy remains unchanged.

CEO Letter

2023 has been a challenging year for us. Throughout the year, market conditions have remained tough across the industry, and the extraordinary drop in EV charger sales hit us so abruptly we did not fully manage to compensate for the sales decline that followed.

Despite a soft demand environment, we managed to maintain revenues relatively stable on a full-year basis.

Total sales for the full year of 2023 were NOK 1 604 million, representing a decrease of 1.3 per cent from NOK 1 626 million in 2022. For the full year gross margin was NOK 553 million down from NOK 606 million in 2022, resulting in a gross margin of 34.5 percent compared to 37.3 per cent in 2022. EBITDA for the full year ended at NOK 135 million compared to NOK 206 million in 2022.

Our core business in Norway has shown great resilience towards the more challenging market conditions. All of our 27 stores in Norway contributed positively to our bottom line, which shows us that our concept stands strong both with consumers and professional customers, also in times where most customers are more cautious with their spending.

The double-digit market decline in Sweden made it difficult to attract customers to a new concept, and both sales and gross margins were lower than expected. We have implemented our planned operational changes to the business, and we continue to develop our B2B offering in Sweden alongside increased efforts in category management, marketing and online sales operations. In December, we moved our Swedish head office and warehouse to new facilities and successfully implemented Autostore.

The softer market experienced in 2023 has continued into 2024, as the housing market continues to be at low levels. Both new housing projects and real estate transactions are at a 25-year low in Norway.

In a longer-term perspective, market fundamentals remain strong, and structural trends such as digitalisation, increasing energy prices, climate change and new EU regulations for energy efficiency are expected to support demand growth moving forward.

Our new warehouse in Sweden, further development of the SpotOn concept and an expanded product range are examples of initiatives to position ourselves for a future market recovery. In parallel, we have launched several initiatives to reduce our cost base.

As we move into 2024, we will maintain a rigid cost control and balance sheet focus, and make sure that when market conditions improve, we are the preferred supplier for both consumers and professional customers.

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

Sustainability

Alongside the Annual report and accounts, Elektroimportøren has published a distinct sustainability report for 2023. The Sustainability report provides an overview of how Elektroimportøren impacts the environment and social matters, and what the company does to govern and manage impact, risks and opportunities related to these matters across its value chain. The report covers activities in Elektroimportørens own operations, including all subsidiaries in both Norway and Sweden.

Elektroimportøren has started the adaption of European Sustainability Reporting Standards (ESRS) to comply with the EUs Corporate Sustainability Reporting Directive (CSRD) in the reporting year 2025. The report is prepared on the basis of a double materiality assessment and provides details on the ESRS Topic Standards that has been identified as material in 2023.

Our Sustainability Goals

Elektroimportøren´s double materiality assessment, risk assessments and mapping of the value chain, forms the basis for our goals and priorities for sustainability. Of the UN sustainability goals[1], we have identified goal number 7, 8, 12, and 13 as particularly relevant for our business.

In 2023, we developed our first high level sustainability strategy. It is based on our business strategy and on our double materiality assessment covering impacts and financial effects. There is more work to do in detailing actions, metrics and targets, but we have now outlined three strategic areas for a sustainable development, and see this as a good start to set direction and focus:

- More transparency
- More power for less
- More efficient value chain

[1] UN sustainability goals. https://sdgs.un.org/goals

More transparency

A sustainable development demands transparency and equality. Since 2014, we have disrupted a market that was previously inaccessible and reserved for the few. We have made electrical material available for everyone and given people the possibility to make informed choices.

Our prices are transparent, 8 out of 10 employees in the stores are trained electricians, and our advice is free and available to everyone. Our employees play a vital role in this work as they are our most valuable resource and competitive advantage. With the ambition to be the leading advisor in the industry, we will continue to increase transparency and guide people to informed and sustainable choices.

Ambition : No. 1 advisory position in the industry
Social Metrics: Employee Well-being and Diversity, Supply Chain responsibility and Community Engagement

More power for less

A Sustainable development and mitigation of climate change demands a massive energy transformation. We need more energy over the coming years to cover our needs, and fossil free energy to reduce greenhouse gases in line with the Paris agreement. To limit the risk of energy deficit in the future, this transition implies that society must both generate more renewable energy and use and conserve it in a more efficient way.

Elektroimportørens business model fundamentally revolves around energy and power. We have both the products, prices, solutions, and expertise to provide people and companies with more power for less. There is also a social factor in this as energy prices have had a strong increase in Europe in recent years. Our goal is to help both people and climate by being the lead provider of energy-smart solutions in the industry.

Ambition: No. 1 in energy-smart solutions in all our markets
Environmental Metrics: Carbon Footprint from energy use, Energy Efficiency, Sales of energy smart solutions

More efficient value chain

To succeed with a sustainable development, efficient resource utilization is crucial. Our business model is built on cost-effectiveness. For us, a sustainable value chain is both cost efficient and limits its impact on our planet. Elektroimportøren has a global and complex value chain. Our operations require considerable use of resources and generates emissions. At the same time, our business model is built on efficiency and low waste.

To reduce our impact on the environment further, we will enable an even smarter resources usage. This includes exploring new solutions, products, and business models. We will continue to challenge the current status quo and collaborate with our suppliers to provide our customers with more sustainable products and services. Important measures include continuing to cut unnecessary emissions, resource use, and costs throughout the value chain.

Ambition: To be the industry leader in climate and cost-efficient value chains.
Environmental Metrics: Carbon Footprint, Waste Management

Board and management

Board of Directors

Vegard Søraunet

Chair of the board

Vegard Søraunet is a partner and founder of Aeternum Capital AS and Aeternum Management AS, where he works as CEO and Investment Director. He holds a Master of Business Administration from BI Norwegian Business School with a specialisation in finance from Bond University. He has previous experience from auditing at PwC, analyst, manager and investment director from ODIN Forvaltning and Seatankers Management.

Gaute Gillebo

Board member

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).

Eja Tuominen,

Board member

As a businesswoman with a background from IKEA and Kesko, among others, Eja Tuominen has extensive experience of growth, improving the customer experience across multiple channels, driving commercial success, promoting product development and innovation. She has also built up significant expertise in international trade and e-commerce as well as a good understanding of logistics and transport. Eja holds degrees from the Helsinki School of Business and Economics and Harvard, among others.

Kjersti Hobøl

Board member

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.

Kjetil Garstad

Board member

Kjetil Garstad works for Stenshagen Invest AS. He graduated from the Norwegian School of Economics (NHH) in 2001 and has been employed by Stenshagen Invest AS since 2014. He has previous experience from UBS AG, Enskilda Securities and Arctic Securities.

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.

André Swensen

SVP of SpotOn

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.

Jørgen Wist

Chief Financial Officer

Jørgen Wist has been in Elektroimportøren since 2014. First in the role as category and purchasing director and from 2019 to 2023 Jørgen was SVP for Namron. Mr. Wist has previous worked in Nille AS and Ernst and Young AS. Mr. Wist holds a MSC in economics and business administration from Norwegian School of Economics and a master in accounting and auditing from BI Norwegian Business School.

Kim Lie

Category Director

Kim Lie has been in Elektroimportøren since 2015. First in the role as Store manager 2015 to 2016, then as Store Operation Manager from 2016 to july 2023. Mr. Lie has experience within retail from Elkjøp and XXL.

Ørnulf Kiær

SVP of IT & eCommerce

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.

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

Logistics & 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 Elektroimportøren group consist of Elektroimportøren AS, the parent company for Elektroimportøren Holding AS, Elektroimportøren Norge AS, Namron AS, Spoton AS, Enelco AB, Elbutik Scandinavia AB including subsidiaries, together defined as 'the Group'. Elektroimportøren AS is a limited-liability company with its head office in Oslo, Norway. The Group is listed on the Euronext Growth stock exchange. The Group operates in Norway and Sweden.

All subsidiaries are wholly owned except Spoton AS, where the Group sold 8% of the shares to key employees during the financial year and holds 92% of the shares at the end of the financial year.

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 2023 one new store was opened (Veddesta in Sweden), and at year end 2023 the Group has 28 physical stores, 27 stores in Norway and one store in Sweden, in addition to the online stores.

The financial statements for 2023 is reported in accordance with IFRS Accounting Standards.

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 2024 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Review of the consolidated financial statements

Throughout the year, market conditions have remained tough across the industry, and the extraordinary drop in EV charger sales impacted the financial performance. Despite a soft demand environment, the Group managed to maintain revenues relatively stable on a full-year basis. The Group`s revenue decreased from NOK 1,624 million in 2022 to NOK 1,604 million in 2023, a decrease of 1.3%. The like-for-like sales growth was -5.1%. Operating profit decreased with 64.7% from NOK 113.6 million to NOK 40.1 million.

Total cash flow from operating activities was NOK 75.7 million, while profit before taxes was NOK -15.9 million. The variance is mainly due to depreciation, reclassification of interest to finance section and increase in inventory.

Total capital expenditure for the Group in 2023 was NOK 27.4 million.

Total cash and cash equivalents as of 31 December 2023 were NOK 8.8 million, and the Group's ability to self-finance investments is acceptable.

The Group's financial position is sound and adequate for settling short-term debt as of 31 December 2023 with the Group's most liquid assets, and available credit facilities. To fuel growth and improve the financial position, the Group carried out a private placement of NOK 150 million with a subsequent down payment of debt of NOK 75 million in February 2024 as outlined in events after the balance sheet date. The Group's equity ratio at 31 December 2023 was 30.9%.

Review of the Company financial statements

Elektroimportøren AS, the parent company of the Group, has no revenue but receives a group contribution from subsidiaries. Profit for the year was NOK 23.8 million, (NOK 72.2 million in 2022). Cash flow from operating activities was NOK -36.8 million, while profit before taxes was NOK 29.2 million. Net cash at year-end was NOK 0.0 million.

The Board proposes that the profit after tax of NOK 23.8 million is transferred to other equity.

Future outlook

Despite challenging market conditions during the financial year, the market fundamentals remain strong, and structural trends such as digitalisation, increasing energy prices, climate change and new EU regulations for energy efficiency are expected to support demand growth moving forward. The Board continues to see the importance of developing offers to the customers, especially within smart home category, electric vehicle charges and solar.

We expect there will be an increase in demand for the Group`s products, especially within smart-home products, solar panels and products within general electrification. The Group are also expecting to open new physical stores during 2024 and the coming years.

The acquisition of Elbutik Scandinavia in 2022 opened the Swedish market for Elektroimportørens concept. Through the financial year structural initiatives have been taken and the Group enter 2024 with one physical store, new head office and modern and efficient warehouse with autostore to serve the Swedish market.

There are uncertainty relating to how the market will develop due to the ongoing war in Ukraine, increased interest expenses and general price increase.

Financial risk

The Group's activities expose it to certain financial risks including market risk (such as foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Foreign exchange risk

The Group undertakes certain purchase transactions that are denominated in foreign currencies and as a consequence has exposure to exchange rate fluctuations. These exposures arise from inventory purchases, where most of the Group's exposure being to USD. The Group`s currency strategy included hedging of future purchases in foreign currency through fx contracts. The main exposure is NOK against USD. The Group's risk management policy is to hedge up to a 50% of forecast US dollar cash flows for inventory purchases up to 12 months.

Further, the Group's revenue is exposed to fluctuations in SEK. Both revenue and operating expenses are incurred in local currency, reducing the exposure to foreign exchange rate fluctuations in the statement of profit or loss.

Interest risk

The Group's interest rate risk arises primarily on loans and other borrowings, all of which are at floating rates of interest and which therefore expose the Group to cash flow interest rate risk. The Group has a floating interest rate for NOK 255 million of outstanding long-term debt and NOK 52 million in short term debt to financial institutions.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations and arises principally from the Group's receivables from consumers. Most of the revenue are from direct cash settlement from the customer. The Group's trade receivables include balances due from sales to business to business consumers as well as public authorities and departments. The credit procedures are centralised, and customers must pass an external credit rating to be granted a credit limit. The Group's exposure to credit risk is regularly monitored and the Group's policy is updated as appropriate.

Historically, the extent of losses has been small. As of 31 December 2023, the risk for losses on receivables is considered to be moderate, and the Group holds a provision of NOK 1.8 million in the balance sheet that should be adequate to cover the risk for losses. No agreements have been made on netting or financial instruments that reduce the credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its exposure to liquidity risk by reviewing regularly the long-term and short-term cash flow projections for the business against the resources available to it. In order to ensure that sufficient funds are available for ongoing and future developments, the Group has established adequate flexibility through overdraft facility and long-term loan.

To the extent of the board of directors' knowledge, the above-mentioned risk factors represent the most material financial risk factors that may be of importance in order to evaluate the company's assets, liabilities, financial position and profits.

Working environment and employees

There are no employees in the parent company. The number of employees in the Group at the end of 2023 were 561, of which 84 women. The leave of absence due to illness totalled 7.9 % of the permanent workforce. This is an increase compared to 2022 (from 7.1 %). Sick leave is monitored through the year and actions are taken in relation to the sick leave that the company can influence. 5.2% 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.

The directors and officers of Elektroimportøren AS are covered under a "Directors and Officers Liability Insurance". The insurance cover any claim brought against directors or officers for alleged wrongful acts in connection with their positions, to the point where any culpability for wrongdoing is established. The insurance provided does not extend to claims arising from fraud or dishonesty. The officers and directors of the parent company and all subsidiaries are covered by the insurance including employees in managerial positions.

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 477 men and 84 women at the end of the year
- Temporarily employed (including temps from agencies) during the year have been 145, of which 22 % women
- Part-time employees constitute 85, of which 12 % are women
- The average number of weeks of family-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.

We have established a set of guidelines for all employees to ensure equality concerning gender, ethnicity, age etc. (Code of conduct). In recruiting we emphasise to secure a balance of gender.

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

We 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 24 men, where men earn 3 % more than woman. This variance is based on difference in working experience and not the gender.
- Sales force in stores (skilled electricians), 15 women and 256 men, where women earn 1 % less than men. This variance is based on difference in working experience and not the gender.
- Store managers, 4 women and 23 men, where men earn 5 % 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;

Elektroimportøren have published the annual transparency report at elektroimportoren.no under 'Information/Åpenhetsloven'.

Environmental reporting

Elektroimportøren is a Miljøfyrtårn certified business. The Group has a complex value chain, and we have both a positive and negative impact on environmental and social dimensions. In 2023 the Group increased the efforts and investments in sustainability. We did our first double materiality analysis and sustainability report based on the ESRS standards, and a number of other ESG related projects to increase our learning, reduce risks and seize sustainable opportunities.

During this work, we identified strong business opportunities for Elektroimportøren, especially connected to energy transformation. We have a solid business model for sales and installation of energy solutions and see strong potential for further growth in this category.

Among other ESG highlights from 2023, we have reduced both volume and plastics in our packaging further and tested out product development for more circular electrical products. After a long Covid break, we also finally could visit all our main suppliers in China for firsthand information. We invested in energy saving solutions in three pilot stores, that cut energy usage substantially. Last but not least, we received funding from DOGA to innovate on new customer oriented solutions for sales and installation of energy smart solutions.

For 2024, our main focus is to continue the promising ESG-related projects, increase our knowledge about our value chain further and to collect more data to make sure we are handling sustainability in line with expectations.

Events after the balance sheet date

On 14 February 2024 the Group announced refinancing of the group debt and a private placement of NOK 150 million. The Group has agreed with DNB Bank ASA to refinance its existing bank facilities into (i) a new NOK 220 million term loan and (ii) a new NOK 120 million overdraft facility.

The Company has repaid NOK 75 million under the current facilities with proceeds from the Private Placement. There will be no further amortization in 2024. NOK 40 million in yearly amortization will be reinstated from December 2025.

On 29 February 2024, the General Meeting approved issue of 20,000,000 new shares, and the private placement was formally approved. On 1 March 2024, it was registered with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret) and the Company`s share capital was increased by NOK 1,000,000.

As an extension of the private placement a Subsequent Offering was initiated 22 March 2024. The Subsequent Offering consists of an offer by the Company to issue up to 4,000,000 new shares with equal conditions to the subscription price in the private placement.

In the period between 31 December 2023 and the date of these financial statements, the Board of Directors is not aware of any matter or circumstance not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group.

Oslo, 14 April 2024
The board of Elektroimportøren AS

Vegard Søraunet
Vegard Søraunet
Chair of the board

Andreas Niss
CEO

Eja Tuominen
Board member

Gaute Gillebo
Board member

Kjetil Garstad
Board member

Kjersti Helen Krokeide Hobøl
Board member

Consolidated statement of profit and loss

All amounts in NOK 1000	Notes	Year ended 31 December 2023	2022
Revenue	5	1 602 882	1 623 588
Other income		1 383	2 047
Total revenue and income		**1 604 266**	**1 625 635**
Cost of goods sold	15	1 051 202	1 019 143
Employee benefits expenses	6,20	272 547	254 811
Depreciation and amortisation expenses	11,12	95 294	92 307
Other operating expenses	6,19	145 121	145 800
Total operating expenses		**1 564 164**	**1 512 061**
Operating profit		**40 101**	**113 574**
Financial income	7	346	381
Financial expenses	7	56 381	46 806
Net finance expenses		**-56 035**	**-46 425**
Profit before tax		**-15 934**	**67 149**
Income tax expenses	9	-4 060	15 083
Profit for the year		**-11 874**	**52 066**
Attributable to:			
Equity holders of the parent		-11 792	52 066
Non-controlling interests		-82	0
Basic and diluted Earnings per share	10	**-0,49**	**2,41**

Other comprehensive income

	2023	2022
Profit for the year	**-11 874**	**52 066**
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	20 200	320
Total comprehensive income for the year net of tax	**8 326**	**52 386**
Attributable to:		
Equity holders of the parent	8 408	52 386
Non-controlling interests	-82	0

Consolidated statement of financial position

All amounts in NOK 1000

	Notes	31.12.2023	31.12.2022
ASSETS			
Deferred tax assets	9	18 616	8 445
Goodwill	12	451 784	432 406
Trademark and other intangible assets	12	21 502	22 415
Total intangible assets		**491 901**	**463 266**
Right-of-use assets	11,22	363 920	331 447
Property, plant and equipment	11	129 424	131 666
Total tangible assets		**493 344**	**463 113**
TOTAL NON-CURRENT ASSETS		**985 245**	**926 379**
Inventories	15	356 588	319 273
Trade receivables	14	74 504	70 055
Other current assets	13,14	26 596	39 559
Total receivables and other current assets		**101 100**	**109 614**
Cash and cash equivalents	16	8 758	2 914
TOTAL CURRENT ASSETS		**466 446**	**431 801**
TOTAL ASSETS		**1 451 691**	**1 358 180**

Consolidated statement of financial position

All amounts in NOK 1000

	Notes	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Share capital	17	1 339	1 079
Share premium		193 323	76 762
Retained earnings		252 205	253 592
Equity attributable to equity holders of the parent		**446 867**	**331 433**
Non-controlling interests		2 122	0
TOTAL EQUITY		**448 989**	**331 433**
Non-current lease liabilities	22	342 892	306 344
Non-current liabilities to financial institutions	18	255 000	295 000
Other non-current liabilities	23	43 557	42 056
TOTAL NON-CURRENT LIABILITIES		**641 449**	**643 400**
Current lease liabilities	22	68 270	71 746
Current liabilities to financial institutions	18	51 608	43 877
Trade creditors	3	135 610	153 951
Taxes payable	9	5 432	21 317
Public duties payable		53 710	45 645
Other current liabilities		46 623	46 811
TOTAL CURRENT LIABILITIES		**361 253**	**383 346**
TOTAL LIABILITIES		**1 002 701**	**1 026 747**
TOTAL EQUITY AND LIABILITIES		**1 451 691**	**1 358 180**

Oslo, 14 April 2024

The board of Elektroimportøren AS

Vegard Søraunet
Vegard Søraunet
Chair of the board

Andreas Niss
CEO

Eja Tuominen
Board member

Gaute Gillebo
Board member

Kjetil Garstad
Board member

Kjersti Helen Krokeide Hobøl
Board member

Consolidated statement of changes in equity

all amounts in NOK 1000

	Notes	Share capital	Share premium	Retained earnings	Currency translation reserve	Total	Non-controlling interest	Total Equity
Balance 1 January 2022		1 037	11 932	261 207	-	274 175	-	274 175
Profit for the period		-	-	52 066	-	52 066	-	52 066
Other comprehensiv income		-	-	-	320	320	-	320
Issue of share capital	17	42	64 830	-	-	64 872	-	64 872
Dividend (2,78 NOK per share)		-	-	-60 000	-	-60 000	-	-60 000
Balance 31 December 2022		**1 079**	**76 762**	**253 273**	**320**	**331 433**	**-**	**331 433**

all amounts in NOK 1000

	Notes	Share capital	Share premium	Retained earnings	Currency translation reserve	Total	Non-controlling interest	Total Equity
Balance 1 January 2023		1 079	76 762	253 273	320	331 433	-	331 433
Profit for the year		-	-	-11 792	-	-11 792	-82	-11 874
Other comprehensive income		-	-	-	20 200	20 200	-	20 200
Issue of share capital	17	260	119 340	-	-	119 600	-	119 600
Transaction costs related to issue of share capital		-	-2 779	-	-	-2 779	-	-2 779
Dividend (0,50 NOK per share)		-	-	-10 791	-	-10 791	-	-10 791
Change in non-controlling interest purchase		-	-	996	-	996	2 204	3 200
Balance 31 December 2023		**1 339**	**193 323**	**231 685**	**20 520**	**446 867**	**2 122**	**448 989**

Consolidated statement of cash flows

All amounts in NOK 1000

		Year ended 31 December	
	Notes	2023	2022
Profit before income tax		-15 934	67 149
Taxes paid in the period	9	-21 868	-28 409
Depreciation and impairment	11	95 294	88 622
Interest		56 035	46 712
Change in working capital			
Change in inventory		-37 315	-37 464
Change in trade receivables		-4 449	-6 595
Change in trade creditors		-18 341	-5 279
Change in other short term liabilities	23	22 323	-10 913
Net cash flow from operations		**75 746**	**113 822**
Cash flow from investments			
Purchase of fixed assets	11	-27 407	-35 366
Acquisition of Elbutik		0	-152 954
Net cash flow from investments		**-27 407**	**-188 320**
Cash flow from financing			
Proceeds from long-term borrowings	18	0	190 000
Repayment of long-term borrowings	18	-40 000	-40 000
Change in liabilities to financial institutions		7 731	0
Proceeds from issue of shares		116 821	0
Net interest paid	18	-56 035	-26 973
Lease payments for the principal portion of lease liability	22	-63 421	-62 051
Change in non-controlling interest share purchase		3 200	0
Dividend paid to equity holders of the parent	18	-10 791	-60 000
Net cash flow from financing		**-42 495**	**976**
Cash and cash equivalents at the beginning of the period		**2 914**	**76 436**
Net change in cash and cash equivalents		5 844	-73 522
Cash and cash equivalents at the end of the period		**8 758**	**2 914**

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 in Norway under the brand name Elektroimportøren and one physical store in Sweden under the brand name Elbutik.

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

The Group`s consolidated financial statement for the year ended 31 December 2023 were authorised for issue by the Board of directors on 14 April 2024.

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 IFRS® Accounting Standards 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 2023, the goodwill is related to existing operation in Norway and Sweden.

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.

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.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value or amortised cost.

(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 recognised initially at the amount of consideration that is unconditional. Trade receivables are generally due for settlement within 30 days and therefore classified as current. At initial recognition, the group measures other financial assets at fair value.

The majority of trade and other receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

Trade receivables are evaluated for possible impairment each reporting period using the simplified credit loss model. Trade receivables are derecognised when the right to receive cash flows has expired.

2.8.3 Impairment of financial assets

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 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 and derivatives is recognised as financial expenses or financial income.

2.10 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.

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows and financial position, 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.

2.11 Share capital

Ordinary shares are classified as equity.

2.13 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.

2.14 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.

2.15 Financial liabilities (earn-out)

Contingent consideration arrangements are initially measured at fair value and remeasured at each balance sheet date to fair value. The fair value of contingent consideration arrangements has been estimated by applying the income approach. A reduction in growth assumptions used in the fair value methodology would result in a reduction in the amount of contingent consideration payable.

2.16 Current and deferred income tax

Current tax

Current tax is provided at amounts expected to be paid or recovered using the prevailing tax rates and laws that have been enacted or substantially enacted by the balance sheet date and adjusted for any tax payable in respect of previous years. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities (22% in Norway, 20.6% in Sweden).

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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.

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.

2.17 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 bonuses constitute variable consideration and the Group adjusts the transaction price of sales throughout the year based on expected level of bonuses during the year.

Online revenue

Revenue from the sale of goods over the online platform 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. The Group is considered the principal in the transaction with the customer and is responsible for the obligation to the customer is fulfilled.

2.18 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.

2.19 Leases

The Group's leasing activities predominantly relate to retail store properties and distribution properties. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (which comprise IT equipment and small items of office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease with no corresponding right-of use asset.

Property contracts generally have a lease term between 5 to 10 years, while equipment and vehicles generally have lease terms between 3 and 10 years. The contracts may include extension options. The determination of the lease term may require significant judgement, as discussed in note 4.2. The lease agreements do 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.

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. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received, any initial direct costs and any dilapidation costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. Right-of-use assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the net book value is not supportable. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Note 3 – Financial riskmanagement

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 Group 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 2023, the Group had future contracts for 31% 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 or the Swedish operation.

The following table illustrates the sensitivity on the Group's financial instruments on a 10% change in USD against Norwegian kroner.

Sensitivity on change in derivatives in USD vs NOK +10%	Effect on Profit before Tax	Effect on OCI
2023	6 603	0
2022	15 543	0

Sensitivity on change in derivatives in USD vs NOK -10%	Effect on Profit before Tax	Effect on OCI
2023	-6 603	0
2022	-15 543	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 Group 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 on libities to financial institutions and net cash +1%	Effect on Profit before Tax	Effect on OCI
2023	-2 983	0
2022	-2 797	0

Sensitivity on interest on libities to financial institutions and net cash +1%	Effect on Profit before Tax	Effect on OCI
2023	2 983	0
2022	2 797	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. A significant portion of the sale 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 has 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 has 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 NOK 9.1 million with NOK 8.8 million between 0 and 120 days and NOK 0.3 million 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 always maintaining sufficient headroom on its undrawn committed loan facilities 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 2023	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	255 000	-	-	-
Lease liabilities	85 916	84 395	75 778	65 104	163 867
Trade and other payables	237 167	-	-	-	-
Derivatives	4 208	-	-	-	-
Total	**363 083**	**339 395**	**75 778**	**65 104**	**163 867**

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	-	-	-	-
Total	**383 791**	**109 535**	**323 723**	**59 908**	**169 366**

TNOK 295 000 is due in Q1 2025 with annual instalments of TNOK 40 000. The Groups loan facility was renegotiated after the balance sheet date as outlined in Note 25 - Subsequent events.

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	31.12.2023	31.12.2022
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	-	-
Total assets	**-**	**-**

Liabilities	31.12.2023	31.12.2022
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	4 208	1 961
- Earn-out consideration Elbutik	43 557	42 056
Total liabilities	**47 765**	**44 017**

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 are valued based observable values according to level 2 in the fair value hierarchy. Earn-out agreement is calculated according to level 3.

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 has applied the DCF-model as the valuation method, and the assumptions are based on management's long-term forecasts. The Group has not carried out any acquisitions in 2023.

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 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:

	2023	2022
Stores	1 293 985	1 324 179
E-commerce	297 070	288 429
Order receipts	10 404	7 063
Freight income	2 386	3 922
Other income	421	2 042
Total revenue	**1 604 266**	**1 625 635**

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

Split of turnover between B2B and B2C

	2023	2022
Sales to B2B	781 850	780 326
Sales to B2C	822 415	845 309
Total revenue	**1 604 266**	**1 625 635**

Split of turnover between Norway and Sweden

	2023	2022
Sales Norway	1 461 728	1 517 339
Sales Sweden	142 537	108 296
Total revenue	**1 604 266**	**1 625 635**

Note 6 – Employee remuneration and audit fees

6a Employee benefit expenses

	2023	2022
Wages and salaries	216 141	204 218
Social security cost	35 962	33 989
Board remuneration	1 100	1 100
Pension costs - defined contribution plans (note 20)	8 001	7 335
Other benefits	11 343	8 169
Total employee benefit expense	**272 547**	**254 811**
Number of full-time equivalents	412	413

There has not been any loans to employees or guarantees granted to employees for either 2023 or 2022.

Accruals

	2023	2022
Salary related accruals included in Other short-term liabilities	36 944	38 134
Total salary related accruals	**36 944**	**38 134**

See note 20 for pension expenses.

6b Benefits key management personnel and board directors

Cash paid benefits

2023						
Key Management	**Position**	**Salary**	**Pension**	**Bonus**	**Other Benefits**	**Total**
Karl Andreas Alexander Niss	CEO	3 108	200	0	211	3 519
Jørgen Waldal Wist	CFO	2 034	200	0	17	2 251
Board of Directors						
Amund Skarholt	Chairman of the Board, until Sep23	300				300
Robert Ingberg Iversen	Board member, until Sep23	200				200
Gaute Gillebo	Board member	200				200
Kjersti Helen Krokeide Hobøl	Board member	200				200
Ronny Blomseth	Board member, until Apr23	200				200
Total		**6 243**	**399**	**0**	**228**	**6 870**

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 Board	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**

There have not been any loans or guarantees granted to key employees for either 2023 or 2022. The CEO has 18 months' salary as termination benefit. The Group has no share-based payment arrangements for their employees.

6c Audit fees

	2023	2022
Statutory audit	1 309	1 100
Other assurance services	318	190
Tax related services (incl. Preparation of income tax form)	146	50
Total fees	**1 773**	**1 340**

The audit fees include fees to Baker Tilly in Sweden for the audit of subsidiaries located in Sweden. The fee consists of NOK 319 thousand for statutory audit and NOK 57 thousand for other services in 2023.

Note 7 – Finance income and expenses

	2023	2022
Finance costs		
Bank Interest expences	27 303	17 039
Bank transaction expences	3 378	2 651
Other finance expences	4 592	10 860
Gains and losses on derivatives	2 248	-2 913
Interest on lease liability	18 861	19 169
Total finance expences	**56 381**	**46 806**
Finance income		
Other finance income	346	381
Total finance income	**346**	**381**
Net finance expences	**56 035**	**46 425**

Note 8 – Investments in subsidiaries

The group had the following subsidiaries 31 December 2023:

Name	Place of business	Nature of Business	Proportion of shares 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	Service Provider	92 %
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.

During the financial year the Spoton business was demerged from Namron AS with Elektroimportøren Holding AS as 100% owner of the shares. In December 2023, 8% of the shares were sold to key employees in SpotOn AS.

Note 9 – Income tax expense

	2023	2022
Current tax		
Current tax on profits for the year	5 934	21 317
Total current tax	**5 934**	**21 317**
Deferred tax		
Origination and reversal of temporary differences	-9 994	-6 234
Tax losses carried forward Elbutik	0	0
Total change in deferred tax	**-9 994**	**-6 234**
Income tax expense	**-4 060**	**15 083**

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

	2023	2022
Profit before tax	**-15 934**	**67 149**
Tax calculated at domestic tax rate (22% Norway and 20,6% Sweden)) applicable to profits	-3 086	14 840
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	-1051	243
Other adjustments	77	0
Income Tax expense	**-4 060**	**15 083**
Tax charge in percent of profit before tax	25,5 %	22,5 %

	2023	2022
Deferred tax assets:		
- Trade receivables	210	152
- Inventories	7 427	7 016
- Finacial lease liabilities	93 713	83 180
- Accumulated tax losses	6 949	1 264
- Derivatieves	926	440
- Other differences	1 099	0
Deferred tax assets:	**110 323**	**92 052**

	2023	2022
Deferred tax liabilities:		
- Tangible and intangible assets	4 565	6 072
- Trademark	4 235	4 307
- Finacial lease assets	82 907	72 997
- Derivatieves	0	0
- Financial cost	0	228
Deferred tax liabilities:	**91 707**	**83 606**
Deferred tax asset (+) / liability (-)	**18 616**	**8 445**

Specification of temporary differences Asset/liability (-)	2023	2022
Tangible and intangible assets	20 750	27 602
Trademark	19 249	20 490
Trade receivables	-953	-691
Inventories	-33 759	-31 889
Financial lease assets	382 100	331 447
Financial lease liabilities	-431 391	-378 090
Financial cost	0	1 038
Forward currency contracts	-4 208	-2 001
Accumulated tax losses Sweden	-33 731	-6 134
Sum Temporary differences	-81 945	-38 228
Basis for deferred tax	-81 945	-38 228
Deferred tax in the balance sheet (22%/20,6%)	18 616	8 445

Note 10 – Ernings per share

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

	2023	2022
Weighted average number of shares	24 182 200	21 582 200
Profit for the year	-11 874	52 066
Earnings per share (basic and diluted)	**- 0,49**	**2,41**

Note 11 – Property, plant and equipment

	Office Machines	Fixtures, machinery and cars	Vans	Right-of-use assets	Total
Year ended 31 December 2023					
Opening net book amount	39 912	87 522	4 233	331 447	463 114
Additions	5 381	19 798	2 228	94 518	121 925
Reclassifications	-10 760	10 303	457	0	0
Depreciation charge	-8 665	-19 129	-1 855	-63 918	-93 567
Impairment	0	0	0	0	0
Exchange differences	0	0	0	1 872	1 872
Closing net book amount	**25 868**	**98 494**	**5 063**	**363 920**	**493 344**
At 31 December 2023					
Cost	78 187	203 229	15 130	594 878	891 423
Accumulated depreciation	-52 319	-96 894	-10 067	-230 958	-390 239
Accumulated impairment	0	-7 840	0	0	-7 840
Net book amount	**25 868**	**98 494**	**5 063**	**363 920**	**493 344**
Useful life (years)	**3-5**	**3-10**	**5**	**1-10**	

	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
Additions	8 533	17 254	1 153	70 005	96 945
Disposals	0	-292		-317	-609
Depreciation charge	-8 634	-17 205	-2 033	-62 944	-90 815
Impairment	0	-119	0		-119
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	-80 335	-8 212	-167 041	-295 180
Accumulated impairment	0	-7 969	0	0	
Net book amount	**39 912**	**87 521**	**4 233**	**331 447**	**463 113**

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 2023.

Note 12 – Intangible assest

Cost	Trademark and other intangibles	Goodwill	Total
At 1 January 2023	28 062	432 406	460 468
Exchange differences	0	19 378	19 378
At 31 December 2023	**28 062**	**451 784**	**479 846**
Accumulated amortisation and impairment			
At 1 January 2023	5 647	0	5 647
Amortisation charge	913	0	913
As at 31 December 2023	**6 560**	**0**	**6 560**
Net book value			
Cost	28 062	451 784	479 846
Accumulated amortisation and impairment	6 560	0	6 560
As at 31 December 2023	**21 502**	**451 784**	**473 286**
Useful life	**15-20**	**Indefinite**	

Cost	Trademark and other intangibles	Goodwill	Total
At 1 January 2022	11 063	185 077	196 140
Additions	16 999	247 329	264 328
At 31 December 2022	**28 062**	**432 406**	**460 468**
Accumulated amortisation and impairment			
At 1 January 2022	4 256	0	4 256
Amortisation charge	1 391	0	1 391
As at 31 December 2022	**5 647**	**0**	**5 647**
Net book value			
Cost	28 062	432 406	460 468
Accumulated amortisation and impairment	5 647	0	5 647
As at 31 December 2022	**22 415**	**432 406**	**454 821**

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 senior management 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.

Goodwill impairment sensitivity analysis

The key assumptions related to future cash flow are sales growth, gross margin percentage and discount rate. A sensitivity analysis has been performed on each of the base case assumptions used for assessing the goodwill with other variables held constant. Consideration of sensitivities to key assumptions can evolve from one financial year to the next. Based on a sensitivity analysis where the sales growth, margin percentage and discount rate have been changed with 3%, the directors have concluded that there are no reasonably possible changes in key assumptions which would cause the carrying amount of goodwill to exceed its value-in-use.

The Group's establishment in Sweden has not been immune to market fluctuations such as the overall decline in electric installation material industry after the Groups acquisition of Elbutik in March 2022. Despite these challenges, the management are optimistic about the long-term prospect of the investment and the impairment assumptions are based on further investments in Sweden. Despite this, the management believe it is essential to acknowledge the existing risk that may pose challenges to the Groups goodwill related to the Swedish establishment.

Key assumptions 31 December 2023:

- Budget figures for 2024, and business plan for 2025-2028
- Compound annual growth in sales in budget period of 14.7% (lower than historical growth)
- Marginal reduction in gross margin percentages driven by category mix
- Discount rate 10.2% after tax
- Long term growth rate of 1.8%

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 rate of 2%

Note 13 – Financial instruments

13.1 Financial instruments by category

	31 December 2023		
	Financial assets at amortised cost	Financial assets at fair value	Total
Assets as per balance sheet			
Derivative financial instruments	0	0	0
Trade receivables	74 504	0	74 504
Cash and bank deposits	8 758	0	8 758
Total	**83 262**	**0**	**83 262**

	Other financial liabilities at amortised cost	Financial assets at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	255 000	0	255 000
Long term lease liability	342 892	0	342 892
Other non-current liabilities (earn-out)	0	43 557	43 557
Short term liabilities to financial institutions	51 608	0	51 608
Short term lease liability	68 270	0	68 270
Derivates	0	4 208	4 208
Trade creditors	135 610	0	135 610
Total	**853 380**	**47 765**	**901 144**

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

	Other financial liabilities at amortised cost	Financial assets at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	295 000	0	295 000
Long term lease liability	306 344	0	306 344
Other non-current liabilities (earn-out)	0	42 056	42 056
Short term liabilities to financial institutions	40 000	0	40 000
Short term lease liability	71 746	0	71 746
Derivatives	0	1 961	1 961
Trade creditors	153 951	0	153 951
Total	**867 041**	**44 016**	**911 057**

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) the Group have FX losses of 6,4 MNOK in 2023 and FX losses of 4,7 MNOK in 2022.

Note 14 – Trade receivablesand other current assest

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 1.800 as of 31 December 2023 (and TNOK 1.500 as of 31 December 2022).

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

	31.12.2023	31.12.2022
Inventory at purchase cost	366 219	329 087
Inventory write-downs to net realizable value	-9 630	-9 814
Inventories	**356 588**	**319 273**

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

Cost of goods sold

	2023	2022
Cost of goods sold	**1 038 165**	**1 003 854**
Stock losses	13 144	11 853
Change in provision for obselence	-107	3 436
Cost of goods sold	**1 051 202**	**1 019 143**

Note 16 – Cash and cash equivalents

	31.12.2023	31.12.2022
Cash in bank and in hand	569	2 914
Short-term bank overnight deposits	8 189	0
Total cash and cash equivalents	**8 758**	**2 914**

The Group does not have any restricted cash bank accounts.

Note 17 – Share capital

All amounts in NOK	Number of shares	Ordinary shares	Face value	Total face value
At 31 December 2023	26 782 200	26 782 200	0.05	1 339 110
At 31 December 2022	21 582 200	21 582 200	0.05	1 079 110

During 2023, the authorised share capital was increased by NOK 260,000 by the issue of 5,200,000 ordinary shares of NOK 0.05 each. Transaction costs for the issued share capital was NOK 2.8 million.

The top 20 shareholders per 31.12 are the following:

	31 December 2023	
	# Shares	Ownership
ACAPITAL ELIMP HOLDCO AS	6 568 923	24.5 %
VERDIPAPIRFOND ODIN NORGE	2 469 012	9.2 %
STENSHAGEN INVEST AS	1 504 348	5.6 %
VJ INVEST AS	1 365 970	5.1 %
VERDIPAPIRFONDET HOLBERG NORGE	1 144 801	4.3 %
Nordnet Bank AB	962 142	3.6 %
VARNER EQUITIES AS	882 268	3.3 %
VEVLEN GÅRD AS	700 000	2.6 %
NISS INVEST AS	582 032	2.2 %
J.P. Morgan SE	574 514	2.1 %
J.P. Morgan SE	512 241	1.9 %
MELESIO INVEST AS	505 500	1.9 %
VERDIPAPIRFONDET NORDEA NORGE VERD	493 770	1.8 %
KATHEMA AS	350 031	1.3 %
ROBERT IVERSEN HOLDING AS	305 696	1.1 %
AGIL CAPITAL AS	300 000	1.1 %
NORDNET LIVSFORSIKRING AS	274 073	1.0 %
STAVSMARK AS	268 319	1.0 %
KIÆR INVEST AS	266 749	1.0 %
T.D. VEEN AS	250 000	0.9 %

Key management and board shareholdings:

Name	Title	31.12.2023	31.12.2022
Vegard Vennatrø Søraunet (represents Acapital ELIMP Holdco AS)	Chairman of the board	6 568 923	0
Gaute Gillebo (represents Acapital ELIMP Holdco AS (2023) and Aeternum capital (2022))	Board member	6 568 923	3 568 911
Kjetil Garstad (represent Stenshagen Invest AS)	Board member	1 504 348	1 200 000
Kjersti Helen Krokeide Hobøl	Board member	13 609	11 000
Karl Andreas Alexander Niss (100% of Niss Invest AS)	CEO	582 032	545 075
Jørgen Waldal Wist (100% J. Wist Holding AS)	CFO	146 422	133 379

Note 18 – Labilities to financial institutions

	31.12.2023	31.12.2022
Long term		
Bank loans	255 000	295 000
Total long term liabilities to financial institutions	**255 000**	**295 000**
Short term		
Bank loans	40 000	40 000
Total short term liabilities to financial institutions	**40 000**	**40 000**
Total liabilities to financial institutions	**295 000**	**335 000**

Bank loans mature March 2025. Average interest rate in 2023 is 7.4% (2022: 4.5%). The Groups loan facility was renegotiated after the balance sheet date as outlined in Note 25 - Subsequent events.

Total loans include secured liabilities (bank and collateralized loans) of TNOK 295 000 (2022: TNOK 335 000). The Group has a bank overdraft of TNOK 120 000. The Bank loans 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:

	01.01.2023	Cash flow	New	Leases	31.12.2023
Current liabilities to financial institutions	43 887	-40 000	47 721		51 608
Current lease liabilities (note 22)	71 746	-71 746	68 270		68 270
Non-current liabilities to financial institutions	295 000		-40 000		255 000
Non-current lease liabilities	306 344			36 548	342 892
Dividends payable	-	-10 791	10 791		-
Total liabilities from financing activities	**716 977**	**-122 537**	**86 782**	**36 548**	**717 770**

Note 19 – Other operating expenses

	2023	2022
Other expenses in leased premises other than IFRS 16	21 387	24 241
Advertising and other marketing costs	39 834	39 799
Other expenses	83 900	81 760
Total other expenses	**145 121**	**145 800**

Note 20 – Post-employments 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:	2023	2022
Pensions earned this year - the group pension scheme	8 001	7 335
Social security fees	1 260	1 150
Net pension expenses	9 261	8 485

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 2023 and 2022, beyond the transactions disclosed in note 6.

Note 22 – Leases

The Group leases several assets such as offices, warehouses (retail stores), machinery and equipment and

Right-of-use assets	Buildings	Machinery and equipment	Total
Acquisition cost 1 January 2023	**458 463**	**40 024**	**498 487**
Additions	94 845	-326	**94 518**
Currency exchange differences	1 873	-1	**1 872**
Acquisition cost 31 December 2023	**555 181**	**39 697**	**594 878**
Accumulated depreciation and impairment 1 January 2023	**150 743**	**16 297**	**167 040**
Depreciation	59 082	4 836	**63 918**
Accumulated depreciation and impairment 31 December 2023	**209 825**	**21 133**	**230 958**
Carrying amount of right-of-use assets 31 December 2023	**345 356**	**18 564**	**363 920**
Lower of remaining lease term or economic life	5-10 years	3-10 years	
Depreciation method	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Buildings	Machinery and equipment	Total
Less than 1 year	79 983	5 933	**85 916**
1-2 years	78 733	5 662	**84 395**
2-3 years	70 904	4 874	**75 778**
3-4 years	62 078	3 026	**65 104**
4-5 years	51 911	2 391	**54 302**
More than 5 years	107 575	1 989	**109 564**
Total undiscounted lease liabilities at 31 December 2023	**451 185**	**23 875**	**475 060**

Summary of the lease liabilities	Buildings	Machinery and equipment	Total
Lease liabilities at 1 January 2023	351 310	26 780	**378 090**
Additions and adjustments	94 845	-326	**94 518**
Interest expense	17 704	1 157	**18 861**
Lease payments	-76 095	-6 187	**-82 282**
Currency exchange differences	1 919	56	**1 975**
Total lease liabilities at 31 December 2023	**389 683**	**21 479**	**411 162**
Current lease liabilities	63 242	5 028	**68 270**
Non-current lease liabilities	326 441	16 451	**342 892**

Additions and adjustments include new contracts, renegotiated contracts, extensions, and index adjustments on existing contracts.

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 and loss	2 023	2 022
Variable lease payments expensed in the period	**0**	909
Operating expenses in the period related to low value assets	3 761	100
Total lease expenses included in other operating expenses	**3 761**	**1 009**

Note 23 – Deferred and contingent consideration

Earn-out consideration

The Group has an earn-out consideration in relation to the acquisition of the Elbutik Scandinavia in 2022 and hold a balance of NOK 43.6 million in 2023 (2022: NOK 42.1 million).

The earn-out is contingent on the performance of the Elbutik business against EBITDA growth targets for the Swedish operation excluding cost from establishment of physical stores over a period of up to four years from the acquisition date. Expected cash outflows are estimated based on the terms of the purchase contract and the entity's knowledge of the business and how the current economic environment is likely to impact it. The Group is required to remeasure that liability at fair value at each reporting date with changes in fair value recognised in profit or loss in accordance with IFRS 9.

Note 24 – Resent accounting development

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for the financial year beginning 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 where Note 2 has been updated accordingly. The Group has considered the following standards whose impact is not deemed to be material:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

For the period covered by this report, no standards and interpretations are early adopted.

Note 25 – Subsequent events

On 14 February 2024 the Group announced refinancing of the group debt and a private placement of NOK 150 million. The Group has agreed with DNB Bank ASA to refinance its existing bank facilities into (i) a new NOK 220 million term loan and (ii) a new NOK 120 million overdraft facility.

The facilities will have no NIBD/EBITDA (based on NGAAP) covenant in Q1 2024, Q2 2024 and Q3 2024, and will have a NIBD/EBITDA covenant of 4.0x in Q4 2024. In 2025, the NIBD/EBITDA covenant is 4.0x in Q1, 4.0x in Q2, 3.75x in Q3 and 3.5x in Q4. From 2026, the NIBD/EBITDA covenant is 3.5x in Q1 – Q3 and 3.0 in Q4. In addition, the facilities will have a liquidity covenant of minimum NOK 40 million on the basis of cash or undrawn amount under the overdraft facility.

The Company has repaid NOK 75 million under the current facilities with proceeds from the Private Placement. There will be no further amortization in 2024. NOK 40 million in yearly amortization will be reinstated from December 2025.

On 29 February 2024, the General Meeting approved issue of 20,000,000 new shares, and the Private Placement was formally approved. On 1 March 2024, it was registered with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret) and the Company`s share capital was increased by NOK 1,000,000.

As an extension of the private placement a Subsequent Offering was initiated 22 March 2024. The Subsequent Offering consists of an offer by the Company to issue up to 4,000,000 new shares with equal conditions to the subscription price in the private placement.

In the period between 31 December 2023 and the date of these financial statements, the Board of Directors is not aware of any matter or circumstance not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group.

Annual accounts

Elektroimportøren AS 2023

Income statement

Balance sheet

Cash flow statement

Notes

Income statement

Operating expenses	Note	2023	2022
Payroll expenses	2	1 198 052	1 255 100
Depreciation of tangible and intangible fixed assets		350 004	0
Other operating expenses	2	3 897 700	1 909 308
Total operating expenses		5 445 756	3 164 408
Operating result		-5 445 756	-3 164 408

Financial income and expenses	Note	2023	2022
Income from investments in subsidiaries and associated companies		44 487 959	102 447 767
Interest income from group companies		6 266 424	3 614 390
Other interest expenses		12 532 584	8 754 963
Other financial expenses		3 053 155	1 603 241
Net financial items		35 168 644	95 703 953
Ordinary result before tax		29 722 888	92 539 545
Tax on ordinary result	3	5 927 701	20 367 508
Net profit or loss for the year		23 795 187	72 172 037

Allocated as follows	Note	2023	2022
Proposed dividends		0	10 000 000
Transferred to other equity		23 795 187	62 172 037
Total allocations		23 795 187	72 172 037

Balance sheet as of December 31

Fixed assets	Note	2023	2022
Intangible assets			
Concessions, patents, licences, trademarks, and similar rights		1 399 996	1 750 000
Total intangible assets		1 399 996	1 750 000
Financial assets			
Investments in subsidiaries	4, 5	125 670 100	125 670 100
Loans to group companies	6	90 379 496	84 113 072
Total financial assets		216 049 596	209 783 172
Total fixed assets		217 449 592	211 533 172

Current assets	Note	2023	2022
Receivables			
Other receivables from companies in the same group	6	255 021 783	167 277 267
Other receivables		514 097	450 311
Total accounts receivable		255 535 880	167 727 578
Cash and cash equivalents	5, 7	16 649	73 213
Total current assets		255 552 529	167 800 791
Total assets		473 002 121	379 333 963

Balance sheet as of December 31

Equity	Note	2023	2022
Paid-in capital			
Share capital	8, 9	1 339 110	1 079 110
Share premium reserve	9	193 322 633	76 761 428
Total paid-in capital		194 661 743	77 840 538
Retained earnings			
Other equity	9	125 836 828	102 832 740
Total retained earnings		125 836 828	102 832 740
Total equity		320 498 571	180 673 278

Liabilities	Note	2023	2022
Provisions			
Deferred tax liability	3	0	6 417
Total provisions		0	6 417
Other long-term liabilities			
Other long-term liabilities	10	125 800 000	145 533 334
Total other long-term liabilities		125 800 000	145 533 334
Other long-term liabilities			
Liabilities to financial institutions	10	19 733 333	19 733 333
Trade creditors		245 866	2 222 795
Tax payable	3	5 934 118	20 361 091
Dividends		0	10 000 000
Other short-term liabilities		790 233	803 715
Total current liabilities		26 703 550	53 120 934
Total liabilities		152 503 550	198 660 685
Total equity and liabilities		473 002 121	379 333 963

Oslo, 14 April 2024

Vegard Søraunet
Chair of the board

Gaute Gillebo
Board member

Eja Tuominen
Board member

Kjersti Helen Krokeide Hobøl
Board member

Kjetil Garstad
Board member

Andreas Niss
CEO

Cash flow statement

Cash flow from operating activities	2023	2022
Ordinary result from tax	29 722 888	92 539 545
Taxes paid	-20 361 091	-28 109 358
Depreciation of intangible assets	350 004	0
Changes in inventories, trade receivables and trade payables	-1 976 929	2 215 801
Items classified as investing or financing activities	-44 487 959	-102 447 767
Changes in other current balance sheet items	-77 268	-1 426 968
Net cash flow from operating activities	-36 830 355	-37 228 747
Cash flow from investing activities		
Purchase of other investments	0	-1 750 000
Net cash flow from investing activities	0	-1 750 000
Cash flow from financing activities		
Repayment of long-term loans	-19 733 333	-19 733 333
Increase in share capital	116 821 205	64 829 500
Dividends paid	-10 791 100	-60 000 000
Net change Intercompany balance	-94 010 940	-48 647 959
Group contribution	44 487 959	102 447 767
Net cash flow from financing activities	36 773 791	38 895 975
Net change in cash and cash equivalents	-56 564	-82 772
Cash and cash equivalents as of 01.01	73 213	155 985
Cash and cash equivalents as of 31.12	16 649	73 213

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non-incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Note 2 - Payroll expenses, number of employees and loans to employees and auditor's fee

There are no employees in the company during the year.

The payroll expenses are related to board remuneration.

The company is not required to have an occupational pension scheme in accordance with the Act of Mandatory Occupational Pensions.

Auditor fee has been divided as follows	2023	2022
Audit fee	270 750	270 750
Other services	102 000	269 860
Total	372 750	540 610

VAT is not included in the auditor fees.

Note 3 - Income taxes

Income tax expenses	2023	2022
Tax payable	5 934 117	20 361 091
Change in deferred tax	-6 417	6 417
Total income tax expense	5 927 700	20 367 508
Tax base estimation	2023	2022
Ordinary result before tax	29 722 888	92 539 545
Permanent differences	-2 778 795	40 035
Group Contributions	-44 487 959	-102 447 767
General income	-17 543 866	-9 868 187
Group Contributions	44 487 959	102 447 767
Tax base	26 944 093	92 579 580
Total income tax expense	5 927 700	20 367 508

Temporary differences outlined	2023	2022
Fixed assets	0	29 167
	0	29 167
Deferred income tax liability (22%)	0	6 417

Note 4 - Investment in subsidiaries and associate

Company	Acquisition cost	Location	Share owners	Net profit 2023	Equity 31.12
Elektroimportøren Holding AS	125 670 100	Oslo	100 %	2 517 252	142 307 704

Note 5 - Mortgages and guarantees

Shares in Elektroimportøren Holding AS have been pledged for the Group's dept obligations to credit institutions.

Note 6 - Intercompany balance with group and associated companies

Receivables	2023	2022
Intercompany loan to Namron AS	39 766 441	37 009 251
Intercompany loan to Elektroimportøren Norge AS	50 613 056	47 103 822
Short-term receivables Elektroimportøren Norge AS	118 033 891	49 717 999
Short-term receivables Namron AS	73 413 492	52 729 768
Short-term receivables Elektroimportøren Holding AS	63 574 400	64 829 500
Total intercompany receivables	345 401 280	251 390 340

Note 7 - Bank deposit

The company has no restricted bank deposits. Other group companies are covered by the tax deduction guarantee.

Note 8 - Shareholders and share capital

Share capital	Number of shares	Face value	Book value
Ordinary shares	26 782 200	0.05	1 339 110

The company is listed on Euronext Growth Oslo.

During 2023, the authorised share capital was increased by NOK 260,000 by the issue of 5,200,000 ordinary shares of NOK 0.05 each. Transaction costs for the issued share capital was NOK 2.8 million.

The company has 26 782 200 shares, with a nominal value of NOK 0.05, giving a total share capital of NOK 1 339 110. All shares have equal voting rights.

The top 20 shareholders per 31.12 are the following:

	31 December 2023	
	#share	Ownership
ACAPITAL ELIMP HOLDCO AS	6 568 923	24.5 %
VERDIPAPIRFOND ODIN NORGE	2 469 012	9.2 %
STENSHAGEN INVEST AS	1 504 348	5.6 %
VJ INVEST AS	1 365 970	5.1 %
VERDIPAPIRFONDET HOLBERG NORGE	1 144 801	4.3 %
Nordnet Bank AB	962 142	3.6 %
VARNER EQUITIES AS	882 268	3.3 %
VEVLEN GÅRD AS	700 000	2.6 %
NISS INVEST AS	582 032	2.2 %
J.P. Morgan SE	574 514	2.1 %
J.P. Morgan SE	512 241	1.9 %
MELESIO INVEST AS	505 500	1.9 %
VERDIPAPIRFONDET NORDEA NORGE VERD	493 770	1.8 %
KATHEMA AS	350 031	1.3 %
ROBERT IVERSEN HOLDING AS	305 696	1.1 %
AGIL CAPITAL AS	300 000	1.1 %
NORDNET LIVSFORSIKRING AS	274 073	1.0 %
STAVSMARK AS	268 319	1.0 %
KIÆR INVEST AS	266 749	1.0 %
T.D. VEEN AS	250 000	0.9 %

Key management and board shareholdings

Name	31.12.2023	31.12.2022
Vegard Vennatrø Søraunet (represents Acapital ELIMP Holdco AS)	6 568 923	0
Gaute Gillebo (represents Acapital ELIMP Holdco AS (2023) and Aeternum capital (2022))	6 568 923	3 568 911
Kjetil Garstad (represent Stenshagen Invest AS)	1 504 348	1 200 000
Kjersti Helen Krokeide Hobøl	13 609	11 000
Karl Andreas Alexander Niss (100% of Niss Invest AS)	582 032	545 075
Jørgen Waldal Wist (100% J. Wist Holding AS)	146 422	133 379

Note 9 - Owners equity

	Share capital	Share	Other equity	Total
Owners equity 01.01.	1 079 110	76 761 428	102 832 740	180 673 278
Profit for the year	0	0	23 795 187	23 795 187
Issued capital	260 000	116 561 205	0	116 821 205
Diff. dividend declared and dividend paid	0	0	-791 100	-791 100
Owners equity 31.12.	1 339 110	193 322 633	125 836 827	320 498 570

Note 10 - Other long-term liabilities

	2023	2024
Liabilities to financial institutions	125 800 000	145 533 334

The company is indebted to credit institutions of NOK 145 533 333 (out of a total facility of NOK 515 000 000, including an overdraft facility in Namron AS of NOK 120 000 000). Of the total debt to credit institutions, NOK 19 733 333 are classified as current liabilities (1st year instalments). Remaining debt matures within 2 years.

Also refer to Note 11.

Note 11 - Subsequent events

On 14 February 2024 the Group announced refinancing of the group debt and a private placement of NOK 150 million. The Group has agreed with DNB Bank ASA to refinance its existing bank facilities into (i) a new NOK 220 million term loan and (ii) a new NOK 120 million overdraft facility.

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As an extension of the private placement a Subsequent Offering was initiated 22 March 2024. The Subsequent Offering consists of an offer by the Company to issue up to 4,000,000 new shares with equal conditions to the subscription price in the private placement

In the period between 31 December 2023 and the date of these financial statements, the Board of Directors is not aware of any matter or circumstance not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group.

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Elektroimportøren AS

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 2023 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 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

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 2023 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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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 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 of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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.
- 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, 15 April 2024
ERNST & YOUNG AS

Trond Stian Nytveit
State Authorised Public Accountant (Norway)