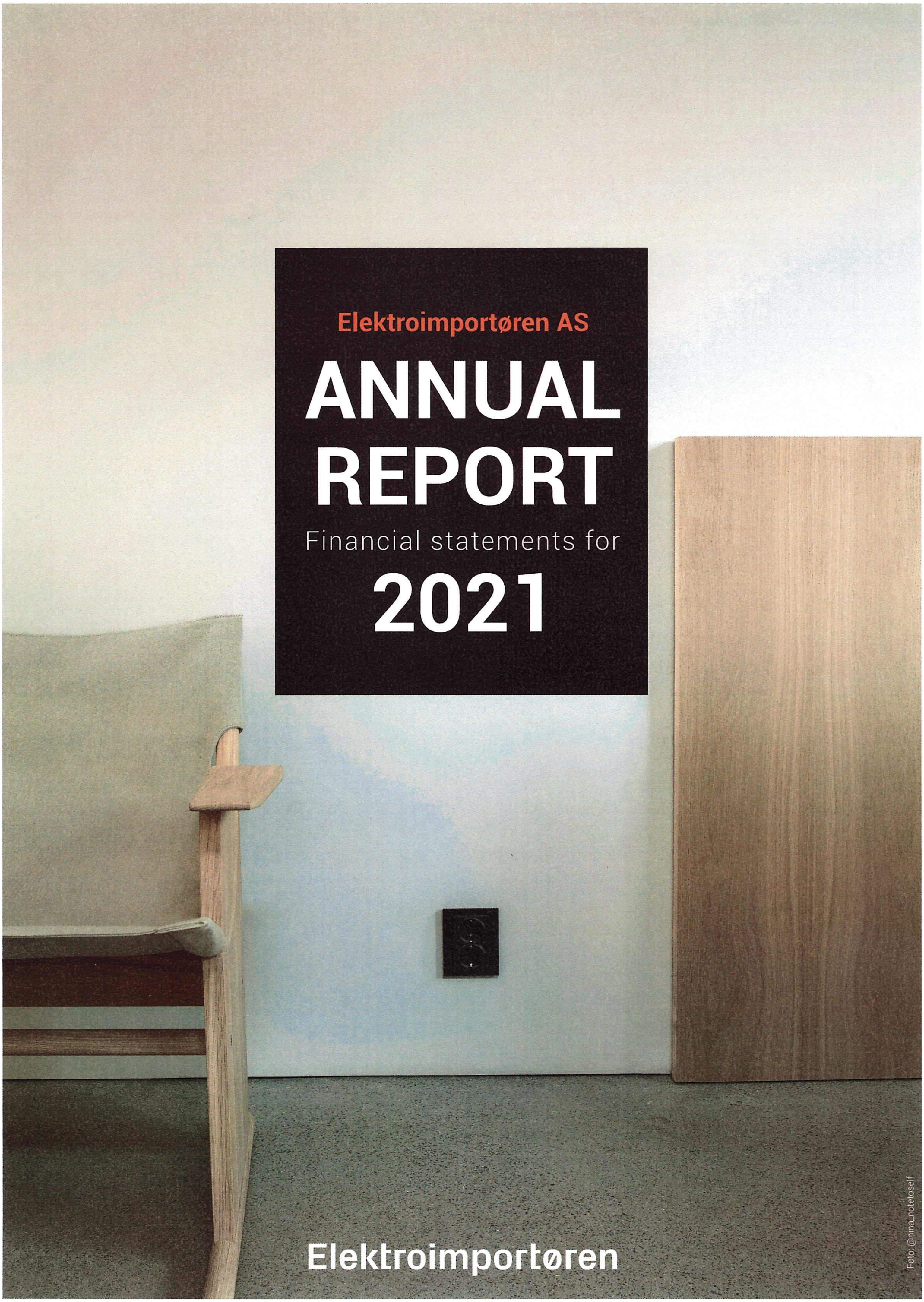

Elektroimportøren AS

ANNUAL REPORT

Financial statements for

2021

Elektroimportøren

CONTENTS

Board of Directors report 2021 – Elektroimportøren AS

Operations and locations

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

- Elektroimportøren Holding AS
- Elektroimportøren Norge AS
- Namron AS
- Spoton AS

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

The Group are selling electro material, lighting, and other electroinstallation products to private consumers and to the professional market through online and physical stores. During 2021 two new stores are opened (Jessheim and Stavanger), and at year end 2021 the Group have 25 physical stores in addition to the online store.

There is a growing demand for the products the Group offers to the customers, especially smart-home products and electrical vehicle chargers.

In 2021 we have changed from local accounting standards (NGAAP) to IFRS. The financial statements for 2021 is therefore the first year where the Group are reporting financial information in accordance with IFRS. Accordingly historical figures for 2020 including opening balance sheet as of 1 January 2020 are restated in line with IFRS.

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 2022 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Future outlook

We expect there will be an increase in demand for the Group`s products, especially within smart-home products, electrical vehicle chargers and products within general electrification. The Group are also expecting to open new physical stores during 2022 and the coming years.

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

Comments relating to the financial statements

The Group`s revenue increased from 1,316 MNOK last year to 1,485 MNOK in 2021. Net income in 2021 was 97.3 MNOK, at last year 79.9 MNOK. Sales growth, and increased cost efficiency contributed to a satisfactory financial result in 2021.

Total cash flow from operating activities was 116.6 MNOK, while profit before taxes was 124.6 MNOK. The variance is mainly due to increase in inventory and trade receivables, partially offset by increase in trade creditors.

Total capital expenditure for the Group in 2021 was 34.9 MNOK.

Total cash and cash equivalents as og 31 December 2021 were 76.4 MNOK, and the Group`s ability to self-finance investments is good.

The Group's financial position is sound and adequate enough to settle short-term debt as of 31.12.2021 with the Group's most liquid assets, and available credit facilities. The Group`s equity ratio at 31.12.2021 was 24.9%

Financial risk

Overall vie won objectives and strategy

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

In the Group's opinion, there is no specific risk related to achieving the goals set for the business in 2022 or in the years to come, and a further growth in sales and earnings is expected by establishing new stores and increasing effectiveness throughout the entire value chain.

Market risk

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

Credit risk

Credit is given to private businesses as well as public authorities and departments. Historically, the extent of losses has been small. As at 31 December 2021, the risk for losses on receivables is considered to be moderate, and we have a provision of NOK 1 500 000 in the balance sheet that should be adequate to cover the risk for losses. The provision is unchanged from last year.

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

Liquidity risk

The Group's liquidity is considered to be good. Further efforts in improving the purchase to sale lifecycle will contribute to increase the liquidity. We also have adequate flexibility in established

Working environment and employees

There are no employees in the parent company. The number of employees in the Group at the end of 2021 were 492, of which 83 women. The leave of absence due to illness totalled 6,8% of the permanent workforce. This is a reduction compared to 2020, but still higher than in 2019 and prior years. The relative high level is mainly due to the Covid-19 virus. 3,4% of the absence was long-term.

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

Gender equality and discrimination

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

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

Key figures:

- Employees in the Group comprise 409 men and 83 women at the end of the year
- Temporarily employed (including temps from agencies) during the year have been 185, of which 20% women
- Part-time employees constitute 81, of which 14% are women
- The average number of weeks of sick-child leave for women is 39 and 15 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, and during 2021, the number of women in leading positions has increased (department store managers).

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

Environmental reporting

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

Events after the balance sheet date

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

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

Cash amount paid on 3 March 2022 was 186,6 MSEK. The Board of Directors of Elektroimportøren AS has resolved to increase the share capital of the Company by NOK 42,500 through the issuance of 850,000 new shares at a subscription price of NOK 76.27 per share. Total purchase price including shares and cash amount and fair value as of the transaction date 3 March was 257,4 MSEK.

The capital increase has been resolved in the basis of the authorization given by the extraordinary general meeting held 18 February 2022. The consideration shares are subject to a 24-month lock-up period. Following registration of the new shares with the Norwegian Register of Business Enterprises, the Company's share capital will be NOK 1,079,110, divided among 21,582,200 shares, each with a par value of NOK 0.05.

Lades AB will be entitled to a potential earn-out based on Elbutik.se's EBITDA for 2022 to 2025, which may bring the aggregate purchase price up to MSEK 292.5 (including shares and cash amount).

Elbutik.se is Sweden's largest online player in the market for electric installation material and related products to private consumers. This acquisition opens up the Swedish market of SEK 15 billion for Elektroimportøren's concept.

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

The Group is not directly exposed to the Russian invasion of Ukraine, still we closely monitor the development in consumer confidence.

Elektroimportøren AS was certified as «miljøfyrtårn» at the start of February 2022.

Oslo, 24 March 2022

Amund Skarholt
Chair person

Andreas Niss
CEO

Gaute Gillebo
Board member

Robert Ingberg Iversen
Board member

Kjersti Helen Krokeide Hobøl
Board member

Ronny Blomseth
Board member

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All amounts in NOK 1000	Notes	Year ended 31 December 2021	2020
Revenue	5	1 484 981	1 312 613
Other income		349	3 281
Total revenue and income		**1 485 330**	**1 315 894**
Cost of goods sold	15	912 305	798 389
Employee benefits expense	6	243 321	219 294
Depreciation and amortisation expense	11	77 325	70 740
Impairment of tangible and non tangible assets	11,12	9	1 364
Other operating expenses	9	107 446	94 081
Total operating expenses		**1 340 406**	**1 183 868**
Operating profit		**144 924**	**132 026**
Financial income	7	217	322
Financial expense	7	20 571	29 518
Net finance expenses		**-20 354**	**-29 196**
Profit before tax		**124 570**	**102 830**
Income tax expense	9	27 328	22 919
Profit for the year		**97 241**	**79 911**
Attributable to:			
Equity holders of the parent		97 241	79 911
Basic and diluted Earnings per share	**10**	**4,69**	**3,85**

OTHER COMPREHENSIVE INCOME

Profit for the year	**97 241**	**79 911**
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
Other comprenhensive income for the year, net of tax	0	0
Total comprehensive income for the year net of tax	**97 241**	**79 911**
Attributable to:		
Equity holders of the parent	97 241	79 911

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1000

	Notes	31.12.2021	31.12.2020	01.01.2020
ASSETS				
Goodwill	12	185 077	185 084	185 090
Trademark and other intangible assets	12	6 807	7 356	7 905
Total intangible assets		**191 884**	**192 440**	**192 996**
Property, plant and equipment	11,22	457 712	435 374	423 710
Total tangible assets		**457 712**	**435 374**	**423 710**
TOTAL NON CURRENT ASSETS		**649 596**	**627 814**	**616 706**
Inventories	15	263 898	208 160	204 555
Trade receivables	14	64 239	54 387	40 572
Other current assets	13,14	40 572	28 495	21 180
Total receivables and other current assets		**104 811**	**82 881**	**61 751**
Cash and cash equivalents	16	**76 435**	**94 080**	**894**
TOTAL CURRENT ASSETS		445 144	385 122	267 200
TOTAL ASSETS		**1 094 740**	**1 012 936**	**883 906**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1000

	Notes	31.12.2021	31.12.2020	01.01.2020
EQUITY AND LIABILITIES				
Share capital		1 037	1 037	1 037
Share premium		11 974	11 974	11 974
Total paid-in equity		**13 011**	**13 011**	**13 011**
Retained earnings		261 164	213 923	134 011
TOTAL EQUITY		**274 175**	**226 934**	**147 022**
Deferred tax liability	20	-4 167	-3 087	512
Non current lease liabilities	22	293 497	278 344	262 234
Non current liabilities to financial institutions	18	165 000	185 000	185 000
Other non current liabilities		-2 122	-3 205	30 000
TOTAL NON CURRENT LIABILITIES		**452 208**	**457 052**	**477 746**
Current lease liabilities	23	61 052	52 546	48 145
Current liabilities to financial institutions	18	20 000	20 000	52 202
Trade creditors	3	149 670	120 798	90 948
Taxes payable	20	28 408	26 518	7 990
Public duties payable		45 076	50 559	30 455
Other current liabilities		64 151	58 529	29 398
TOTAL CURRENT LIABILITIES		**368 357**	**328 950**	**259 138**
TOTAL LIABILITIES		**820 565**	**786 002**	**736 884**
TOTAL EQUITY AND LIABILITIES		**1 094 740**	**1 012 936**	**883 906**

Oslo, 24 March 2022

Amund Skarholt
Chair person

Andreas Niss
CEO

Gaute Gillebo
Board member

Robert Ingberg Iversen
Board member

Kjersti Helen Krokeide Hobøl
Board member

Ronny Blomseth
Board member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

all amounts in NOK 1000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in NOK 1000

		Year ended 31 December	
	Notes	**2021**	**2020**
Profit before income tax		124 570	102 830
Taxes paid in the period	9	- 26 518	- 7 990
Depreciation and impairment	11	77 325	72 104
Interest		24 705	25 712
Change in working capital			
Change in inventory		- 55 737	- 3 605
Change in trade receivables		- 9 853	- 13 815
Change in trade creditors		28 872	29 849
Change in other short term liabilities		- 11 807	41 920
Net cash flow from operations		**151 556**	**247 005**
Cash flow from investments			
Purchase of fixed assets	11	- 34 921	- 30 860
Net cash flow from investments		**- 34 921**	**- 30 860**
Cash flow from financing			
Proceeds from long term borrowings		-	205 000
Repayment of revolving credit facility			- 32 201
Repayment of term loans		- 20 000	- 205 000
Interest paid		- 5 461	- 9 876
Interest received		217	322
Other long term liabilities		-	- 30 000
Lease payments for the principal portion of lease liability		- 59 036	- 51 204
Dividend payments to shareholders		- 50 000	-
Net cash flow from financing		**- 134 280**	**- 122 959**
Cash and cash equivalents at the beginning of the period		**94 080**	**894**
Net change in cash and cash equivalents		- 17 644	93 186
Cash and cash equivalents at the end of the period		**76 436**	**94 080**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION AND FIRST TIME ADOPTION OF IFRS

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 25 physical stores.

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 2021 were authorised for use by the Board of directors on 24 March 2022.

1.2 First time adoption of IFRS

These financial statements, for the year ended 31 December 2021, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the Group prepared its financial statements in accordance with Norwegian generally accepted accounting principles (NGAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the summary of significant accounting policies.

In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2020 and the financial statements as of, and for, the year ended 31 December 2020.

The Group has decided to use the following exemptions from the retrospective application of requirements under IFRS;

- The Group assessed all contracts existing as at 1 January 2020 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2020.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2020. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Estimates

The estimates as at 1 January 2020 and at 31 December 2020 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies. The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions as at 1 January 2020, the date of transition to IFRS and as at 31 December 2020.

Group reconciliation of equity as at 1 January 2020 (date of transition to IFRS)

	Notes	NGAAP 31.12.2019	Reclassification and remeasurement	IFRS 01.01.2020
ASSETS				
Goodwill	A	131 864	53 226	185 090
Trademark		7 824		7 824
Other intangible assets		81		81
Total intangible assets		**139 769**	**53 226**	**192 996**
Property, plant and equipment	B	124 518	299 192	423 710
Total tangible assets		**124 518**	**299 192**	**423 710**
TOTAL NON CURRENT ASSETS		**264 288**	**352 418**	**616 706**
Inventories		204 555		204 555
Trade receivables		40 572		40 572
Other current assets	C	21 925	-745	21 180
Total receivables		**62 496**	**-745**	**61 751**
Cash and cash equivalents		**894**		**894**
TOTAL CURRENT ASSETS		267 945	-745	267 200
TOTAL ASSETS		**532 233**	**351 673**	**883 906**

	Notes	NGAAP 31.12.2019	Reclassification and remeasurement	IFRS 01.01.2020
EQUITY AND LIABILITIES				
Share capital		1 037		1 037
Share premium		11 974		11 974
Total paid-in equity		**13 011**		**13 011**
Retained earnings		81 265	52 747	134 011
TOTAL EQUITY		**94 276**	**52 747**	**147 022**
Deferred tax liability	E	676	-164	512
Non current lease liabilities	B	455	261 779	262 234
Non current liabilities to financial institutions		185 000		185 000
Other non current liabilities	B	39 469	-9 469	30 000
TOTAL NON CURRENT LIABILITIES		**225 599**	**252 146**	**477 745**
Current lease liabilities	B	-	48 145	48 145
Current liabilities to financial institutions		52 202		52 202
Trade creditors		90 948		90 948
Taxes payable		7 990		7 990
Public duties payable		30 455		30 455
Other current liabilities	D	30 763	-1 364	29 398
TOTAL CURRENT LIABILITIES		**212 358**	**46 781**	**259 138**
TOTAL LIABILITIES		**437 957**	**298 927**	**736 884**
TOTAL EQUITY AND LIABILITIES		**532 233**	**351 673**	**883 906**

Group reconciliation of equity as at 31 december 2020 (date of transition to IFRS)

	Notes	NGAAP 31.12.2020	Reclassification and remeasurement	IFRS 31.12.2020
ASSETS				
Goodwill	A	122 605	62 479	185 084
Trademark		7 275		7 275
Other intangible assets		81		81
Total intangible assets		**129 961**	**62 479**	**192 440**
Property, plant and equipment	B	142 778	292 596	435 374
Total tangible assets		**142 778**	**292 596**	**435 374**
TOTAL NON CURRENT ASSETS		**272 739**	**355 074**	**627 814**
Inventories		208 160		208 160
Trade receivables		54 387		54 387
Other current assets	C	28 251	244	28 495
Total receivables		**82 637**	**244**	**82 881**
Cash and cash equivalents		**94 080**		**94 080**
TOTAL CURRENT ASSETS		384 878	244	385 122
TOTAL ASSETS		**657 617**	**355 318**	**1 012 936**

	Notes	NGAAP 31.12.2020	Reclassification and remeasurement	IFRS 31.12.2020
EQUITY AND LIABILITIES				
Share capital		1 037		1 037
Share premium		11 974		11 974
Total paid-in equity		**13 011**		**13 011**
Retained earnings		112 535	101 387	213 923
TOTAL EQUITY		**125 546**	**101 387**	**226 934**
Deferred tax liability	E	43	-3 130	-3 087
Non current lease liabilities	B	0	278 344	278 344
Non current liabilities to financial institutions		202 923	-17 923	185 000
Other non current liabilities		-	-3 205	-3 205
TOTAL NON CURRENT LIABILITIES		**202 965**	**254 087**	**457 052**
Current lease liabilities	B	-	52 546	52 546
Current liabilities to financial institutions		22 702	-2 702	20 000
Trade creditors		120 798		120 798
Taxes payable		26 518		26 518
Public duties payable		50 559		50 559
Other current liabilities	D	108 529	-50 000	58 529
TOTAL CURRENT LIABILITIES		**329 106**	**-156**	**328 950**
TOTAL LIABILITIES		**532 071**	**253 931**	**786 002**
TOTAL EQUITY AND LIABILITIES		**657 617**	**355 318**	**1 012 936**

Group reconciliation of consolidated statement of profit and loss for the year ended 31 December 2020

	NGAAP	Remeasurement	2020
Revenue	1 312 613		1 312 613
Other income	3 281		3 281
Total revenue and income	**1 315 894**		**1 315 894**
Cost of goods sold	798 389		798 389
Employee benefits expense	219 294		219 294
Depreciation and amortisation expense	31 754	38 986	70 740
Impairment of tangible and non tangible assets	1 364		1 364
Other operating expenses	143 491	-49 410	94 081
Total operating expenses	**1 194 292**	**-10 424**	**1 183 868**
Operating profit	**121 602**	**10 424**	**132 026**
Financial income	322		322
Financial expense	14 768	14 749	29 518
Net finance expenses	**-14 446**	**-14 749**	**-29 196**
Profit before tax	**107 155**	**-4 325**	**102 830**
Income tax expense	25 885		22 919
Profit for the year	**81 270**	**-4 325**	**79 911**
Basic and diluted Earnings per share			**3,85**

A - Intangible assets

Under Local GAAP, Goodwill related to a former business combination in 2014, has been amortised. According to IFRS Goodwill shall not be amortised, hence the amortised amount is reversed in the balance sheet as of 1 January 2020. The corresponding adjustment has been recognized as increase in retained earnings.

B - Leases

Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 2.3.l), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognised an increase of 310,378,792 (31 December 2020: 330,890,433) of lease liabilities included under interest-bearing loans and borrowings and 310,578,792 (31 December 2020: 313,099,782) of right-of-use assets.

The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Right of use assets have been included in property, plant and equipment in the consolidated statement of financial position.

C - Other receivables

The fair value of forward foreign exchange contracts is recognised under IFRS and was not recognised under NGAAP. The contracts have been measured at fair value as at the date of transition to IFRS. The corresponding adjustment has been recognised as finance costs or finance income.

D - Trade and other payables

Under NGAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IFRS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Group, the declaration of dividend occurs after period end. Therefore, the liability recorded for this dividend has been derecognised against retained earnings as at 31 Desember2020.

E - Deferred tax

The various transitional adjustments resulted in various temporary differences. According to the accounting policies in Note 2.3, the Group must recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. No deffered tax element is recognised for Goodwill.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

2.2 Consolidation and business combinations

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

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

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.

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

2.3 Segment reporting

As for 2021 Elektroimportøren do not have any operation outside Norway. The internet sales are below 20% of total sales, and it is not a defined reporting segment internally. We are therefore not treating this as a reportable segment. Sales are not separated into geographical regions. This means that we do only have one segment. Going forward, as we start to consolidate Elbutik (acquired March 2022, see note 24), we will report Sweden as a segment in our financial reporting.

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.

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, 100% of the goodwill is related to the existing operation in Norway.

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 f 20 years. Amortisation is calculated using the straight-line method to allocate their cost over the estimated useful life. The assets` useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. And asset`s carrying amount is written down to recoverable amount if the asset`s carrying amount is greater than it`s estimated recoverable amount.

2.7 Impairment of non-financial assets

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

2.8 Financial assets

2.8.1 Classification

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

(a) Financial assets at fair value through profit or loss are derivative instruments not designated as hedging instruments. The Group currently does not have any financial assets at fair value through profit or loss.
(b) Financial assets at amortised cost are Trade receivables, based on the classification model SPPI are held at amortized cost. All trade receivables are classified as current assets.

2.8.2 Recognition and measurement

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

2.8.3 Impairment of financial assets

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

2.9 Offsetting financial instruments

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

2.10 Derivative financial instruments

The Group enters into certain derivative contracts to provide economic hedges for parts of the Group's exposure to currency rate risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value with changes through profit and loss at the end of each reporting period. The Group does not apply hedge accounting.

2.11 Inventories, purchased goods and changes in inventory

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

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As of year-end 2020 and 2021 the Group did not have any outstanding bank overdrafts.

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Trade payables

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

2.15 Liabilities from financial institutions

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

2.16 Current and deferred income tax

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

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

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

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

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

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

2.17 Provisions

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

2.18 Revenue recognition

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

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

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

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

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

2.19 Interest income

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

2.20 Dividend distribution

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

2.21 Employee benefits

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

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

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

2.22 Leases

The group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts for the retail stores represent a significant part of the number of contracts and values and are typically made for fixed periods of five to ten years. The contracts may include extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions. The termination of the lease term may require significant judgement, as discussed in note 5.2. The lease agreements does not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments, less any lease incentives receivable
- Amounts expected to be payable by the group under residual value guarantees

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

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

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

2.23 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

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

Foreign exchange risk
Exposures to currency exchange rates arise from the group's international purchases, which are primarily denominated in USD. The group uses foreign currency derivative contracts to hedge foreign exchange risk which are recorded at fair value. The group has no net investments in international operations recognised in the balance sheet. At 31. December 2021, the group had future contracts for 42% of the anticipated USD cash flow for a period of 12 months.

Sensitivity on change in USD vs NOK +10%	Purchase inUSD Effect on Profit before Tax	Effect on OCI
2021	14 070	0
2020	13 794	0

Sensitivity on change in USD vs NOK -10%	Purchase inUSD Effect on Profit before Tax	Effect on OCI
2021	-14 070	0
2020	-13 794	0

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

Sensitivity on interest on long term loan +1%	Long term loan Effect on Profit before Tax	Effect on OCI
2021	-2 050	0
2020	-2 050	0

Sensitivity on interest on long term loan -1%	Long term loan Effect on Profit before Tax	Effect on OCI
2021	2 050	0
2020	2 050	0

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

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

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

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

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

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

The table below analyses the group's non-derivative financial liabilities and 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 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex lease liabilities)	20 000	165 000			
Lease liabilities	63 061	62 004	6 077	59 984	186 301
Trade and other payables	287 305				
	370 366	**227 004**	**6 077**	**59 984**	**186 301**

At 31 December 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex lease liabilities)	20 000	20 000	165 000		
Lease liabilities	53 950	53 817	52 236	5 094	194 702
Trade and other payables	256 404				
	330 354	**73 817**	**217 236**	**5 094**	**194 702**

At 1 January 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex lease liabilities)	-	20 000	20 000	165 000	
Lease liabilities	49 386	46 393	46 034	44 244	204 417
Trade and other payables	158 791				
	208 177	**66 393**	**66 034**	**209 244**	**204 417**

Loans consist of one long term loan from DNB (note 18). The remaining balance on the long term TLA facility of TNOK 185 000 is due in Q4 2023 with annual instalments of TNOK 20 000.

3.2 Capital management

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

In order 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. The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interest bearing debt divided by EBITDA. Net interest bearing debt is calculated as total borrowings (including `current and non-current borrowings' as shown in the consolidated statement of financial position excluding financial derivatives) less cash and cash equivalents. EBITDA is calculated as earnings before interest, tax, depreciation and amortisation. The company has a strategic focus to maintain a sustainable quarterly gearing ratio below 2,5.

The gearing ratios 31 December 2021 and 2020 were as follows:

	31.12.2021	31.12.2020	01.01.2020
Total borrowings (note 18)	185 000	205 000	205 000
Financial leasing Autostore	17 555	20 178	9 469
Less: cash and cash equivalents (note 16)	76 435	94 080	- 31 156
Net interest bearing debt	126 120	131 098	245 625
EBITDA	219 785	204 130	204 131
Gearing ratio	**0,57**	**0,64**	**1,20**

Financial covenants are measured against NGAAP, hence the above table does not reflect gearing ratio according to loan agreement. For more information about covenant-limits, refer note 18. EBITDA (earnings before interest, tax, depreciation and amortisation) is operating profit excluding depreciation and amortization. Gearing ratio is net interest-bearing debt divided on EBITDA.

3.3 Fair value estimation

Assets	31.12.2021	31.12.2020	01.01.2020
Financial assets, change in fair value is recognised over P&L as part of financial income og losses			
Derivates at fair value			
- Foreign currency derivate contracts	2 000	-	-
Total assets	**2 000**	**-**	**-**

Liabilities	31.12.2021	31.12.2020	01.01.2020
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	-	3 141	745
Total liabilities	**-**	**3 141**	**745**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date (level 2 in the fair value hierarchy).

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

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 and gross margin.

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 actually 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 - REVENUE

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:

	2021	2020
Stores	1 279 249	1 132 564
E-commerce	195 336	172 736
Order receipts	8 591	7 314
Freight income	1 805	2 125
Other income	349	1 156
Total revenue	**1 485 330**	**1 315 894**

All turnover in the Group takes place in Norway.

Split of turnover between B2B and B2C:

	2021	2020
Sales to B2B	718 709	552 991
Sales to B2C	766 620	762 903
Total revenue	**1 485 330**	**1 315 894**

NOTE 6 - EMPLOYEE RENUMERATION AND AUDIT FEES

6a Employee benefit expense

	2021	2020
Wages and salaries	198 609	181 264
Social security cost	29 337	22 269
Board remuneration	1 300	1 300
Pension costs - defined contribution plans (note 20)	4 496	3 935
Other benefits	9 578	10 525
Total employee benefit expense	**243 321**	**219 294**
Number of full-time equivalents	378	348

There has not been any loans to emplyees or guarantees granted to emplyees for either 2021 or 2020.

Accruals

	2021	2020
Salary related accruals included in Other short-term liabilities	54 940	51 022
Total salary related accruals	**54 940**	**51 022**

6b Benefits key management personnel and board directors

Cash paid benefits

2021

Key Management	Position	Salary	Pension	Bonus	Other Benefits	Total
Karl Andreas Alexander Niss	CEO	2 509	181	5 184	157	8 031
Nils Petter Bjørnstad	CFO	2 199	181	2 104	171	4 655
Board of Directors						
Amund Skarholt	Chairman of the 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
Fredrik Toft Bysveen	*Resigned Feb'22*	*200*				200
Total		**6 008**	**362**	**7 288**	**328**	**13 986**

2020

Key Management	Position	Salary	Pension	Bonus	Other Benefits	Total
Karl Andreas Alexander Niss	CEO	2 384	168	0	151	2 703
Nils Petter Bjørnstad	CFO	1 993	168	0	171	2 333
Board of Directors						
Robert Ingberg Iversen	Chairman of the Board	300				300
Geir Mosether	Board member	300				300
Gaute Gillebo	Board member	200				200
Fredrik Toft Bysveen	Board member	200				200
Stig Ove Gulbrandsen	Board member	300				300
Total		**5 677**	**337**	**0**	**323**	**6 336**

There have not been any loans or guarantees granted to key employees for either 2021 or 2020. The CEO has 18 months' salary as termination benefit. The Group has no share-based payment arrangements for their employees.

6c Audit fees

	2021	2020
Statutory audit (incl. Preparation of financial statements)	885	442
Other assurance services	10	80
Tax related services (incl. Preparation of income tax form)	78	53
Total fees	**973**	**574**

See note 20 for pension expences.

NOTE 7 - FINANCE INCOME AND EXPENSES

	2021	2020
Finance costs		
Bank Interest expences	5 396	9 553
Bank transaction expences	2 155	1 473
Other finance expences	2 780	1 567
Gains and losses on derivatives	-5 142	2 396
Interest on lease liability	15 381	14 528
Total finance expences	**20 570**	**29 518**
Finance income		
Other finance income	217	322
Total finance income	**217**	**322**
Net finance expences	**20 354**	**29 196**

NOTE 8 - INVESTMENTS IN SUBSIDIARIES

The group had the following subsidiaries 31 December 2021:

Name	Place of business	Nature of business	Proportion of shaares directly held by parent (%)
Elektroimportøren Holding AS	Norway	Holding company	100 %
Elektroimportøren Norge AS	Norway	Goods retailer	100 %
Namron AS	Norway	Wholesaler	100 %
Spoton AS	Norway	Non operating comapny	100 %

All subsidiary undertakings are included in the consolidation.

NOTE 9 - INCOME TAX EXPENSE

	2021	2020
Current tax		
Current tax on profits for the year	28 408	26 518
Total current tax	**28 408**	**26 518**
Deferred tax		
Origination and reversal of temporary differences	-1 210	-3 599
Total change in deferred tax	**-1 210**	**-3 599**
Income tax expense	**27 197**	**22 919**

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

	2021	2020
Profit before tax	**124 570**	**102 830**
Tax calculated at domestic tax rate (22%) applicable to profits	27 405	22 623
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	-76	296
Applied performable deficit	-1	0
Income Tax expense	**27 328**	**22 919**
Tax charge in percent of profit before tax	21,9 %	22,3 %

	2021	2020	2019
Deferred tax assets:			
- Trade receivables	174	166	115
- Inventories	6 711	7 219	5 830
- Financial lease liabilities	76 834	72 796	68 327
- Accumulated deficit	0	3	0
- Derivatives	0	691	164
	83 719	**80 874**	**74 437**

	2021	2020	2019
Deferred tax liabilities:			
- Tangible and intangible assets	6 128	5 829	4 900
- Trademark	1 480	1 601	1 721
- Financial lease assets	71 038	69 652	68 327
- Derivatives	440	0	0
- Financial Cost	467	705	0
	79 553	**77 787**	**74 949**
Deferred tax liabilities (net)	**-4 167**	**-3 087**	**512**

Specification of temporary differences Asset/liability (-)	**2021**	**2020**	**Movement**
Tangible and intangible assets	27 855	26 496	1 359
Trademark	6 726	7 275	-549
Trade receivables	-791	-753	-38
Inventories	-30 506	-32 812	2 306
Financial lease assets	328 202	313 100	15 103
Financial lease liabilities	-354 549	-330 890	-23 658
Accumulated deficit	-1	-12	12
Financial cost	2 122	3 205	-1 083
Other temporary differences			0
Forward currency contracts	2 000	-3 141	5 142
Unrealized currency gain/loss long term			0
Sum temporary differences	**-18 941**	**-17 533**	**-1 408**
Basis for deferred tax	-18 941	-17 533	-1 408
Deferred tax in the balance sheet	**-4 167**	**-3 857**	**-310**

NOTE 10 - EARNINGS PER SHARE

There are only one class of shares.

	2021	2020
Weighted average number of shares	20 732 200	20 732 200
Profit for the year	97 241	79 911
Earnings per share (basic and diluted)	**4,69**	**3,85**

There are no diluting effects.

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	Office Machines	Fixtures, machinery and cars	Vans	Right of use assets	Total
Year ended 31 December 2021					
Opening net book amount	40 494	77 973	3 807	313 099	435 374
Remeasurement IFRS				7 644	7 644
Additions	7 481	24 161	3 288	58 398	93 328
Depreciation charge	-7 962	-14 242	-1 982	-54 439	-78 625
Impairment	0	-9	0	0	-9
Closing net book amount	**40 013**	**87 883**	**5 113**	**324 702**	**457 711**
At 31 December 2021					
Cost	70 972	158 863	11 291	428 975	670 102
Accumulated depreciation	-30 959	-63 131	-6 179	-104 272	-204 541
Accumulated impairment	0	-7 850	0	0	-7 850
Net book amount	**40 013**	**87 883**	**5 113**	**324 702**	**457 711**
Useful life (years)	**3-5**	**3-10**	**5**	**2-10**	

	Office Machines	Fixtures, machinery and cars	Vans	Right of use assets	Total
Year ended 31 December 2020					
Opening net book amount	33 217	74 947	4 967	310 579	423 710
Additions	12 663	17 835	362	52 353	83 213
Depreciation charge	-5 386	-13 445	-1 522	-49 833	-70 186
Impairment	0	-1 364	0		-1 364
Closing net book amount	**40 494**	**77 973**	**3 807**	**313 099**	**435 374**
At 31 December 2020					
Cost	63 491	134 703	8 004	362 932	569 130
Accumulated depreciation	-22 997	-48 889	-4 196	-49 833	-125 915
Accumulated impairment		-7 841			
Net book amount	**40 494**	**77 973**	**3 807**	**313 099**	**435 374**

	Office Machines	Fixtures, machinery and cars	Vans	Right of use assets	Total
January 1 2020					
Opening net book amount	13 938	78 381	4 345	0	96 664
Additions	24 877	20 006	2 006	0	46 888
Reclassification IFRS	0	-11 387	0	310 579	299 192
Depreciation charge	-5 597	-11 317	-1 384	0	-18 297
Impairment	0	-737	0	0	-737
Currency translation differnces	0	0	0	0	0
Closing net book amount	**33 217**	**74 947**	**4 967**	**310 579**	**423 710**
January 1 2020					
Cost	50 829	116 867	7 642	310 579	485 917
Accumulated depreciation	-17 611	-35 444	-2 675	0	-55 729
Accumulated impairment		-6 477	0	0	-6 477
Net book amount	**33 217**	**74 947**	**4 967**	**310 579**	**423 710**

Indicators of impairment of property, plant and equipment including Right of use assets have been assessed. Managment concluded that there were no indicators as per 31 December 2021.

For more information related to leases see note 22.

NOTE 12 - INTANGIBLE ASSETS

Cost	Trademark and other intangibles	Goodwill	Total
At 1 January 2020	**11 063**	**185 105**	**196 168**
Acquisitions through business combinations			
Additions			
At 31 December 2020	**11 063**	**185 105**	**196 168**
Additions			
Reclassification			
At 31 December 2021	**11 063**	**185 105**	**196 168**
Accumulated amortisation and impairment			
At 1 January 2020	3 158	15	3 173
Amortisation charge	549	6	555
At 31 December 2020	**3 707**	**21**	**3 728**
At 1 January 2021	3 707	21	3 728
Amortisation charge	549	7	556
At 31 December 2021	**4 256**	**28**	**4 284**
Net book value			
At 1 January 2020	**7 905**	**185 090**	**192 996**
Cost	11 063	185 105	196 168
Accumulated amortisation and impairment	3 707	21	3 728
At 31 December 2020	**7 356**	**185 126**	**192 440**
Cost	11 063	185 105	196 168
Accumulated amortisation and impairment	4 256	28	4 284
At 31 December 2021	**6 807**	**185 077**	**191 884**
Useful life	**0-20 year**	**Indefinite**	

Impairment tests for trademark and goodwill

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

The carrying amount for the goodwill is tested on the whole Group as of 1 January 2020, 31 December 2020 and 31 December 2021. The goodwill is related to ongoing business and is determined based on value in use.

The key assumptions related to future cash flow are sales growth and gross margin percentage development. These key assumptions are based on historical performances. Based on budget for 2022 and business plan for coming years the Group has a significant headroom compared to capitalised goodwill in the statement of financial position.

Key assumptions 1 January 2020:

- Actual figures 2020 and 2021
- Budget figures for 2022-2025
- Sales growth in budget period between 9% and 13% per year (lower than historical growth)
- Discount rate 9%

Key assumptions 31 December 2020:

- Actual figures 2021
- Budget figures for 2022-2025
- Sales growth in budget period between 9% and 13% per year (lower than historical growth)
- Discount rate 9%

Key assumptions 31 December 2021:

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

NOTE 13 - FINANCIAL INSTRUMENTS

13.1 Financial instruments by category

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

	Other financial liabilities at amotised cost	Derivatives at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	165 000		165 000
Long term lease liability	288 612		288 612
Short term liabilities to financial institutions	20 000		20 000
Short term lease liability	60 037		60 037
Derivates			0
Trade creditors	149 670		149 670
Total	**683 319**		**683 319**

	31 December 2020		
	Financial assets at amortised cost	Derivatives at fair value	Total
Assets as per balance sheet			
Derivative financial instruments			0
Trade receivables	54 387		54 387
Cash and bank deposits	94 080		94 080
Total	**148 467**	**0**	**148 467**

	Other financial liabilities at amortised cost	Derivatives at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	185 000		185 000
Long term lease liability	278 344		278 344
Short term liabilities to financial institutions	20 000		20 000
Short term lease liability	52 546		52 546
Derivatives		3 141	3 141
Trade creditors	120 798		120 798
Total	**656 688**	**3 141**	**659 829**

	01 January 2020		
	Financial assets at amortised cost	Derivatives at fair value	Total
Assets as per balance sheet			
Derivative financial instruments			0
Trade receivables	40 572		40 572
Cash and bank deposits	894		894
Total	**41 466**	**0**	**41 466**

	Other financial liabilities at amotised cost	Derivatives at fair value	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	215 000		215 000
Long term lease liability	262 234		262 234
Short term liabilities to financial institutions	52 202		52 202
Short term lease liability	48 145		48 145
Derivates		745	745
Trade creditors	90 948		90 948
Total	**668 529**	**745**	**669 274**

Trade receivables, trade creditors and bank loans carrying amounts are in line with fair value. In addition to fair value adjustments on the derivatives (FX contracts) we have FX gains of 2,5 MNOK in 2021 and FX losses of 3,2 MNOK in 2020.

NOTE 14 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables

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

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The Group has not pledged any of the trade receivables as collateral or security. Management has evaluated the trade receivables credit risk provision and has recorded for losses on receivables of TNOK 1.500 as of 31 December 2021 (and TNOK 1.500 as of 31 December 2020 and TNOK 1.300 as of January 1 2020) .

Other current assets

Other receivables include prepaid purchase of inventory, mainly from China, and other prepaid expenses. In the balance sheet 31 December 2021, we also have a positive value on FX contracts (2 MNOK).

NOTE 15 – INVENTORIES

	31.12.2021	31.12.2020	01.01.2020
Inventory at purchase cost	269 500	220 223	210 069
Inventory write-downs to net realizable value	-5 602	-12 062	-5 514
Inventories	**263 898**	**208 160**	**204 555**

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

Cost of goods sold

	2021	2020
Cost of goods sold	907 859	792 580
Lost goods	4 793	5 140
Change in provision for obselence	-347	669
Recognized loss on inventories in cost of goods sold	**912 305**	**798 389**

NOTE 16 - CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020	01.01.2020
Cash in bank and in hand	75 556	93 148	257
Short-term bank overnight deposits	880	932	637
	76 435	94 080	894

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

NOTE 17 - SHARE CAPITAL

Share capital (all amounts in NOK)

	Number of shares	Ordinary shares	Face value	Total face value
At 31 December 2021	20 732 200	20 732 200	0,05	1 036 610
At 31 December 2020	20 732 200	20 732 200	0,05	1 036 610
At 31 December 2019	20 732 200	20 732 200	0,05	1 036 610

The top 20 shareholders per 31.12 are the following:

	31 December 2021	
	# Shares	Ownership
HERKULES PRIVATE EQUITY IV LP2	3 063 088	14,8 %
AETERNUM CAPITAL AS	1 968 911	9,5 %
HERKULES PRIVATE EQUITY IV LP1	1 086 912	5,2 %
MORGAN STANLEY & CO. INT. PLC.	740 059	3,6 %
VERDIPAPIRFONDET NORDEA NORGE VERD	626 892	3,0 %
SKANDINAVISKA ENSKILDA BANKEN AB	600 000	2,9 %
VERDIPAPIRFONDET PARETO INVESTMENT	587 000	2,8 %
NISS INVEST AS	545 075	2,6 %
J.P. MORGAN BANK LUXEMBOURG S.A.	460 775	2,2 %
SKANDINAVISKA ENSKILDA BANKEN AB	445 722	2,1 %
VJ INVEST AS	422 421	2,0 %
VERDIPAPIRFONDET EIKA SPAR	419 116	2,0 %
CLEARSTREAM BANKING S.A.	401 370	1,9 %
VEVLEN GÅRD AS	362 516	1,7 %
KATHEMA AS	350 031	1,7 %
VERDIPAPIRFONDET HOLBERG NORGE	350 000	1,7 %
AAT INVEST AS	350 000	1,7 %
VERDIPAPIRFONDET EIKA NORGE	324 231	1,6 %
VERDIPAPIRFONDET DELPHI NORGE	321 325	1,5 %
ROBERT IVERSEN HOLDING AS	305 696	1,5 %

	31 December 2020	
	# Shares	Ownership
HERKULES PRIVATE EQUITY IV LP2	3 063 088	14,8 %
WQZ INVESTMENTS GROUP LTD	1 968 911	9,5 %
HERKULES PRIVATE EQUITY IV LP1	1 086 912	5,2 %
VERDIPAPIRFONDET NORDEA NORGE VERD	949 475	4,6 %
SEB PRIME SOLUTIONS SISSENER CANOP	750 000	3,6 %
VERDIPAPIRFONDET EIKA SPAR	718 441	3,5 %
VERDIPAPIRFONDET DELPHI NORGE	600 000	2,9 %
VERDIPAPIRFONDET EIKA NORDEN	576 740	2,8 %
NISS INVEST AS	545 075	2,6 %
VERDIPAPIRFONDET DNB SMB	518 134	2,5 %
VERDIPAPIRFONDET PARETO INVESTMENT	477 000	2,3 %
MORGAN STANLEY & CO. INT. PLC.	475 533	2,3 %
VERDIPAPIRFONDET EIKA NORGE	448 111	2,2 %
THE BANK OF NEW YORK MELLOM SA/NV	413 497	2,0 %
KATHEMA AS	350 031	1,7 %
NORRON SICAV - TARGET	312 768	1,5 %
ROBERT IVERSEN HOLDING AS	305 696	1,5 %
VERDIPAPIRFONDET NORDEA AVKASTNING	299 834	1,4 %
PESCARA INVEST AS	260 000	1,3 %
VERDIPAPIRFONDET HOLBERG NORGE	260 000	1,3 %

Ownership shares as at 1 January 2020	A-shares	B-shares	Share capital	Ownership
Herkules Private Equity IV (Jersey-I) LP	70 994	141 988	212 982	20,55 %
Herkules Private Equity IV (Jersey-II) LP	201 738	403 476	605 214	58,38 %
EIP Holding AS	47 835	95 670	143 505	13,84 %
Niss Invest AS	12 917	7 083	20 000	1,93 %
Kathema AS	8 167	6 333	14 500	1,40 %
Øvrige (eierandel < 5%)	22 423	17 986	40 409	3,90 %
Total shares	**364 074**	**672 536**	**1 036 610**	**100,00 %**

Key Management Personnel Share holdings:

Name	Tittel	31.12.2021	31.12.2020
Amund Skarholt	Chairman of the board	10 000	10 000
Kjersti Helen Krokeide Hobøl	Board member	11 000	11 000
Ronny Blomseth	Board member	10 363	10 363
Robert Ingberg Iversen (100% of Robert Iversen Holding AS)	Board member	305 696	305 696
Gaute Gillebo (represents Herkules Private Equity IV LP1 and LP2)	Board member		4 150 000
Gaute Gillebo (represents Aeternum capital)	Board member	1 968 911	
Fredrik Toft Bysveen (represents Herkules Private Equity IV LP1 and LP2)	Board member	4 150 000	4 150 000
Karl Andreas Alexander Niss (100% of Niss Invest AS)	CEO	545 075	545 075
Nils Petter Bjørnstad (100% of Kathema AS)	CFO	350 031	350 031

NOTE 18 - LIABILITIES TO FINANCIAL INSTITUTIONS

	31.12.2021	31.12.2020	01.01.2020
Long term			
Bank loans	165 000	185 000	185 000
Total long term liabilities to financial institutions	**165 000**	**185 000**	**185 000**
Short term			
Bank loans	20 000	20 000	20 000
Total short term liabilities to financial institutions	**20 000**	**20 000**	**20 000**
Total liabilities to financial institutions	**185 000**	**205 000**	**205 000**

Bank loans mature 31 December 2023. Average interest rate in 2021 is 2,6% (2020: 4,1%)

Total loans include secured liabilities (bank and collateralised loans) of TNOK 185 000 (2020: TNOK 205 000). The group has a bank overdraft of TNOK 120 000 which has not been used during the year. The Bank loan are secured by 100% of the shares in Elektroimportøren AS.

The bank loan and overdraft are secured by inventory, trade receivables, fixed assets and cash. Since the bank overdraft was not utilized at year end 2021 or 2020, none of the assets were pledged as collateral.

The fair value of the current loan equals the carrying amount, as the loan bears a floating interest priced at market rat

The carrying amount of the Group's loan is denominated in NOK.

The Group has the following granted loan facilities:

	31.12.2021	31.12.2020	01.01.2020
Unused bank overdraft	120 000	120 000	75 000
Employee tax guarantee	9 000	9 000	6 500
Bank guarantee limit	40 000	40 000	40 000
Total	**169 000**	**169 000**	**121 500**

Following covenants is regulated by contract:

	Interval	Limit 2021	Limit 2020
Gearing ratio (NIBD/EBITDA)	quarterly	3,0	3,0

The Group has been compliant with covenants at all intervals.

	01.jan.21	Cash flow	New	Leases	31.des.21
Current liabilities to financiaial institutions	20 000	-20 000	20 000	0	20 000
Current lease liabilities (note 22)	52 546	-59 036	62 051	6 490	62 051
Non-current liabilities to financial institutions	185 000		-20 000	0	165 000
Non-current lease liabilities	278 344			15 153	293 497
Dividend payable		-50 000			-50 000
Total liabilities from financing activities	**535 890**	**-129 036**	**62 051**	**21 643**	**490 548**

	01.jan.20	Cash flow	New	Leases	31.des.21
Current liabilities to financiaial institutions	52 201	-52 201	20 000	0	20 000
Current lease liabilities (note 22)	48 145	-51 204	55 853	-248	52 546
Non-current liabilities to financial institutions	185 000	-185 000	185 000	0	185 000
Non-current lease liabilities	262 234			16 110	278 344
Other long term liabilities	30 000	-30 000			0
Total liabilities from financing activities	**577 580**	**-318 405**	**260 853**	**15 862**	**535 890**

NOTE 19 - OTHER OPERATING EXPENSES

	2021	2020
Other expenses in leased premises other than IFRS 16	19 587	14 821
Advertising and other marketing costs	34 773	31 131
Other expenses	53 086	48 129
Total other expenses	**107 446**	**94 081**

NOTE 20 - POST-EMPLOYMENT BENEFITS

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

Income statement charge included in operating profit for:	**2021**	**2020**
Pensions earned this year - the group pension scheme	4 496	3 935
Social security fees	634	555
Net pension expenses	5 130	4 490

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 2021 and 2020, beyond the transactions disclosed in note 6.

NOTE 22 - LEASES

Right-of-use assets

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

Right-of-use assets	Buildings	Machinery and equipment	Vehicles	Total
Acquisition cost 1 January 2021	**322 889**	**39 551**	**493**	**362 932**
Remeasurement	7 644	-	-	**7 644**
Addition of right-of-use assets	60 165	-1 767	-	**58 398**
Acquisition cost 31 December 2021	**390 698**	**37 784**	**493**	**428 975**
Accumulated depreciation and impairment 1 January 2021	**44 942**	**4 800**	**90**	**49 832**
Depreciation	48 503	5 851	86	**54 440**
Accumulated depreciation and impairment 31 December 2021	**93 445**	**10 651**	**176**	**104 272**
Carrying amount of right-of-use assets 31 December 2021	**297 253**	**27 133**	**317**	**324 702**

Lower of remaining lease term or economic life	5-10 years	5-10 years	5 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Buildings	Machinery and equipment	Vehicles	Total
Less than 1 year	57 189	5 779	93	**63 061**
1-2 years	56 216	5 695	93	**62 004**
2-3 years	55 156	5 527	93	**60 776**
3-4 years	54 634	5 258	93	**59 984**
4-5 years	47 294	4 959	23	**52 276**
More than 5 years	126 711	7 314	-	**134 025**
Total undiscounted lease liabilities at 31 December 2021	**397 199**	**34 533**	**395**	**432 127**

Summary of the lease liabilities	Buildings	Machinery and equipment	Vehicles	Total
Lease liabilities at 1 January 2021	294 481	35 985	425	**330 891**
Remeasurement	7 644			**7 644**
New lease liabilities recognised in the year	60 165	-2 024	-	**58 141**
Cash payments for the principal portion of the lease liability	-51 452	-5 967	-90	**-57 509**
Cash payments for the interest portion of the lease liability	-1 254	-271	-3	**-1 527**
Interest expense on lease liabilities	15 216	1 672	21	**16 909**
Total lease liabilities at 31 December 2021	**324 801**	**29 396**	**353**	**354 549**

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

Summary of other lease expenses recognised in profit or loss	Total
Variable lease payments expensed in the period	**588**
Operating expenses in the period related to low value assets (excluding short-term leases included above)	**803**
Total lease expenses included in other operating expenses	**1 391**

Right-of-use assets

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

Right-of-use assets	Buildings	Machinery and equipment	Vehicles	Total
Acquisition cost 1 January 2020	**283 159**	**26 926**	**493**	**310 579**
Addition of right-of-use assets	39 729	12 624		**52 353**
Acquisition cost 31 December 2020	**322 889**	**39 551**	**493**	**362 932**
Accumulated depreciation and impairment 1 January 2020	-			-
Depreciation	44 942	4 800	90	**49 832**
Accumulated depreciation and impairment 31 December 2020	**44 942**	**4 800**	**90**	**49 832**
Carrying amount of right-of-use assets 31 December 2020	**277 947**	**34 750**	**402**	**313 100**
Lower of remaining lease term or economic life	5-10 years	5-10 years	5 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Buildings	Machinery and equipment	Vehicles	Total
Less than 1 year	47 627	6 230	93	**53 950**
1-2 years	47 514	6 210	93	**53 817**
2-3 years	46 043	6 100	93	**52 236**
3-4 years	44 983	5 889	93	**50 964**
4-5 years	44 461	5 596	93	**50 150**
More than 5 years	132 001	12 528	23	**144 552**
Total undiscounted lease liabilities at 31 December 2020	**362 628**	**42 554**	**488**	**405 670**

Summary of the lease liabilities	Buildings	Machinery and equipment	Vehicles	Total
At initial application 01.01.2020	282 959	26 926	493	**310 379**
New lease liabilities recognised in the year	43 229	12 624	-	**55 853**
Cash payments for the principal portion of the lease liability	-44 979	-4 800	-90	**-49 870**
Cash payments for the interest portion of the lease liability	-1 202	-129	-3	**-1 334**
Interest expense on lease liabilities	14 473	1 364	25	**15 862**
Currency exchange differences	-	-		
Total lease liabilities at 31 December 2020	**294 481**	**35 985**	**425**	330 891

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

Summary of other lease expenses recognised in profit or loss	Total
Variable lease payments expensed in the period	**648**
Operating expenses in the period related to low value assets (excluding short-term leases included above)	**731**
Total lease expenses included in other operating expenses	**1 379**

Total cash outflow for leases including IFRS 16 leases, variable lease elements and not capitalised lease agreements was 60 MNOK for 2021 and 52 MNOK in 2020.

NOTE 23 - SUBSEQUENT EVENTS

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

The basis for calculating the opening balance sheet will be March 3 and was not finalised before the approval of the consolidated financial statements for 2021.

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

Cash amount paid on 3 March 2022 was 186,6 MSEK. The Board of Directors of Elektroimportøren AS has resolved to increase the share capital of the Company by NOK 42,500 through the issuance of 850,000 new shares at a subscription price of NOK 76.27 per share. Total purchase price including shares and cash amount and fair value as of the transaction date 3 March was 257,4 MSEK.

The capital increase has been resolved in the basis of the authorization given by the extraordinary general meeting held 18 February 2022. The consideration shares are subject to a 24-month lock-up period. Following registration of the new shares with the Norwegian Register of Business Enterprises, the Company's share capital will be NOK 1,079,110, divided among 21,582,200 shares, each with a par value of NOK 0.05.

Lades AB will be entitled to a potential earn-out based on Elbutik.se's EBITDA for 2022 to 2025, which may bring the aggregate purchase price up to MSEK 292.5 (including shares and cash amount). For every 1 MSEK exceeding 18 MSEK in EBITDA Lades AB will receive 10 MSEK in cash up to the maximum purchase price of 292,5 MSEK.

Elbutik.se is Sweden's largest online player in the market for electric installation material and related products to private consumers. This acquisition opens up the Swedish market of SEK 15 billion for Elektroimportøren's concept.

Elbutik.se is a dominant online player offering almost 30,000 products to customers online. They have shown a great development in sales and profits over the last 10 years. It achieved a total revenue of MSEK 141 and EBITDA of MSEK 14.3 in 2020 and are growing sales and profits in 2021.

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

The Group is not directly exposed to the Russian invasion of Ukraine, still we closely monitor the development in consumer confidence.

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Elektroimportøren AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Elektroimportøren AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2021 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 2021, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 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 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of

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this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Oslo, 05 April 2022
ERNST & YOUNG AS

Trond Stian Nytveit
State Authorised Public Accountant (Norway)

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