

Fjordkraft Holding ASA and the Fjordkraft Group

Quarterly report - Q4 2019



Q4 Highlights

- Net revenue growth across all segments. Margin improvement is the main driver for the increase
 - Particularly favourable market dynamics in both the elspot market and other commodity markets positively affecting COGS
- EBIT adjusted increase 38% YoY. The Consumer segment is the main driver
- Organic growth in all segments. Reaching the 100k mobile subscribers milestone, further strengthening the position as the largest mobile service provider apart from the network operators
- Fjordkraft Mobile awarded best call centre in the Telecom industry and Fjordkraft on top across all industries in Norway's most prestigious call centre awards

Key figures Q4*

NOK in thousands	Q4 2019	Q4 2018	2019
Gross revenue	2 046 509	2 179 090	7 122 528
Net revenue	374 252	307 492	1 295 134
Net revenue adjusted	372 204	304 634	1 283 721
EBIT reported	174 610	91 714	482 738
EBIT adjusted	147 709	107 105	491 053
Net income	125 681	71 371	370 171
Basic earnings per share (in NOK)	1,2	0,68	3,54
EBIT margin	47 %	30 %	37 %
EBIT margin adjusted	40 %	35 %	38 %
Net interest bearing debt (cash)	-580 936	-131 209	-580 936
Capex excl. M&A	13 362	9 816	50 372
Volume sold (GWh)	4 002	3 961	13 407
# of deliveries ('000) excl. Extended Alliance	622	605	622

*Alternative Performance Measures (APM)- see separate chapter for definition and reconciliation

Favourable market dynamics driving solid profitability growth

The fourth quarter of 2019 has been a quarter with very strong profitability growth driven by particularly favourable market dynamics both in the elspot market and in other commodity markets. Along with strong product management, this positive effect on cost of goods sold has resulted in a 22% increase in adjusted net revenue YoY, while adjusted EBIT is increasing 38% YoY. Volume has been quite stable YoY, increasing by 1%. The growth within the mobile services continues, and at the end of the quarter we reached the milestone of 100 thousand mobile subscribers, all organically.

Temperatures in the quarter have been colder than normal in two out of three months. Two out of three months are also colder than last year. Volume is still quite stable because of a slight reduction in the number of large tender customers in the business segment. However, the financial impact of this is limited. The YoY growth in number of deliveries in the Consumer and Business segments is 17 thousand deliveries, and offsets the negative effect described above.

Consumer

The Consumer segment continues to grow, comprising 544 thousand electricity deliveries at the end of Q4 2019, which represents a total growth of 2,169 deliveries from third quarter 2019, all of which organically. The volume sold in fourth quarter 2019 was 2,158 GWh, which is a 4% increase from the fourth quarter 2018. The increase in number of deliveries is the main driver for the increase.

Adjusted net revenue in the Consumer segment amounts to 264 NOKm, a YoY growth of 24%. About 85% of the increase is driven by margin improvement.

Adjusted OPEX amounts to 160 NOKm in the fourth quarter of 2019, compared to 141 NOKm in the fourth quarter of 2018. Increased sales and marketing costs, customer service costs and administrative costs are the main drivers for the increase.

EBIT adjusted amounts to 104 NOKm in the quarter, which is an increase of 32 NOKm compared to the fourth quarter of 2018. This corresponds to an adjusted EBIT margin of 39%, and a YoY increase of 6 percentage points.

Business

At the end of fourth quarter 2019, the Business segment comprised 78 thousand electricity deliveries, which represents an increase of 468 deliveries from third quarter 2019, all of which organically. The volume sold in fourth quarter 2019 was 1,844 GWh, a decrease of 2% compared to fourth quarter 2018. The decrease is driven by a 5% decrease in average volume per delivery due to a reduction in number of large tender customers, as mentioned above.

Adjusted net revenue in the Business segment amounts to 95 NOKm, a YoY growth of 15%. The growth is driven by improved margins, primarily from value added services.

Adjusted OPEX amounts to 46 NOKm in the quarter, compared to 40 NOKm in the fourth quarter of 2018. The main reason for the OPEX growth

is increased sales and marketing costs.

EBIT adjusted amounts to 50 NOKm in the quarter, an increase of 7 NOKm from the fourth quarter of 2018. Adjusted EBIT margin in the quarter was 52%, representing a 1 percentage point increase YoY.

New Growth Initiatives

At the end of fourth quarter 2019, the number of mobile subscribers passed the 100 thousand subscribers milestone, which represents an organic growth of 7,756 subscribers from third quarter 2019.

Alliance volume in fourth quarter 2019 was 1,297 GWh, which is a 4% YoY decrease as Vesterålskraft Strøm is now included in the Consumer and Business segments, following the acquisition.

Adjusted net revenue in the New Growth Initiatives segment amounts to 12 NOKm, a YoY growth of 33%. The growth is driven by Alliance.

OPEX adjusted amounted to 18 NOKm, an increase from 17 NOKm in fourth quarter 2018, due to increased sales and marketing costs and variable costs.

EBIT adjusted amounted to -6 NOKm, an improvement of 1 NOKm from fourth quarter 2018, driven by increased net revenue from Alliance.

Financials

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

Gross revenue amounted to 2,047 NOKm (2,179 NOKm), a decrease of 6%, due to lower elspot prices.

Adjusted net revenue amounted to 372 NOKm (305 NOKm), an increase of 22%. The increase is mainly driven by margin improvement.

Adjusted operating expenses amounted to 224 NOKm (198 NOKm), an increase of 13%, driven by sales and marketing costs, customer service costs and administrative costs.

Adjusted EBIT amounted to 148 NOKm (107 NOKm), a growth of 38% YoY due to the factors described above.

Net financial income amounted to 1.0 NOKm (0.4 NOKm).

Profit for the period amounted to 126 NOKm (71 NOKm) in the fourth quarter due to the factors described above.

Consolidated cash flow

Net cash from operating activities was 107 NOKm (28 NOKm), driven by positive results in the quarter. Net cash used in investing activities was -16 NOKm (-30 NOKm) driven by various R&D initiatives. Net cash used in financing activities was NOK -17 NOKm (-14 NOKm), primarily consisting of instalments related to long term debt.

Financial position

The total capital as of 31.12.2019 was 3,008 NOKm (3,448 NOKm), a decrease of 440 NOKm from Q4 2018. The main driver for the decrease is lower current assets.

Events after the reporting period

On the 6th of January 2019 Fjordkraft AS and Rieber & Søn AS bought shares in Metzum AS. Each company bought 40% of the shares, the remaining 20% is owned by employees in Metzum. Fjordkraft's share in the company was financed through the sale of software from Fjordkraft to Metzum. Metzum AS aims to develop, manage and deliver software to electricity suppliers and similar industries.

The Board of Directors has in the Board Meeting on 12 February 2020 proposed a dividend to the shareholders of NOK 3.00 per share.

The proposed dividend is subject to approval by the general meeting.

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

Risks and uncertainties

The demand for electricity, electricity prices, customer churn and competition are the main uncertainties in a short-term perspective. The demand for electricity varies with i.a. weather conditions and temperature. Electricity prices are determined by supply and demand through Nordpool, the marketplace for electricity in the Nordics. Fjordkraft seeks to reduce market risk to a low level and does not take speculative positions in the electricity market.

Outlook

The Group has an ambition to grow organically in all segments, as well as acting as a consolidator in a fragmented market. The Group's revised financial targets are presented in the capital markets day presentation.

Condensed interim financial statements



Condensed consolidated statement of profit or loss

NOK in thousands	Note	Q3 2019	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
Continuing operations						
Revenue	2,9	1 101 634	2 046 509	2 179 090	7 122 528	6 720 948
Direct cost of sales	2	(842 307)	(1 672 256)	(1 871 598)	(5 827 394)	(5 623 526)
Revenue less direct cost of sales		259 327	374 252	307 492	1 295 134	1 097 422
Personnel expenses	2	(74 557)	(49 213)	(64 658)	(236 106)	(217 514)
Other operating expenses	2	(84 887)	(104 661)	(103 503)	(379 973)	(378 382)
Depreciation right-of-use assets		(2 422)	(3 556)	-	(10 404)	-
Depreciation and amortisation	2,5,6	(46 551)	(55 339)	(44 935)	(190 528)	(164 065)
Total operating expenses		(208 418)	(212 769)	(213 096)	(817 011)	(759 961)
Other gains and losses, net	7	(8 427)	13 126	(2 683)	4 615	(10 578)
Operating profit		42 482	174 610	91 714	482 738	326 883
Interest income		4 444	5 192	3 497	20 071	15 178
Interest expense lease liability		(401)	(904)	-	(1 677)	-
Interest expense		(1 633)	(2 096)	(1 598)	(6 956)	(4 927)
Other financial items, net		(1 057)	(1 177)	(1 501)	(3 737)	(5 277)
Net financial income/(cost)		1 353	1 014	398	7 701	4 974
Profit/ (loss) before tax		43 835	175 624	92 112	490 440	331 858
Income tax (expense)/ income	3	(9 904)	(49 944)	(20 742)	(120 269)	(78 289)
Profit/ (loss) for the period		33 932	125 681	71 371	370 171	253 569
Basic earnings per share (in NOK)*	4	0,32	1,20	0,68	3,54	2,43
Diluted earnings per share (in NOK)*	4	0,32	1,19	0,68	3,51	2,41

* Based on 104 496 216 shares outstanding. It is issued 930 000 share options to employees.

Condensed consolidated statement of comprehensive income

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
Profit/ (loss) for the period	33 932	125 681	71 371	370 171	253 569
Other comprehensive income/ (loss):					
Items that will not be reclassified to profit or loss:					
Actuarial gain/ (loss) on pension obligations, net of tax	-	(11 091)	(10 628)	(11 091)	1 167
Total	-	(11 091)	(10 628)	(11 091)	1 167
Total other comprehensive income/ (loss) for the period, net of tax	-	(11 091)	(10 628)	(11 091)	1 167
Total comprehensive income/ (loss) for the period	33 932	114 590	60 742	359 080	254 736

Condensed consolidated statement of financial position

NOK in thousands	Note	30 September 2019	31 December 2019	31 December 2018
Assets				
Non-current assets				
Right-of-use assets property, plant and equipment		49 218	65 976	-
Property, plant and equipment	5	6 463	7 108	4 139
Goodwill	6, 11	166 696	166 696	155 849
Intangible assets	6, 11	193 813	178 542	199 957
Cost to obtain contracts		158 838	159 235	149 912
Other non-current financial assets		23 577	25 365	20 090
Total non-current assets		598 605	602 923	529 947
Current assets				
Intangible assets	6	20 810	23 760	33 595
Inventories		705	794	533
Trade receivables	8, 11	916 230	1 507 467	2 006 328
Derivative financial instruments	7, 11	91 893	79 274	463 626
Other current assets	11	38 274	18 466	32 741
Cash and cash equivalents	11	701 123	775 536	381 409
Total current assets		1 769 034	2 405 297	2 918 231
Total assets		2 367 640	3 008 220	3 448 178
Equity and liabilities				
Equity				
Share capital		31 349	31 349	31 349
Share premium		125 035	125 035	125 035
Retained earnings		731 510	846 833	714 651
Total equity		887 893	1 003 216	871 035

**Condensed consolidated statement
of financial position**

NOK in thousands	Note	30 September 2019	31 December 2019	31 December 2018
Non-current liabilities				
Net employee defined benefit plan liabilities	11	84 377	64 062	79 308
Interest-bearing long term debt	10	152 900	139 000	194 600
Deferred tax liabilities	3, 11	14 930	27 451	20 837
Lease liability - long term	11	38 802	56 515	-
Other provisions for liabilities		732	-	805
Total non-current liabilities		291 741	287 027	295 550
Current liabilities				
Trade and other payables	8, 11	472 712	818 143	1 100 186
Current income tax liabilities	3	98 599	111 656	94 213
Derivative financial instruments	7, 11	93 744	67 999	455 429
Social security and other taxes	11	47 019	142 620	57 523
Lease liability - short term	11	10 856	11 428	-
Other current liabilities	11	465 076	566 129	574 243
Total current liabilities		1 188 006	1 717 976	2 281 593
Total liabilities		1 479 746	2 005 004	2 577 143
Total equity and liabilities		2 367 640	3 008 220	3 448 178

The Board of Fjordkraft Holding ASA, Bergen, 12 February 2020



Per Axel Koch
Chairman



Birthe Iren Grotle
Board member



Frank Økland
Board member



Elisabeth M. Norberg
Board member



Heidi Theresa Ose
Board member



Live Bertha Haukvik
Board member



Steinar Sønsteby
Board member



Lindi Bucher Vinsand
Board member



Rolf Jørgen Barmen
CEO

Condensed consolidated statement of changes in equity

NOK in thousands	Share capital	Share premium	Treasury shares	Retained earnings	Total
Balance at 1 January 2018	31 349	125 035	-	559 916	716 299
Profit/ (loss) for the year	-	-	-	253 569	253 569
Other comprehensive income/ (loss) for the year, net of tax	-	-	-	1 167	1 167
Total comprehensive income/ (loss) for the year	-	-	-	254 736	254 736
Purchase of Treasury shares	-	-	(2 889)	-	(2 889)
Sale of Treasury shares	-	-	2 889	-	2 889
Dividends paid (note 4)	-	-	-	(100 000)	(100 000)
Transactions with owners	-	-	-	(100 000)	(100 000)
Balance at 31 December 2018	31 349	125 035	-	714 651	871 035
Balance at 1 January 2019	31 349	125 035	-	714 651	871 035
Profit/ (loss) for the year	-	-	-	370 171	370 171
Other paid-in equity	-	-	-	2 994	2 994
Other comprehensive income/ (loss) for the year, net of tax	-	-	-	(11 091)	(11 091)
Total comprehensive income/ (loss) for the year	-	-	-	362 074	362 074
Dividends paid (note 4)	-	-	-	(229 892)	(229 892)
Transactions with owners	-	-	-	(229 892)	(229 892)
Balance at 31 December 2019	31 349	125 035	-	846 833	1 003 216

Condensed consolidated statement of cash flows

NOK in thousands	Note	Q3 2019	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
Operating activities						
Profit/ (loss) before tax		43 835	175 624	92 112	490 440	331 858
Adjustments for						
Depreciation	5,6	18 734	26 598	20 704	82 158	65 532
Depreciation right-of-use assets		2 422	3 556	-	10 404	-
Amortisation of contract assets		27 817	28 740	24 231	108 370	98 533
Interest income		(4 444)	(5 192)	(3 497)	(20 071)	(15 178)
Interest expense lease liability		401	904	-	1 677	-
Interest expense		1 633	2 096	1 598	6 956	4 927
Change in long-term receivables		30	(154)	(5 062)	(2 879)	(5 062)
Share based payment expense		733	733	-	2 994	-
Change in post-employment liabilities		6 492	(34 534)	2 540	(29 556)	4 402
Payments to obtain a contract		(34 887)	(29 137)	(28 236)	(117 693)	(110 646)
Changes in working capital (non-cash effect)						
Impairment loss recognised in trade receivables		4 195	1 019	2 998	23 502	22 848
Change in fair value of derivative financial instruments		8 427	(13 126)	2 683	(4 615)	10 578
Changes in working capital						
Inventories		512	(89)	517	(262)	861
Trade receivables	8	168 392	(592 255)	(802 955)	489 360	(506 065)
Purchase of el-certificates	6	(370)	370	(17 412)	(242 596)	(191 420)
Non-cash effect from cancelling el-certificates	6	-	-	-	246 569	169 330
Purchase of guarantees of origination	6	(854)	(5 912)	(32 569)	(12 975)	(30 208)
Non-cash effect from disposal of guarantees of origination	6	1 303	1 013	21 272	18 837	21 272
Other current assets		5 107	19 773	34 626	20 715	54 589
Trade and other payables	8	(106 050)	345 431	480 095	(297 054)	372 173
Other current liabilities		89 835	198 228	234 238	72 774	(49 229)
Cash generated from operations		233 262	123 687	27 883	847 054	249 094
Interest paid		(1 557)	(2 092)	(348)	(6 950)	(3 678)
Interest received		4 444	5 192	3 497	20 071	15 178
Income tax paid	3	(288)	(19 600)	(2 991)	(93 793)	(73 569)
Net cash from operating activities		235 862	107 187	28 041	766 381	187 026

**Condensed consolidated statement
of cash flows**

NOK in thousands	Note	Q3 2019	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
Investing activities						
Purchase of property, plant and equipment	5	(1 766)	(939)	(499)	(3 791)	(1 376)
Purchase of intangible assets	6	(8 093)	(12 636)	(33 158)	(47 589)	(62 583)
Net cash outflow on aquisition of subsidiaries	11	(22 066)	-	-	(22 066)	(254 102)
Net (outflow)/proceeds from non-current receivables		(977)	(1 634)	3 638	(2 396)	(759)
Net (outflow)/proceeds from other long-term liabilities		-	(732)	(209)	(805)	(209)
Net cash used in investing activities		(32 903)	(15 939)	(30 228)	(76 648)	(319 028)
Financing activities						
Dividends paid	4	-	-	-	(229 892)	(100 000)
Proceeds from interest-bearing long term debt		-	-	-	-	278 000
Instalments long term debt		(13 900)	(13 900)	(13 900)	(55 600)	(27 800)
Payment of lease liability		(2 586)	(2 935)	-	(10 115)	-
Net cash used in financing activities		(16 486)	(16 835)	(13 900)	(295 607)	150 200
Net change in cash and cash equivalents		186 473	74 413	(16 087)	394 126	18 197
Cash and cash equivalents at start of period		514 649	701 123	397 495	381 409	363 212
Cash and cash equivalents at end of period		701 123	775 536	381 409	775 536	381 409

Notes to the condensed consolidated financial statements

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Note 1

Accounting policies

General information

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

Fjordkraft Holding ASA is incorporated and domiciled in Norway. The address of its registered office is Folke Bernadottes Vei 38, 51 47 Bergen, Norway.

These interim financial statements were approved by the Board of Directors for issue on 12 February 2020.

These interim financial statements have not been audited.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information as the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS.

Going concern

The Group has adopted the going concern basis in preparing its consolidated financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other

service contracts, debt service and obligations. After making such assessments, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that income tax expense is recognised in each interim period using the expected weighted average annual income tax rate for the full financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Use of estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018, except for income taxes and post-employment benefits.

Income tax expense and deferred income tax liability is calculated by applying a weighted average of tax rates across jurisdictions, while in annual financial statements income tax expense and deferred income tax liability is calculated by applying the tax rate for each individual jurisdiction to measures of income for each jurisdiction.

Present value of defined benefit obligations and the fair value of plan assets at the end of each interim reporting period is estimated by extrapolation of the latest actuarial valuation, while in the annual financial statements this estimate is based on an updated actuarial valuation.

The Group provides re-invoicing to its customers related to grid rent. This means that the trade receivables, as shown in the consolidated statement of financial position, in addition to power sales also includes grid rent. This makes the amount of trade receivables relatively high in comparison with the amount of gross revenue as shown in the consolidated statement of profit and loss.

Impairment of tangible and intangible assets

At each balance sheet date the Group reviews whether there are indication that the carrying amount of the Group's tangible and intangible assets have suffered an impairment loss.

Tangible and intangible assets are tested 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 (the net present value of a cash flow or other benefits that the asset is expected to contribute to the generation of, through its use by the group). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Note 1
Accounting policies

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Share-based compensation

Employee share options at Fjordkraft Holding ASA represents rights for employees to buy shares in the company at a future date at a predetermined exercise price. To exercise the employee must remain an employee of the company or an affiliated company at the end of the vesting period.

The fair value of the employee services received in exchange for the allotment of options is recognised as an expense over the vesting period based on the fair value of the options. On each balance date, the Group revises its estimates of the number of options that are expected to be exercisable. Any adjustments will be recognised in the income statement and corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Incremental costs of obtaining a contract

IFRS 15 requires capitalisation of incremental costs of obtaining a contract which the entity expects to recover, if the amortisation period is

more than one year, such as for sales commissions. Incremental costs of obtaining a contract were under the previous accounting policy expensed as incurred. Amortisation of the capitalised costs of obtaining a contract is recognised as part of Operating profit.

Business combinations and goodwill

In order to consider an acquisition as a business combination, the acquired asset or groups of assets must constitute a business (an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors). The combination consists of inputs and processes applied to these inputs that have the ability to create output.

Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date on which the company achieves control over the financial and operating assets. This date may differ from the actual date on which the assets are transferred.

Comparative figures are not adjusted for acquired, sold or liquidated businesses. For accounting purposes, the acquisition method is used in connection with the purchase of businesses.

Acquisition cost equals the fair value of the assets used as consideration, including contingent consideration, equity instruments issued and liabilities assumed in connection with the transfer of control. Acquisition cost is measured against the fair value of the acquired assets and liabilities. Identifiable intangible assets are included in connection with acquisitions if they can be separated from other assets or meet the legal contractual

criteria. If the acquisition cost at the time of the acquisition exceeds the fair value of the acquired net assets (when the acquiring entity achieves control of the transferring entity), goodwill arises.

If the fair value of the net identifiable assets acquired exceeds the acquisition cost on the acquisition date, the excess amount is taken to the Income statement immediately.

Goodwill is not depreciated, but is tested at least annually for impairment. In connection with this, goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from synergy effects of the acquisition. The allocation of goodwill may vary depending on the basis for its initial recognition.

The estimation of fair value and goodwill may be adjusted up to 12 months after the takeover date if new information has emerged about facts and circumstances that existed at the time of the takeover and which, had they been known, would have affected the calculation of the amounts that were included from that date.

Acquisition-related costs, except costs to issue debt or equity securities, are expensed as incurred.

Note 2 Segment information

Disaggregation of revenue from contracts with customers

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Board examines the Group's performance from a type of services perspective.

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

-Consumer segment - Sale of electrical power and related services to private consumers

-Business segment - Sale of electrical power and related services to business consumers

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

The segment profit measure is adjusted operating profit which is defined as profit before tax

earned by each segment without the allocation of non-recurring expenses, depreciation of acquisitions, other gains and losses, interest income, interest expense, and other financial items, net. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as the Group's accounting policies.

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

The tables below is an analysis of the Group's revenue and results by reportable segment. New growth initiatives comprise of other business activities (sale of mobile service to private customers and power sale, included related services, to Alliance partners) which are not considered separate operating segments.

Note 2
Segment information

NOK in thousands	Q3 2019			
	Consumer	Business	New growth initiatives*	Total segments
Revenue				
Revenue adjusted	609 350	434 762	57 522	1 101 634
Total external segment revenue adjusted	609 350	434 762	57 522	1 101 634
Direct cost of sales adjusted	(429 544)	(364 315)	(48 450)	(842 307)
Revenue less direct cost of sales adjusted	179 806	70 447	9 072	259 327
Expenses				
Personnel and other operating expenses adjusted	(110 291)	(33 567)	(15 302)	(159 159)
Depreciation and amortisation adjusted	(31 129)	(3 746)	(2 323)	(37 199)
Total operating expenses adjusted	(141 420)	(37 313)	(17 625)	(196 359)
Operating profit adjusted	38 386	33 134	(8 553)	62 968

NOK in thousands	Q4 2019			
	Consumer	Business	New growth initiatives*	Total segments
Revenue				
Revenue adjusted	1 156 768	826 519	62 095	2 045 382
Total external segment revenue adjusted	1 156 768	826 519	62 095	2 045 382
Direct cost of sales adjusted	(892 394)	(731 066)	(49 718)	(1 673 178)
Revenue less direct cost of sales adjusted	264 374	95 453	12 377	372 204
Expenses				
Personnel and other operating expenses adjusted	(125 632)	(40 254)	(16 112)	(181 998)
Depreciation and amortisation adjusted	(34 806)	(5 345)	(2 346)	(42 497)
Total operating expenses adjusted	(160 438)	(45 599)	(18 458)	(224 495)
Operating profit adjusted	103 936	49 854	(6 081)	147 709

Note 2
Segment information

NOK in thousands	Q4 2018			
	Consumer	Business	New growth initiatives*	Total segments
Revenue				
Revenue adjusted	1 236 721	904 691	41 900	2 183 312
Total external segment revenue adjusted	1 236 721	904 691	41 900	2 183 312
Direct cost of sales adjusted	(1 024 039)	(822 015)	(32 624)	(1 878 678)
Revenue less direct cost of sales adjusted	212 683	82 676	9 276	304 634
Expenses				
Personnel and other operating expenses adjusted	(113 943)	(37 016)	(14 969)	(165 927)
Depreciation and amortisation adjusted	(27 241)	(2 705)	(1 656)	(31 602)
Total operating expenses adjusted	(141 183)	(39 721)	(16 625)	(197 529)
Operating profit adjusted	71 500	42 954	(7 349)	107 106

NOK in thousands	Full Year 2019			
	Consumer	Business	New growth initiatives*	Total segments
Revenue				
Revenue adjusted	3 948 175	2 899 333	218 924	7 066 432
Total external segment revenue adjusted	3 948 175	2 899 333	218 924	7 066 432
Direct cost of sales adjusted	(3 046 521)	(2 563 430)	(172 760)	(5 782 711)
Revenue less direct cost of sales adjusted	901 654	335 903	46 164	1 283 721
Expenses				
Personnel and other operating expenses adjusted	(444 956)	(137 511)	(59 454)	(641 921)
Depreciation and amortisation adjusted	(125 305)	(16 531)	(8 911)	(150 748)
Total operating expenses adjusted	(570 261)	(154 042)	(68 365)	(792 668)
Operating profit adjusted	331 393	181 861	(22 201)	491 053

Note 2
Segment information

	Full Year 2018			
	Consumer	Business	New growth initiatives*	Total segments
NOK in thousands				
Revenue				
Revenue adjusted	3 786 193	2 775 034	151 064	6 712 291
Total external segment revenue adjusted	3 786 193	2 775 034	151 064	6 712 291
Direct cost of sales adjusted	(3 019 933)	(2 484 071)	(120 396)	(5 624 399)
Revenue less direct cost of sales adjusted	766 260	290 964	30 668	1 087 893
Expenses				
Personnel and other operating expenses adjusted	(390 753)	(125 934)	(53 374)	(570 061)
Depreciation and amortisation adjusted	(110 101)	(10 992)	(6 597)	(127 690)
Total operating expenses adjusted	(500 855)	(136 926)	(59 971)	(697 751)
Operating profit adjusted	265 405	154 038	(29 303)	390 142

*Comprise of other business activities (sale of mobile services to private customers and power sale, included related services, to Alliance partners- referred to as New Growth Initiatives) which are not considered separate operating segments

Note 2
Segment information

Reconciliation to statement of profit and loss for the period					
NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenue adjusted	1 101 634	2 045 382	2 183 312	7 066 432	6 712 291
Corporate 1)	-	1 127	(4 222)	56 096	8 657
Revenue	1 101 634	2 046 509	2 179 090	7 122 528	6 720 948
Direct cost of sales adjusted	(842 307)	(1 673 178)	(1 878 678)	(5 782 711)	(5 624 399)
Corporate 1)	-	921	7 079	(44 681)	873
Direct cost of sales	(842 307)	(1 672 256)	(1 871 598)	(5 827 394)	(5 623 526)
Revenue less direct cost of sales adjusted	259 327	372 204	304 634	1 283 721	1 087 893
Corporate 1)	-	2 048	2 857	11 414	9 529
Revenue less direct cost of sales	259 327	374 252	307 492	1 295 134	1 097 422
Total operating expenses adjusted	(196 359)	(224 495)	(197 529)	(792 668)	(697 751)
Special items 2)	(287)	23 502	(2 233)	21 218	(25 835)
Depreciation of acquisitions 3)	(11 774)	(11 774)	(13 333)	(45 560)	(36 375)
Total operating expenses	(208 418)	(212 769)	(213 096)	(817 011)	(759 961)
Other gains and losses 4)	(8 427)	13 126	(2 683)	4 615	(10 578)
Operating profit	42 482	174 610	91 714	482 738	326 883
Interest income	4 444	5 192	3 497	20 071	15 178
Interest expense lease liability	(401)	(904)	-	(1 677)	-
Interest expense	(1 633)	(2 096)	(1 598)	(6 956)	(4 927)
Other financial items, net	(1 057)	(1 177)	(1 501)	(3 737)	(5 277)
Profit/(loss) before tax	43 835	175 624	92 112	490 440	331 858

1) Corporate consists of estimate deviations previous year and special revenue items. A large proportion of the Group's final settlement of sales and distribution of electricity is made after the Group has finalised its financial statements. At the date of reporting, the Group recognises electricity revenue and the associated cost of sales based on a best estimate approach. Thus, any estimate deviation related to the previous reporting period is recognised in the following reporting period. Management is of the opinion that the underlying operating profit in the reporting period should be adjusted for such estimate deviations related to previous reporting periods.

Note 2

Segment information

2) Special items consists of one-time items as follows:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Special items incurred specific to:					
- the process of listing the company on Oslo Stock Exchange	-	-	-	-	(11 323)
- acquisition related costs and implementation costs	(287)	(861)	(1 935)	(3 145)	(11 643)
- legal costs related to the compensatory damages	-	-	-	-	(460)
- strategic costs related to markets abroad	-	-	(298)	-	(2 409)
- change in pension plan	-	28 969		28 969	-
- impairment charge	-	(4 606)		(4 606)	-
Special items	(287)	23 502	(2 233)	21 218	(25 835)

3) Depreciation of acquisitions consists of depreciation related to customer portfolios and acquisitions of companies accounted for in intangible assets in the consolidated statement of financial position. The Group has decided to report the operating profit of the segments adjusted for depreciation of acquisitions. In order to accommodate this, historically reported figures have been adjusted accordingly:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
TrønderEnergi Marked acquisition	(8 188)	(8 188)	(10 951)	(32 753)	(30 777)
Oppdal Everk Kraftomsetning acquisition	(1 085)	(1 085)	(1 306)	(4 342)	(1 306)
Vesterålskraft Strøm acquisition	(758)	(758)	-	(1 516)	-
Other customer acquisitions	(1 743)	(1 743)	(1 076)	(6 949)	(4 292)
Depreciation of acquisitions	(11 774)	(11 774)	(13 333)	(45 560)	(36 375)

4) Other gains and losses, net consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity.

Note 3

Income tax

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Profit before tax	43 835	175 624	92 112	490 440	331 858
Tax expense	(9 904)	(49 944)	(20 742)	(120 269)	(78 289)
<i>Average tax rate</i>	<i>22,6 %</i>	<i>28,4 %</i>	<i>22,5 %</i>	<i>24,5 %</i>	<i>23,6 %</i>
Tax payable	14 634	34 013	27 036	112 790	94 073
Adjustments to prior years tax payable	-	-	-	-	370
Change in deferred tax	(4 731)	15 931	(6 295)	7 479	(16 154)
Tax expense recognised in statement of profit or loss	9 904	49 944	20 742	120 269	78 289

Interim income tax expense for the first three quarters of 2019 has been recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. At year end a full tax calculation has been performed and the effect of the difference between estimated and actual annual income tax rate has been recognised in full in the fourth quarter.

Note 4

Earnings per share

Earnings per share is calculated as profit/ loss allocated to shareholders for the year divided by the weighted average number of outstanding shares.

Basic earnings per share

	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Profit/ (loss) attributable to equity holders of the company *	33 932	125 681	71 371	370 171	253 569
Total comprehensive income attributable to equity holders of the company*	33 932	114 590	60 742	359 080	254 736
Weighted average number of ordinary shares in issue	104 496 216	104 496 216	104 496 216	104 496 216	104 496 216
Earnings per share in NOK	0,32	1,20	0,68	3,54	2,43
Total comprehensive income per share in NOK	0,32	1,10	0,58	3,44	2,44
Share options	930 000	930 000	-	930 000	870 000
Diluted earnings per share in NOK	0,32	1,19	0,68	3,51	2,41
Dividend per share in NOK	-	-	-	2,20	0,96

*NOK in thousands

In addition to outstanding shares, there has been issued 870 000 share options to employees during 2018, and 90 000 in January 2019. Due to change in management, there has been a reduction of shares options in Q2 2019. The total number of share options is 930 000. These are included in the calculation.

Note 5

Property, plant and equipment

Q3 2019				
NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Cost price 1 July 2019	11 015	25 279	1 086	37 381
Additions	-	-	1 766	1 766
Additions from business combinations (see note 11)	302	-	-	302
Transferred from construction in progress	-	-	-	-
Disposals	-	-	-	-
Cost price 30 September 2019	11 317	25 279	2 852	39 448
Accumulated depreciation 1 July 2019	(7 884)	(24 811)	-	(32 695)
Depreciation for the period	(237)	(53)	-	(290)
Disposals	-	-	-	-
Accumulated depreciation 30 September 2019	(8 121)	(24 864)	-	(32 985)
Carrying amount 30 September 2019	3 196	416	2 852	6 463

Q4 2019				
NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Cost price 1 October 2019	11 317	25 279	2 852	39 448
Additions	-	-	939	939
Additions from business combinations (see note 11)	-	-	-	-
Transferred from construction in progress	2 796	995	(3 791)	-
Disposals	-	-	-	-
Cost price 31 December 2019	14 113	26 274	-	40 387
Accumulated depreciation 1 October 2019	(8 121)	(24 864)	-	(32 985)
Depreciation for the period	(240)	(53)	-	(294)
Disposals	-	-	-	-
Accumulated depreciation 31 December 2019	(8 362)	(24 917)	-	(33 279)
Carrying amount 31 December 2019	5 751	1 357	-	7 108

Note 5
Property, plant and equipment

Q4 2018				
NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Cost price 1 October 2018	9 569	25 279	868	35 716
Additions	71	-	508	579
Additions from business combinations	-	-	-	-
Transferred from construction in progress	-	-	-	-
Disposals	-	-	-	-
Cost price 31 December 2018	9 639	25 279	1 376	36 293
Accumulated depreciation 1 October 2018	(6 637)	(24 607)	-	(31 244)
Depreciation for the period	(812)	(100)	-	(912)
Disposals	-	-	-	-
Accumulated depreciation 31 December 2018	(7 449)	(24 706)	-	(32 155)
Carrying amount 31 December 2018	2 190	573	1 376	4 139
Full Year 2019				
NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Cost price 1 January 2019	9 639	25 279	1 376	36 294
Additions	-	-	3 791	3 791
Additions from business combinations (see note 11)	302	-	-	302
Transferred from construction in progress	4 172	995	(5 167)	-
Disposals	-	-	-	-
Cost price 31 December 2019	14 113	26 274	-	40 387
Accumulated depreciation 1 January 2019	(7 449)	(24 706)	-	(32 155)
Depreciation for the year	(912)	(211)	-	(1 123)
Disposals	-	-	-	-
Accumulated depreciation 31 December 2019	(8 362)	(24 917)	-	(33 279)
Carrying amount 31 December 2019	5 751	1 357	-	7 108

Note 5
Property, plant and equipment

Full year 2018				
NOK in thousands	Fixtures and equipment	Computer equipment	Construction in progress	Total
Cost price 1 January 2018	8 875	25 221	-	34 096
Additions	81	-	1 376	1 457
Additions from business combinations	683	58	-	741
Transferred from construction in progress	-	-	-	-
Disposals	-	-	-	-
Cost price 31 December 2018	9 639	25 279	1 376	36 293
Accumulated depreciation 1 January 2018	(6 090)	(24 437)	-	(30 527)
Depreciation for the year	(1 359)	(269)	-	(1 628)
Disposals	-	-	-	-
Accumulated depreciation 31 December 2018	(7 449)	(24 706)	-	(32 155)
Carrying amount 31 December 2018	2 190	573	1 376	4 139

Useful life	8 years (or lease term if shorter)	3 years
Depreciation method	Straight line	Straight line

Note 6 Intangible assets

Non-current intangible assets

Q3 2019

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Cost price 1 July 2019	165 173	44 530	158 153	12 633	380 490	155 849	536 339
Additions - Purchase	-	7 790	77	-	7 867	-	7 867
Additions - Internally generated	29	197	-	-	226	-	226
Additions from business combinations (see note 11)	-	-	12 362	1 270	13 632	10 847	24 479
Transferred from construction in progress	6 493	(6 493)	-	-	-	-	-
Government grants (SkatteFUNN)	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Cost price 30 September 2019	171 694	46 025	170 592	13 903	402 215	166 696	568 911
Accumulated depreciation 1 July 2019	(123 135)	-	(60 165)	(6 660)	(189 961)	-	(189 961)
Depreciation for the period	(6 622)	-	(10 557)	(1 264)	(18 443)	-	(18 443)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 30 September 2019	(129 757)	-	(70 722)	(7 924)	(208 404)	-	(208 404)
Carrying amount 30 September 2019	41 937	46 025	99 870	5 979	193 813	166 696	360 509

Q4 2019

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Cost price 1 October 2019	171 694	46 025	170 592	13 903	402 215	166 696	568 911
Additions - Purchase	-	12 062	213	-	12 275	-	12 275
Additions - Internally generated	872	(511)	-	-	360	-	360
Additions from business combinations (see note 11)	-	-	-	-	-	-	-
Transferred from construction in progress	40 827	(40 827)	-	-	-	-	-
Government grants (SkatteFUNN)	-	(1 602)	-	-	(1 602)	-	(1 602)
Disposals	-	-	-	-	-	-	-
Cost price 31 December 2019	213 393	15 147	170 805	13 903	413 249	166 696	579 945
Accumulated depreciation 1 October 2019	(129 757)	-	(70 723)	(7 924)	(208 405)	-	(208 405)
Depreciation for the period	(8 689)	-	(10 558)	(1 264)	(20 511)	-	(20 511)
Impairment for the period**	(5 794)	-	-	-	(5 794)	-	(5 794)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 31 December 2019	(144 240)	-	(81 281)	(9 189)	(234 710)	-	(234 710)
Carrying amount 31 December 2019	69 155	15 147	89 526	4 715	178 542	166 696	345 238

Note 6
Intangible assets

Non-current intangible assets

Q4 2018

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Cost Price 1 October 2018	140 227	34 020	133 596	12 634	320 477	155 849	476 326
Additions - Purchase	446	8 790	23 841	-	33 077	-	33 077
Additions - Internally generated	-	262	-	-	262	-	262
Additions from business combinations	-	-	-	-	-	-	-
Transferred from construction in progress	20	(20)	-	-	-	-	-
Government grants (SkatteFUNN)	-	(185)	-	-	(185)	-	(185)
Disposals	-	-	-	-	-	-	-
Cost Price 31 December 2018	140 693	42 869	157 436	12 634	353 630	155 849	509 479
Accumulated depreciation 1 October 2018	(102 543)	-	(31 056)	(284)	(133 883)	-	(133 883)
Depreciation for the period	(6 412)	-	(9 137)	(4 243)	(19 791)	-	(19 791)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 31 December 2018	(108 955)	-	(40 192)	(4 527)	(153 674)	-	(153 674)
Carrying amount 31 December 2018	31 738	42 869	117 243	8 108	199 957	155 849	355 806

Full Year 2019

NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Cost price 1 January 2019	140 692	42 869	157 435	12 633	353 630	155 849	509 479
Additions - Purchase	-	45 314	1 008	-	46 322	-	46 322
Additions - Internally generated	1 094	173	-	-	1 267	-	1 267
Additions from business combinations (see note 11)	-	-	12 362	1 270	13 632	10 847	24 479
Transferred from construction in progress	71 606	(71 606)	-	-	-	-	-
Government grants (SkatteFUNN)	-	(1 602)	-	-	(1 602)	-	(1 602)
Disposals	-	-	-	-	-	-	-
Cost price 31 December 2019	213 393	15 147	170 805	13 903	413 249	166 696	579 945
Accumulated depreciation 1 January 2019	(108 955)	-	(40 193)	(4 527)	(153 675)	-	(153 675)
Depreciation for the year	(29 492)	-	(41 087)	(4 662)	(75 241)	-	(75 241)
Impairment for the year**	(5 794)	-	-	-	(5 794)	-	(5 794)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 31 December 2019	(144 240)	-	(81 281)	(9 189)	(234 710)	-	(234 710)
Carrying amount 31 December 2019	69 155	15 147	89 526	4 715	178 542	166 696	345 238

Note 6
Intangible assets

Non-current intangible assets							
Full year 2018							
NOK in thousands	Software and development projects	Construction in progress	Customer portfolios	Other intangible assets	Total non-current intangible assets, excl. goodwill	Goodwill	Total non-current intangible assets
Cost price 1 January 2018	121 946	29 211	20 141	568	171 865	-	171 865
Additions - Purchase	990	30 457	30 176	-	61 623	-	61 623
Additions - Internally generated	17	1 125	-	-	1 142	-	1 142
Additions from business combinations	-	-	107 118	12 066	119 184	155 849	275 033
Transferred from construction in progress	17 740	(17 740)	-	-	-	-	-
Government grants (SkatteFUNN)	-	(185)	-	-	(185)	-	(185)
Disposals	-	-	-	-	-	-	-
Cost price 31 December 2018	140 692	42 869	157 435	12 634	353 630	155 849	509 479
Accumulated depreciation 1 January 2018	(81 615)	-	(8 012)	(142)	(89 769)	-	(89 769)
Depreciation for the year	(27 340)	-	(32 180)	(4 384)	(63 904)	-	(63 904)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 31 December 2018	(108 955)	-	(40 192)	(4 526)	(153 673)	-	(153 673)
Carrying amount 31 December 2018	31 738	42 869	117 243	8 108	199 957	155 849	355 806
Useful life	3 years		2-12 years	3 years			
Depreciation method	Straight line		Straight line/other*	Straight line			

* For the majority of customer portfolios amortisation is calculated on basis of expected churn-profile of the customer portfolios.

Note 6
Intangible assets

Current intangible assets

Q3 2019

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets
Cost price 1 July 2019	18 128	1 183	19 311
Additions - Purchase	370	854	1 224
Additions from business combinations (see note 11)	1 578	-	1 578
Disposals*	-	(1 303)	(1 303)
Cost price 30 September 2019	20 076	733	20 810
Accumulated depreciation 1 July 2019	-	-	-
Depreciation for the period	-	-	-
Disposals	-	-	-
Accumulated depreciation 30 September 2019	-	-	-
Carrying amount 30 September 2019	20 076	733	20 810

Q4 2019

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets
Cost price 1 October 2019	20 076	733	20 810
Additions - Purchase***	(370)	5 912	5 542
Additions from business combinations (see note 11)**	(1 578)	-	(1 578)
Disposals*	-	(1 013)	(1 013)
Cost price 31 December 2019	18 128	5 632	23 760
Accumulated depreciation 1 October 2019	-	-	-
Depreciation for the period	-	-	-
Disposals	-	-	-
Accumulated depreciation 31 December 2019	-	-	-
Carrying amount 31 December 2019	18 128	5 632	23 760

Note 6
Intangible assets

Current intangible assets

Q4 2018

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets
Cost price 1 October 2018	4 689	197	4 886
Additions - Purchase	17 152	32 569	49 721
Additions from business combinations	260	-	260
Disposals*	-	(21 272)	(21 272)
Cost price 31 December 2018	22 101	11 494	33 595
Accumulated depreciation 1 October 2018	-	-	-
Depreciation for the period	-	-	-
Disposals	-	-	-
Accumulated depreciation 31 December 2018	-	-	-
Carrying amount 31 December 2018	22 101	11 494	33 595

Full Year 2019

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets
Cost price 1 January 2019	22 101	11 494	33 595
Additions - Purchase	242 596	12 975	255 571
Additions from business combinations (see note 11)	-	-	-
Disposals*	(246 569)	(18 837)	(265 405)
Cost price 31 December 2019	18 128	5 632	23 760
Accumulated depreciation 1 January 2019	-	-	-
Depreciation for the year	-	-	-
Disposals	-	-	-
Accumulated depreciation 31 December 2019	-	-	-
Carrying amount 31 December 2019	18 128	5 632	23 760

Note 6
Intangible assets

Current intangible assets

Full year 2018

NOK in thousands	El-certificates	Guarantees of origination	Total current intangible assets
Cost price 1 January 2018	11	2 558	2 569
Additions - Purchase	191 160	30 208	221 368
Additions from business combinations	260	-	260
Disposals*	(169 330)	(21 272)	(190 602)
Cost price 31 December 2018	22 101	11 494	33 595
Accumulated depreciation 1 January 2018	-	-	-
Depreciation for the year	-	-	-
Disposals	-	-	-
Accumulated depreciation 31 December 2018	-	-	-
Carrying amount 31 December 2018	22 101	11 494	33 595

* Disposals of El-certificates refers to amount of certificates being handed over to the government to offset el-certificate cancellation liability.
Disposals of Guarantees of origination (GoO) refers to amount of certificates redeemed as evidence of the origin of electricity generated from renewable energy sources.

** Impairment relates to updated assessments of fair value and value in use of software and development projects.

*** Correction of el-certificate related to acquisition of Vesterålskraft Strøm AS.

Depreciation and impairment of intangible assets are included in the line 'Depreciation and amortisation' in the consolidated statement of profit and loss.

Note 7

Fair value measurement of financial instruments

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. Changes in fair value are recognised through other gains and losses, net in the consolidated statement of profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 September 2019	Level 1	Level 2	Level 3	Total
NOK in thousands				
Financial assets				
Derivative financial instruments	-	91 893	-	91 893
Total financial assets at fair value	-	91 893	-	91 893

Financial liabilities				
Derivative financial instruments	-	93 744	-	93 744
Total financial liabilities at fair value	-	93 744	-	93 744

Recurring fair value measurements At 31 December 2019	Level 1	Level 2	Level 3	Total
NOK in thousands				
Financial assets				
Derivative financial instruments	-	79 274	-	79 274
Total financial assets at fair value	-	79 274	-	79 274
Financial liabilities				
Derivative financial instruments	-	67 999	-	67 999
Total financial liabilities at fair value	-	67 999	-	67 999

Recurring fair value measurements At 31 December 2018	Level 1	Level 2	Level 3	Total
NOK in thousands				
Financial assets				
Derivative financial instruments	-	463 626	-	463 626
Total financial assets at fair value	-	463 626	-	463 626

Financial liabilities				
Derivative financial instruments	-	455 429	-	455 429
Total financial liabilities at fair value	-	455 429	-	455 429

Note 7
Fair value
measurement of
financial instruments

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

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

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

cant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value derivative financial instruments include present value of future cash flows, based on forward prices from Nasdaq OMX Commodities at the balance sheet date. In the case of material long-term contracts, the cash flows are discounted at a discount rate of 1,4 per cent (2018: 1,2 per cent). Valuation method is used for forward contracts and option contracts associated with purchase and sale of electricity. Key inputs to the valuation are discount rates, contract- and market prices.

The fair value of cash and cash equivalents, trade receivables, other non-current financial assets and trade and other payables approximate their carrying value.

Fair values of other financial instruments not recognised in the financial statements

The Group also has financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. There has not been identified any significant difference between fair value and carrying amount at 31 December 2019.

Note 8

Related party transactions

Per 31 December 2019, the Group's related parties include major shareholders, Board of Directors and key management.

In 2019 two major shareholders, BKK AS and Skagerak Energi AS, have sold shares in Fjordkraft Holding ASA. As a result of this Skagerak Energi AS, their parent company Statkraft AS, Skagerak Energi Group and Statkraft Group are no longer considered to be related parties per fourth quarter 2019. The year to date - figures in 2019 are based on transactions as per first quarter 2019. The Board of Directors include a representative from BKK AS. BKK AS and subsidiaries are therefore considered to be related parties.

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

Income from related parties

Related party	Relation	Purpose of transactions	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
BKK AS	Major shareholder	Sale of electrical power	1 816	2 482	2 751	10 509	12 207
BKK Energitjenester AS	Subsidiary of major shareholder	Sale of electrical power	704	1 046	-	1 046	-
BKK Nett AS	Subsidiary of major shareholder	Sale of electrical power	867	1 264	1 007	4 879	4 956
BKK Varme AS	Subsidiary of major shareholder	Sale of electrical power	-	-	-	-	-
Skagerak Energi AS	Major shareholder	Sale of electrical power	-	-	1 255	1 699	4 857
Skagerak Nett AS	Subsidiary of major shareholder	Sale of electrical power	-	-	1 103	1 748	4 370
Skagerak Varme AS	Subsidiary of major shareholder	Sale of electrical power	-	-	2 503	4 494	8 999
Statkraft AS	Parent company of major shareholder	Sale of electrical power	-	-	1 174	1 795	4 222
Statkraft Varme AS	Subsidiary of parent company of major shareholder	Sale of electrical power	-	-	16 732	27 381	61 936
Other	Related party	Other	818	575	2 194	3 484	4 926

Sale of electrical power in some cases includes invoiced grid rent.

Expenses to related parties

Related party	Relation	Purpose of transactions	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
BKK AS	Major shareholder	Purchase of electrical power	356	313	533	1 545	1 493
BKK Produksjon AS	Subsidiary of major shareholder	Purchase of electrical power	3 348	3 210	3 641	12 689	14 085
Statkraft Energi AS	Subsidiary of parent company of major shareholder	Purchase of electrical power	-	-	1 128 994	1 055 212	4 211 917
BKK AS	Major shareholder	Purchase of other services	7 119	6 600	6 170	27 211	24 567
BKK Regnskapsservice AS	Subsidiary of major shareholder	Purchase of other services	(188)	(46)	(1 585)	1 875	5 225
BKK Energitjenester AS	Subsidiary of major shareholder	Purchase of other services	731	387	4 271	1 829	4 096
Statkraft Energi AS	Subsidiary of parent company of major shareholder	Purchase of other services	-	-	10 830	2 029	15 923
Other	Related party	Other	44	61	360	264	1 342

Other services consists of payroll expenses, IT-expenses, office expenses and customer service.

Note 8

Related party transactions

Purchase of assets

Related party	Relation	Purpose of transactions	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
BKK AS	Major shareholder	Research and development	-	-	-	(86)	897
BKK AS	Major shareholder	Purchase of customer portfolio	-	-	5 130	-	5 130
BKK Energitjenester AS	Subsidiary of major shareholder	Purchase of customer portfolio	77	213	418	1 008	6 755
Statkraft Energi AS	Subsidiary of parent company of major shareholder	Purchase of el-certificates	-	-	-	240 864	191 420
Statkraft Energi AS	Subsidiary of parent company of major shareholder	Purchase of guarantees of origination	-	-	-	6 195	30 208

Distributions to related parties

Related party	Relation	Purpose of transactions	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
BKK AS	Major shareholder	Dividend	-	-	-	35 053	48 849
Skagerak Energi AS	Major shareholder	Dividend	-	-	-	-	47 997
Statkraft Industrial Holding AS	Owner at the time of distribution	Dividend	-	-	-	-	3 155

Current receivables from related parties

Related party	Relation	Purpose of transactions	30 Sep 2019	31 Dec 2019	31 Dec 2018
Statkraft Varme AS	Subsidiary of parent company of major shareholder	Sale of electrical power	-	-	9 315
Other	Related party	Sale of electrical power	1 374	1 010	2 906

Current liabilities to related parties

Related party	Relation	Purpose of transactions	30 Sep 2019	31 Dec 2019	31 Dec 2018
BKK AS	Major shareholder	Other	25	195	917
BKK Energitjenester AS	Subsidiary of major shareholder	Purchase of other services	-	-	131
BKK Nett AS	Subsidiary of major shareholder	Other	-	-	-
Statkraft Energi AS	Subsidiary of parent company of major shareholder	Purchase of electrical power	-	-	942 934
Other	Related party	Other	-	-	487

Payables to Statkraft Energi AS (SEAS) mainly relates to purchase of electricity. The Group purchases electricity at Nord Pool through Statkraft Energi AS. The daily transactions and payments with Nord Pool is completed by SEAS, while Fjordkraft AS settles their liabilities towards Statkraft Energi AS monthly. Payables are normally settled in 30 days, but Fjordkraft has the right to postpone the payments by 30 days if their current cash in hand does not cover the liability.

As compensation for the time difference between Fjordkraft's payments and Statkraft Energi AS' settlements towards Nord Pool, Fjordkraft is charged with interests. Interest rate is based on 1M NIBOR plus a margin based on current market terms.

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

As SEAS handles the guarantees on Nord Pool, the Group has no direct exposure on Nord Pool.

Note 9

Revenue recognition

The following table summarises revenue from contracts with customers:

Revenue	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
NOK in thousands					
Revenue - Consumer segment (1)	609 350	1 156 768	1 236 721	3 948 175	3 786 193
Revenue - Business segment (2)	434 762	826 519	904 691	2 899 333	2 775 034
Revenue - New growth Initiatives (3)	57 522	62 095	41 900	218 924	151 064
Revenue - Corporate	-	1 127	(4 222)	56 096	8 657
Total revenue	1 101 634	2 046 509	2 179 090	7 122 528	6 720 948

Timing of revenue recognition

Over time:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenue - Consumer segment	598 926	1 144 751	1 217 389	3 896 620	3 707 156
Revenue - Business segment	428 269	819 934	899 611	2 874 572	2 754 851
Revenue - New growth Initiatives	57 201	61 714	41 518	217 523	149 610
Revenue - Corporate	-	1 127	(4 222)	56 096	8 657
Total revenue recognised over time	1 084 396	2 027 525	2 154 296	7 044 811	6 620 274

At a point in time:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenue - Consumer segment	10 424	12 018	19 332	51 556	79 037
Revenue - Business segment	6 493	6 585	5 080	24 761	20 183
Revenue - New growth Initiatives	321	381	382	1 401	1 454
Total revenue recognised at a point in time	17 238	18 983	24 794	77 717	100 674
Total revenue	1 101 634	2 046 509	2 179 090	7 122 528	6 720 948

(1) Revenue in the consumer segment comprise sale of electrical power to private consumers

(2) Revenue in the business segment comprise sale of electrical power to businesses

(3) Comprise of other business activities (sale of mobile service to private customers and power sale, included related services, to Alliance partners)

Note 10

Long term debt

Long term debt				
NOK in thousands	Effective interest rate	30 Sep 2019	31 Dec 2019	31 Dec 2018
Long term debt DNB	NIBOR 3 months + 1,35 %	208 500	194 600	250 200
Total		208 500	194 600	250 200

Fjordkraft AS has long term debt to DNB related to the purchase of TrønderEnergi Marked AS in 2018.

The interest rate is a calculated weighted average. The reference interest rate is NIBOR. Repayment profile is five years, with quarterly instalments. The loan instalments (55 600 tNOK) that are due the next twelve months have been reclassified from interest-bearing long term debt to other non-current liabilities.

Note 11

Business combination

On 1 July 2019 Fjordkraft AS acquired 100.0% of the issued shares in Vesterålskraft Strøm AS, an electricity retailer in the Northern region, for consideration of NOKt 28 589. The acquisition is expected to increase the group's market share in the northern part of Norway. The new regional office enables market share gains, and the company will use this momentum to further invest in sales activities in the northern region.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration

NOK in thousands	
Purchase price shares, paid in cash	28 055
Interest, paid cash	534
Total purchase consideration	28 589

There is no contingent consideration included in this acquisition.

As of 1 July 2019 the assets and liabilities recognised as a result of the acquisition are as follows:

NOK in thousands	Fair value
Customer relationships	12 362
Other intangible assets	2 848
Right-of-use assets property, plant and equipment	1 590
Other tangible assets	302
Total non-current assets	17 102
Trade receivables	14 000
Derivative financial instruments	1
Other current assets	6 474
Cash and cash equivalents	6 523
Total current assets	26 999
Total assets	44 100
Net employee defined benefit plan liabilities	91
Deferred tax liabilities	2 347
Lease liabilities	1 590
Total non-current liabilities	4 029
Trade and other payables	15 011
Derivative financial instruments	1 538
Social security and other taxes	64
Other current liabilities	5 717
Total current liabilities	22 330
Total liabilities	26 358
Net identifiable assets acquired	17 742
Add: Goodwill	10 847
In total	28 589

Note 11**Business combination**

The goodwill is attributable to Vesterålskraft Strøm AS's strong position and profitability in the electricity retailer market and synergies expected to arise after the company's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes. See note 6 above for the changes in goodwill as a result of the acquisition.

Deferred tax of NOKt 2 999 is related to the fair value adjustments of customer relationships and other intangible assets.

Acquisition-related costs

Acquisition-related costs and implementation costs of NOKt 3 145 are included in administrative expenses in profit or loss.

Acquired receivables

The fair value of trade receivables is NOKt 14 000. The gross contractual amount for trade receivables due is NOKt 16 000, of which NOKt 2 000 is expected to be uncollectable. The fair value of other receivables recognised is considered to be equal to the gross contractual amount.

Revenue and profit contribution

If the acquisition had occurred on 1 January 2019, consolidated revenue and consolidated profit after tax for the period ended 31 December 2019 would have been NOKt 7 138 647 and NOKt 367 490 respectively.

Note 12

Events after the reporting period

On the 6th of January 2019 Fjordkraft AS and Rieber & Søn AS bought shares in Metzum AS. Each company bought 40% of the shares, the remaining 20% is owned by employees in Metzum. Fjordkraft's share in the company was financed through the sale of software from Fjordkraft to Metzum. Metzum AS aims to develop, manage and deliver software to electricity suppliers and similar industries.

The Board of Directors has in the Board Meeting on 12 February 2020 proposed a dividend to the shareholders of NOK 3.00 per share.

The proposed dividend is subject to approval by the general meeting.

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

Appendix



Alternative performance measures

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

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

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

Capex excl. M&A is used to present the capital expenditures excluding mergers and acquisitions to illustrate the Group's organic maintenance capex.

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

EBIT adjusted

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

- *Estimate deviations from previous years:* A large proportion of the Group's final settlement of sales and distribution of electricity is made after the Group has finalised its financial statements. At the date of reporting, the Group recognises electricity revenue and the associated cost of sales, based on a best estimate approach. Thus, any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Other gains and losses, net:* Consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Special items:* Items that are not part of the

ordinary business, such as acquisition related costs and launch of new services

- *Depreciation of acquisitions:* Depreciation related to customer portfolios and acquisitions of companies. The Group has decided to report the operating profit of the segments adjusted for depreciation of acquisitions

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

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

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

EBITDA adjusted

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

- *Estimate deviations from previous years:* A large proportion of the Group's final settlement of sales and distribution of electricity is made after the Group has finalised its financial statements. At the date of reporting, the Group recognises electricity revenue and the associated cost of sales based on a best estimate approach. Thus, any estimate deviation related to the previous reporting period is recognised in the following reporting period
- *Other gains and losses, net:* Consist of gains and losses on derivative financial instruments associated with the purchase and sale of electricity
- *Special items:* items that are not part of the ordinary business, such as acquisition related costs and launch of new services

Gross revenue is equivalent to Revenue as stated in the statement of profit or loss.

Market churn represents the annual supplier switching rate presented by the Norwegian Water Resources and Energy Directorate. This can be an indicator of the degree of competition in the electricity market.

Alternative performance measures

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

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

Net interest-bearing debt (NIBD) shows the net cash position and how much cash would remain if all interest-bearing debt was paid. The calculation is total interest-bearing liabilities deducted cash and cash equivalents.

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

Net revenue adjusted

This APM presents Net revenue adjusted for:

- *Estimate deviations from previous years:* A large proportion of the Group's final settlement of sales and distribution of electricity is made after the Group has finalised its financial statements. At the date of reporting, the Group recognises electricity revenue and the associated cost of sales based on a best estimate

approach. Thus, any estimate deviation related to the previous reporting period is recognised in the following reporting period

- *Other special revenue adjustments:* which represents non-recurring income which is recognised in the profit or loss for the period

Net working capital (NWC) is used to measure short-term liquidity and the ability to utilise assets in an efficient matter. NWC includes the following items from current assets: Inventories, intangible assets, trade receivables, derivative financial instruments and other current assets (that is, all current assets in the balance sheet except cash and cash equivalents); and the following items from current liabilities: trade payables, current income tax liabilities, derivative financial instruments, social security and other taxes and other current liabilities. First year instalments related to long term debt from acquisition are classified as interest-bearing debt.

Non-cash NWC elements and other items is used when analysing the development in NIBD. Non-cash NWC relates to items included in "change in NWC" that are not affecting Net interest-bearing debt while other items include interest, tax,

change in long-term receivables, proceeds from non-current receivables, proceeds from other long-term liabilities and adjustments made on EBITDA.

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

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

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

Alternative performance measures

Financial statements with APM's

Reported amounts:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Operating income	1 101 634	2 046 509	2 179 090	7 122 528	6 720 948
Cost of sales	(842 307)	(1 672 256)	(1 871 598)	(5 827 394)	(5 623 526)
Net revenue	259 327	374 252	307 492	1 295 134	1 097 422
Personnel expenses	(74 557)	(49 213)	(64 658)	(236 106)	(217 514)
Other operating expenses	(84 887)	(104 661)	(103 503)	(379 973)	(378 382)
Operating expenses	(159 446)	(153 874)	(168 160)	(616 079)	(595 896)
Other gains and losses, net	(8 427)	13 126	(2 683)	4 615	(10 578)
EBITDA	91 454	233 505	136 649	683 670	490 947
Depreciation & amortisation	(48 973)	(58 895)	(44 935)	(200 932)	(164 065)
EBIT reported (Operating profit)	42 482	174 610	91 714	482 738	326 883
Net financials	1 353	1 014	398	7 701	4 974
Profit/ (loss) before taxes	43 835	175 624	92 112	490 440	331 858
Taxes	(9 904)	(49 944)	(20 742)	(120 269)	(78 289)
Profit/ (loss) for the period	33 932	125 681	71 371	370 171	253 569
EBIT reported margin	16%	47%	30%	37%	30%

Alternative performance measures

Adjusted amounts:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net revenue	259 327	374 252	307 492	1 295 134	1 097 422
Adjustment: (Positive/ negative estimate deviations previous year)	-	(2 048)	(2 857)	(11 414)	(5 449)
Special items* (Compensatory damages)	-	-	-	-	(4 080)
Net revenue adjusted	259 327	372 204	304 634	1 283 721	1 087 893
EBITDA	91 454	233 505	136 649	683 670	490 947
Adjustment: (Positive/ negative estimate deviations previous year)	-	(2 048)	(2 857)	(11 414)	(5 449)
Other gains and losses	8 427	(13 126)	2 683	(4 615)	10 578
Special items*	287	(23 502)	2 233	(21 218)	21 755
EBITDA adjusted (before unallocated and estimate deviations)	100 168	194 829	138 708	646 422	517 831
EBIT reported (Operating profit)	42 482	174 610	91 714	482 738	326 883
Adjustment: (Positive/ negative estimate deviations previous year)	-	(2 048)	(2 857)	(11 414)	(5 449)
Other gains and losses	8 427	(13 126)	2 683	(4 615)	10 578
Special items*	287	(23 502)	2 233	(21 218)	21 755
Part of depreciation related to acquisitions	11 774	11 774	13 333	45 560	36 375
EBIT adjusted (before unallocated and estimate deviations)	62 968	147 709	107 106	491 053	390 142
EBIT margin adjusted	24%	40%	35%	38%	36%

* Special items consists of the following:

NOK in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
The process of listing the company on Oslo Stock Exchange	-	-	-	-	(11 323)
Acquisition related costs	(287)	(861)	(1 935)	(3 145)	(11 643)
Compensatory damages	-	-	-	-	4 080
Legal costs related to the compensatory damages	-	-	-	-	(460)
Strategic costs related to markets abroad	-	-	(298)	-	(2 409)
Change in pension plan	-	28 969	-	28 969	-
Impairment R&D (P&I project)	-	(4 606)	-	(4 606)	-
Special items	(287)	23 502	(2 233)	21 218	(21 755)

Alternative performance measures

Other financial APM's

Net interest bearing debt (cash)

NOK thousands	30 Sep 2019	31 Dec 2019	31 Dec 2018
Interest-bearing long term debt	152 900	139 000	194 600
Reclassification of first year installments long term debt	55 600	55 600	55 600
Cash and cash equivalents	(701 123)	(775 536)	(381 409)
Net interest bearing debt (cash)	(492 623)	(580 936)	(131 209)

Financial position related APM's

NOK thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net working capital	(64 494)	(32 615)	310 828	(32 615)	310 828
OpFCF before tax and change in NWC	55 499	152 330	100 655	478 358	373 401
Capex excl. M&A	9 782	13 362	9 816	50 372	33 783

Non-financial APM's

Deliveries

Numbers in thousands	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Electrical deliveries Consumer segment	542	544	529	544	529
Electrical deliveries Business segment	78	78	76	78	76
Total number of electrical deliveries *	619	622	605	622	605
Number of mobile subscriptions	92	100	66	100	66

* Number of deliveries excl. Extended Alliance deliveries. Number of deliveries incl. Extended Alliance deliveries: 654 thousand in 2019.

Volume in GWh	Q3 2019	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Consumer segment	1 232	2 158	2 077	7 070	6 899
Business segment	1 075	1 844	1 884	6 338	6 298
Total volume	2 307	4 002	3 961	13 407	13 197