

Elektroimportøren AS

Quarterly report Q1 2023



To our shareholders

Total sales in the first quarter of NOK 383 million, which is up 4.1% from last year. Gross profit for the quarter was NOK 137 million which is the same as last year. EBITDA of NOK 32 million down from NOK 43 million last year.

First quarter of 2023 have been both challenging and exciting. It has been challenging to generate like-for-like growth and it has been exciting to see the good development of our most important growth areas.

We had a slow start in the first two weeks of the year ending up with January coming in behind last year on sales. February was flat and March started off with good growth but we got a hit from the ban of Easee sales in Sweden making March also come in below last year.

It has been exciting to see that sales of solar products have shown to be even better than we hoped for, SpotOn continues to grow, and we are now ready to open our first store in Sweden.

Sales of energy saving product and smart home devices continues to show good growth compared to last year. EV chargers got a big hit on sales ending up with a decline of over 30 percent for the quarter.

Throughout the quarter we have been working on getting ready for our first store opening in Sweden. Our new employees have gone through sales and product trainings and have spent some time in Norway learning from their Norwegian colleagues.

We have also conducted trainings both for our employees and our B2B customers on sales and mounting of solar products. Calculating new projects in the right way and making sure that solar panels are mounted correctly are key to being successful in the solar market.

Market conditions are more challenging than they have been over the last two years, but we see that our concept stands strong and that our new growth initiatives are developing good. We do however see the need for further improvement of our profitability, so we need to look at further cost reductions to achieve increased profitability.

I would like to thank all our hard working and dedicated colleagues for their effort in making sure that our customers get the best possible customer service in the most professional way.

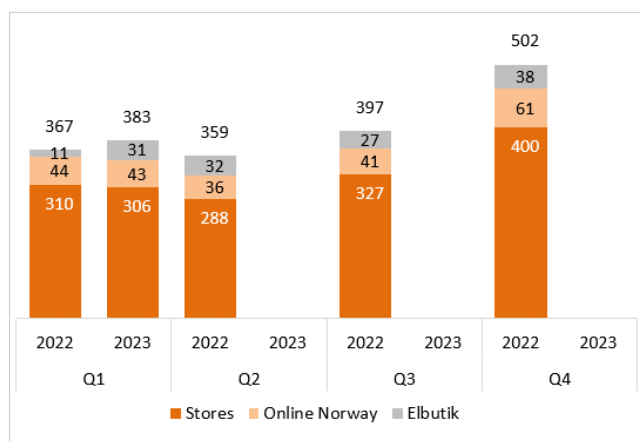


Yours sincerely
Andreas Niss, CEO Elektroimportøren

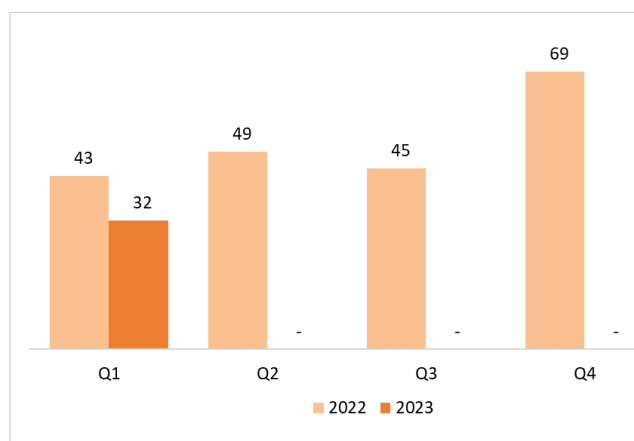
Summary of key financials in Q1

- Revenue of NOK 383 million (NOK 367 million) up 4.1%. Like-for-like sales have declined by 3.2%.
- B2B sales increased by 1.4% compared to last year while B2C sales increased with 14.5%. B2C sales in Norway decreased by 4.1% compared to last year.
- Sales of full service product offer SpotOn continues to grow from NOK 6 million to NOK 9 million in Q1 2023.
- Gross margin percentage is 35.7% (37.3%). For Norway we have 36.8% (37.6%). Margin percentage in Elbutik is still lower than for the Norwegian operation with 23.0%.
- Reported EBITDA of NOK 32 million (NOK 43 million). EBITDA margin percentage is 8.2% (11.7%).

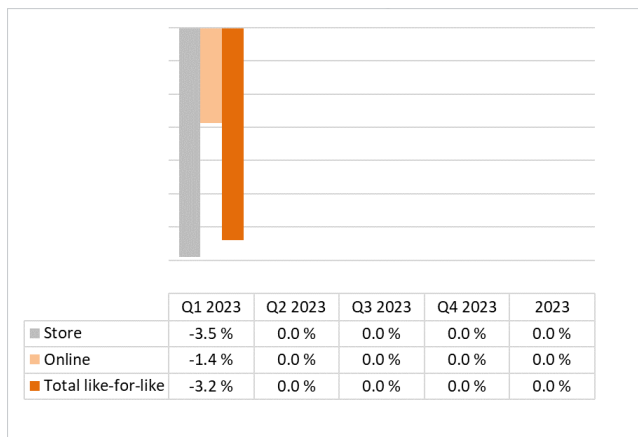
Revenue (NOK million)



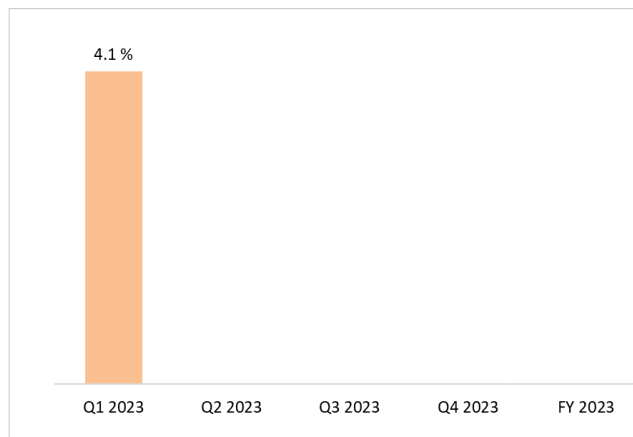
Reported EBITDA (NOK million)



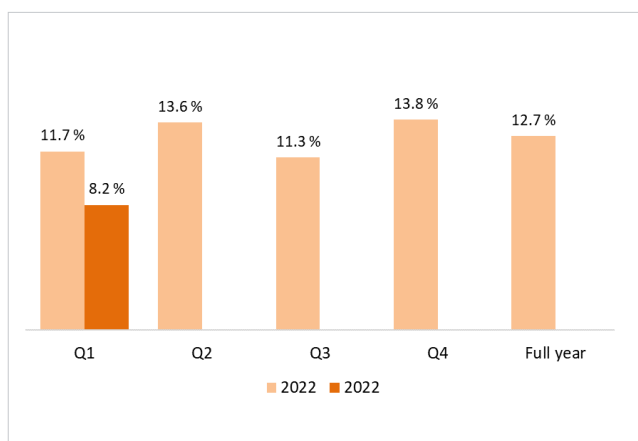
Like for Like growth %



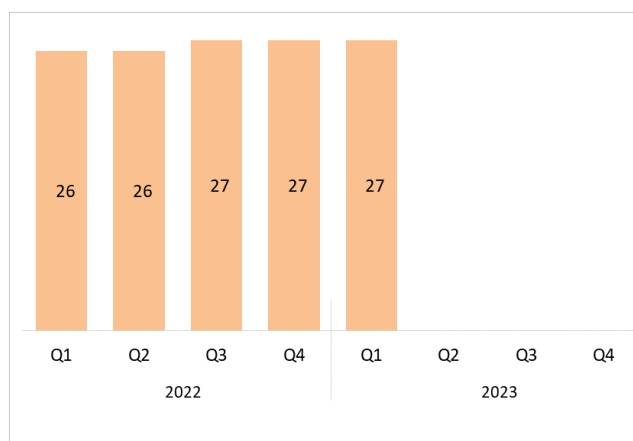
Revenue growth (YOY)



Reported EBITDA margin (%)



of physical stores



Alternative performance measure

Q1 2023 – Group

| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
|---------------------------------------|---------|---------|---------|
| Revenue | 383 | 367 | 1626 |
| Cost of goods sold | -246 | -230 | -1019 |
| Gross profit | 137 | 137 | 607 |
| Gross margin (%) | 35,7 % | 37,3 % | 37,3 % |
| Operating expenses in sales channels | -61 | -60 | -257 |
| Other operating expenses | -44 | -33 | -143 |
| OPEX | -105 | -93 | -400 |
| OPEX to sales margin (%) | -27,5 % | -25,3 % | -24,6 % |
| Adjusted EBITDA | 32 | 44 | 207 |
| Adjusted EBITDA margin (%) | 8,2 % | 12,0 % | 12,7 % |
| Adjustments | 0 | -1 | -1 |
| EBITDA reported | 32 | 43 | 206 |
| EBITDA reported margin (%) | 8,2 % | 11,6 % | 12,7 % |
| Depreciation | -24 | -22 | -91 |
| Adjusted EBIT | 7 | 22 | 116 |
| Adjusted EBIT margin (%) | 1,9 % | 5,9 % | 7,1 % |
| Adjustments | 0 | -1 | -1 |
| Amortisation intangible assets | 0 | 0 | -1 |
| EBIT reported | 7 | 20 | 114 |
| EBIT reported margin (%) | 1,8 % | 5,5 % | 7,0 % |
| Net financial expenses | -12 | -8 | -46 |
| Profit before tax | -5 | 12 | 67 |
| Net income | -4 | 9 | 50 |
| Liabilities to financial institutions | -403 | -375 | -339 |
| Leasing liabilities | -385 | -383 | -378 |
| Cash/Overdraft facility | 0 | 24 | 3 |
| Net interest bearing debt | -788 | -734 | -714 |

Financials



Financial review Q1 2023 - Group

Revenues

Main driver for sales growth in Q1 2023 is inclusion of Elbutik sales with NOK 31 million compared to NOK 11 million in Q1 2022 (included in Group from March 2022). In addition, we have positive sales effect from new stores (Strømsø and Kristiansund).

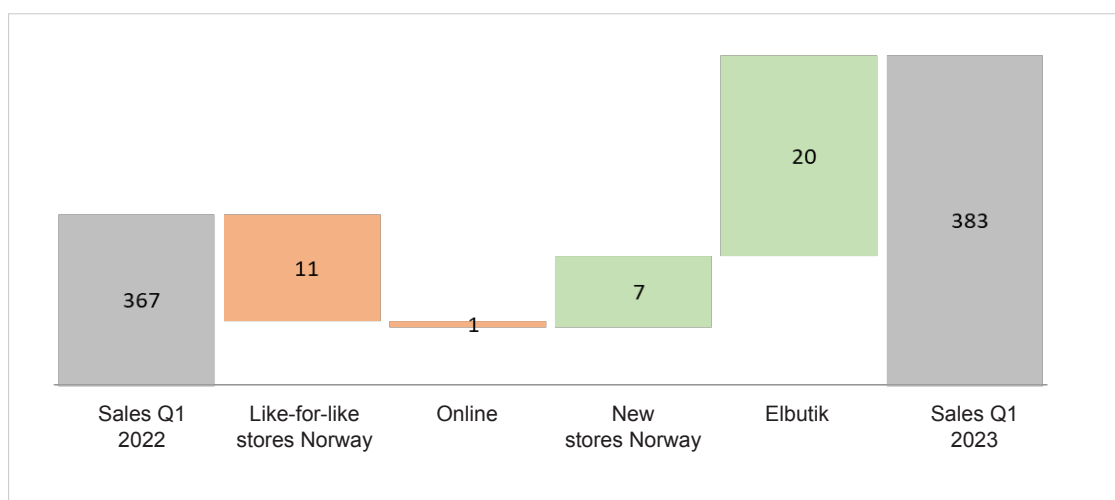
In our like-for-like stores we had a decline with 3.2% in the quarter. The main reason for this being the reduction seen in the EV charger product category due to the sales ban on Easee chargers in Sweden and negative impact on the total basket because of that. On the positive side we have seen that the footfall to physical stores have picked up at the end of the quarter and increased compared to last year.

Online sales in Norway declined by 1.4% in Q1 2023 compared to last year with the same explanation as above.

In Q1 2023 sales of EV chargers declined by NOK 10 million compared to last year with reduction in both sales to B2B (NOK 9 million) and B2C (NOK 1 million). Reduction in sales is the sales ban on Easee chargers in Sweden which have led to uncertainty among Norwegian customers. We are working on alternative solutions and have started to sell Amina and increasing our stock of Zaptec, however, not able to compensate fully for the loss of sales on Easee.

Our full service sales offer Spoton continue to develop positive in terms of sales with an increase of NOK 3 million in Q1 2023 compared to last year.

Revenue bridge Q1 2022 to Q1 2023

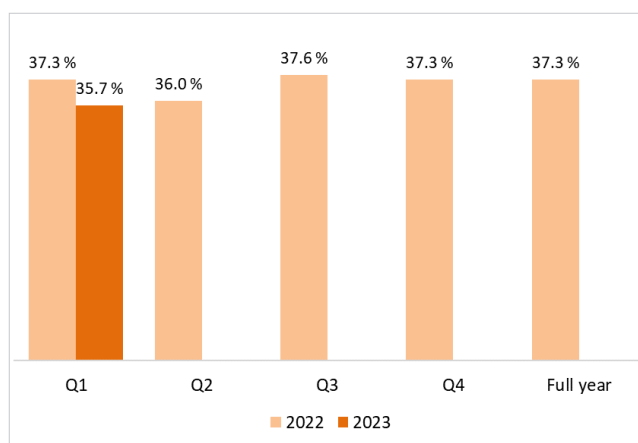


Gross margin

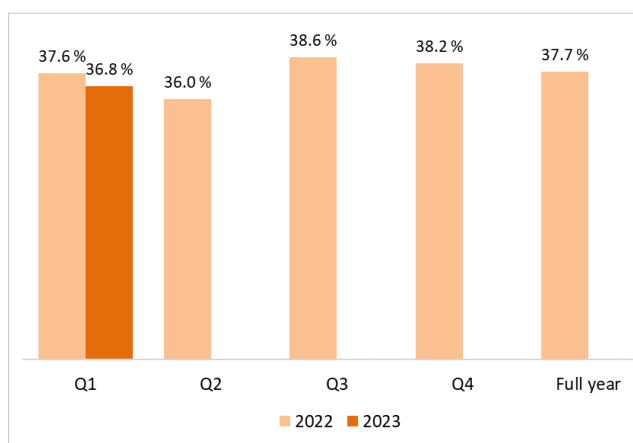
Gross margin percentage is 35.7% in Q1 2023 which is lower than last year. Main driver for lower margin year on year is inclusion of Elbutik. After opening of the first physical store in Sweden in the end of April 2023 we expect to see increase in margin in Sweden as we will be able to guide the sales more to Namron products with higher product margin.

Main drivers for lower product margin in Norway are higher freight costs, weak NOK towards USD, small shift in customer mix towards B2B and sales growth on SpotOn.

Gross margin (%)



Gross margin (%), Norway



Operating expenses in sales channels

Operating expenses in sales channels NOK 61 million (NOK 60 million). We have good cost control in our sales channels, and the main driver for increase in costs is new store in Strømsø in Norway. In addition, we have an increase in energy costs due to price increase on electricity.

EBITDA reported

EBITDA reported decreased by NOK 11 million due to higher operating expenses as described above.

Other operating expenses

Other operating costs is NOK 44 million (NOK 33 million). Main driver is inclusion of Elbutik. We have also increased costs to support our growth in solar and increase our efficiency through implementation of new logistics and IT systems.

Cash, cash equivalents and borrowings

Cash and cash equivalents are mainly impacted by new physical store in Sweden.

Alternative Performance Measures, Norway

| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
|--------------------------------------|---------|---------|---------|
| Revenue | 352 | 356 | 1517 |
| Cost of goods sold | -222 | -222 | -945 |
| Gross profit | 130 | 134 | 572 |
| Gross margin (%) | 36.8 % | 37.6 % | 37.7 % |
| Operating expenses in sales channels | -59 | -58 | -232 |
| Other operating expenses | -38 | -33 | -134 |
| OPEX | -97 | -91 | -366 |
| OPEX to sales margin (%) | -27.5 % | -25.5 % | -24.1 % |
| Adjusted EBITDA | 33 | 43 | 206 |
| Adjusted EBITDA margin (%) | 9.3 % | 12.1 % | 13.6 % |
| Adjustments | 0 | -1 | -1 |
| EBITDA reported | 33 | 42 | 204 |
| EBITDA reported margin (%) | 9.3 % | 11.7 % | 13.5 % |
| Depreciation | -24 | -22 | -89 |
| Adjusted EBIT | 9 | 21 | 117 |
| Adjusted EBIT margin (%) | 2.7 % | 5.8 % | 7.7 % |
| Adjustments | 0 | -1 | -1 |
| Amortisation intangible assets | 0 | 0 | 0 |
| EBIT reported | 9 | 19 | 116 |
| EBIT reported margin (%) | 2.6 % | 5.4 % | 7.6 % |

Alternative Performance Measures, Sweden

| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
|--------------------------------------|---------|---------|---------|
| Revenue | 31 | 10.9 | 108 |
| Cost of goods sold | -24 | -8.0 | -74 |
| Gross profit | 7 | 3.0 | 34 |
| Gross margin (%) | 23.0 % | 27.1 % | 31.9 % |
| Operating expenses in sales channels | -2 | -2 | -26 |
| Other operating expenses | -6 | 0 | -6 |
| OPEX | -8 | -2 | -33 |
| OPEX to sales margin (%) | -27.3 % | -19.0 % | -30.3 % |
| Adjusted EBITDA | -1 | 0.9 | 2 |
| Adjusted EBITDA margin (%) | -4.3 % | 8.2 % | 1.5 % |
| Adjustments | 0 | 0 | 0 |
| EBITDA reported | -1 | 1 | 2 |
| EBITDA reported margin (%) | -4.3 % | 8.2 % | 1.5 % |
| Depreciation | -1 | 0 | -3 |
| Adjusted EBIT | -2 | 1 | -1 |
| Adjusted EBIT margin (%) | -7.0 % | 7.6 % | -1.1 % |
| Adjustments | 0 | 0 | 0 |
| Amortisation intangible assets | 0 | 0 | -1 |
| EBIT reported | -2 | 1 | -2 |
| EBIT reported margin (%) | -7.0 % | 7.6 % | -1.8 % |

Financial review Sweden

Key points

Total sales in Q1 2023 were NOK 31 million compared to NOK 35 million in Q1 2022, and reported EBITDA of NOK -1 million.

Main focus for Q1 2023 has been to prepare Elbutik for opening the first physical store which opened end of April. For 2023 we believe there is a significant growth potential in our online operation as well as for the planned new store outside Stockholm.

Consolidated statement of profit and loss

| Amounts in NOK million | Unaudited | | Audited |
|---|--------------|-------------|---------------|
| | Q1 2023 | Q1 2022 | FY 2022 |
| Revenue | 383 | 367 | 1 626 |
| Cost of goods sold | -246 | -230 | -1 019 |
| Employee benefits expenses | -68 | -64 | -255 |
| Depreciation and amortisation expenses | -25 | -23 | -92 |
| Other operating expenses | -37 | -31 | -146 |
| Total operating expenses | -376 | -347 | -1 512 |
| Operating profit | 7 | 20 | 114 |
| Net financial income (+)/expenses (-) | -12 | -8 | -46 |
| Profit before tax | -5 | 12 | 67 |
| Income tax expense | 1 | -3 | -15 |
| Net profit (loss) for the period | -4 | 9 | 52 |
| Basic and diluted earnings per share (EPS) | -0.19 | 0.42 | 2.41 |

Other comprehensive income

| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
|---|-----------|----------|-----------|
| Profit for the period | -4 | 9 | 52 |
| Items that may be reclassified to profit or loss in subsequent periods | 0 | 0 | 0 |
| Items that will not be reclassified to profit or loss in subsequent periods | 0 | 0 | 0 |
| Other comprehensive income for the year, net of tax | 0 | 0 | 0 |
| Total comprehensive income for the period net of tax | -4 | 9 | 52 |
| Attributable to: | | | |
| Equity holders of the parent | -4 | 9 | 52 |

Consolidated statement of financial position

| | Unaudited | | Audited |
|---|-------------|-------------|-------------|
| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
| Goodwill | 432 | 413 | 432 |
| Trademark and other intangible assets | 22 | 7 | 22 |
| Deferred tax asset | 9 | 5 | 8 |
| Total intangible assets | 463 | 425 | 463 |
| Property, plant and equipment | 471 | 488 | 463 |
| Inventories | 335 | 326 | 319 |
| Trade receivables | 80 | 80 | 70 |
| Other current assets | 37 | 35 | 40 |
| Cash and bank deposits | 0 | 24 | 3 |
| Total current assets | 452 | 465 | 432 |
| TOTAL ASSETS | 1386 | 1378 | 1358 |
| Total paid-in-equity | 78 | 78 | 78 |
| Retained earnings | 239 | 210 | 253 |
| Total Equity | 317 | 288 | 331 |
| Non current lease liabilities | 328 | 322 | 306 |
| Non current liabilities to financial institutions | 295 | 355 | 295 |
| Other non current liabilities | 42 | -3 | 42 |
| Total non current liabilities | 665 | 673 | 643 |
| Current lease liabilities | 57 | 61 | 72 |
| Liabilities to financial institutions | 108 | 20 | 44 |
| Trade creditors | 127 | 137 | 154 |
| Taxes payable | 5 | 22 | 21 |
| Dividends payable | 11 | 60 | 0 |
| Public duties payable | 47 | 48 | 46 |
| Other current liabilities | 50 | 69 | 47 |
| Total current liabilities | 404 | 417 | 383 |
| TOTAL EQUITY AND LIABILITIES | 1386 | 1378 | 1358 |

Consolidated statement of cash flows

| Amounts in NOK million | Q1 2023 | Q1 2022 | FY 2022 |
|---|------------|-------------|-------------|
| Profit before income taxes | -5 | 12 | 68 |
| Taxes paid | -17 | -13 | -30 |
| Depreciation and impairment | 25 | 22 | 92 |
| Interest | 12 | 8 | 46 |
| Change in inventory | -16 | -50 | -55 |
| Change in trade receivables | -10 | -17 | -6 |
| Change in trade creditors | -27 | -17 | 4 |
| Change in other current assets and liabilities | 8 | 12 | -16 |
| Net cash flow from operations | -31 | -44 | 105 |
| Cash flow from investments | | | |
| Purchase of fixed assets | -12 | -8 | -30 |
| Acquisition of Elbutik | 0 | -171 | -153 |
| Net cash flow from investments | -12 | -179 | -183 |
| Cash flow from financing | | | |
| Proceeds from long term borrowings | 0 | 190 | 130 |
| Increase in liabilities to financial institutions | 64 | 0 | 21 |
| Net interest paid | -8 | -4 | -22 |
| Lease payments | -18 | -15 | -67 |
| Dividend payment to shareholders | 0 | 0 | -60 |
| Net cash flow from financing | 39 | 170 | 2 |
| Cash and cash equivalents at the beginning of the period | 3 | 77 | 76 |
| Net change in cash and cash equivalents | -3 | -53 | -76 |
| Cash and cash equivalents at the end of the period | 0 | 24 | 0 |

Consolidated statement of changes in equity

| Amounts in MNOK | Paid in Equity | Other Equity | Total Equity |
|--|----------------|--------------|--------------|
| January 1st. 2022 | 13 | 261 | 274 |
| Profit for January-March 2022 | 0 | 9 | 9 |
| Increase in shares - market value acquisition of Elbutik | 65 | 0 | 65 |
| Approved dividend | 0 | -60 | -60 |
| Balance at 31st. March 2022 | 78 | 210 | 288 |
| Balance at 1st. January 2023 | 78 | 253 | 331 |
| Profit for January-March 2023 | 0 | -4 | -4 |
| Increase in shares - market value acquisition of Elbutik | 0 | 0 | 0 |
| Approved dividend | 0 | -11 | -11 |
| Balance at 31st. March 2023 | 78 | 238 | 317 |

Events after the period and outlook

The market continues to be challenging, but we are still optimistic about the opportunities we see in our growth areas Solar, Sweden and SpotOn.

Demand for solar products are high and we reach both current and new customers with this product category.

We opened our first physical store in Sweden on 27th April.

Spoton continues to grow and we will launch further installation services throughout the second quarter. We will make sure that we stay competitive both to consumers and professionals and have a strong belief in that our concept stands strong also in more challenging market conditions.

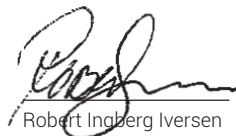
We continue with a rigid cost control and will explore the possibilities for further cost savings.

Oslo, 2nd May 2023

The board of Elektroimportøren AS



Amund Skarholdt



Robert Ingberg Iversen



Gaute Gillebo



Kjersti Helen Krokeide Hobøl

Notes and Definitions



Notes

Note 1 Corporate information

Elektroimportøren AS and its subsidiaries ('the group') sell electrical installation products through wholly owned stores and on internet. The group has 27 physical stores as of 31 March.

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

All amounts in the financial statements are presented in NOK million unless otherwise stated. Due to rounding's there may be smaller differences in the summation columns.

Note 2 Basis of preparation and accounting policies

The Q1 2023 report 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 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.

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

Note 3 Estimates, judgements and assumptions

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, sales and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

Note 4 Liabilities to financial institutions

Elektroimportøren have a revolving credit facility with NOK 120 million and a facility to support expansion in Sweden of NOK 60 million.

In addition to NOK 335 million on loan facilities Elektroimportøren are utilizing NOK 68 million of the revolving credit facility (NOK 120 million) as of Q1 2023, but has still not used the facility to support expansion in Sweden (NOK 60 million).

The Yearly instalments are NOK 40 million due at 31 December every year. The facilities have a maturity of three years from 3 March 2022 and are secured by inventory, receivables and operating equipment in Elektroimportøren.

In Q1 2022 Liabilities to financial institutions was NOK 375 million and positive net cash with NOK 24 million.

Note 5 Related party transactions

The Group's related party transactions include key management, members of the Board and majority shareholders. None of the Board members have been granted loans or guarantees in the current year. None of the Group Board members are included in the Group's bonus or pension plans.

Note 6 Earnings per share

| Amounts in MNOK | Q1 2023 | Q1 2022 | 2022 |
|---------------------------|------------|------------|------------|
| Number of ordinary shares | 21 582 200 | 21 582 200 | 21 582 200 |
| Net profit | - 4 | 9 | 52 |
| Earnings per share | - 0.19 | 0.42 | 2.41 |

Note 7 Fixed assets and intangible assets

| (amounts in NOK 1000) | Right of use asset | PPE | Other intangibles | Goodwill |
|--------------------------------------|--------------------|---------|-------------------|----------|
| Balance 01.02.22 | 306 871 | 151 516 | 6 807 | 185 077 |
| Additions, disposals and adjustments | 38 703 | 13 417 | - | 228 102 |
| Depreciation and amortization | - 15 035 | - 7 318 | - 138 | - |
| Balance 31.03.22 | 330 539 | 157 615 | 6 669 | 413 179 |

| (amounts in NOK 1000) | Right of use asset | PPE | Other intangibles | Goodwill |
|--------------------------------------|--------------------|---------|-------------------|----------|
| Balance 01.01.23 | 331 447 | 131 667 | 22 415 | 432 168 |
| Additions, disposals and adjustments | 17 796 | 14 100 | - | - |
| Depreciation and amortization | - 17 013 | - 7 570 | - | - |
| Balance 31.03.23 | 332 230 | 138 197 | 22 415 | 432 168 |

Definitions

Like-for-like revenue are revenues from stores that were in operation from the start of last fiscal year all through the end of the current reporting period.

Revenue growth represents the growth in revenue for the current reporting period compared to the comparative period the previous year. Revenue growth is an important key figure for Elektroimportøren AS, and the user of financial statements as it illustrates the underlying organic revenue growth.

Gross profit is defined as revenue minus the cost of goods sold (COGS). The gross profit represents sales revenue that the group retains after incurring the direct costs associated with the purchase and distribution of costs (including distribution costs to central warehouse and net distribution costs to our online customers).

Gross margin is defined as Gross profit divided by Revenue. The gross margin reflects the percentage margin of the sales revenue that the Group retains after incurring the direct costs associated with the purchase and the distribution of the goods. As such this is an important KPI for Elektroimportøren.

Operating expenses in sales channels includes employee benefit expenses, rent costs and other operating expenses in Physical stores, B2B organization and our Online operation.

OPEX to sales margin is the sum of Operating expenses in sales channels and Other operating expenses divided by Revenue. The OPEX to revenue margin measures operating cost efficiency as percentage of Revenue and is an important KPI for Elektroimportøren.

EBITDA is earnings before tax, interests, depreciation and write down of fixed assets and amortisation of intangible assets.

Adjusted EBITDA is defined as EBITDA less items defined as other income and expenses not considered as part of ordinary operations. EBITDA and adjusted EBITDA are important key figures for Elektroimportøren, and considered useful to the users of financial statements when evaluating operational profitability.

EBITDA margin is EBITDA divided by total Revenue. The adjusted EBITDA margin is Adjusted EBITDA divided by total Revenue. These performance measures are important key figures for Elektroimportøren, and are considered useful to the users of financial statements when evaluating operational efficiency.

EBIT (earnings before interest and tax) is operating profit.

EBIT margin is EBIT divided by Total revenue.

Net capital expenditure represent the cash flow from the investment spending in fixtures and fittings, machinery and other intangibles less sales proceeds for such assets.

Net income is profit (loss) for the period.

Elektroimportøren AS

Quarterly report Q1 2023

