

# Elektroimportøren AS

Quarterly report Q3 2022



# To our shareholders

We have managed to grow our business in every month of the 3rd quarter. September having the greatest growth, and August just ahead of last year. Compared to the 2nd quarter we see improvements in our gross margin, online sales starting to recover, and B2C sales increasing in share of business. In Sweden we had growth in July, but in August and September we fall behind last year.

Total sales of 398 MNOK (360), which is up 10.6% from last year. B2B continue to drive growth, but decline in B2C sales is at a lower level than previous quarters of 2022.

Gross profit of 150 MNOK (139) giving us a gross margin percentage of 37.6% (38.5%), which is up 1.6 pp from Q2. Price increases have come through during the quarter, and we improve GM % across all customer groups.

Cost control is good, but we did spend more on customer events and internal training this quarter compared to last year, resulting in a opex to sales ratio at 26.3% compared to 25.3% last year.

We had an EBITDA of 44.8 MNOK compared to 47.8 MNOK in Q3 last year.

During the quarter we have gathered all our store employees for product and sales training. This is an annual event where we give our employees an update on the latest product news, and prepare for coming product launches in the coming year, together with our suppliers.

We have had a major event for our partner customers within B2B. This was not conducted during the pandemic, but this year we were able to once again gather our most important customers for a few days to discuss future opportunities, and strengthen our relationship.

In September we started to move our warehouse in Sweden and implement a new WMS (Warehouse Management System). This was needed to make us able to supply our future stores with products. We will use these facilities for 12 months before we move to a new permanent warehouse. Relocating the warehouse and implementing WMS have gone according to plan, but not without some disruption in supply to our customers.

Conversion rate in our stores is at 62%, and basket size is up 7%. Namron share of business is at 32%, which is slightly up from Q2, but 1% down from last year.

Spoton continues its positive development, and we had over 1.000 installations and 9.4 MNOK in turnover, up from 3.9 MNOK last year.

Given the market conditions, especially in B2C, we believe our performance in the quarter have been good. We continue to grow our business, we have increased our gross margins, our stores have good cost control, and we deliver on our strategic objectives. My greatest thanks go to all our fantastic employees, who with their knowledge and their wish to improve every day, continues to deliver the best customer service there is. Now we look forward to what we as a team can deliver in peak season.

*Yours sincerely*

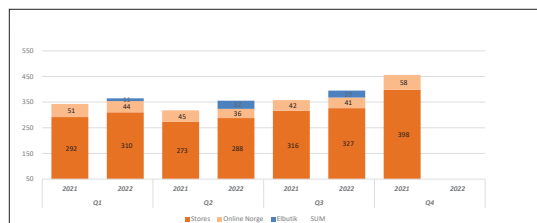
*Andreas Niss, CEO Elektroimportøren*

# Summary of key financials in Q3

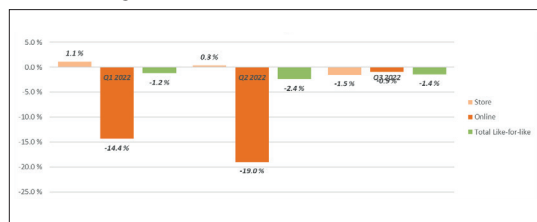
- Revenue of 398.1 MNOK (359.8 MNOK) up 10.6%.
- Like-for-like sales have been reduced with 1.4% (Reduction in Q2 was 2.4%).
- Online share of total sales (excluding pick up in store, but including Elbutik) 17.2%.
- B2B sales (Norway) increased with 9.8% compared to last year while B2C sales including Elbutik increased with 11.4%. B2C sales in Norway reduced with 3.4%.
- B2B share of total sales in Norway was 51.4% (48.2%).
- Sale of Electrical Vehicle chargers in Norway of 50.7 MNOK (39.9 MNOK).
- Sale of full service product offer Spoton continues with positive development with 9.4 MNOK (3.9 MNOK).
- Gross margin percentage is higher in Q3 than for Q2 with 37.6% (35.1%). For Norway we have a gross margin of 38.6 % compared to 38.5 % in Q3 last year. Margin percentage in Elbutik is still lower than for the Norwegian operation with 24.5%. Key drivers for positive development in margin percentage since Q2;
  - Increased share of sales to B2C
  - Price increases
  - Campaign management

- As we have three more stores compared to last year and a small negative like-for-like sales growth we see an increase in Opex to sales ratio 26.6% (25.3%).
- Reported EBITDA of 44.8 MNOK (47.8 MNOK). EBITDA margin percentage is 11.3% (13.3%).
- Last part of dividend for 2022 paid during September (30 MNOK).

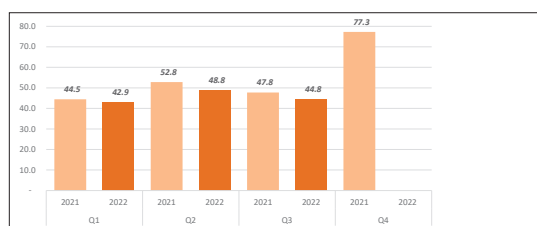
#### Revenue, MNOK



#### Like for Like growth %



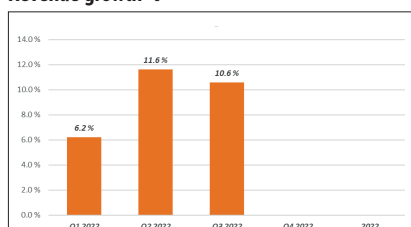
#### Reported EBITDA



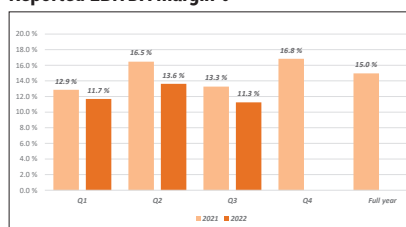
# Alternative Performance Measures, Group

(Amounts in NOK million)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Revenue	398.1	359.8	1 123.7	1 026.3	1 485.3
Cost of goods sold	-248.4	-221.1	-711.2	-638.9	912.3
<b>Gross Profit</b>	<b>149.6</b>	<b>138.7</b>	<b>412.5</b>	<b>387.4</b>	<b>573.0</b>
Gross margin (%)	37.6 %	38.5 %	36.7 %	37.7 %	38.6 %
Operating expenses in sales channels	-70.1	-56.7	-181.1	-147.1	206.3
Other operating expenses	-34.8	-34.2	-95.5	-94.8	142.2
<b>OPEX</b>	<b>-104.8</b>	<b>-90.9</b>	<b>-276.6</b>	<b>-241.9</b>	<b>348.5</b>
<b>OPEX to sales margin</b>	<b>-26.3 %</b>	<b>-25.3 %</b>	<b>-24.6 %</b>	<b>-23.6 %</b>	<b>23.5 %</b>
<b>Adjusted EBITDA</b>	<b>44.8</b>	<b>47.8</b>	<b>135.9</b>	<b>145.5</b>	<b>224.6</b>
Adjusted EBITDA margin (%)	11.3 %	13.3 %	12.1 %	14.2 %	15.1 %
Adjustments	0.0	0.0	-1.2	-0.5	-2.3
<b>EBITDA reported</b>	<b>44.8</b>	<b>47.8</b>	<b>134.7</b>	<b>145.0</b>	<b>222.3</b>
EBITDA reported margin (%)	11.3 %	13.3 %	12.0 %	14.1 %	15.0 %
Depreciation	-22.7	-19.6	-67.5	-56.2	76.8
<b>Adjusted EBIT</b>	<b>22.1</b>	<b>28.2</b>	<b>68.4</b>	<b>89.4</b>	<b>147.8</b>
Adjusted EBIT margin (%)	5.6 %	7.8 %	6.1 %	8.7 %	9.9 %
Adjustments	0.0	0.0	-1.2	-0.5	-2.3
Amortisation intangible assets	-0.1	0.1	-0.3	-0.3	0.6
<b>EBIT reported</b>	<b>22.0</b>	<b>28.0</b>	<b>66.9</b>	<b>88.6</b>	<b>144.9</b>
EBIT reported margin (%)	5.5 %	7.8 %	6.0 %	8.6 %	9.8 %
Net financial expenses	-7.4	-5.7	-23.9	-14.6	-20.4
<b>Profit before tax</b>	<b>14.7</b>	<b>22.4</b>	<b>43.0</b>	<b>74.0</b>	<b>124.6</b>
<b>Net Income</b>	<b>10.7</b>	<b>17.3</b>	<b>33.8</b>	<b>40.3</b>	<b>97.2</b>
Liabilities to financial institutions	-	420.7	-205.2	-	420.7
Leasing liabilities	-	348.8	-357.9	-	348.8
Cash/Overdraft facility	-	-	76.8	-	76.8
<b>Net interest bearing debt</b>	<b>-</b>	<b>769.5</b>	<b>-486.3</b>	<b>-486.3</b>	<b>-463.1</b>

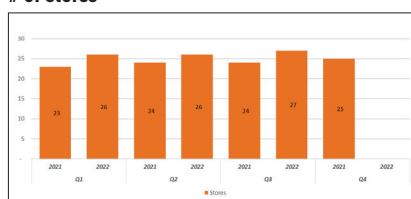
Revenue growth %



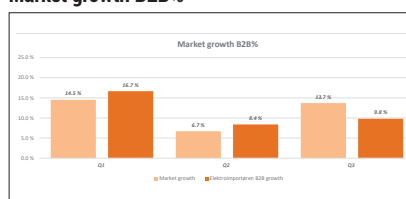
Reported EBITDA margin%



# of stores



Market growth B2B%





# Financials

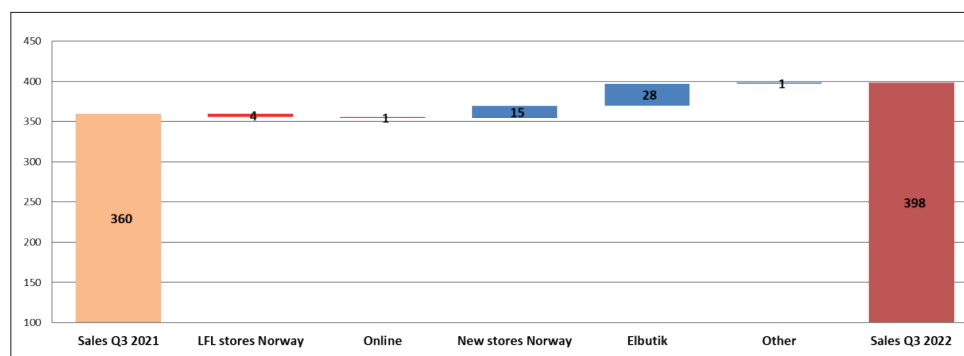


# Financial review Q3 – Group

## Revenues

- We had a negative like-for-like sales growth with 1.4%. Sales in physical stores was -1.5% and online was -0.9%.
- Elbutik are included with sales figures from the acquisition date 3 March. For this quarter 27.7 MNOK is included in total group sales. Year to date 70.1 MNOK. During September we have relocated central warehouse in Elbutik, with lower efficiency during this period.
- Sales from new stores 15 MNOK (Jessheim, Stavanger, Kristiansund and Drammen2).
- Sales on Spoton was 9.4 MNOK, growing from 3.9 MNOK in Q3 last year.

Revenue bridge Q3 2021 to Q3 2022

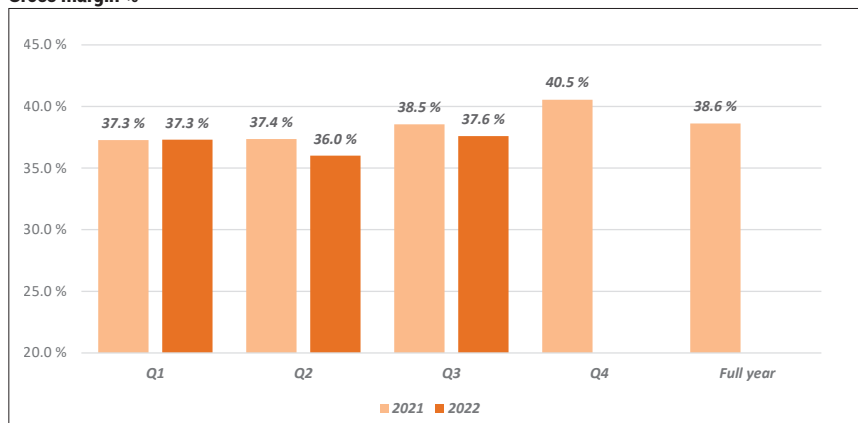




### Gross margin

- Gross margin in Q3 was 37.6%, an increase from Q2 as expected, but lower than Q3 last year (38.5%). Gross profit from the Norwegian business in Q3 was 38.6%, an improvement from 38.5% in Q3 last year.

Gross margin %



### Operating expenses in sales channels

- Operating expenses in sales channels 70.1 MNOK (56.7 MNOK).
- Costs in Elbutik is 5.2 MNOK (no costs in 2021)
- Costs in new stores are 6.0 MNOK (Jessheim, Stavanger, Drammen and Kristiansund).
- Good cost control in like-for-like stores.

### Other operating expenses

Other operating costs is 34.8 MNOK (34.2MNOK).

### EBITDA reported

EBITDA reported 44.8 MNOK (47.8 MNOK).

### Cash, cash equivalents and borrowings

As a result of the acquisition of Elbutik in March 2022 liabilities to financial institutions have increased significantly compared to last year.

During this quarter we have improved net cash position by reducing utilization of the overdraft facility from -45.7 MNOK in Q2 to -0.5 MNOK in Q3.

# Alternative Performance Measures, Norway

(Amounts in NOK million)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Revenue	370.4	359.8	1 053.6	1 026.3	1 485.3
Cost of goods sold	-227.6	-221.1	-658.9	-638.9	912.3
<b>Gross Profit</b>	<b>142.8</b>	<b>138.7</b>	<b>394.7</b>	<b>387.4</b>	<b>573.0</b>
Gross margin (%)	38.6 %	38.5 %	37.5 %	37.7 %	38.6 %
Operating expenses in sales channels	-64.8	-56.7	-167.4	-147.1	206.3
Other operating expenses	-33.7	-34.2	-93.0	-94.8	142.2
<b>OPEX</b>	<b>-98.6</b>	<b>-90.9</b>	<b>-260.4</b>	<b>-241.9</b>	<b>348.5</b>
OPEX to sales margin	-26.6 %	-25.3 %	-24.7 %	-23.6 %	23.5 %
<b>Adjusted EBITDA</b>	<b>44.3</b>	<b>47.8</b>	<b>134.2</b>	<b>145.5</b>	<b>224.6</b>
Adjusted EBITDA margin (%)	12.0 %	13.3 %	12.7 %	14.2 %	15.1 %
Adjustments	0.0	0.0	-1.2	-0.5	-2.3
<b>EBITDA reported</b>	<b>44.3</b>	<b>47.8</b>	<b>133.0</b>	<b>145.0</b>	<b>222.3</b>
EBITDA reported margin (%)	12.0 %	13.3 %	12.6 %	14.1 %	15.0 %
Depreciation	-22.7	-19.6	-67.4	-56.2	76.8
<b>Adjusted EBIT</b>	<b>21.6</b>	<b>28.2</b>	<b>66.8</b>	<b>89.4</b>	<b>147.8</b>
Adjusted EBIT margin (%)	5.8 %	7.8 %	6.3 %	8.7 %	9.9 %
Adjustments	0.0	0.0	-1.2	-0.5	-2.3
Amortisation intangible assets	-0.1	0.1	-0.3	-0.3	0.6
<b>EBIT reported</b>	<b>21.5</b>	<b>28.0</b>	<b>65.3</b>	<b>88.6</b>	<b>144.9</b>
EBIT reported margin (%)	5.8 %	7.8 %	6.2 %	8.6 %	9.8 %
Net financial expenses	-7.3	-5.7	-23.7	-14.6	-20.4
<b>Profit before tax</b>	<b>14.2</b>	<b>22.4</b>	<b>41.6</b>	<b>74.0</b>	<b>124.6</b>
<b>Net Income</b>	<b>11.1</b>	<b>17.3</b>	<b>32.7</b>	<b>40.3</b>	<b>97.2</b>

# Alternative Performance Measures, Sweden

(Amounts in NOK million)	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
Revenue	27.7		70.1		
Cost of goods sold	-20.9		-52.3		
<b>Gross Profit</b>	<b>6.8</b>		<b>17.9</b>		
Gross margin (%)	24.5 %		25.5 %		
Operating expenses in sales channels	-5.2		-11.9		
Other operating expenses	-1.0		-2.4		
<b>OPEX</b>	<b>-6.3</b>		<b>-14.3</b>		
OPEX to sales margin	-22.6 %		-20.4 %		
<b>Adjusted EBITDA</b>	<b>0.5</b>		<b>3.5</b>		
Adjusted EBITDA margin (%)	1.9 %		5.0 %		
Adjustments	0.0		0.0		
<b>EBITDA reported</b>	<b>0.5</b>		<b>3.5</b>		
EBITDA reported margin (%)	1.9 %		5.0 %		
Depreciation	0.0		-1.0		
<b>Adjusted EBIT</b>	<b>0.5</b>		<b>2.5</b>		
Adjusted EBIT margin (%)	1.9 %		3.6 %		
Adjustments	0.0		0.0		
Amortisation intangible assets	0.0		0.0		
<b>EBIT reported</b>	<b>0.5</b>		<b>2.5</b>		
EBIT reported margin (%)	1.9 %		3.6 %		
Net financial expenses	-0.1		-0.2		
<b>Profit before tax</b>	<b>0.5</b>		<b>2.3</b>		
<b>Net Income</b>	<b>- 0.4</b>		<b>1.1</b>		

# Financial review. Norway

## Revenues

- Total like-for-like sales was down with 1.4%.
- B2B sales increased with 9.8%, while B2C sales declined with 3.4%.
- One new store opened in Drammen (Strømsø) during August. We have now 27 stores in Norway. Sales from new stores was 15 MNOK (Jessheim, Stavanger, Kristiansund and Drammen 2).
- Spoton sales increased to 9.4 MNOK from 3.9 MNOK last year.

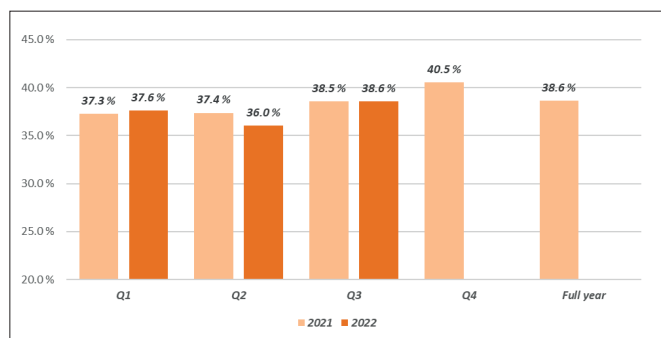
### Revenue bridge Q3 2021 to Q3 2022, Norway



## Gross margin

- Gross margin percentage 38.6% (38.5%)

### Gross margin (%), Norway



### **Operating expenses in sales channels**

- Operating expenses in sales channels were 64.8 MNOK (56.7 MNOK).
- Costs in new stores 6.0 MNOK.

### **Other operating expenses**

Other operating costs 33.7 MNOK (34.2 MNOK).

### **EBITDA reported**

EBITDA reported 44.3 MNOK (47.8 MNOK).

# Financial review Sweden

### **Key points**

- Total sales were 27.7 MNOK, and reported EBITDA 0.5 MNOK. Total sales YTD sales were 94 MNOK, and from acquisition date 3. March 70 MNOK.
- Elbutik relocated central warehouse during September, and sales for Q3 are negatively impacted with around 3-4 MNOK of products that were sold but not delivered.
- Efficiency in the logistics operation is increasing, and we expect to be fully operational during October.
- Plans for opening first physical store are progressing according to plan.

# Interim consolidated statement of profit and loss

Amounts in nok 1000	Q3 2022 Unaudited	Q3 2021 Unaudited	Q1-Q3 2022 Unaudited	Q1-Q3 2021 Unaudited	2021 Audited
Revenue	398 082	359 825	1 123 688	1 026 321	1 485 330
Cost of goods sold	-248 446	-221 130	-711 183	-638 945	912 305
Employee benefits expenses	-70 543	-65 460	-181 217	-166 687	243 321
Depreciation and amortisation expenses	-23 710	-19 712	-69 475	-56 462	77 334
Other operating expenses	-34 286	-25 563	-94 760	-75 650	107 446
<b>Total operating expenses</b>	<b>-376 986</b>	<b>-331 866</b>	<b>-1 056 634</b>	<b>-937 744</b>	<b>1 340 406</b>
<b>Operating profit</b>	<b>21 096</b>	<b>27 959</b>	<b>67 054</b>	<b>88 577</b>	<b>144 924</b>
Net financial income (+)/expenses (-)	-7 375	-5 654	-23 918	-14 570	-20 354
<b>Profit before tax</b>	<b>13 722</b>	<b>22 305</b>	<b>43 136</b>	<b>74 007</b>	<b>124 570</b>
Income tax expense	-3 035	-4 970	-9 367	-16 401	27 328
<b>Net profit (loss) for the period</b>	<b>10 687</b>	<b>17 335</b>	<b>33 770</b>	<b>57 606</b>	<b>97 241</b>
<b>Basic and diluted earnings per share (EPS)</b>	<b>0,50</b>	<b>0,84</b>	<b>1,56</b>	<b>2,78</b>	<b>4,69</b>

# Other comprehensive income

Profit for the period	10 687	17 335	33 770	57 606	97 241
<b>Other comprehensive income</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>Q1-Q3 2022</b>	<b>Q1-Q3 2021</b>	<b>2021</b>
Items that may be reclassified to profit or loss in subsequent periods	0	0	0	0	0
Items that will not be reclassified to profit or loss in subsequent periods	0	0	0	0	0
Other comprehensive income for the year, net of tax	0	0	0	0	0
<b>Total comprehensive income for the period net of tax</b>	<b>10 687</b>	<b>17 335</b>	<b>33 770</b>		<b>97 241</b>
<b>Attributable to:</b>					
Equity holders of the parent	10 687	17 335	33 770		97 241



# Interim consolidated statement of financial position

Amounts in nok 1000

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Goodwill	395 153	185 075	395 153	185 075	185 077
Trademark and other intangible assets	6 629	6 948	6 629	6 948	6 807
Deferred tax asset	5 547	3 086	5 547		4 167
<b>Total intangible assets</b>	<b>407 329</b>	<b>195 109</b>	<b>407 329</b>	<b>192 023</b>	<b>196 051</b>
<b>Property, plant and equipment</b>	<b>470 254</b>	<b>460 922</b>	<b>470 254</b>	<b>460 922</b>	<b>457 712</b>
Inventories	310 250	228 296	310 250	228 296	263 898
Trade receivables	100 397	89 320	100 397	89 320	64 239
Other current assets	45 224	37 228	45 224	37 228	40 572
Cash and bank deposits	0	76 776	0	76 776	76 435
<b>Total current assets</b>	<b>455 871</b>	<b>431 620</b>	<b>455 871</b>	<b>431 620</b>	<b>445 144</b>
<b>TOTAL ASSETS</b>	<b>1 333 454</b>	<b>1 087 652</b>	<b>1 333 454</b>	<b>1 084 566</b>	<b>1 098 907</b>

Amounts in nok 1000

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	2021
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total paid-in-equity	13 011	13 011	13 011	13 011	13 011
Retained earnings	299 754	221 529	299 754	221 529	261 164
<b>Total Equity</b>	<b>312 765</b>	<b>234 540</b>	<b>312 765</b>	<b>234 540</b>	<b>274 175</b>
Non current lease liabilities	363 891	278 344	363 891	278 344	293 497
Non current liabilities to financial institutions	335 000	185 000	335 000	185 000	165 000
Other non current liabilities	-1 979	-2 213	-1 979	-2 213	-2 122
<b>Total Non current liabilities</b>	<b>696 912</b>	<b>461 132</b>	<b>696 912</b>	<b>461 132</b>	<b>456 375</b>
Current lease liabilities	15 003	79 519	15 003		61 052
Liabilities to financial institutions	40 462	20 238	40 462	20 238	20 000
Trade creditors	140 921	136 190	140 921	136 190	149 670
Taxes payable	26 654	36 102	26 654	36 102	28 408
Dividends payable	0	25 000	0	0	0
Public duties payable	55 570	44 819	55 570	44 819	45 076
Other current liabilities	45 167	50 113	45 167	50 113	64 151
<b>Total current liabilities</b>	<b>323 777</b>	<b>391 981</b>	<b>323 777</b>	<b>287 462</b>	<b>368 357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 333 454</b>	<b>1 087 652</b>	<b>1 333 454</b>	<b>983 134</b>	<b>1 098 907</b>

# Interim consolidated statement of cash flow

Amounts in nok 1000	Q3 2022 Unaudited	Q3 2021 Unaudited	Q1-Q3 2022 Unaudited	Q1-Q3 2021 Unaudited	2021 Audited
Profit before income taxes	13 722	22 305	43 136	74 007	124 570
Taxes paid	12 109	0	-14 411	-7 990	-26 518
Depreciation and impairment	23 710	19 712	69 475	56 925	77 325
Interest	7 375	5 654	23 918	14 570	24 705
Change in inventory	1 350	-9 038	-34 036	-21 345	-55 737
Change in trade receivables	-14 348	-15 429	-37 644	-38 345	-9 853
Change in trade creditors	24 356	34 160	-12 739	20 015	28 872
Change in other current assets and liabilities	31 772	416	-9 667	-19 001	-11 807
<b>Net cash flow from operations</b>	<b>100 045</b>	<b>57 780</b>	<b>28 031</b>	<b>78 836</b>	<b>151 556</b>
<b>Cash flow from investments</b>					
Purchase of fixed assets	-4 929	-3 831	-172 899	-20 889	-34 921
<b>Net cash flow from investments</b>	<b>-4 929</b>	<b>-3 831</b>	<b>-172 899</b>	<b>-20 889</b>	<b>-34 921</b>
<b>Cash flow from financing</b>					
Repayment of term loans, new loans		0	190 000	0	-20 000
Increase in current liabilities to financial institutions	-45 270	0	460	0	0
Interest paid	-4 032	-2 787	-14 854	-8 407	-5 461
Interest received		0	0	0	217
Lease payments	-15 814	-14 737	-47 173	-41 672	-59 036
Dividend payment to shareholders	-30 000	-25 000	-60 000	-25 000	-50 000
<b>Net cash flow from financing</b>	<b>-95 116</b>	<b>-42 524</b>	<b>68 433</b>	<b>-75 079</b>	<b>-134 280</b>
Cash and cash equivalents at the beginning of the period	0	65 523	76 435	94 080	94 080
Net change in cash and cash equivalents	0	11 425	-76 435	-17 132	-17 645
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>	<b>76 948</b>	<b>0</b>	<b>76 948</b>	<b>76 435</b>

# Interim consolidated statement of changes in equity

Amounts in nok 1000	Paid in Equity	Other Equity	Total Equity
January 1st. 2021	13 011	213 923	226 934
Profit for January-September 2021	0	57 606	57 606
Approved dividend		-50 000	-50 000
<b>Balance at 30th. September 2021</b>	<b>13 011</b>	<b>221 529</b>	<b>234 540</b>
Balance at 1st. January 2022	13 011	261 154	274 165
Profit for January-September 2022	0	33 770	33 770
Increase in shares - market value acquisition of Elbutik	0	64 830	64 830
Approved dividend	0	-60 000	-60 000
<b>Balance at 30th. September 2022</b>	<b>13 011</b>	<b>299 754</b>	<b>312 765</b>

# Events after the period and outlook

Entering into peak season, we believe that we have never been better prepared. Availability of products are good, without having too much in stock. All stores are now running on Relex, our new replenishment system. Campaigns for the period, including Black Week are set, and all stores are well prepared for peak season. We see improvements in the the Swedish operation, and are planning for sales growth.

Supply of products is good, but some suppliers struggle with deliveries.

Uncertainty in the market continues to be high. Consumer buying power is weakened by higher costs of living, and construction activities are slowing down. However, we believe that our concept stands strong also in a tougher environment, especially by guiding customers to solutions that can help them to lower their energy bills.

We continue to work with our two new product groups, heating pumps and solar. Heating pumps were launched mid-October, and we have made our first recruitment to build competence in the solar category.

Leasing contract for our new central warehouse and head office in Sweden is signed. Relocation will take place in a years' time.

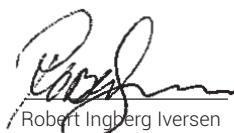
We have started recruiting for our first store in Sweden and prepare for opening in Q1 2023.

Oslo, November 3rd 2022

The board of Elektroimportøren AS



Amund Skarholdt



Robert Ingberg Iversen



Gaute Gillebo



Ronny Blomseth



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 26 physical stores as of 30 June.

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 1000` 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 Q2 2022 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 2021.

### Note 4 Liabilities to financial institutions

During Q1 liabilities to financial institutions increased from 185 MNOK 31 December 2021 to 375 MNOK. The increase in loans was used as payment for acquisition of Elbutik 3 March 2022. In addition Elektroimportøren have a revolving

credit facility with 120 MNOK, and a facility to support expansion in Sweden of 60 MNOK.

During Q2 Elektroimportøren are utilizing 46 MNOK of the revolving credit facility (120 MNOK), but has still not used the facility to support expansion in Sweden (60 MNOK).

The Yearly instalments are 40 MNOK, 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 Q2 2021 Liabilities to financial institutions was 205 MNOK and revolving credit facility with 120 MNOK.

### 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

	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Number of ordinary shares	21 582 200	20 732 200	20 732 200	20 732 200	20 732 200
Net profit	10 687	17 335	33 770	57 606	97 241
Earnings per share	0.50	0.84	1.63	2.78	4.69



### Note 7 Preliminary purchase price allocation acquisition of Elbutik

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

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

Cash amount paid on 3 March 2022 was 186.6 MSEK. The Board of Directors of Elektroimportøren AS has resolved to increase the share capital of the Company by NOK 42.500 through the issuance of 850.000 new shares at a subscription price of NOK 76.27 per share. Total purchase price including shares and cash amount and fair value as of the transaction date 3 March was 257.4 MSEK.

Based on audited figures for 2021 the cash part of the purchase price for Elbutik Scandinavia AB was adjusted with a reduction of 19 MSEK.

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

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

### Assets acquired and liabilities assumed

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

	Fair value recognised on acquisition
<b>Assets</b>	
Property, plant and equipment	1 214
Right-of-use assets	26 213
Cash and cash equivalents	- 2 499
Trade receivables	3 653
Inventories	15 384
Other current assets	8 691
	<b>52 656</b>
<b>Liabilities</b>	
Trade creditors	- 10 196
Lease liabilities	- 26 213
Other current liabilities	- 7 610
	<b>- 44 019</b>
<b>Total identifiable net assets at fair value</b>	<b>8 637</b>
Goodwill arising on acquisition	210 077
Purchase consideration transferred	218 714

The fair value of the trade receivables amounts to 3.6 MNOK. which is the same as the gross amount and is expected to be fully collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The goodwill of 210.7 MNOK comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the existing acquired business. And there are no specific separable segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

<i>(amounts in NOK 1000)</i>	Right of use asset	PPE	Other intangibles	Goodwill
Balance 30.06.21	294 675	125 930	7 085	185 077
Additions, disposals and adjustments	51 775	8 252	-	-
Depreciation and amortization	- 12 936	- 6 776	137	-
<b>Balance 30.09.21</b>	<b>333 514</b>	<b>127 406</b>	<b>6 948</b>	<b>185 077</b>

<i>(amounts in NOK 1000)</i>	Right of use asset	PPE	Other intangibles	Goodwill
Balance 30.06.22	320 486	152 611	6 530	395 153
Additions, disposals and adjustments	16 037	4 929	-	-
Depreciation and amortization	- 16 268	- 7 541	99	-
<b>Balance 30.09.22</b>	<b>320 255</b>	<b>149 999</b>	<b>6 629</b>	<b>395 153</b>

# 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 Q3 2022

