

Elektroimportøren AS

Quarterly report Q4 2021



To our shareholders

In Q4, we managed to grow sales and gross margin compared to last year, in all three months of the quarter. Q4 last year was exceptional, and we are proud to outperform this year. A strong Q4 enabled us to deliver a record full year turnover and result in 2021.

Although sales growth was modest, up 1,6%, we are satisfied with beating last year numbers when sales was up 45%. We have throughout the quarter worked to increase gross margin, and we have managed to raise percentage to 40.5% (39.6% last year).

As for Q2 and Q3, the main driver for positive sales development in Q4 are B2B sales that where up 20%. Sales to B2C declined by -7%. With our growth in B2B we are continuing to take market shares in the B2B segment.

Total Like-for-like sales was down (- 1.8% in physical stores -1%, online -6.8%).

We managed to increase basket size with 10% and kept conversion rate steady at 60% for the quarter. Sales of electrical vehicle (EV) chargers continued to be high, doubling sales compared to last year. Smarthome components and heating were the other two categories with high growth.

The positive trend in Q3 with Spoton continued in Q4, and we made more than 700 installations, generating 6.7 MNOK in sales. Total turnover for the year with Spoton reached 15 MNOK.

We opened our store number 25, in Stavanger last week of November, and signed an agreement for a new store in Kristiansund (opening Q1 2022).

2021 has been a year with uncertainty. We have at times been forced to rapidly change the way we service our customers. Shifts in supply and demand have been more frequent than ever before.

Throughout the year we have managed to handle these changes with a "can do" attitude. It is with the greatest gratitude I would like to thank all our hardworking colleagues for the effort they have put into delivering the best possible experience for our customers in 2021. This effort made it possible for us to deliver record sales and record profit once again.

Yours sincerely

Andreas Niss, CEO Elektroimportøren

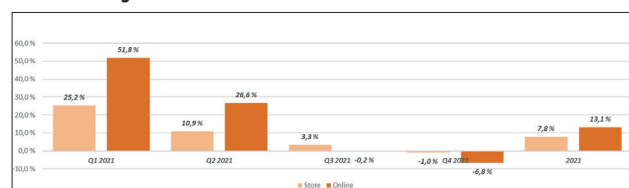
Summary of key financials

- Revenue of 458.9 MNOK (451.7 MNOK) up 1.6%. For the full year 2021 sales grew with 13.0%.
- Online share of total sales (excluding pick up in store) 12,5% (13.7%).
- B2B sales have increased with 19.6% compared to last year, while B2C sales had a decrease with 7.2%. B2B share of total sales in Q4 was 47.3% (41.1%).
- Total like for like sales growth was negative with -6.8% online and -1.0% in physical stores. For the full year we had a positive like-for-like sales growth in physical stores with 7.8%, and 13.0% online.
- As for previous quarters EV chargers is the product category with highest sales growth. For Q4, total sales growth was 101.7% compared to Q4 in 2020.
- Gross margin for Q4 was 40.5%, an increase from 39.6% in Q4 2020.
- Opex to sales ratio 26.6% (24.6%).
- EBITDA for Q4 is higher than Q4 last year with 62.6 MNOK (60.7 MNOK). EBITDA margin percentage is 13.6% (13.4%)
- Net cash 31 December 2021 is 76.5 MNOK. In addition, we have an overdraft facility of 120 MNOK not utilized.
- The board of directors of Elektroimportøren will propose an ordinary dividend of 60 MNOK to the general assembly.

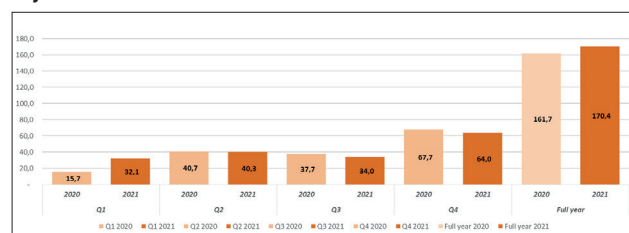
Summary of Q4

- "We are satisfied that we managed to match last years' sales in the quarter and during black week, as growth last year was extraordinary high
- We were able to increase margin percentage in Q4 compared to last year with 40.5% (39.6%)
- B2B grows with 19.6% while we have a decline in B2C of -7.2%.
- Electrical vehicle chargers continue to be the fastest growing category with more than doubling sales.
- One new store opening in Q4 (Stavanger).
- We have positive development in Spoton with sales of 6.7 MNOK (4 MNOK in Q3)

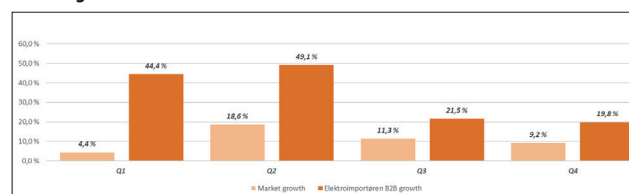
Like for Like growth %



Adjusted EBITDA



Market growth B2B %



Financials

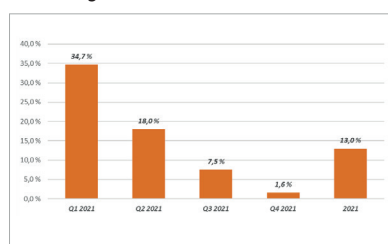


Foto: @casa.no.15

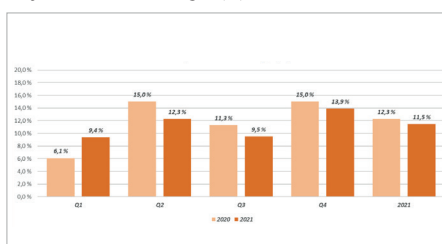
Alternative Performance Measures

(Amounts in NOK million)	Q4 2021	Q4 2020	2021	2020
Revenue	458,9	451,7	1485,3	1314,9
COGS	-272,8	-272,7	-911,8	-792,5
Gross Profit	186,1	179,0	573,5	522,5
Gross margin (%)	40,5 %	39,6 %	38,6 %	39,7 %
Operating expenses in sales channels	-72,8	-63,9	-254,8	-225,9
Other operating expenses	-49,3	-47,4	-148,3	-134,9
OPEX	-122,1	-111,3	-403,1	-360,8
OPEX to sales margin	-26,6 %	-24,6 %	-27,1 %	-27,4 %
Adjusted EBITDA	64,0	67,7	170,4	161,7
Adjusted EBITDA margin (%)	13,9 %	15,0 %	11,5 %	12,3 %
Adjustments	-1,4	-7,0	-2,3	-7,0
EBITDA reported	62,6	60,7	168,1	154,7
EBITDA reported margin (%)	13,6 %	13,4 %	11,3 %	11,8 %
Depreciation	-7,1	-7,1	-26,9	-23,3
Adjusted EBIT	56,8	60,6	143,5	138,4
Adjusted EBIT margin (%)	12,4 %	13,4 %	9,7 %	10,5 %
Adjustments	-1,4	-7,0	-2,3	-7,0
Amortisation of intangible assets	-2,5	-2,5	-9,8	-9,8
EBIT reported	53,0	51,1	131,4	121,6
EBIT reported margin (%)	11,6 %	11,3 %	8,8 %	9,2 %
Net financial expenses	-2,0	-3,4	-8,0	-14,4
Profit before tax	51,0	47,7	123,4	107,2
Net Income	38,9	36,8	94,0	81,3
Liabilities to financial institutions	- 185,0	-205,0	- 185,0	-205,0
Leasing liabilities	- 17,9	-20,6	- 17,9	-20,6
Cash/Overdraft facility	76,5	94,1	76,5	94,1
Net interest bearing debt	- 126,5	-131,6	- 126,5	-131,6

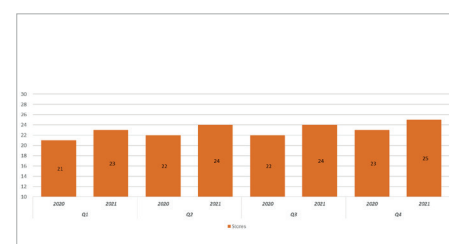
Revenue growth %



Adjusted EBITDA margin (%)



of stores



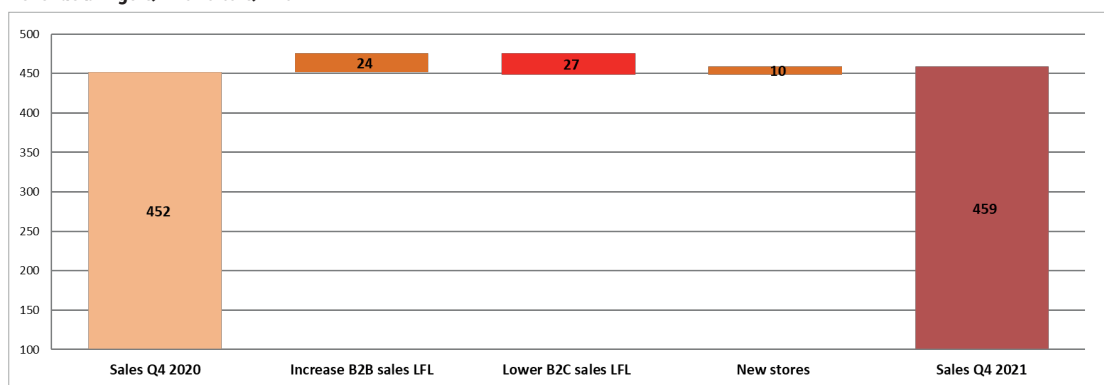
Financial review

Revenues

We are satisfied matching last year sales in Q4 2021, as we are comparing ourselves with extraordinary strong figures for Q4 2020 (+45%).

- Revenue of 458.9 MNOK (451.7 MNOK) up 1.6%. For the full year 2021 sales grew with 13.0%.
- Online share of total sales (excluding pick up in store) 12,5% (13.7%).
- B2B sales have increased with 19.6% compared to last year, while B2C sales had a decrease with 7.2%. B2B share of total sales in Q4 was 47.3% (41.1%).
- Total like for like sales growth was negative with -6.8% online and -1.0% in physical stores. For the full year we had a positive like-for-like sales growth in physical stores with 7.8%, and 13.0% online.
- As for previous quarters EV chargers is the product category with highest sales growth. For Q4 total sales growth was 101.7% compared to Q4 in 2020.
- Even though we see a reduction in number of visitors to our stores we have positive development in conversion rate and basket size.

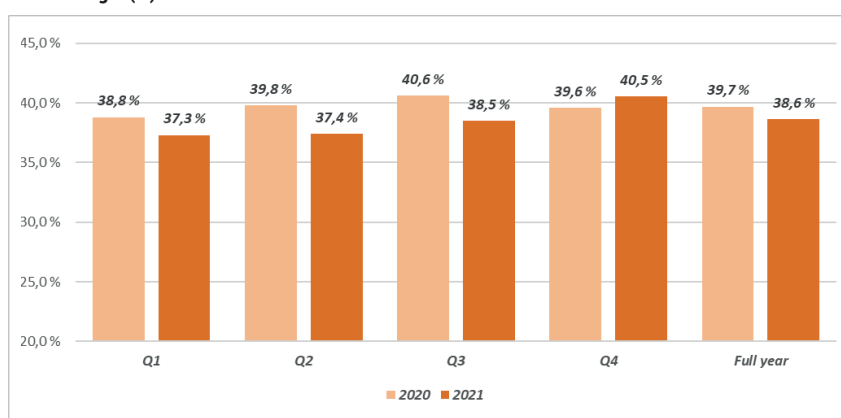
Revenue bridge Q4 2020 to Q4 2021



Gross margin

- We have a positive development in gross margin percentage in Q4 with 40.5% (39.6%)
- Main drivers for improvement;
 - Increase in Namron margin
 - Price adjustments to mitigate increase in freight costs and price increases from suppliers
 - We have been a bit conservative when phasing bonuses from suppliers during the year
 - Reduction in provisions

Gross margin (%)



Operating expenses in sales channels

Operating expenses in sales channels include employee benefit expenses, rent for physical stores, bonuses to store employees and other store costs. They also include costs for online store department and the B2B organization.

Costs in stores and online have increased with 8.9 MNOK amounting to 72.8 (63.9).

Main drivers for increase in costs;

- Higher electricity costs and increase in distribution costs to B2B customers in Like-for-Like stores 3.0 MNOK (personnel costs in line with last year)
- Costs in new stores (Klepp, Jessheim and Stavanger) 3.5 MNOK
- Online 0.5 MNOK
- B2B operation 1.5 MNOK

Other operating expenses

Other operating expenses were 49.3 MNOK, an increase from 47.4 MNOK.

Other operating expenses include marketing activities, distribution costs, head office functions, non-sales channel costs and bonuses to management and employees at head office and central warehouse.

To have capacity to support further sales growth we have during 2021 doubled the physical central warehouse in Vestby. The new warehouse was opened in October so for Q4 we have higher rent costs compared to last year. This is the main driver for year on year increase in other operating costs.

Adjusted EBITDA

- Adjusted EBITDA for Q4 was 64.0 MNOK compared to an extraordinary good Q4 last year with 67.7 MNOK.

Adjusted EBITDA bridge Q4 2020 to Q4 2021



EBITDA reported

Reported EBITDA for Q4 was 62.6 MNOK (60.7 MNOK).

Adjustments

Adjustments Q4 this year is consultancy and legal fees relating to purchase of Elbutik. Last year we made a provision for obsolete stock in addition to costs to get Elektroimportøren listed on Euronext Growth.

Tax expenses

We have not calculated split between deferred tax and payable tax, so net tax expense has been classified as payable taxes.

Liquidity and borrowings

In Q4 we have paid 20 MNOK to DnB reducing long term debt from 205 MNOK to 185 MNOK.

Consolidated statement of profit and loss

Amounts in nok 1000	Note	Q4 2021	Q4 2020	2021	2020
		Unaudited	Unaudited	Unaudited	Audited
Revenue		458 948	451 734	1 485 269	1 315 894
Cost of goods sold		-273 148	-278 759	-912 093	-798 389
Employee benefits expenses		-75 207	-70 811	-241 894	-219 294
Depreciation and amortisation expenses		-9 582	-9 549	-36 667	-33 118
Other operating expenses		-47 998	-41 467	-163 196	-143 491
Total operating expenses		-405 935	-400 586	-1 353 850	-1 194 292
Operating profit		53 013	51 148	131 419	121 602
Net financial income (+)/expenses (-)		-2 001	-3 362	-8 014	-14 446
Profit before tax		51 012	47 786	123 406	107 156
Income tax expense		-12 103	-10 958	-29 676	-25 885
Net profit (loss) for the period		38 909	36 828	93 730	81 271
Earning per share (EPS)		1,88	1,78	4,52	3,92

Consolidated statement of financial position

Amounts in nok 1000	Note	Q4 2021	Q4 2020	2021	2020
		Unaudited	Unaudited	Unaudited	Audited
Goodwill		114 117	123 376	114 117	123 376
Other intangible assets		6 036	6 585	6 036	6 585
Total intangible assets		120 153	129 961	120 153	129 961
Fixtures and fittings, office machinery and equipment		150 841	142 808	150 841	142 808
Inventory		262 830	207 047	262 830	207 047
Trade receivables		59 100	50 974	59 100	50 974
Other receivables		33 129	21 408	33 129	21 408
Cash and bank deposits		76 460	94 050	76 460	94 050
Total current assets		431 519	373 479	431 519	373 479
Total assets		702 513	646 248	702 513	646 248
Amounts in nok 1000	Note	Q4 2021	Q4 2020	2021	2020
		Unaudited	Unaudited	Unaudited	Audited
Share capital		13 011	13 011	13 011	13 011
Other Equity		146 437	112 870	146 600	112 870
Total Equity		159 448	125 881	159 611	125 881
Deferred tax		44	676	44	676
Lease liabilities		17 922	20 625	17 922	20 625
Other long term liabilities		0	0	0	0
Liabilities to financial institutions		165 000	185 000	165 000	185 000
Total long term liabilities		182 966	206 301	182 966	206 301
Liabilities to financial institutions		20 015	20 000	20 015	20 000
Trade payable		144 406	111 298	144 406	111 298
Tax payable		29 676	25 666	29 676	25 666
Dividends payable		60 000	50 000	60 000	50 000
Public duties payable		45 035	43 404	45 035	43 404
Other short term liabilities		60 967	63 698	60 804	63 698
Total short term liabilities		360 099	314 066	359 936	314 066
Total Equity and Liabilities		702 513	646 248	702 513	646 248

Consolidated statement of cash flow

Amounts in nok 1000		Note	Q4 2021 Unaudited	Q4 2020 Unaudited	2021 Unaudited	2020 Audited
Cash flow from operations						
Operating profit			53 013	47 785	131 419	107 271
Taxes paid			-18 529	-1 974	-26 518	-7 990
Depreciation and amortisation			9 582	9 549	36 667	33 118
Change in inventory			-34 534	6 204	-55 879	-2 471
Change in trade debtors			30 220	10 881	-8 126	-13 545
Change in trade creditors			8 216	-19 498	28 231	24 472
Change in other provisions and receivables			9 211	13 909	-7 510	45 494
Net cash flow from operations			57 179	66 856	98 284	186 349
Cash flow from investments						
Net capital expenditures			-9 590	-22 412	-34 900	-41 570
Net cash flow from investments			-9 590	-22 412	-34 900	-41 570
Cash flow from financing						
New Loans			0	10 579	0	10 579
Dividends			-25 000	0	-50 000	0
Repayment of loans, interest and overdraft facility			-22 905	-30 000	-30 974	-62 202
Net cash flow from financing			-47 905	-19 421	-80 974	-51 623
Cash and cash equivalents at the beginning of the period			76 776	69 027	94 050	894
Net change in cash and cash equivalents			-316	25 023	-17 590	93 156
Cash and cash equivalents at the end of the period			76 460	94 050	76 460	94 050

Consolidated statement of changes in equity

<i>Amounts in nok 1000</i>	<i>Paid in Equity</i>	<i>Other Equity</i>	<i>Total Equity</i>
January 1 2020	13 011	81 265	94 276
Profit for 2020	0	81 605	81 605
Provision for dividend	0	-50 000	-50 000
Balance at 31st. December 2020	13 011	112 870	125 881
Balance at 1 January 2021	13 011	112 870	125 881
Profit for 2021	0	93 730	93 730
Provision for Dividend	0	-60 000	-60 000
Balance at 31st. September 2021	13 011	146 600	159 611

Events after the period and outlook

January have started in line with the trend that we saw in Q4. Going further into the quarter we assume that B2C sales slowly will get back to growth as we start to meet slightly less challenging comparable numbers.

There are still some challenges regarding supply of products but our stock of goods are at reasonable levels so we do not foresee any major disturbances in Q1. We have secured supply of Namron products to ensure availability through Chinese New year.

We opened store number 26, in Kristiansund, first week of February.

In January we got certified according to the "Miljøfyrtårn". This is an ESG certification that we are proud to have. Miljøfyrtårn sets a great framework for our ESG work and will help us in achieving our goals for a sustainable future growth.

For the year of 2022 we assume that Q1 will be the most challenging in terms of growth. We are confident in continuing to grow but believe that most part of the growth for the year will come from Q2 and onwards.

There are still uncertainties around the development of the pandemic and we cannot neglect the possibilities of restrictions and close downs but for the moment we consider that as a low risk. Increase in prices of electricity and interest rates together with possible increase in spending on travel and leisure might.

We are very pleased that we on the 28th of January signed a SPA to acquire 100% of the shares of Elbutik Scandinavia AB and its sister companies. This acquisition is of great importance for our growth strategy going forward. More information about Elbutik and our way forward will be given in a separate presentation.

The purchase price to be paid at completion of the Transaction is expected to be approximately MSEK 235, subject to the audited consolidated EBITDA of Elbutik.se for 2021 and the net debt and working capital of Elbutik.se at closing.

MSEK 182.5 of the purchase price will be settled in cash and the remaining part to be paid at closing will be settled with shares in Elektroimportøren AS. The subscription price for the consideration shares will be determined on the basis of the volume weighted average price of the share of Elektroimportøren AS over the last five days of trading prior to closing. The consideration shares will further be subject to a 24-month lock-up period. Lades AB will also be entitled to a potential earn-out based on Elbutik.se's EBITDA for 2022 to 2025, which may bring the aggregate purchase price up to MSEK 292.5. The cash element will be funded by increasing long term debt.

We have not yet prepared a purchase price allocation, but we expect that most of the purchase price will be allocated to goodwill.

Completion of the transaction is subject to (i) that the extraordinary general meeting of the Company authorizes the Company's Board of Directors to issue the consideration shares and (ii) certain other customary closing conditions. The agreement is expected to be completed primo Q2 2022.

This acquisition opens up the Swedish market of SEK 15 billion and provides a solid base for a roll-out of physical stores.

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

Throughout 2021 we have evaluated three options for how to enter the Swedish market.

- Through an acquisition
- Through a joint venture
- Greenfield

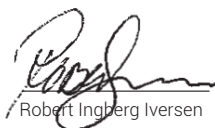
Our decision to go for an acquisition of Elbutik Scandivia AB is based on the fact that this gives us direct access to the market with full control and limited risk. Elbutik offers us deep insights in the consumer market, product assortment knowledge and a well known brand. We see great growth potential in the existing business of Elbutik and many possibilities for synergies. Elbutik reminds us much of how Elektroimportøren looked in 2014 and we see a perfect strategic fit in combining their market and business knowledge of the Swedish market with our experience in retail roll out. We will use our experience to increase the commercial activities, conceptualize and professionalize the business going forward. We will leverage the product and market knowledge from both companies to optimize our product range and customer offer. We will also drive synergies, implement Namron in Sweden and widen the offer of Elbutik in to the B2B market.

Oslo, February 10th 2022

The board of Elektroimportøren AS



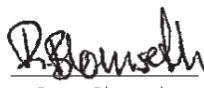
Amund Skarholdt



Robert Ingberg Iversen



Gaute Gillebo



Ronny Blomseth



Kjersti Helen Krokeide Hobøl



Fredrik Toft Bysveen

Notes and Definitions



Foto: @oppussing_med_karoline

Notes

Note 1 Corporate information

Elektroimportøren AS and its subsidiaries (the Group) operating activities are related to the resale of electro materials, lighting, heating and ventilation, cables and wires as well as smart home products in Norway through physical stores and online business.

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

These financial statements for the last quarter of 2021 have been prepared in accordance with NGAAP, consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2020.

There have not been any changes in accounting principles over the last year.

The Group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is measured at fair value, as are the net assets acquired. Any goodwill that arises will be amortised.

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 2020.

Note 4 Loans and borrowings

At 31 December 2021 Elektroimportøren 2021 Elektroimportøren has the following borrowing facilities;

- Revolving credit facility 120 MNOK (not utilized)
- Long term debt 185 MNOK (paid 20 MNOK in Q4).

The maturity of the term loan is [Date] with yearly installments of 20 MNOK.

The facilities are secured by inventory, receivables and operating equipment in Elektroimportøren AS.

Note 5 Related party transactions

The Groups related parties transactions includes 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

	Q4 2021	Q4 2020	2021	2020
Number of ordinary shares	20 732 200	20 732 200	20 732 200	20 732 200
Net profit	38 909	36 828	93 730	81 271
Earnings per share	1,88	1,78	4,52	3,92

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

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