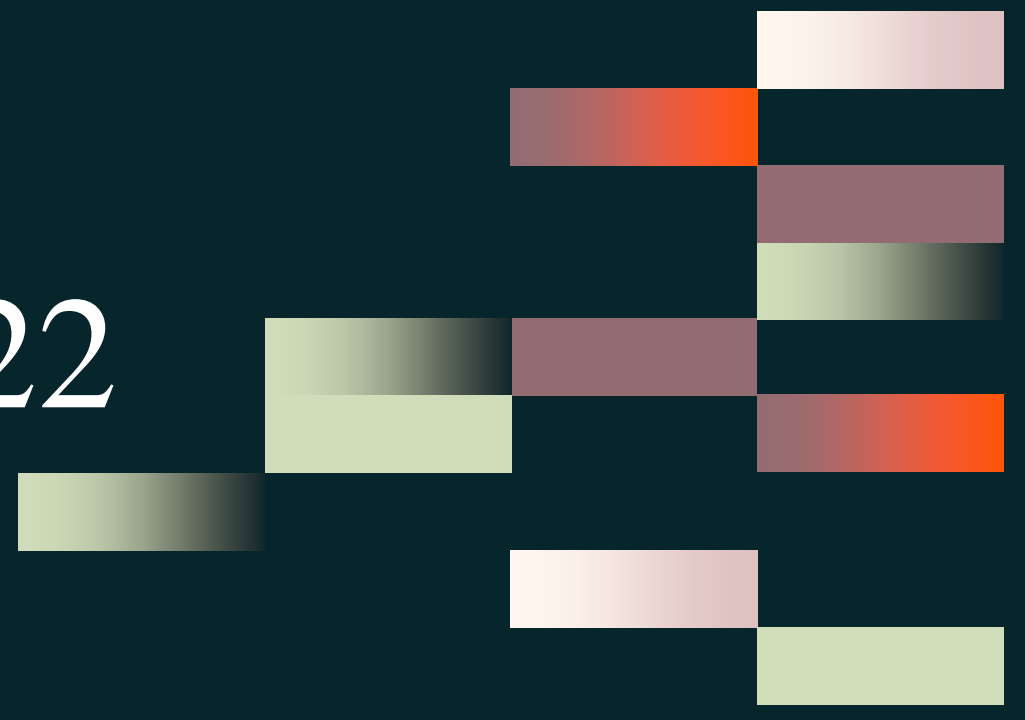


# Quarterly presentation Q2 2022

ROLF BARMEN (CEO)

MORTEN OPDAL (ACTING CFO)

ROGER FINNANGER (EVP HEAD OF BUSINESS)



# Elmera Group – brands and corresponding reporting segments



# Highlights Q2 2022

- Solid financial results despite low consumption volumes in the quarter
- Group net revenue of 403 NOKm (+4% YoY) and EBIT adj. of 123 NOKm (-13% YoY) in the quarter
- Significant positive shift in trend in the customer development in the Consumer segment, with a stable customer development in the quarter
- Continued growth in the Business segment, both in profitability and deliveries
- Stable development in the strategic customer base in the Nordic segment. Revenues negatively affected by peak/off-peak prices
- New organisational model implemented

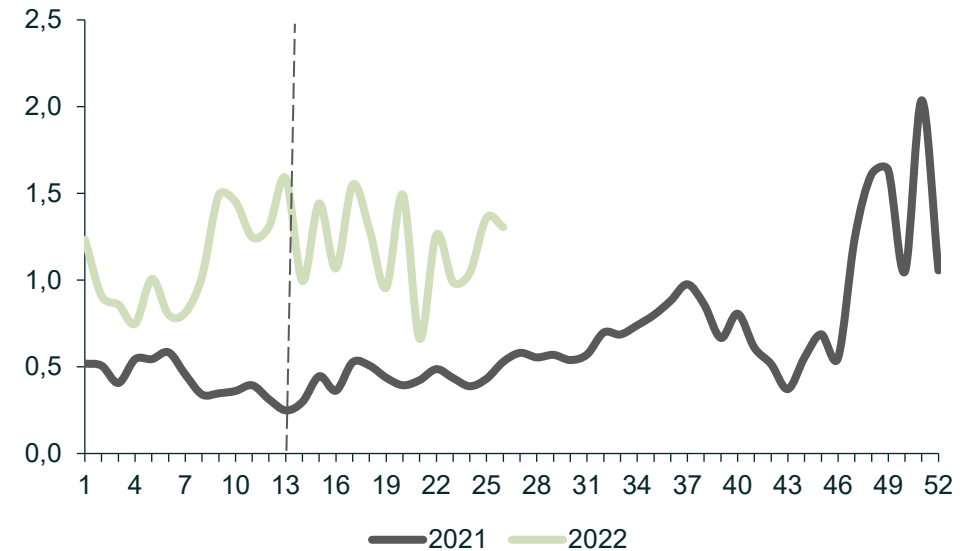
Sources:

1) Volume in the Consumer, Business, Nordic and NGI segments

# Market development Q2 2022: High and volatile prices

- Elspot prices remain at a very high level. Significant area price difference between the various regions and high volatility
- Significant peak/off-peak price differences in Finland and Sweden
  - The Nordic segment was negatively affected by this, especially in June
- High prices in combination with a warm June, negatively affecting consumption volumes, particularly in the Consumer segment (-23% YoY)

Weekly elspot prices (NOK/kWh)<sup>1</sup>

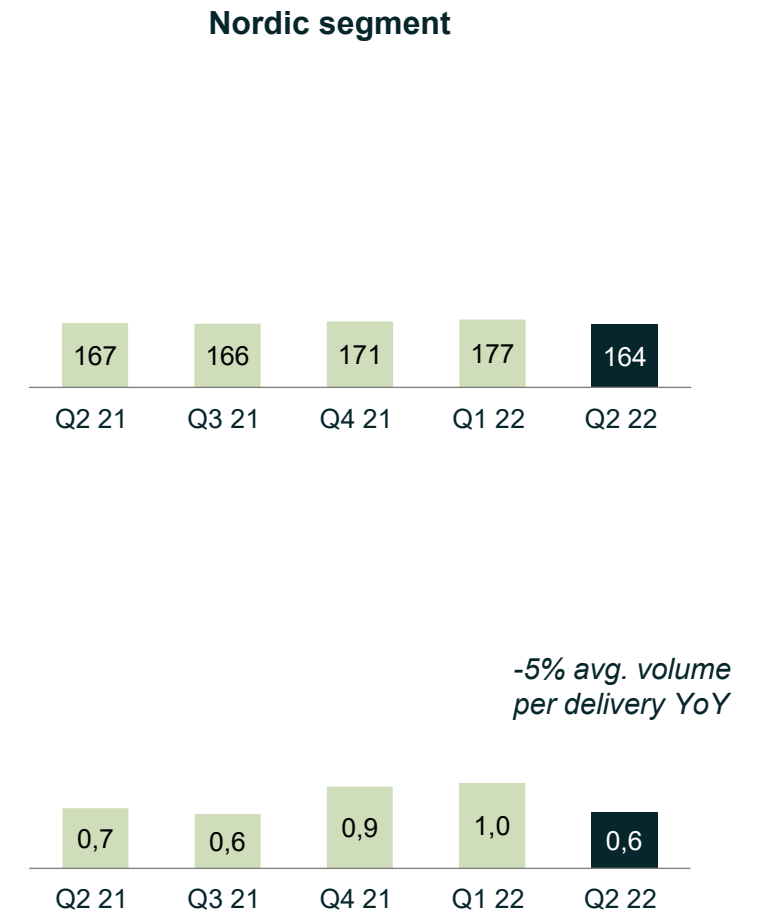
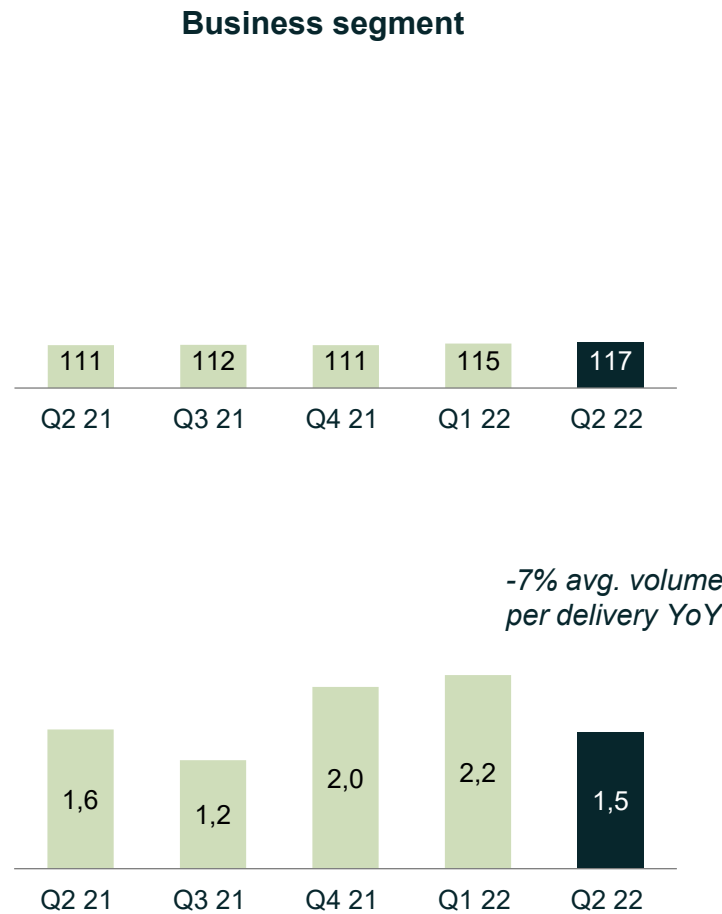
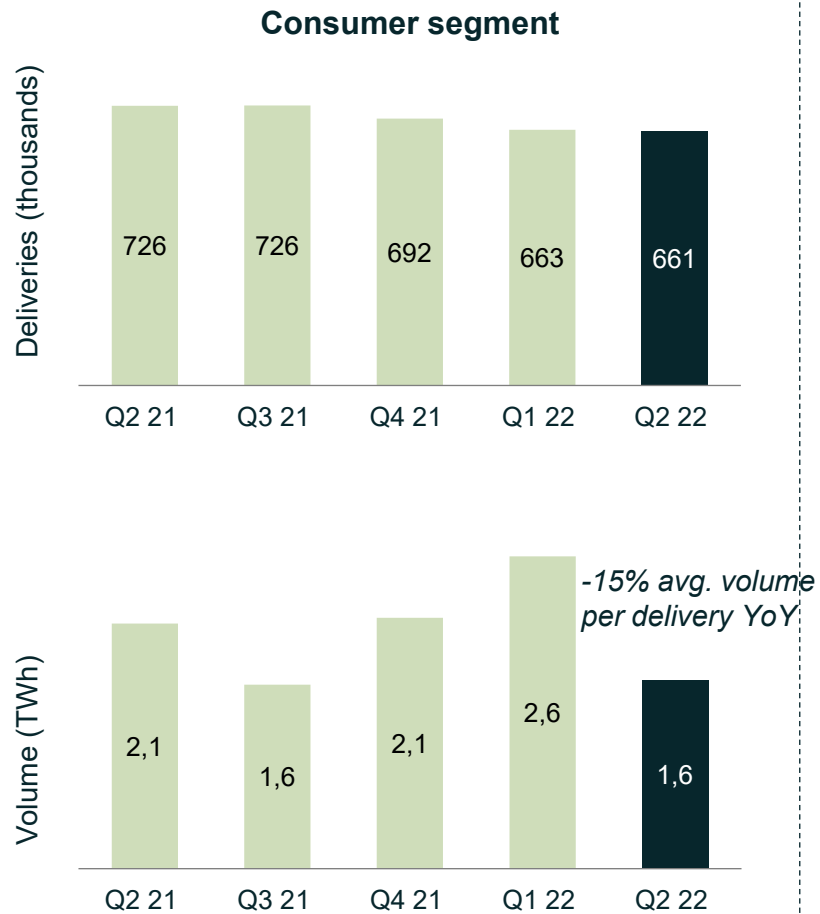


Sources:

1) Weekly system prices in NOK from Nordpool

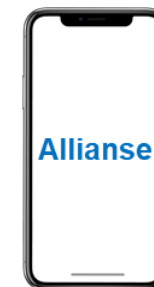
## DELIVERIES AND VOLUME PER SEGMENT

# Key figures



# New Growth Initiatives

- Alliance volume 936 GWh in Q2 2022, a decrease of 14% YoY due to high elspot prices and a mild June
- Number of Extended Alliance deliveries increase by 1,345 from last quarter
- Number of mobile subscribers Q2 2022 was 148 thousand, a decrease of 5 thousand from last quarter



# Update on regulatory and political issues

## Local regulatory and political issues are affected by geopolitical issues (The war) and hydrology

- The geopolitical situation continues – leading to extreme price levels and volatility, affecting costs related to power purchase
  - Russia vs Ukraine - highly affecting price level and volatility
  - Extreme peak/off-peak pricing
  - Potential opening of gas pipelines to Europe and interconnection between FI and RUS will mitigate effects immediately
- The hydrological situation in the southern part Norway
  - Scarce resources, low water reservoir levels due to less rainfall than normal
  - Potential rainfall this autumn will mitigate effects

## Other political and regulatory issues

### Norway

- In line with our proposals, the focus is on expanding the power support scheme to households, and businesses
- The Government has proposed a change in taxation rules for producers in order to promote fixed price contracts for households and small businesses. The proposed scheme is voluntary for retailers but must be adjusted to be of interest to sell, due to an unbalanced risk exposure. Elmera is working with other retailers and producers through Energy Norway on a balanced solution which will be acceptable for both retailers and producers, while still providing a good product to the customers
- **Thus, our concern about governmental interventions in the market that will impact our business is reduced**

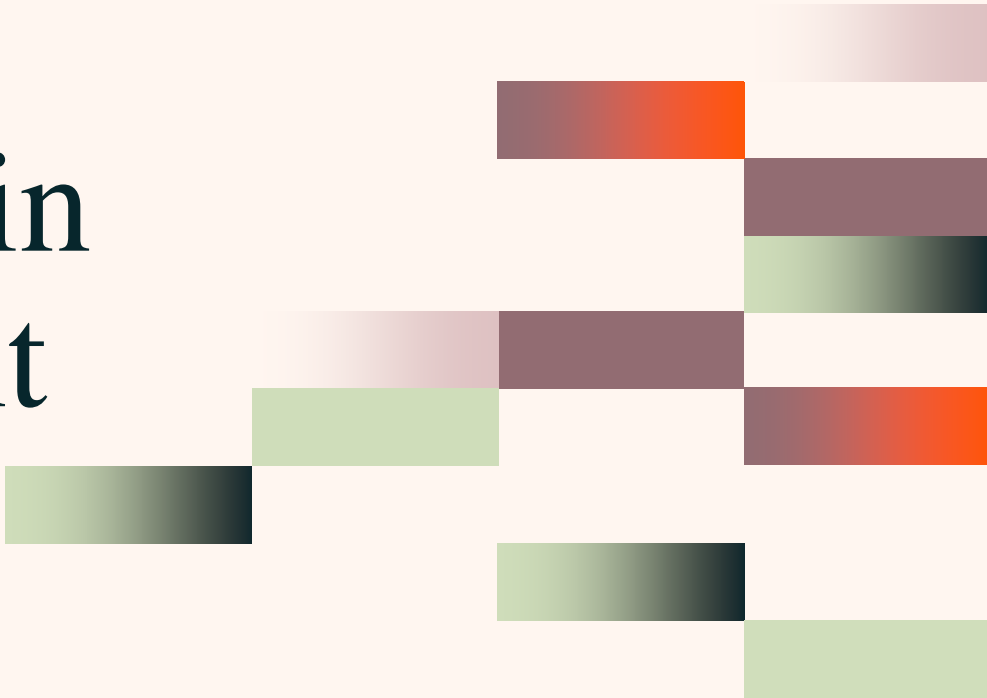
### Finland

- The Finnish government has proposed a reduction in sales tax for electricity to ease the economic burden of customers. Prices have spiked after Russian cut of electricity exports, and yet another delay of the nuclear power plant O3

### Sweden

- Sweden have a support scheme similar to the Norwegian one. No changes have been proposed recently. The focus in Sweden seems to be to increase renewable production fast. There is also a growing support for extending the lifetime of the existing nuclear power production, and even building new nuclear reactors.

# Product management in the Consumer segment

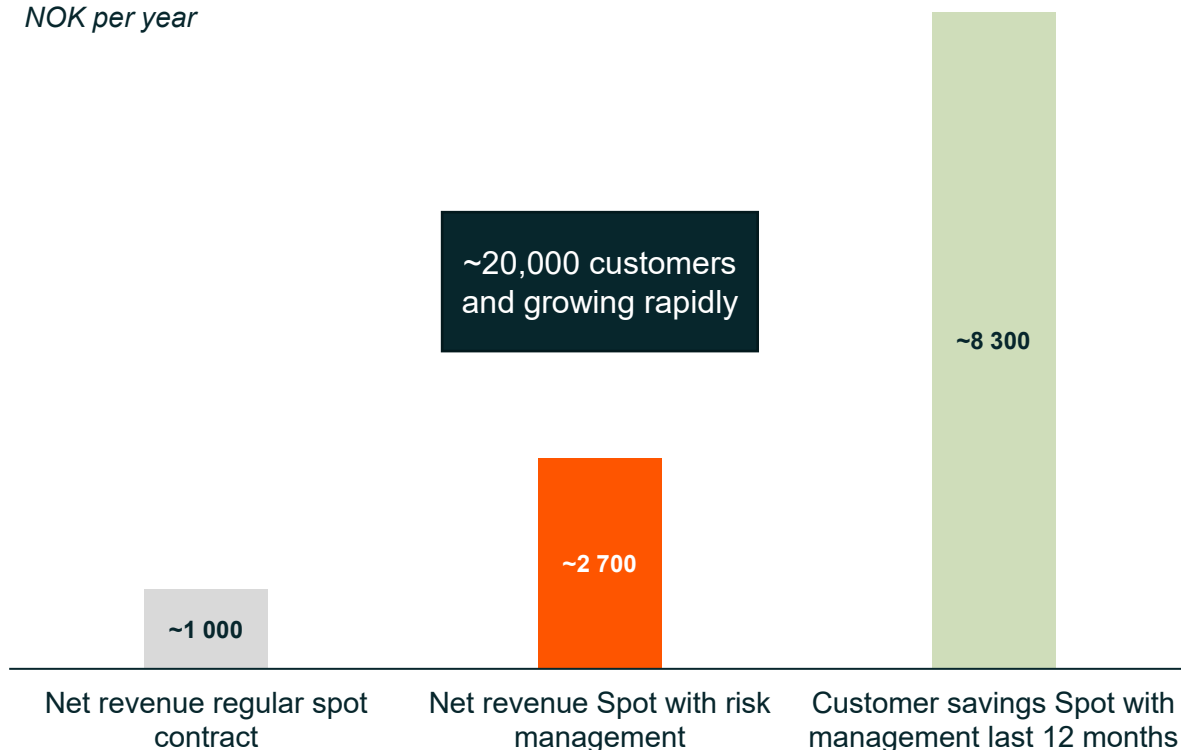




# Spot with risk management – an attractive offering in the Consumer segment

Example: 20,000 kWh annual consumption

NOK per year



## Spot med forvaltning

Våre forvaltere jobber for å oppnå en bedre pris enn spotprisen. Sjekk de historiske resultatene!

Mer informasjon

Prisområde	<a href="#">Velg område</a>
Pris	--
Påslag	+ 3,90 øre/kWh
Månedsbetrag	+ 39,00 kr.
Bindingstid	3 mnd. oppsigelse

## Resultater for 2022

### Måned Endring i spotpris

Januar	-48,59 øre/kWh
Februar	-45,88 øre/kWh
Mars	-25,33 øre/kWh
April	-20,27 øre/kWh
Mai	-74,23 øre/kWh
Juni	-82,62 øre/kWh
Juli	-35,23 øre/kWh

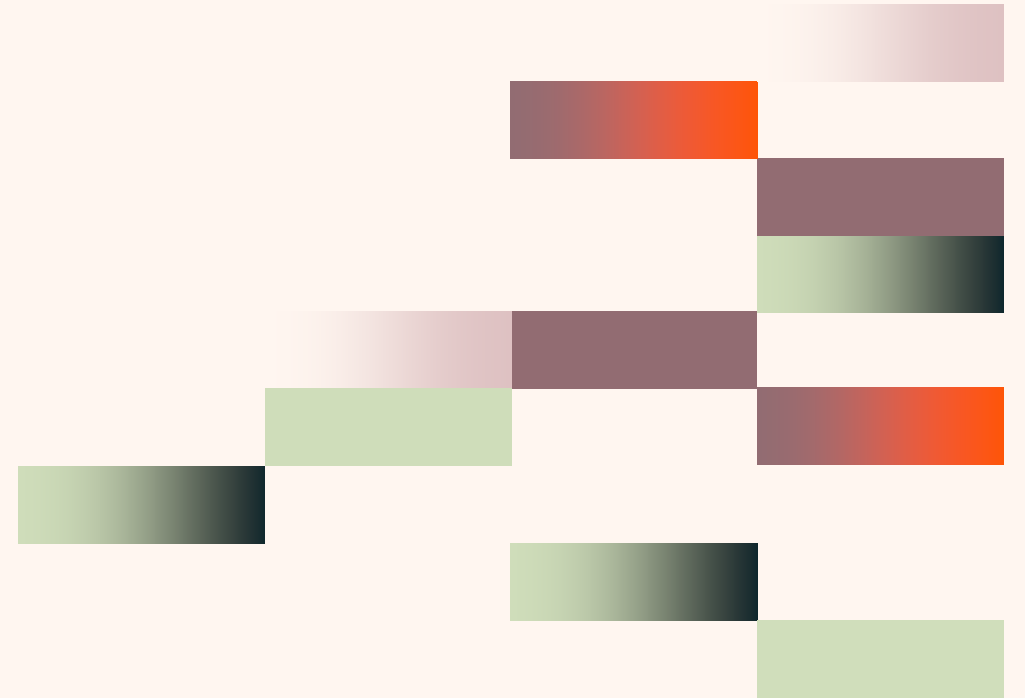
## Slik fungerer Spot med forvaltning

Spot med forvaltning kombinerer prissikring og spotpris. Målet er å unngå de høyeste pristoppene. Våre forvaltere kjenner markedet og jobber for å oppnå gode sikringspriser for deg. Det vil si innkjøp av strøm til en bestemt pris frem i tid. Slike strømvavtaler er svært vanlig for bedrifter og det offentlige.

Avtalen kan sammenlignes med å spare i fond fordi det er mulig å oppnå avkastning. Noen måneder kan prisen bli høyere enn spotprisen. Historisk sett har avtalen gitt gode resultater.

# Financial review Q2 2022

MORTEN OPDAL (ACTING CFO)



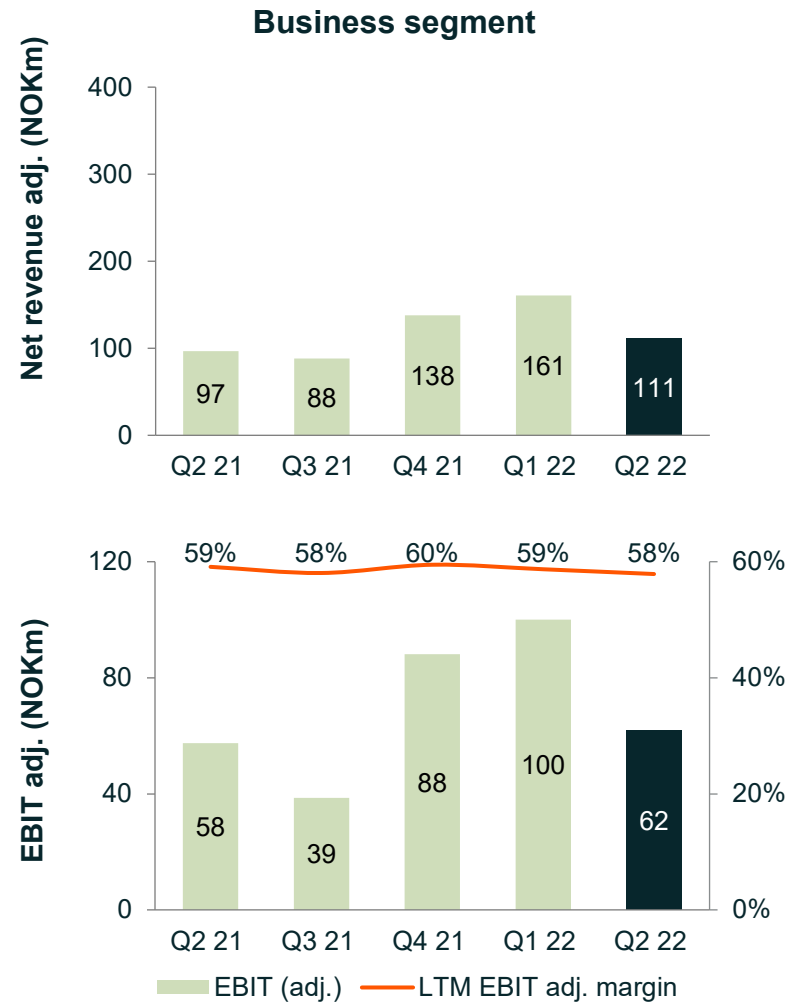
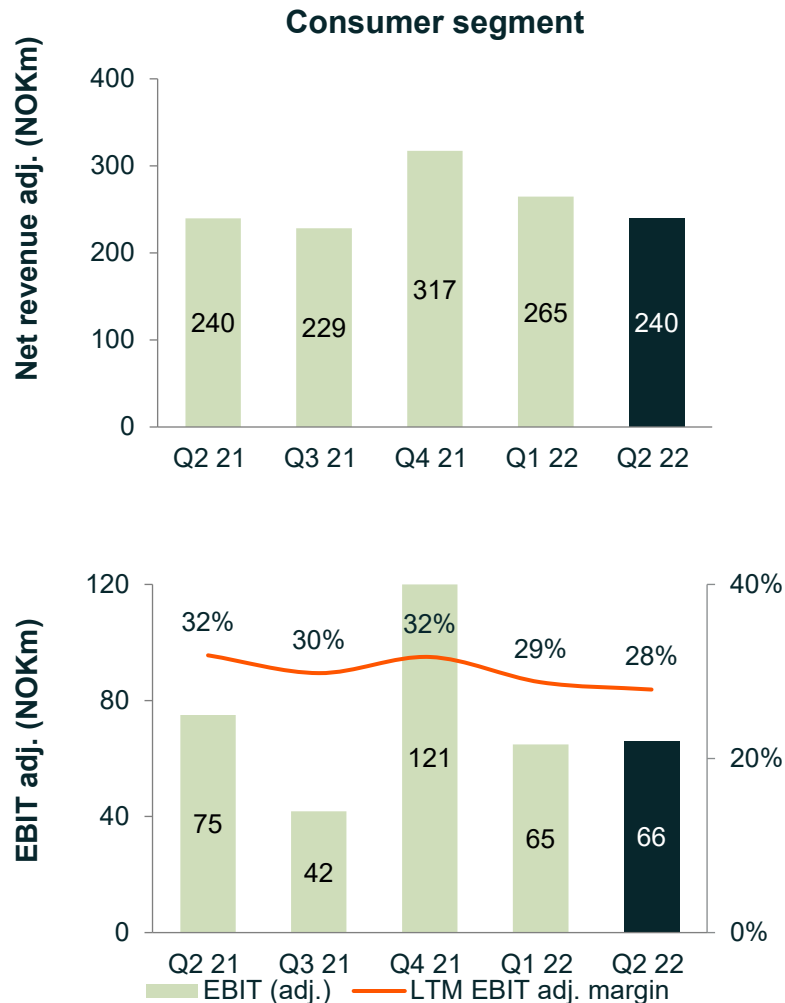
**Elmera Group**

# Group net revenue adj. and EBIT adj.



- Group net revenue adj. increase 4% YoY. Strong margins despite volume decrease and a challenging market
- EBIT adj. decrease 13%. Increased sales and marketing costs are the main drivers, as well as increased provisions for losses
- LTM EBIT adj. margin of 30% (37% in Q2 2021)

# Net revenue and EBIT adj. by segment



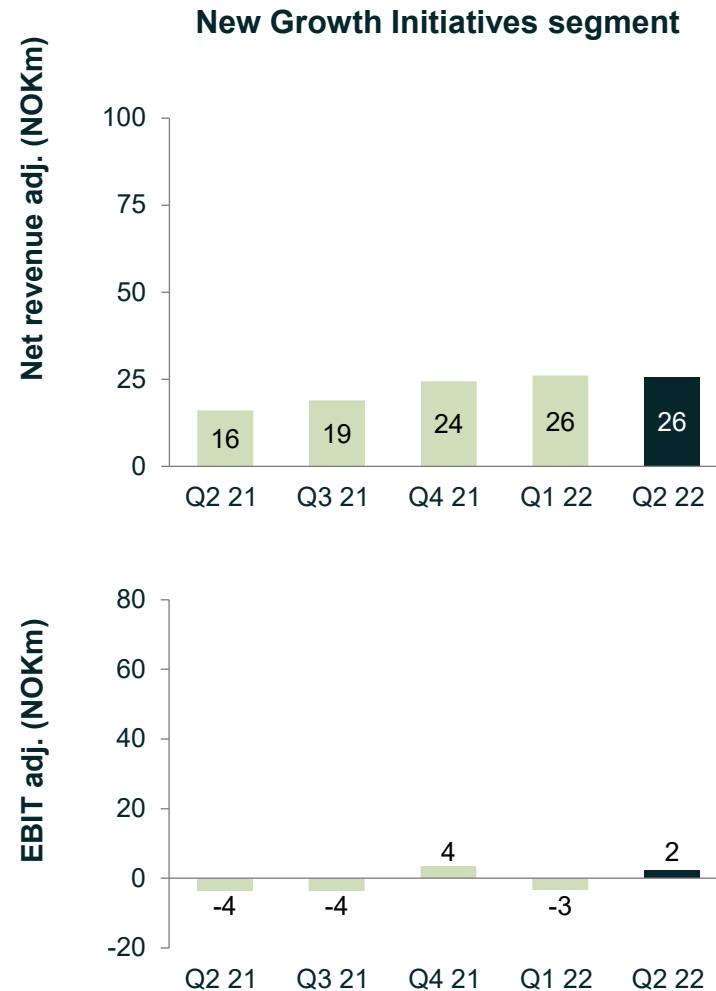
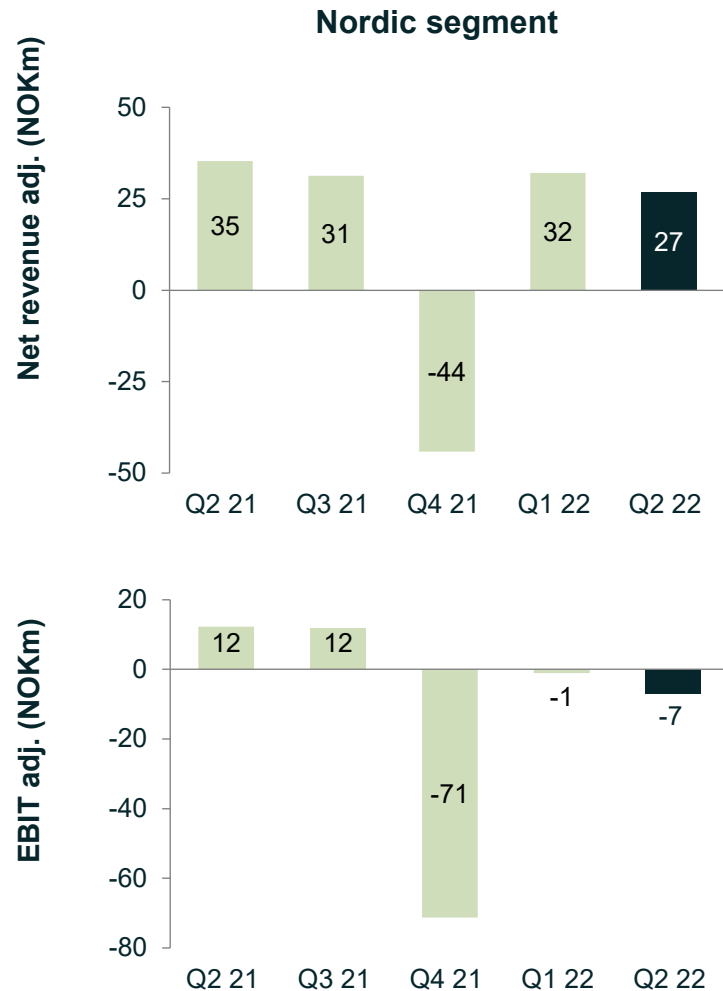
## Consumer:

- Significant positive effects from hedging and otherwise strong margins resulting in stable net revenue YoY, despite 23% YoY decrease in volume (15% decrease in avg. volume per delivery)

## Business:

- Net revenue growth from improved product margins. Volume fairly stable despite 7% decrease in avg. volume per delivery

# Net revenue and EBIT adj. by segment



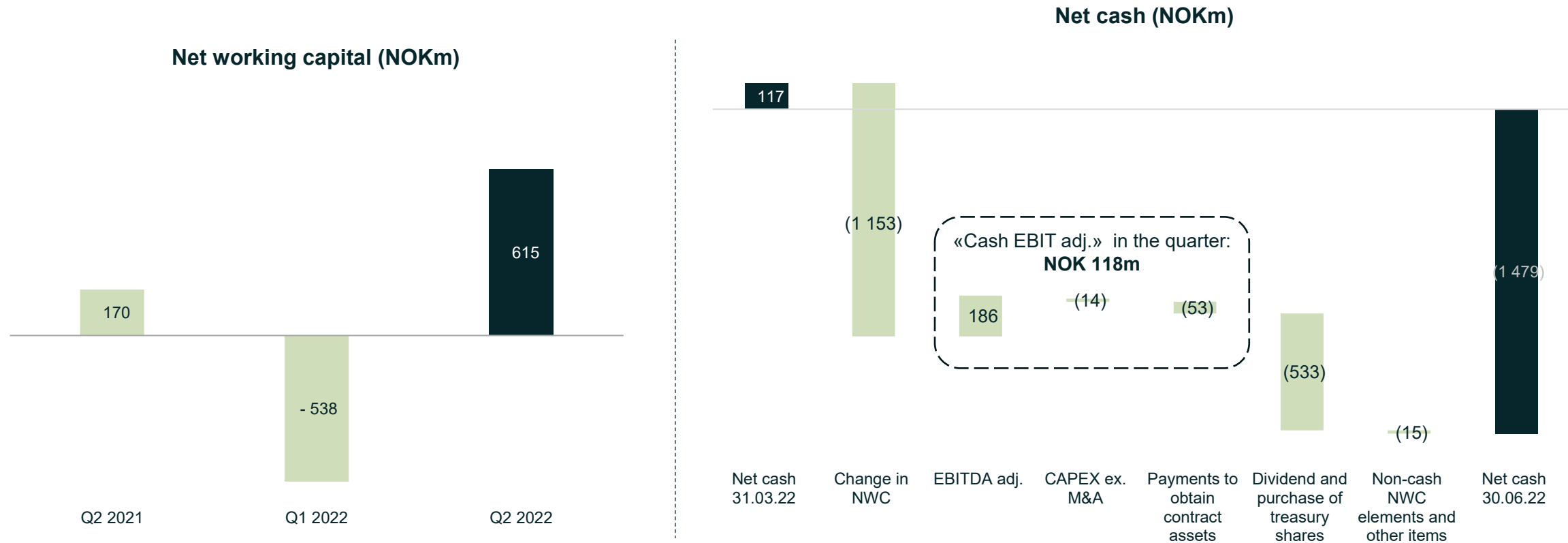
## Nordic:

- No under-hedging in the quarter
- The peak/off-peak price differences continue to affect the segment negatively, particularly in June

## New Growth Initiatives:

- Net revenue growth and EBIT improvement YoY primarily from Mobile

# NWC and net cash position – “Cash EBIT adj.” ~ EBIT adj.



- NWC increase YoY as elspot prices are almost three times higher than in Q2 2021
  - In Q1 2022, NWC was lower than normal as part of the February power purchase was paid for in April
- The net working capital increase and dividend and share buyback are driving the change in net cash position
- “Cash EBIT adj.” in line with EBIT adj.

# Organic financial targets 2022-2023

## Group

- Targeting a net revenue in the area of NOK 1,600-1,650m for 2022 and 2023
- EBIT adj. in the area of NOK 500-550m for 2022 and 2023. 2022 expected in the lower end of the interval (EBIT adj. margin in the area of 30-34%)

## Cap.ex

- Targeted to be in the area of NOK 65-70m annually

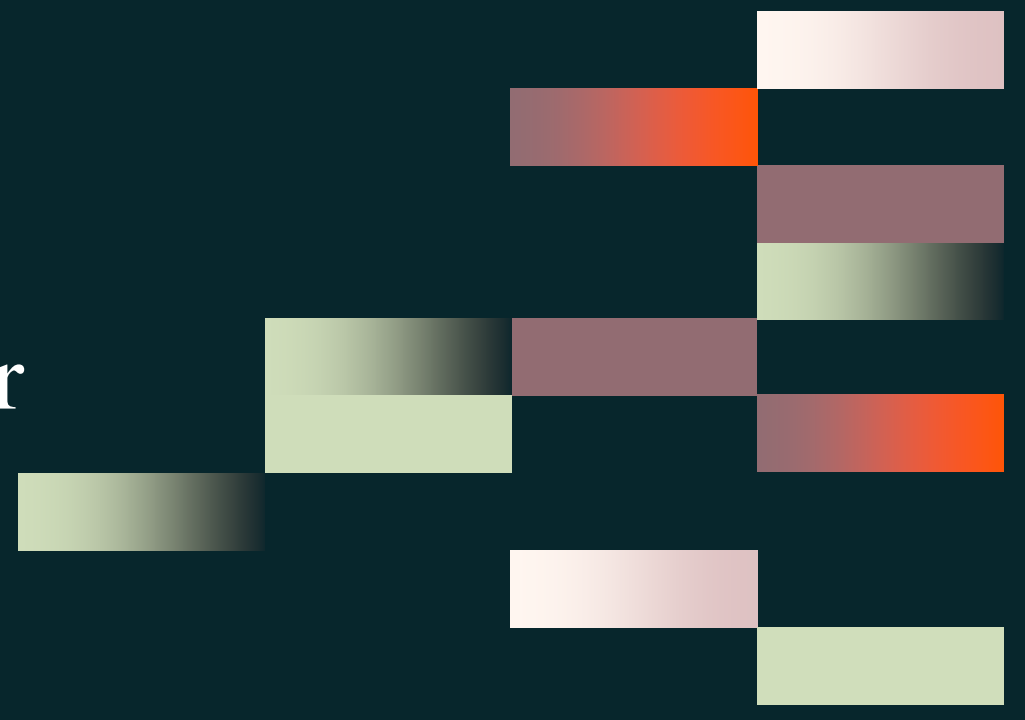
## Sales commissions

- Targeted to be in the area of NOK 180-200m annually

# Q2 Business

EVP Business – Roger Finnanger

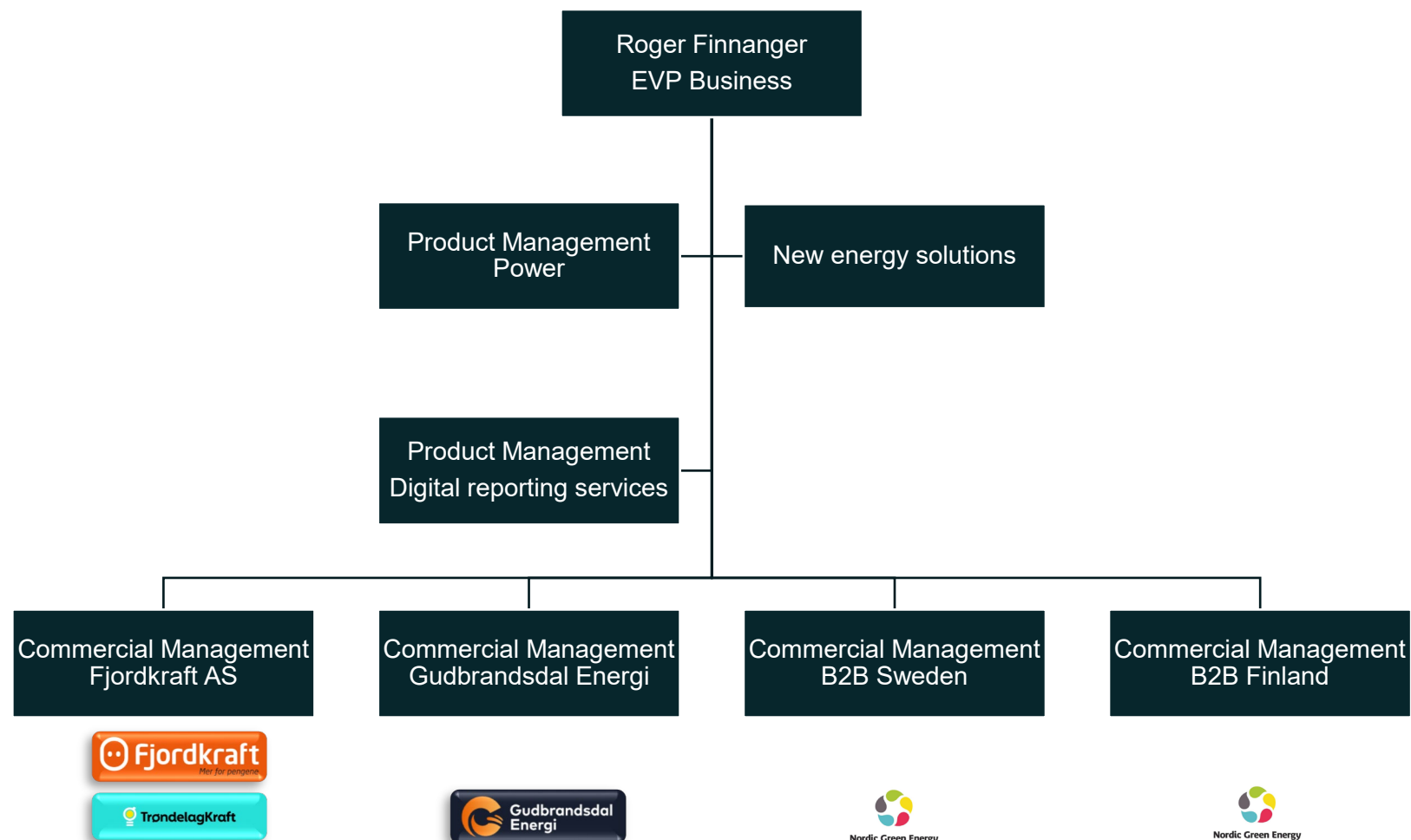
18. AUGUST 2022





## NEW ORGANIZATION

# Nordic Management Group - Business



Serve all our brands with risk mitigating power agreements

Strengthen sales and distribution in all brands

Develop and launch digital ecosystem for all brands

Profitable growth in New energy solutions

# Cost control: Offering a unique range of services to handle all risk associated with power purchasing

Our customers have saved more than 650 NOKm from risk mitigating products ytd. July.

## Risk mitigating services

Businesses seeking to manage their electricity cost can combine several services from our tool-box:

- Fixed price
- Price cap
- Index trading 20 – 90 %
- Optimization with loss frame
- Currency exchange at the time of purchase
- Area price hedging
- Consumption-profiled hedging

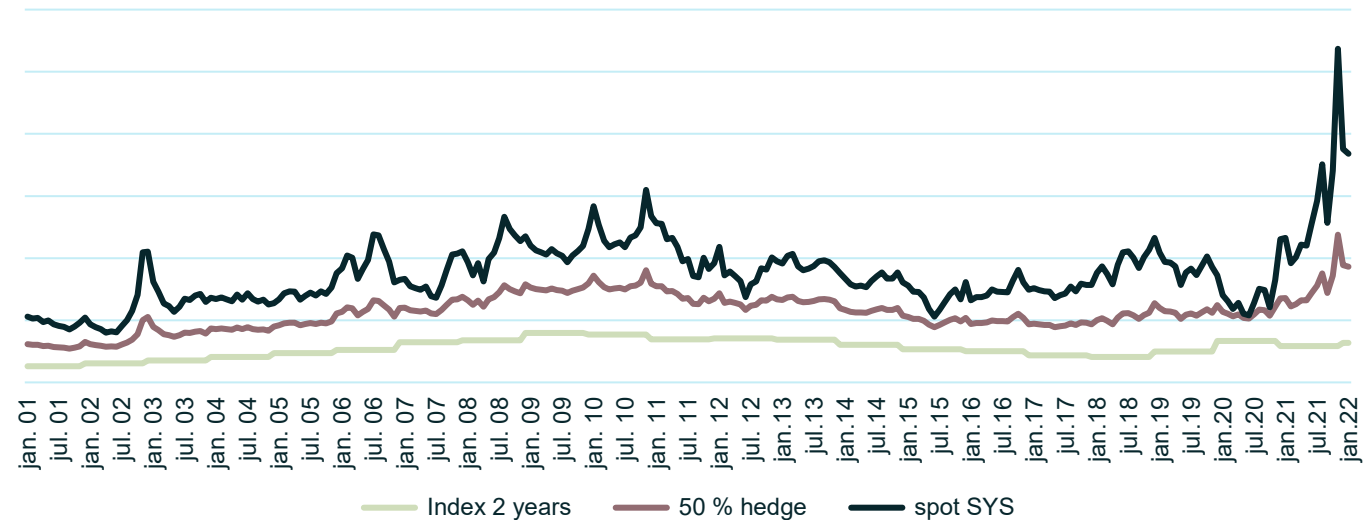
Back-to-back trading, reducing Fjordkraft's risk exposure

## Solutions for all B2B customers

- Standardized products design for SMB and SOHO
- Flexible tailored solutions for large customers and public entities

## Minimizing price fluctuation

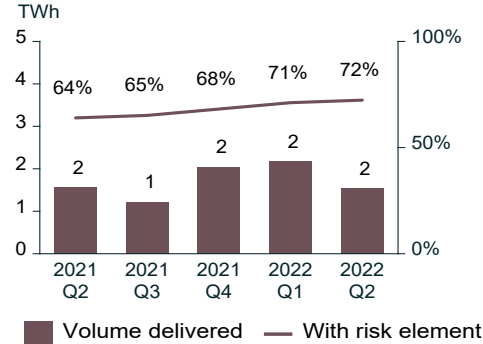
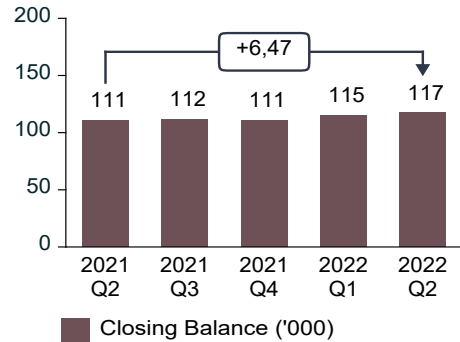
Index trading 2 years ahead – approx. 500 trades



Volatility fuels demand for Spot with Risk management. It gives the customers predictable and lower power costs in the long run. Around 70% of our volume is delivered with risk mitigating services in Fjordkraft and Trøndelag Kraft.

# Risk management products attract new customers in the Norwegian market

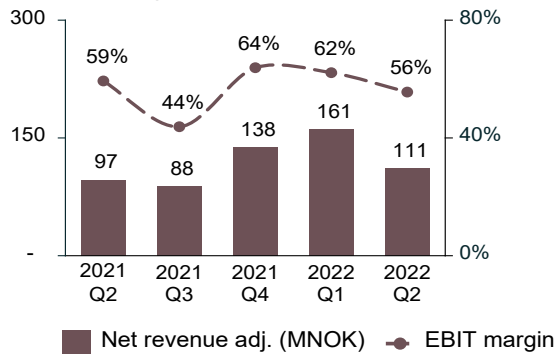
## Customer base:



## Comments

- 6 % deliveries growth YoY
- 72 % share of volume delivered with risk management products
- Targeting 75 % risk management of total volume delivered
- High power prices stimulates to reduced consumption pr delivery

## Profitability:



## Strengthening our management in Fjordkraft AS



- **Kent Olav Kvamme** is heading up as Commercial Director in Fjordkraft AS
- Further customer growth, value adding services and cost leadership

# New energy solutions: Demand driven by the green shift and high power prices

## Value propositions

### Solar energy solutions

#### Pre - installation:

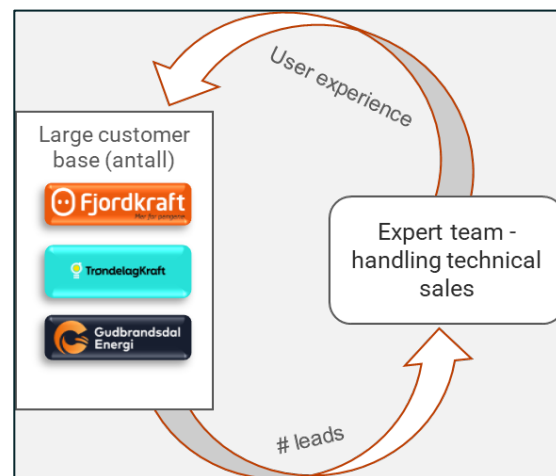
- Advisory services
- Free online calculation of the customers roof
- Green loans
- PPA for large customers

#### After - installation:

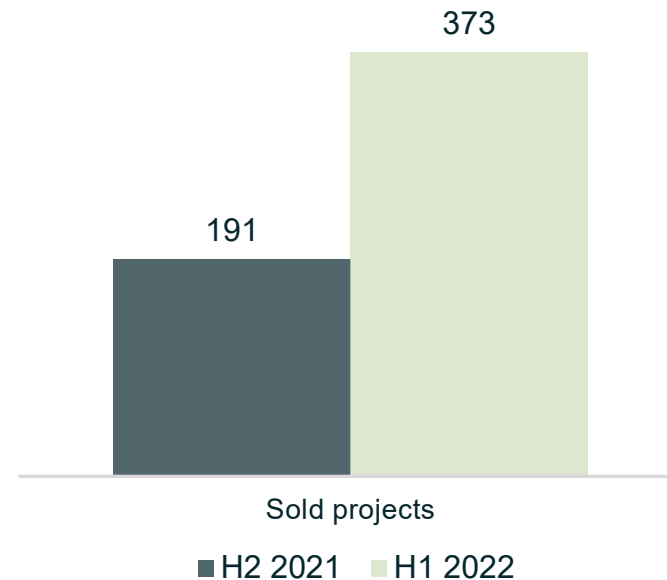
- Live monitoring on consumption and production
- Solar account
- Solar combined with risk management products



## Scalable capacity



- Dedicated team with expertise in new energy solutions
- 7 advisors consult customers within solar solutions
- Launched new online calculation and websites
- Improved sales system increases the efficiency and hit rate in sales



### Going forward:

- Doubling our sales capacity
- Solar expected to be cash positive in 2023

Organised for further growth:

# Key actions going forward

Starting up telemarketing in Gudbrandsdal Energi in August



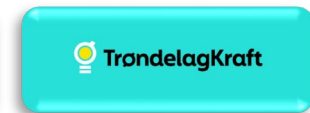
Launching risk management products in Gudbrandsdal Energi in Q3



Launching risk management products in Nordic Green Energy in Q4  
Further strengthen sales distribution



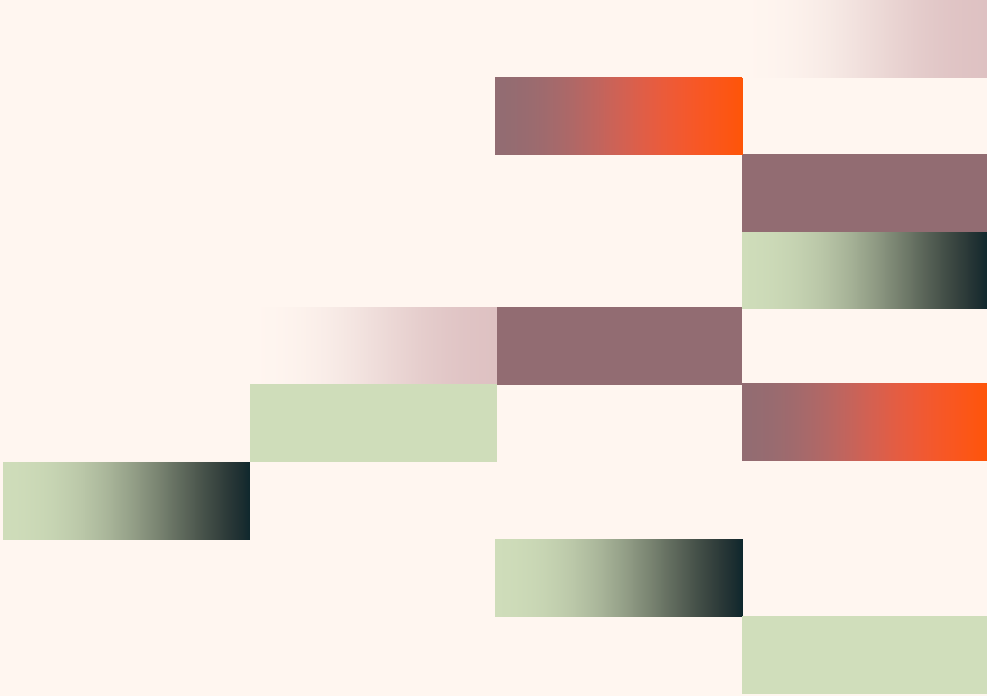
Launch of our new digital ecosystem, including live data monitoring in Fjordkraft in Q4



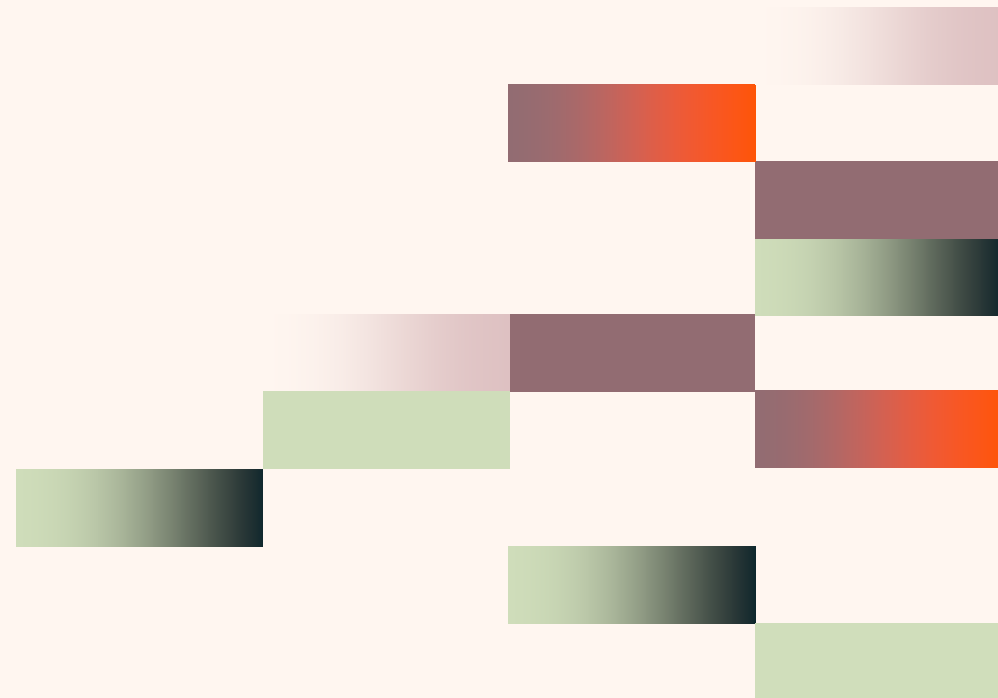
New Energy Solutions: improve our sales and double our sales capacity



# Q&A



# Appendix



**Elmera Group**

# Adjusted EBIT reconciliation

<b>Revenue</b>			
NOK in thousands	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>Full year 2021</b>
Revenue adjusted	4 890 378	2 559 342	15 200 165
Direct cost of sales adjusted	(4 486 895)	(2 171 283)	(13 499 669)
<b>Net revenue adjusted</b>	<b>403 483</b>	<b>388 059</b>	<b>1 700 496</b>
Personnel and other operating expenses adjusted	(217 808)	(195 863)	(899 993)
Depreciation and amortisation adjusted	(62 570)	(51 091)	(214 455)
<b>Total operating expenses adjusted</b>	<b>(280 378)</b>	<b>(246 954)</b>	<b>(1 114 448)</b>
<b>Operating profit adjusted</b>	<b>123 105</b>	<b>141 105</b>	<b>586 048</b>
Acquisition related costs	-	-	(1 034)
Other one-off items	-	-	3 387
Depreciation of acquisitions	(32 863)	(45 929)	(188 629)
Estimate deviations	-	19 573	11 515
Unrealised gains and losses on derivatives	1 651 108	164 677	1 088 469
Change in provisions for onerous contracts	(1 651 917)	(150 998)	(996 739)
Impairment of intangible assets	-	(290)	(9 762)
<b>Operating profit (EBIT)</b>	<b>89 436</b>	<b>128 138</b>	<b>493 256</b>



# Profit and Loss account

NOK in thousands	Note	Q1 2022	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Full year 2021
<b>Continuing operations</b>							
Revenue	2,3	6 718 296	4 106 418	2 474 937	10 824 713	6 529 806	15 170 991
Direct cost of sales	2	(6 206 461)	(3 703 741)	(2 053 626)	(9 910 202)	(5 574 871)	(13 367 251)
Personnel expenses	2	(111 317)	(76 052)	(79 849)	(187 369)	(191 342)	(409 123)
Other operating expenses	2	(149 870)	(141 756)	(115 934)	(291 626)	(247 180)	(488 517)
Depreciation and amortisation	2,7	(96 119)	(95 432)	(97 101)	(191 552)	(196 875)	(403 084)
Impairment of intangible assets	2,7	-	-	(290)	-	(9 823)	(9 762)
<b>Operating profit</b>		<b>154 528</b>	<b>89 436</b>	<b>128 138</b>	<b>243 964</b>	<b>309 715</b>	<b>493 256</b>
Income/loss from investments in associates and joint ventures		239	470	1 188	709	1 922	2 637
Interest income		5 374	5 786	4 123	11 160	6 623	12 801
Interest expense lease liability		(531)	(499)	(595)	(1 030)	(1 253)	(2 374)
Interest expense	12	(6 060)	(13 443)	(8 775)	(19 502)	(18 994)	(42 583)
Other financial items, net		(10 094)	5 380	(1 095)	(4 714)	(14 017)	(19 219)
<b>Net financial income/(cost)</b>		<b>(11 072)</b>	<b>(2 306)</b>	<b>(5 153)</b>	<b>(13 378)</b>	<b>(25 719)</b>	<b>(48 737)</b>
<b>Profit/ (loss) before tax</b>		<b>143 456</b>	<b>87 130</b>	<b>122 985</b>	<b>230 586</b>	<b>283 996</b>	<b>444 519</b>
Income tax (expense)/income	5	(33 409)	(12 488)	(23 772)	(45 897)	(51 140)	(102 150)
<b>Profit/ (loss) for the period</b>		<b>110 047</b>	<b>74 643</b>	<b>99 212</b>	<b>184 689</b>	<b>232 856</b>	<b>342 369</b>
Basic earnings per share (in NOK)*	6	0,96	0,67	0,87	1,63	2,04	3,00
Diluted earnings per share (in NOK)*	6	0,95	0,66	0,86	1,61	2,01	2,96

\* Based on a weighted average of 113 081 114 shares outstanding. It is issued 1 760 000 share options to employees.

# Balance sheet

NOK in thousands	Note	31 March 2022	30 June 2022	30 June 2021	31 December 2021
<b>Assets:</b>					
<b>Non-current assets</b>					
Deferred tax assets		33 922	35 262	36 065	35 092
Right-of-use assets property, plant and equipment		81 286	76 185	91 232	82 806
Property, plant and equipment		7 471	9 119	8 431	8 098
Goodwill	7	1 409 734	1 420 963	1 429 576	1 419 451
Intangible assets	7	650 837	626 996	764 586	694 630
Cost to obtain contracts		295 814	306 755	214 065	287 728
Investments in associates and joint ventures		14 043	14 513	13 090	13 805
Derivative financial instruments	9, 10	661 917	1 679 090	145 541	365 611
Net plan assets of defined benefit pension plans	11	46 524	57 086	-	-
Other non-current financial assets		53 732	52 418	46 822	54 784
<b>Total non-current assets</b>		<b>3 255 280</b>	<b>4 278 385</b>	<b>2 749 406</b>	<b>2 962 003</b>
<b>Current assets</b>					
Intangible assets		5 910	19 331	1 698	7 518
Inventories		2 126	4 025	6 101	2 146
Trade receivables	8,12,14	4 643 699	2 630 896	1 416 226	5 256 259
Derivative financial instruments	9,10	2 062 147	4 807 188	479 038	1 661 225
Other current assets		101 079	104 458	65 172	38 847
Cash and cash equivalents		1 063 717	161 896	261 282	306 627
<b>Total current assets</b>		<b>7 878 677</b>	<b>7 727 794</b>	<b>2 229 517</b>	<b>7 272 622</b>
<b>Total assets</b>		<b>11 133 957</b>	<b>12 006 179</b>	<b>4 978 923</b>	<b>10 234 624</b>
<b>Equity and liabilities:</b>					
<b>Equity</b>					
Share capital		34 306	32 590	34 289	34 291
Share premium		993 294	993 294	991 998	992 094
Retained earnings		999 427	593 394	748 824	754 097
<b>Total equity</b>		<b>2 027 027</b>	<b>1 619 278</b>	<b>1 775 112</b>	<b>1 780 482</b>

# Balance sheet

NOK in thousands	Note	31 March 2022	30 June 2022	30 June 2021	31 December 2021
<b>Non-current liabilities</b>					
Net employee defined benefit plan liabilities	11	66 904	67 744	84 713	93 837
Interest-bearing long term debt	12	697 299	674 589	766 694	720 009
Deferred tax liabilities		155 189	150 029	135 377	118 318
Lease liability - long term		63 399	58 761	73 892	65 259
Derivative financial instruments	9,10	494 732	1 185 501	165 168	238 481
Onerous contract provisions	4	347 291	1 239 540	54 664	321 814
Other provisions for liabilities		16 150	18 578	16 399	16 740
<b>Total non-current liabilities</b>		<b>1 840 964</b>	<b>3 394 742</b>	<b>1 296 907</b>	<b>1 574 458</b>
<b>Current liabilities</b>					
Trade and other payables	14	4 599 821	1 655 296	866 070	4 516 589
Overdraft facilities	12	-	593 322	136 801	-
Interest-bearing short term debt	12	150 000	275 000	-	-
Current income tax liabilities		47 889	65 067	64 206	108 400
Derivative financial instruments	9,10	1 144 384	2 489 848	208 743	719 946
Social security and other taxes		154 859	78 120	84 667	116 390
Lease liability - short term		21 454	21 020	20 654	21 055
Onerous contract provisions	4	586 753	1 397 077	148 591	744 473
Other current liabilities	13	560 805	417 409	377 172	652 831
<b>Total current liabilities</b>		<b>7 265 966</b>	<b>6 992 158</b>	<b>1 906 904</b>	<b>6 879 684</b>
<b>Total liabilities</b>		<b>9 106 930</b>	<b>10 386 901</b>	<b>3 203 811</b>	<b>8 454 142</b>
<b>Total equity and liabilities</b>		<b>11 133 957</b>	<b>12 006 179</b>	<b>4 978 923</b>	<b>10 234 624</b>

# Cash flow

NOK in thousands	Note	Q1 2022	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Full year 2021
<b>Operating activities</b>							
Profit/(loss) before tax		143 456	87 130	122 985	230 586	283 996	444 519
<i>Adjustments for:</i>							
Depreciation	7	46 734	45 554	57 569	92 288	119 407	236 624
Depreciation right-of-use assets		5 170	5 174	4 997	10 343	9 660	19 687
Amortisation of cost to obtain contracts		44 216	44 705	34 534	88 921	67 808	146 773
Impairment of intangible assets	4,7	-	-	290	-	9 823	9 762
Interest income		(5 374)	(5 786)	(4 123)	(11 160)	(6 623)	(12 801)
Interest expense lease liability		531	499	595	1 030	1 253	2 374
Interest expense		6 060	13 443	8 775	19 502	18 994	42 583
Income/loss from investments in associates and joint ventures		(239)	(470)	(1 188)	(709)	(1 922)	(2 637)
Change in long-term receivables		(897)	(883)	3 441	(1 779)	3 738	(3 882)
Share-based payment expense		1 018	661	990	1 679	1 909	3 910
Change in post-employment liabilities		2 062	2 117	2 357	4 179	4 333	5 544
Payments to obtain a contract		(55 888)	(53 409)	(55 866)	(109 297)	(109 072)	(264 152)
<i>Changes in working capital (non-cash effect)</i>							
Impairment loss recognised in trade receivables	8	6 282	16 718	(40 635)	23 000	(45 215)	(57 666)
Provision for onerous contracts	4	(99 516)	1 651 917	150 998	1 552 401	132 343	996 739
Change in fair value of derivative financial instruments	4,9,10	71 667	(1 651 109)	(164 677)	(1 579 442)	(170 066)	(1 088 469)
<i>Changes in working capital</i>							
Inventories		21	(1 899)	147	(1 879)	(3 703)	251
Trade receivables	8	591 843	2 003 118	909 836	2 594 961	95 903	(3 740 539)
Purchase of el-certificates		(72)	(8 806)	(2 039)	(8 878)	(86 191)	(86 044)
Non-cash effect from cancelling el-certificates		-	8 334	1 921	8 334	85 898	85 898
Purchase of guarantees of origination		-	(27 659)	15	(27 659)	(4 305)	(11 206)
Non-cash effect from disposal of guarantees of origination		1 648	14 701	2 277	16 349	6 226	7 028
Other current assets		(62 907)	(1 690)	47 632	(64 597)	101 749	127 465
Trade and other payables		97 886	(2 949 728)	(506 545)	(2 851 842)	(155 616)	3 505 284
Other current liabilities	13	(51 356)	(221 620)	(112 489)	(272 976)	(184 729)	167 198
<b>Cash generated from operations</b>		<b>742 344</b>	<b>(1 028 988)</b>	<b>461 795</b>	<b>(286 644)</b>	<b>175 597</b>	<b>534 244</b>
Interest paid		(5 928)	(11 189)	(7 485)	(17 117)	(18 545)	(43 978)
Interest received		5 374	5 786	4 123	11 160	6 623	12 801
Income tax paid	5	(99 994)	(9 718)	-	(109 712)	(122 145)	(123 774)
<b>Net cash from operating activities</b>		<b>641 796</b>	<b>(1 044 109)</b>	<b>458 433</b>	<b>(402 313)</b>	<b>41 530</b>	<b>379 293</b>

# Cash flow

NOK in thousands	Note	Q1 2022	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Full year 2021
<b>Investing activities</b>							
Purchase of property, plant and equipment		(159)	(2 375)	(312)	(2 535)	(1 603)	(2 742)
Purchase of intangible assets	7	(8 394)	(11 664)	(19 131)	(20 058)	(32 550)	(83 225)
Proceeds from sale of intangible assets	7	-	-	-	-	-	-
Net cash outflow on acquisition of subsidiaries	13	-	-	-	-	-	(42 674)
Net cash outflow on acquisition of shares in associates		-	-	-	-	-	-
Net (outflow)/proceeds from non-current receivables		1 949	2 197	12 225	4 146	13 317	12 975
Net (outflow)/proceeds from other long-term liabilities		16	1 997	1 442	2 013	2 271	3 164
<b>Net cash used in investing activities</b>		<b>(6 589)</b>	<b>(9 845)</b>	<b>(5 777)</b>	<b>(16 434)</b>	<b>(18 565)</b>	<b>(112 502)</b>
<b>Financing activities</b>							
Proceeds from overdraft facilities	12	-	593 322	(335 847)	593 322	107 401	(29 400)
Proceeds from revolving credit facility	12	150 000	125 000	-	275 000	-	-
Repayment of revolving credit facility	12	-	-	-	-	-	-
Proceeds from issuance of shares		1 215	-	389	1 215	389	486
Dividends paid		-	(400 231)	(399 986)	(400 231)	(399 986)	(399 986)
Purchase of treasury shares		-	(132 827)	-	(132 827)	-	-
Proceeds from long term debt	12	-	-	-	-	-	-
Instalments of long term debt	12	(23 425)	(23 425)	(23 425)	(46 850)	(46 850)	(93 700)
Repayment of long term debt	12	-	-	-	-	-	-
Payment of lease liability		(5 128)	(5 161)	(4 834)	(10 289)	(9 364)	(19 095)
<b>Net cash used in financing activities</b>		<b>122 662</b>	<b>156 677</b>	<b>(763 703)</b>	<b>279 339</b>	<b>(348 410)</b>	<b>(541 696)</b>
<b>Net change in cash and cash equivalents</b>		<b>757 869</b>	<b>(897 277)</b>	<b>(311 047)</b>	<b>(139 407)</b>	<b>(325 445)</b>	<b>(274 905)</b>
<b>Cash and cash equivalents at start of period</b>		<b>306 627</b>	<b>1 063 717</b>	<b>561 092</b>	<b>306 627</b>	<b>599 348</b>	<b>599 348</b>
Effects of exchange rate changes on cash and cash equivalents		(779)	(4 545)	11 239	(5 324)	(12 620)	(17 816)
<b>Cash and cash equivalents at end of period</b>		<b>1 063 717</b>	<b>161 896</b>	<b>261 284</b>	<b>161 896</b>	<b>261 283</b>	<b>306 627</b>