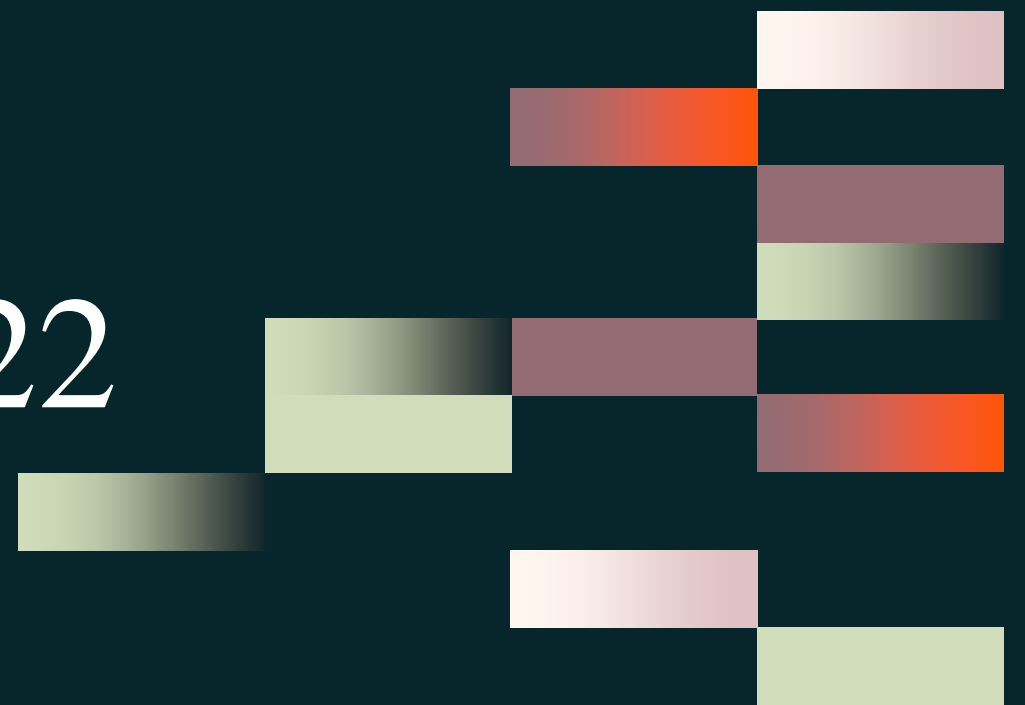


# Quarterly presentation Q1 2022

ROLF BARMEN (CEO)

BIRTE STRANDER (CFO)



Elmera Group

# The “Elmera Group”

Electricity retail



Electricity related service companies

KRAFTALLIANSEN

Betalservice

AllRate

METZUM

Mobile service provider



# Highlights Q1 2022

- Group net revenue of 484 NOKm and EBIT adj. of 160 NOKm in the quarter – in line with trading update
- Loss of 20k electricity deliveries in the quarter – however, the trend at the end of the quarter was fairly stable
- All time high financial performance in the Business segment this quarter
- Warm weather - volume sold<sup>1</sup> decrease 20% YoY, negatively affecting the Consumer segment and Alliance in particular
  
- Share buyback program initiated, starting from 5 May 2022
  
- Dividend of NOK 3.5 per share for 2021 to be distributed to eligible shareholders today, 5 May 2022

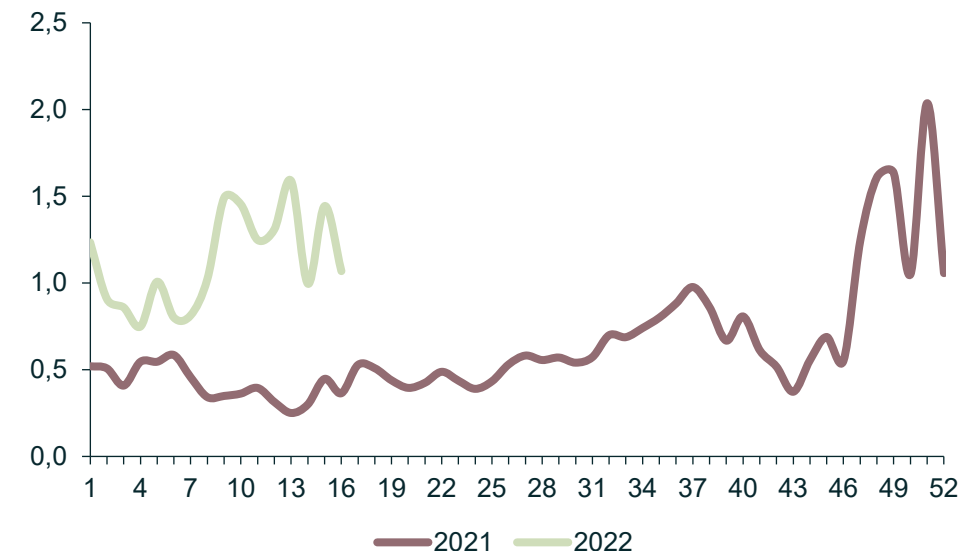
Sources:

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

# Market development Q1 2022: High prices, warm weather

- Elspot prices remain at a very high level. Nordic prices are currently determined by oil & gas prices and the weather – the former highly affected by the ongoing war in Ukraine
- Temperatures have been warmer than normal in all of Q1
  - Lower than normal consumption volumes - particularly affecting the Consumer segment and Alliance negatively
  - Low consumption volumes also in the Nordic segment - thus no negative effects from under-hedging of the fixed price contracts in Q1
    - However, peak/off-peak price differences continue to affect the segment negatively

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

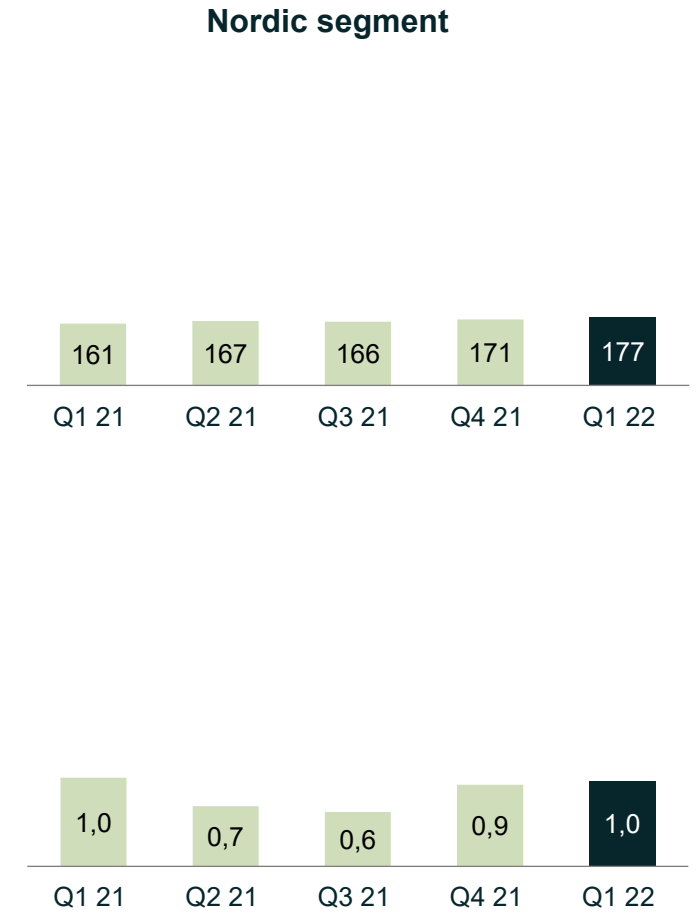
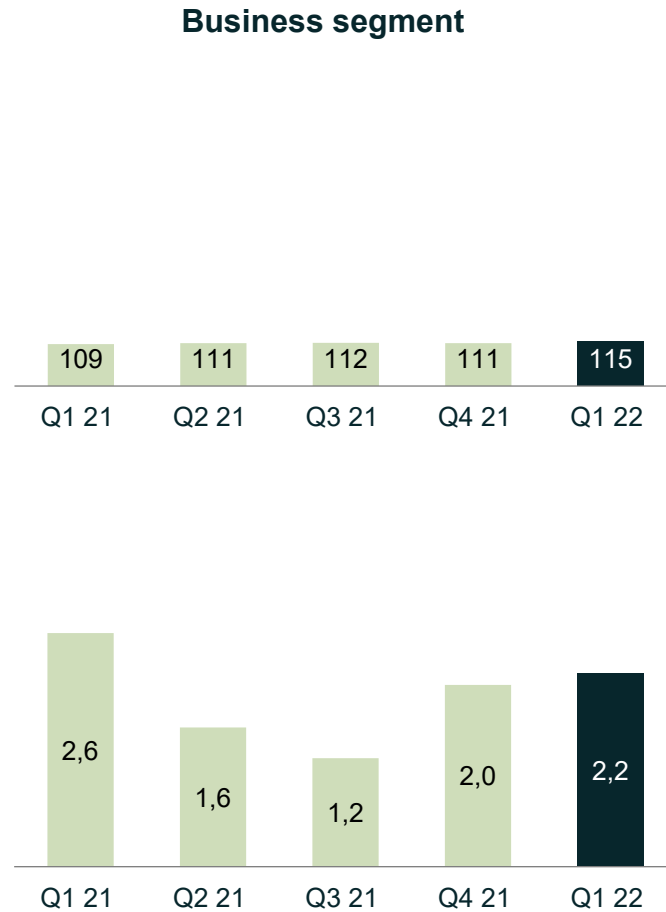
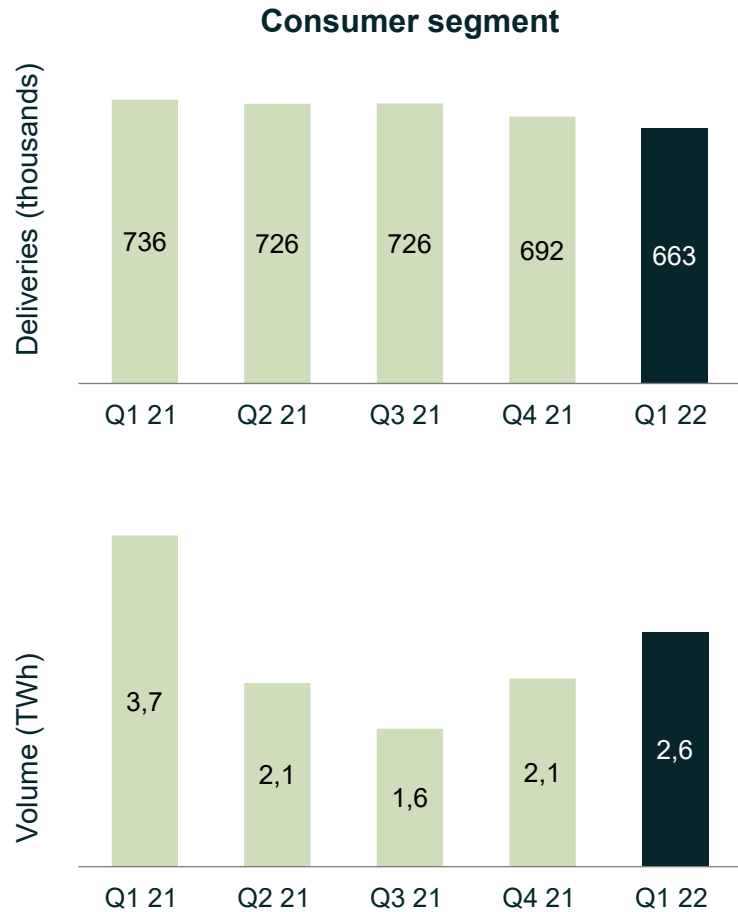


Sources:

1) Weekly system prices in NOK from Nordpool

## DELIVERIES AND VOLUME PER SEGMENT

# Key figures



# New Growth Initiatives

- Alliance volume 1,404 GWh in Q1 2022, a decrease of 16% YoY due to mild weather
- Stable development in number of Extended Alliance deliveries from last quarter
- Number of mobile subscribers Q1 2022 was 154 thousand, a decrease of 6 thousand from last quarter
- Strong customer demand for solar panel solutions and EV charging



# Regulatory update: **We are prepared, support proposals and focus on our important role**

## Regulatory:

Proposal from the Norwegian Government on changes in marketing, rating and billing legislation. Many aspects in the proposal are already handled through the certification Trygg Strømhandel ("Safe electricity retailing"), where the Group already is certified and compliant. The most important change is that the notice period for significant changes of contracts, including pricing, for residential customers increases from 14 to 30 days.

Our take is that this will bring more value to the traditional variable products and the proposal will be supported by us.

The Fortum brand NorgesEnergi recently announced that they terminate re-invoicing of grid rent. The regulator states that the re-invoicing practise might be moving towards an end. We are currently considering whether to continue to offer re-invoicing or not.

## Public Affairs:

High deviation between political promises to impose lower prices, and what experts and bureaucrats see possible to conduct.

Left-wing parties have used the opportunity to demand higher degree of governmental involvement. This has created some turmoil in the market. Experts and interest groups speaks well of the implemented power support scheme, and how it enables redistribution of the government's super profit without any disturbance of the free market. **Our take is that the power support scheme is the best medium-term solution.**

The political proposals are questioned by experts and still perceived as unclear. The energy sector will continue to reach out to politicians and interest groups to seek information and advocate our take in the Norwegian power sector. We have several scheduled meetings with politicians and authorities during the spring and attending Arendals-uka in August.

# Regulatory update: **We are prepared, support proposals and focus on our important role**

Our important role in the value chain:

**Efficiency** – We operate our part of the value chain, with billions of data transactions every year, the most efficient way in the best functioning market in Europe

**Innovation** – We innovate to provide customers with energy optimizing solutions

**Customer service** – We handle +1 million inquiries yearly, with industry leading advices and no frills

**Competitive and value creating product management** – We offer products and services to all segments – both risk lovers and consumers in need for risk mitigating products, to make sure that customers are offered suitable services to best prices available

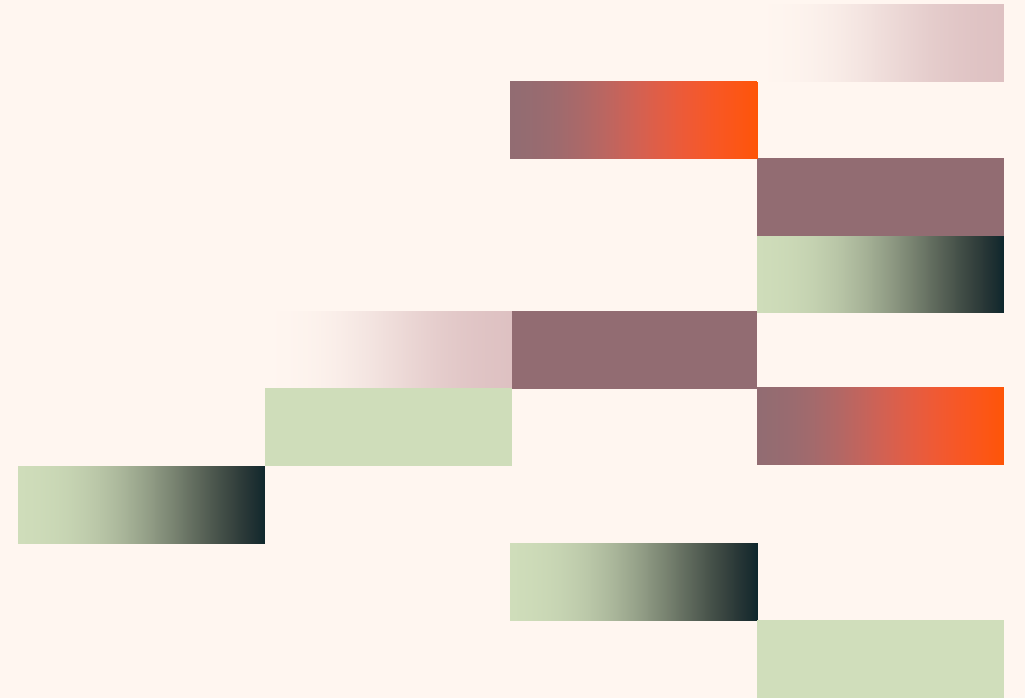


# Upcoming operational activities Q2

- Market campaign on smart charging, also including fixed price customers
- Further develop the product portfolio in the Consumer segment
- Increase telemarketing efforts in the Business segment across the Norwegian brands (Fjordkraft, TrøndelagKraft, Gudbrandsdal Energi)
- Implementing product management cross border
- Continuing M&A prospecting, particularly in Sweden
- Roll out of smart phone application to Alliance Partners
- Increasing capacity of the EV charging and solar panel sales team due to strong customer demand

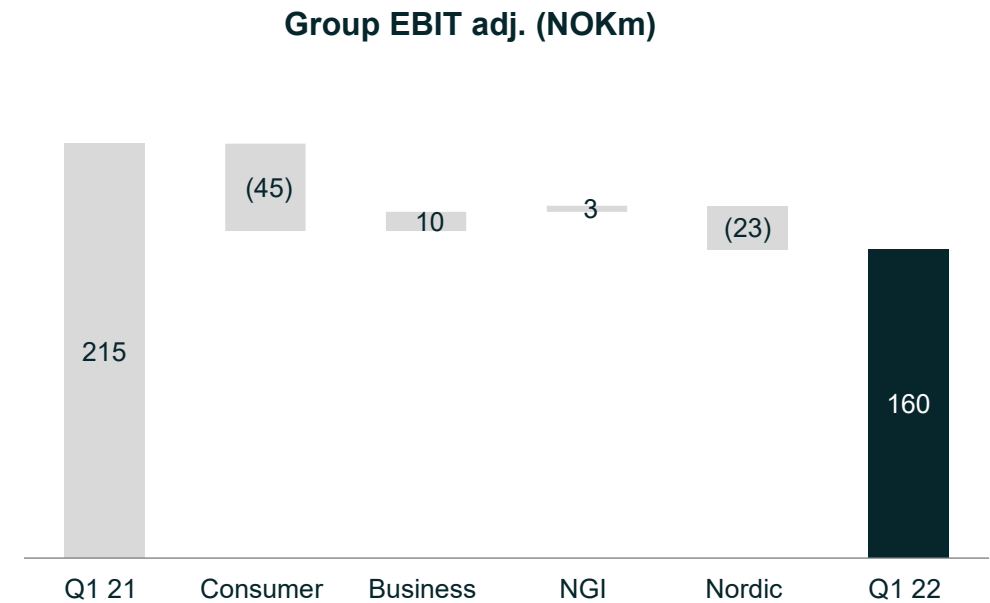
# Financial review Q1 2022

BIRTE STRANDER (CFO)



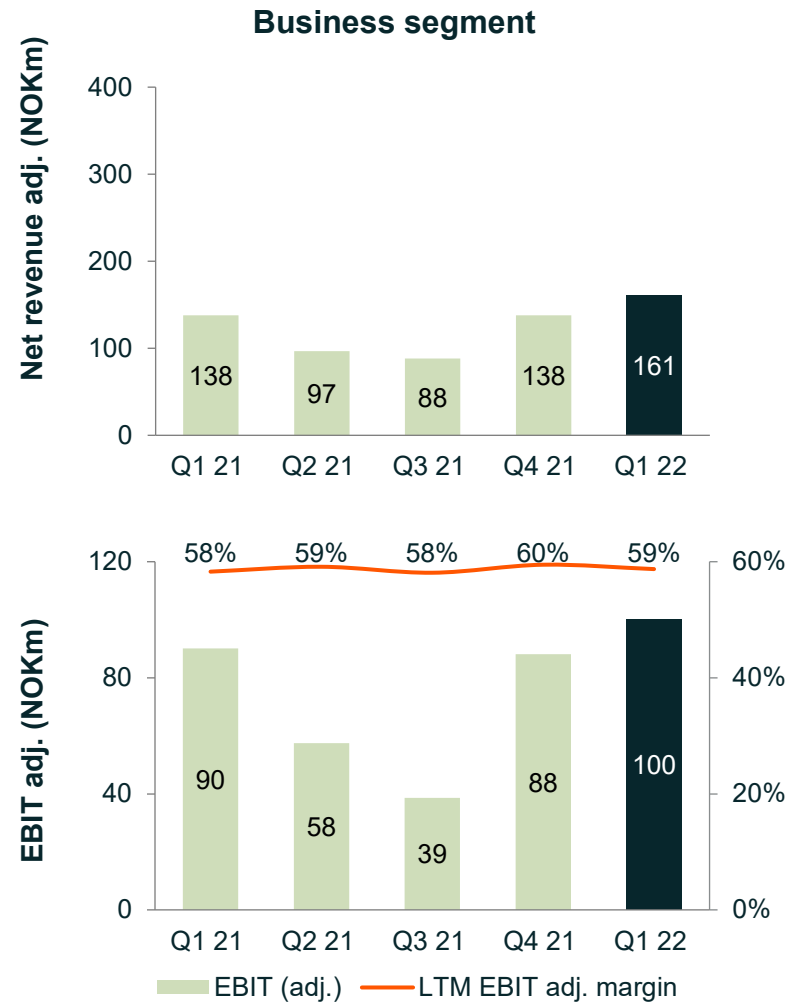
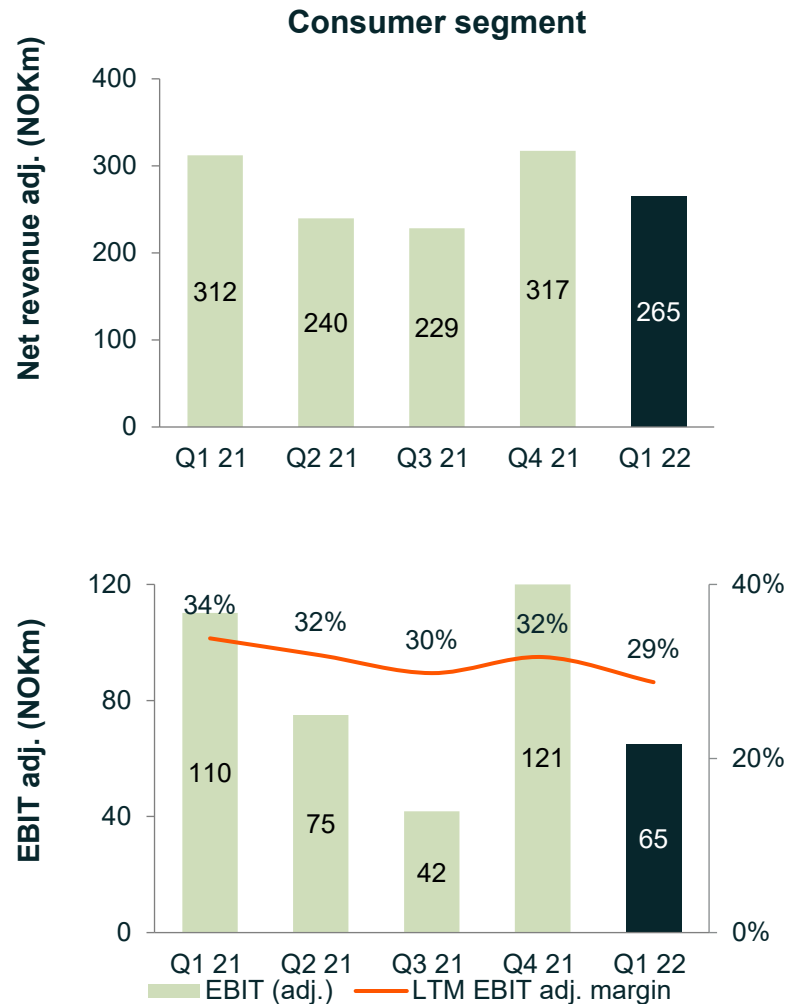
Elmera Group

# Group net revenue adj. and EBIT adj.



- Group net revenue adj. decrease 5% YoY – 20% YoY decrease in volume is the main driver for the decrease
- EBIT adj. decrease 25% YoY
- LTM EBIT adj. margin of 32% (37% in Q1 2021)

# Net revenue and EBIT adj. by segment



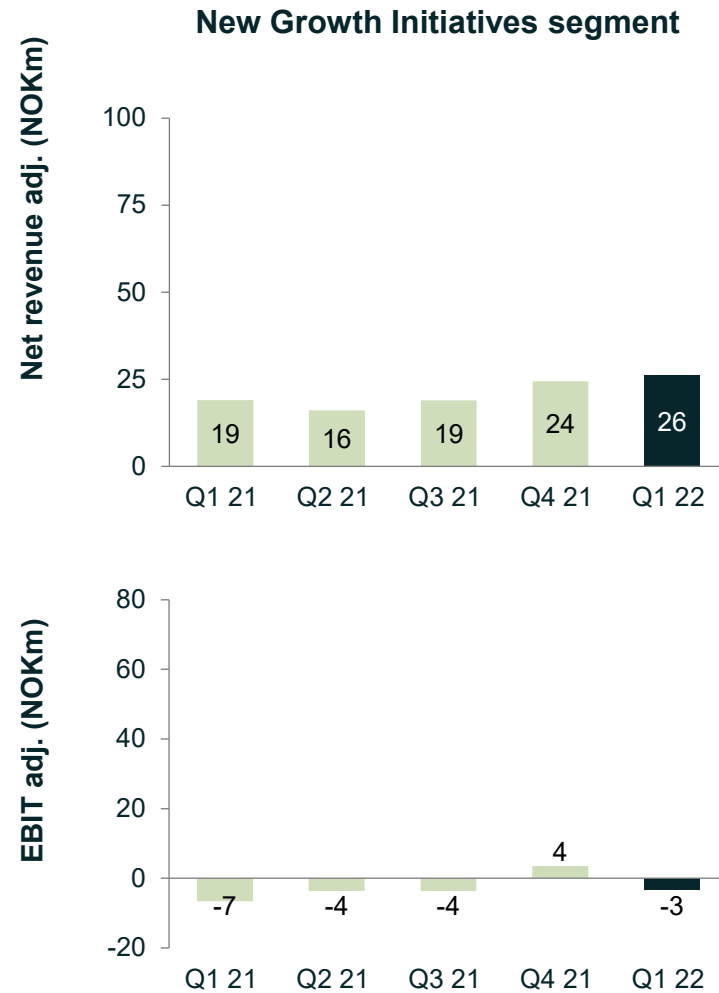
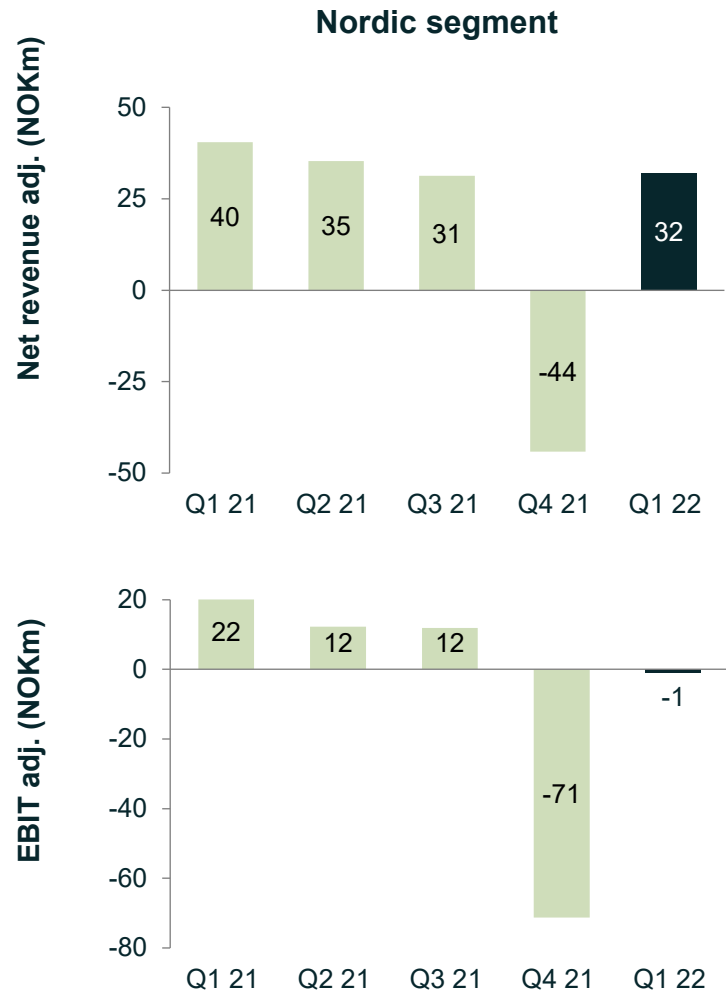
#### Consumer:

- 29% YoY decrease in volume (22% decrease in avg. volume per delivery) the main driver for the reduction in net revenue, primarily due to mild weather and high elspot prices

#### Business:

- All time high financial performance
- Very strong margins in the quarter, delivering solid growth in net revenue despite 17% YoY volume decrease

# Net revenue and EBIT adj. by segment



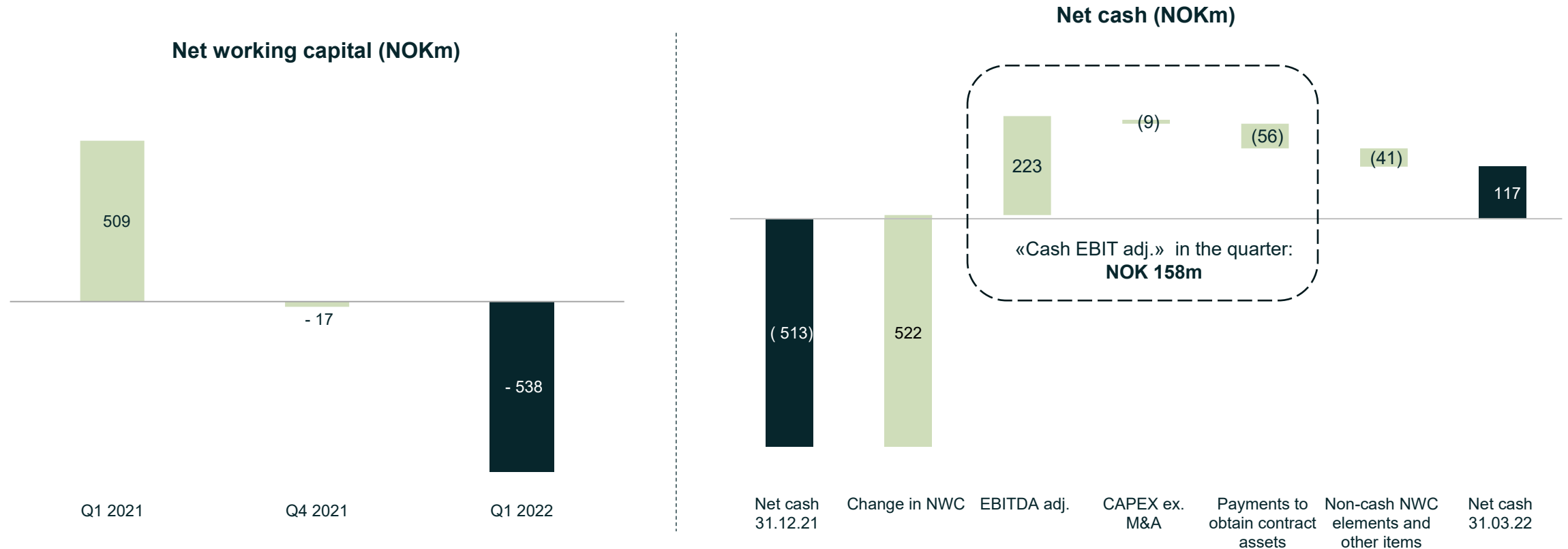
## Nordic:

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

## New Growth Initiatives:

- Net revenue growth and EBIT improvement YoY primarily from Mobile

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



- NWC lower than normal, as part of the February power purchase was paid for in April
- Q1 2021 affected by quarter-end on Easter public holiday
- The net working capital decrease is the primary driver behind the improved 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%)

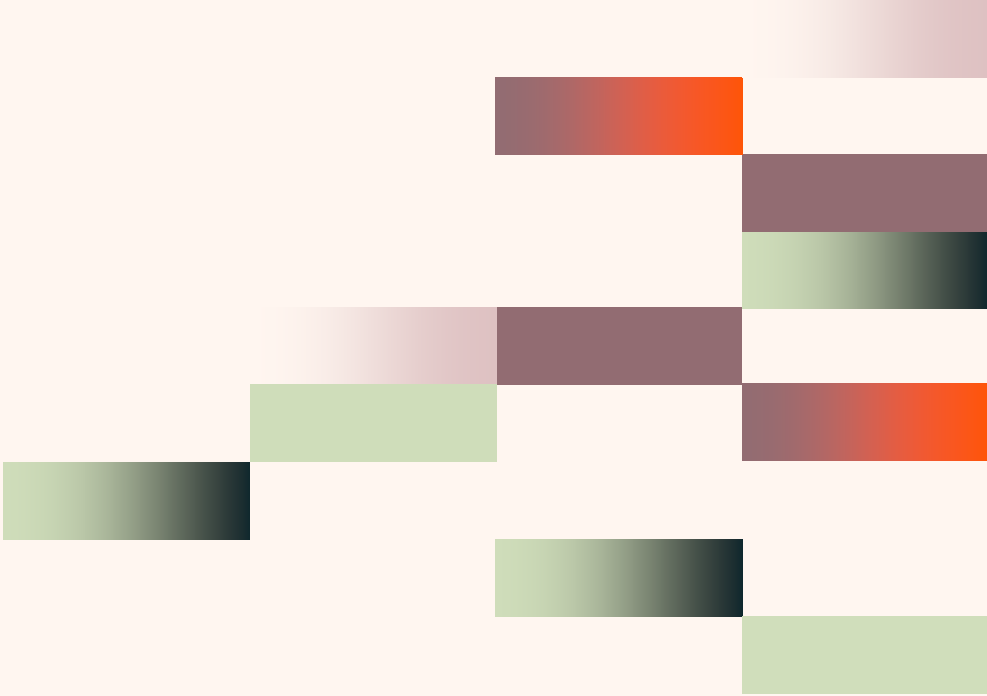
## Cap.ex

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

## Sales commissions

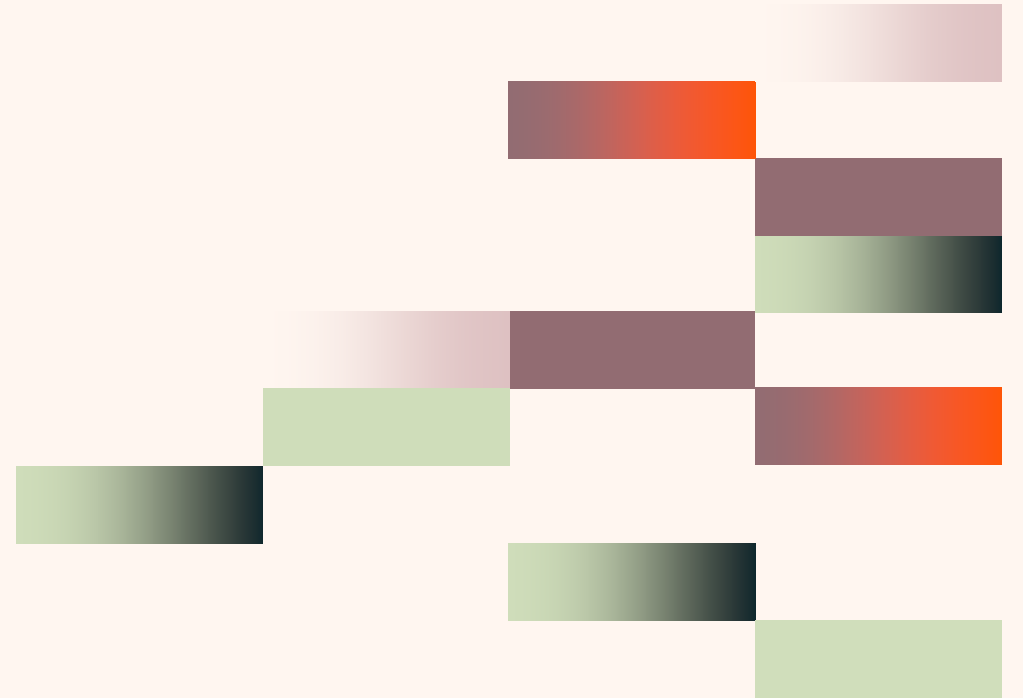
- Targeted to be in the area of NOK 180-200m annually

# Q&A





# Appendix



**Elmera Group**

# Adjusted EBIT reconciliation

<b>Revenue</b>			
NOK in thousands	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Full year 2021</b>
Revenue adjusted*	6 890 652	4 062 952	15 200 165
Direct cost of sales adjusted	(6 406 665)	(3 553 371)	(13 499 669)
<b>Net revenue adjusted</b>	<b>483 987</b>	<b>509 581</b>	<b>1 700 496</b>
Personnel and other operating expenses adjusted	(261 188)	(245 013)	(899 993)
Depreciation and amortisation adjusted	(62 406)	(49 280)	(214 455)
<b>Total operating expenses adjusted</b>	<b>(323 594)</b>	<b>(294 293)</b>	<b>(1 114 448)</b>
<b>Operating profit adjusted</b>	<b>160 393</b>	<b>215 288</b>	<b>586 048</b>
Acquisition related costs	-	(1 034)	(1 034)
Other one- off items	-	3 387	3 387
Depreciation of acquisitions **	(33 713)	(50 575)	(188 629)
Estimate deviations	-	-	11 515
Unrealised gains and losses on derivatives	(71 667)	5 388	1 088 469
Change in provisions for onerous contracts	99 516	18 655	(996 739)
Impairment of intangible assets	-	(9 533)	(9 762)
<b>Operating profit (EBIT)</b>	<b>154 528</b>	<b>181 577</b>	<b>493 256</b>

\* Note 3 (Revenue recognitions) shows the breakdown from Revenue adjusted to Total revenue.

\*\* Depreciation of acquisitions consists of depreciations of customer portfolios acquired separately and recognised as intangible assets, and depreciations of customer portfolios and other intangible assets recognised as part of a business combination.

# Profit and Loss account

NOK in thousands	Note	Q1 2022	Q1 2021	Full year 2021
<b>Continuing operations</b>				
Revenue	2,3	6 718 296	4 054 869	15 170 991
Direct cost of sales	2	(6 206 461)	(3 521 245)	(13 367 251)
Personnel expenses	2	(111 317)	(111 493)	(409 123)
Other operating expenses	2	(149 870)	(131 246)	(488 517)
Depreciation and amortisation	2,7	(96 119)	(99 774)	(403 084)
Impairment of intangible assets	2,7	-	(9 533)	(9 762)
<b>Operating profit</b>		<b>154 528</b>	<b>181 577</b>	<b>493 256</b>
Income/loss from investments in associates and joint ventures		239	734	2 637
Interest income		5 374	2 499	12 801
Interest expense lease liability		(531)	(658)	(2 374)
Interest expense	12	(6 060)	(10 219)	(42 583)
Other financial items, net		(10 094)	(12 922)	(19 219)
<b>Net financial income/(cost)</b>		<b>(11 072)</b>	<b>(20 566)</b>	<b>(48 737)</b>
<b>Profit/ (loss) before tax</b>		<b>143 456</b>	<b>161 011</b>	<b>444 519</b>
Income tax (expense)/income	5	(33 409)	(27 368)	(102 150)
<b>Profit/ (loss) for the period</b>		<b>110 047</b>	<b>133 643</b>	<b>342 369</b>
Basic earnings per share (in NOK)*	6	0,96	1,17	3,00
Diluted earnings per share (in NOK)*	6	0,95	1,15	2,96

\* Based on a weighted average of 114 322 587 shares outstanding. It is issued 1 820 000 share options to employees.

# Balance sheet

NOK in thousands	Note	31 March 2022	31 March 2021	31 December 2021
<b>Assets:</b>				
<b>Non-current assets</b>				
Deferred tax assets		33 922	35 143	35 092
Right-of-use assets property, plant and equipment		81 286	92 302	82 806
Property, plant and equipment		7 471	8 819	8 098
Goodwill	7	1 409 734	1 424 680	1 419 451
Intangible assets	7	650 837	798 173	694 630
Cost to obtain contracts		295 814	191 660	287 728
Investments in associates and joint ventures		14 043	11 902	13 805
Derivative financial instruments	9	661 917	160 460	365 611
Net plan assets of defined benefit pension plans	11	46 524	-	-
Other non-current financial assets		53 732	62 488	54 784
<b>Total non-current assets</b>		<b>3 255 280</b>	<b>2 785 626</b>	<b>2 962 003</b>
<b>Current assets</b>				
Intangible assets		5 910	3 443	7 518
Inventories		2 126	6 248	2 146
Trade receivables	8,12,14	4 643 699	2 279 982	5 256 259
Derivative financial instruments	9,10	2 062 147	183 563	1 661 225
Other current assets		101 079	111 145	38 847
Cash and cash equivalents		1 063 717	561 092	306 627
<b>Total current assets</b>		<b>7 878 677</b>	<b>3 145 472</b>	<b>7 272 622</b>
<b>Total assets</b>		<b>11 133 957</b>	<b>5 931 098</b>	<b>10 234 624</b>
<b>Equity and liabilities:</b>				
<b>Equity</b>				
Share capital		34 306	34 285	34 291
Share premium		993 294	991 614	992 094
Retained earnings		999 427	1 034 773	754 097
<b>Total equity</b>		<b>2 027 027</b>	<b>2 060 672</b>	<b>1 780 482</b>

# Balance sheet

NOK in thousands	Note	31 March 2022	31 March 2021	31 December 2021
<b>Non-current liabilities</b>				
Net employee defined benefit plan liabilities	11	66 904	79 688	93 837
Interest-bearing long term debt	12	697 299	789 260	720 009
Deferred tax liabilities		155 189	140 118	118 318
Lease liability - long term		63 399	78 133	65 259
Derivative financial instruments	9	494 732	203 286	238 481
Onerous contract provisions	4	347 291	-	321 814
Other provisions for liabilities		16 150	14 501	16 740
<b>Total non-current liabilities</b>		<b>1 840 964</b>	<b>1 304 988</b>	<b>1 574 458</b>
<b>Current liabilities</b>				
Trade and other payables	14	4 599 821	1 365 123	4 516 589
Overdraft facilities	12	-	472 648	-
Interest-bearing short term debt	12	150 000	-	-
Current income tax liabilities		47 889	35 912	108 400
Derivative financial instruments	9,10	1 144 384	55 945	719 946
Social security and other taxes		154 859	170 295	116 390
Lease liability - short term		21 454	17 414	21 055
Onerous contract provisions	4	586 753	50 948	744 473
Other current liabilities	13	560 805	397 155	652 831
<b>Total current liabilities</b>		<b>7 265 966</b>	<b>2 565 439</b>	<b>6 879 684</b>
<b>Total liabilities</b>		<b>9 106 930</b>	<b>3 870 427</b>	<b>8 454 142</b>
<b>Total equity and liabilities</b>		<b>11 133 957</b>	<b>5 931 098</b>	<b>10 234 624</b>

# Cash flow

NOK in thousands	Note	Q1 2022	Q1 2021	Full year 2021
<b>Operating activities</b>				
Profit/(loss) before tax		143 456	161 011	444 519
<i>Adjustments for:</i>				
Depreciation	7	46 734	61 838	236 624
Depreciation right-of-use assets		5 170	4 663	19 687
Amortisation of cost to obtain contracts		44 216	33 273	146 773
Impairment of intangible assets	4,7	-	9 533	9 762
Interest income		(5 374)	(2 499)	(12 801)
Interest expense lease liability		531	658	2 374
Interest expense		6 060	10 219	42 583
Income/loss from investments in associates and joint ventures		(239)	(734)	(2 637)
Change in long-term receivables		(897)	297	(3 882)
Share based payment expense		1 018	919	3 910
Change in post-employment liabilities		2 062	1 976	5 544
Payments to obtain a contract		(55 888)	(53 206)	(264 152)
<i>Changes in working capital (non-cash effect)</i>				
Impairment loss recognised in trade receivables	8	6 282	(4 581)	(57 666)
Provision for onerous contracts	4	(99 516)	(18 655)	996 739
Change in fair value of derivative financial instruments	4,9,10	71 667	(5 388)	(1 088 469)
<i>Changes in working capital</i>				
Inventories		21	(3 850)	251
Trade receivables	8	591 843	(813 933)	(3 740 539)
Purchase of el-certificates		(72)	(84 153)	(86 044)
Non-cash effect from cancelling el-certificates		-	83 978	85 898
Purchase of guarantees of origination		-	(4 320)	(11 206)
Non-cash effect from disposal of guarantees of origination		1 648	3 949	7 028
Other current assets		(62 907)	54 117	127 465
Trade and other payables		97 886	350 929	3 505 284
Other current liabilities	13	(51 356)	(72 240)	167 198
<b>Cash generated from operations</b>		<b>742 344</b>	<b>(286 197)</b>	<b>534 244</b>
Interest paid		(5 928)	(11 060)	(43 978)
Interest received		5 374	2 499	12 801
Income tax paid	5	(99 994)	(122 145)	(123 774)
<b>Net cash from operating activities</b>		<b>641 796</b>	<b>(416 903)</b>	<b>379 293</b>

# Cash flow

NOK in thousands	Note	Q1 2022	Q1 2021	Full year 2021
<b>Investing activities</b>				
Purchase of property, plant and equipment		(159)	(1 291)	(2 742)
Purchase of intangible assets	7	(8 394)	(13 418)	(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	1 092	12 975
Net (outflow)/proceeds from other long-term liabilities		16	829	3 164
<b>Net cash used in investing activities</b>		<b>(6 589)</b>	<b>(12 788)</b>	<b>(112 502)</b>
<b>Financing activities</b>				
Proceeds from overdraft facilities	12	-	443 248	(29 400)
Proceeds from revolving credit facility	12	150 000	-	-
Repayment of revolving credit facility	12	-	-	-
Proceeds from issuance of shares		1 215	-	486
Dividends paid		-	-	(399 986)
Proceeds from long term debt	12	-	-	-
Instalments of long term debt	12	(23 425)	(23 425)	(93 700)
Repayment of long term debt	12	-	-	-
Payment of lease liability		(5 128)	(4 530)	(19 095)
<b>Net cash used in financing activities</b>		<b>122 662</b>	<b>415 293</b>	<b>(541 696)</b>
<b>Net change in cash and cash equivalents</b>		<b>757 869</b>	<b>(14 398)</b>	<b>(274 905)</b>
<b>Cash and cash equivalents at start of period</b>		<b>306 627</b>	<b>599 348</b>	<b>599 348</b>
Effects of exchange rate changes on cash and cash equivalents		(779)	(23 859)	(17 816)
<b>Cash and cash equivalents at end of period</b>		<b>1 063 717</b>	<b>561 092</b>	<b>306 627</b>