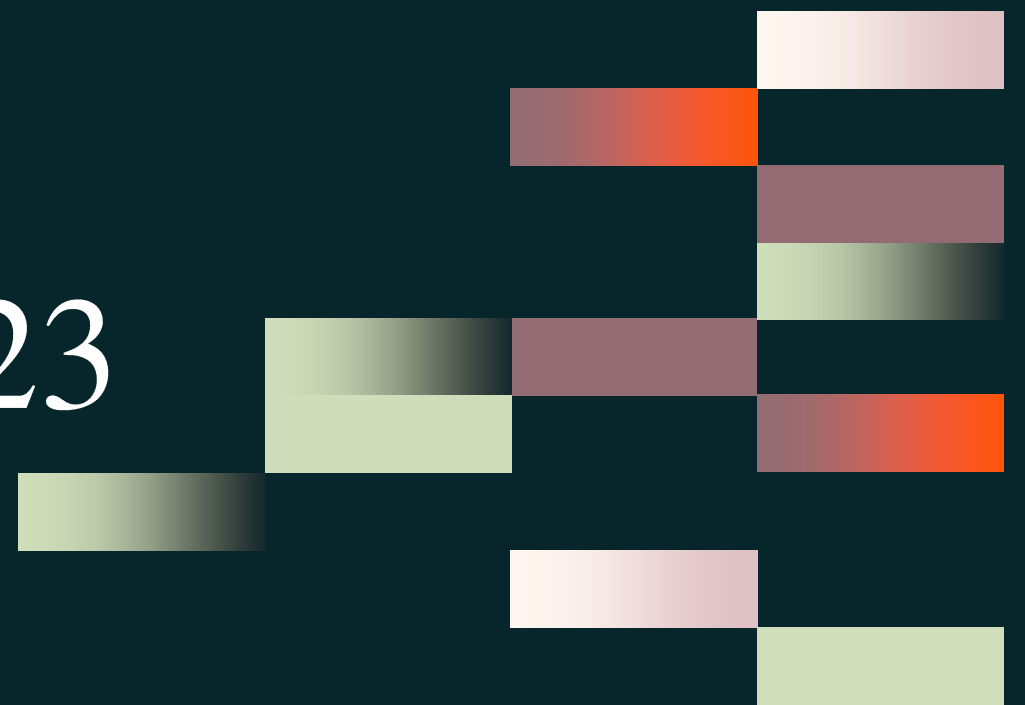


# Quarterly presentation Q1 2023

ROLF BARMEN (CEO)

HENNING NORDGULEN (CFO)



Elmera Group

# Highlights Q1 2023

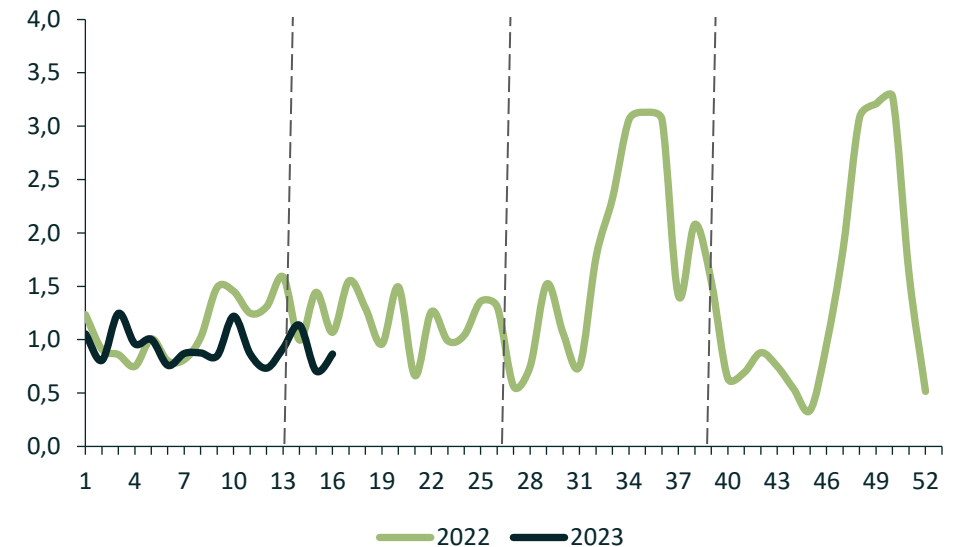
- Net revenue adj. NOK 534m (+8% YoY), EBIT adj. NOK 198m (+15% YoY) and volume sold 5.8 TWh (flat YoY)
- The phase-out strategy for the variable product portfolio has had a significant positive impact on the Consumer segment in the quarter, balancing the losses from Q4 '22
- The Business segment continues the strong and consistent financial performance. Organic customer growth of 8 thousand deliveries (+7%) in the quarter, the highest since Q2 '18
- Positive trend in the Nordic segment. The majority of the fixed price contracts with profile risk has been phased out per quarter-end Q1 '23
- Cost efficiency programme progressing according to plan
- The transaction with Telia was completed on 21 April 2023. The guaranteed consideration for 90% of the customer portfolio (NOK 115m) has been received
- Dividend of NOK 1.5 per share was distributed on 5 May '23



# Market development

- The elspot price remains relatively high, with volatility intra quarter driven by variations in consumption and wind production
- Price volatility more in line with normal historical levels – reduced compared to the last two extraordinary quarters
- High gas storage levels in Europe in combination with low consumption reduce the risk of gas shortage for the coming winter
- Normalised markets have contributed to reduced risk in variable contract portfolio and in the residual fixed price portfolio in the Nordic segment

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

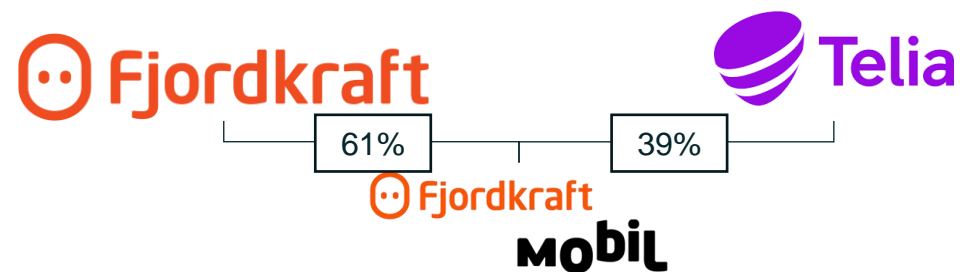


Sources:

1) Weekly system prices in NOK from Nordpool

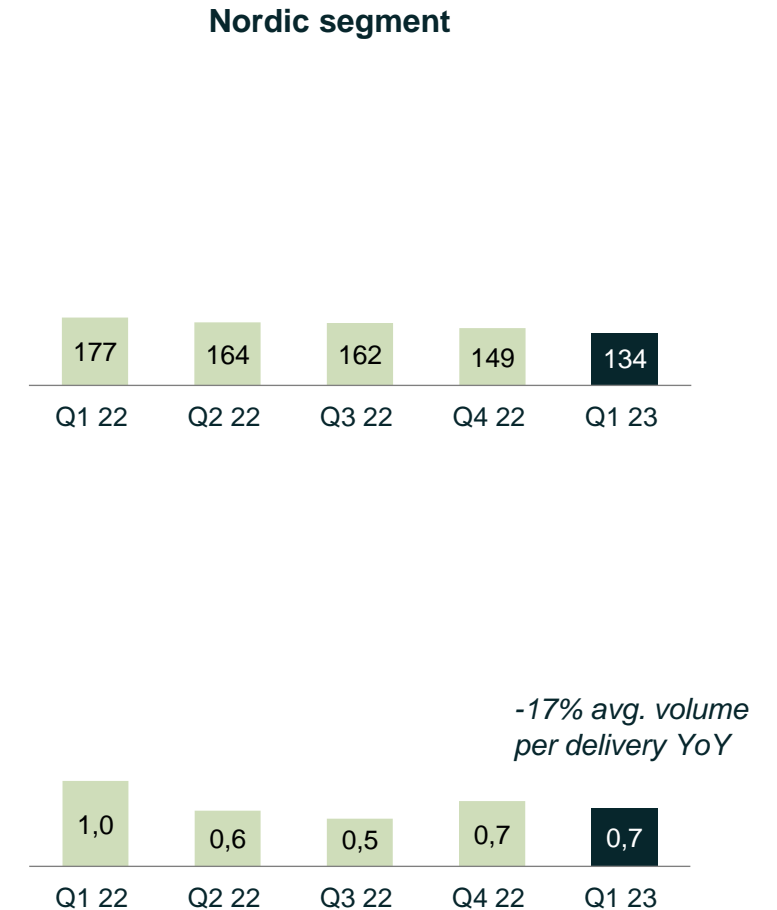
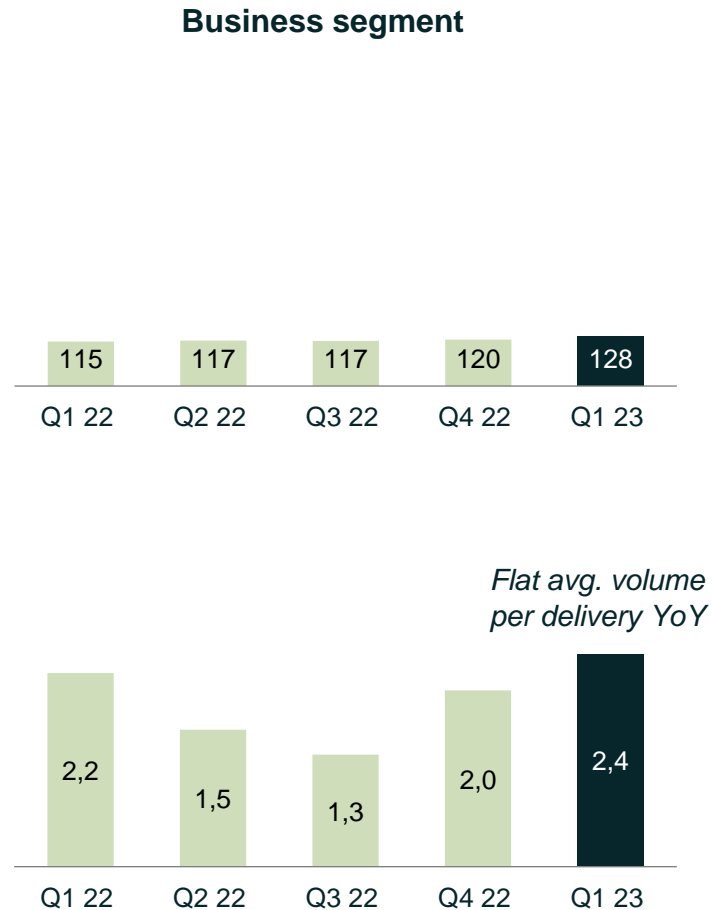
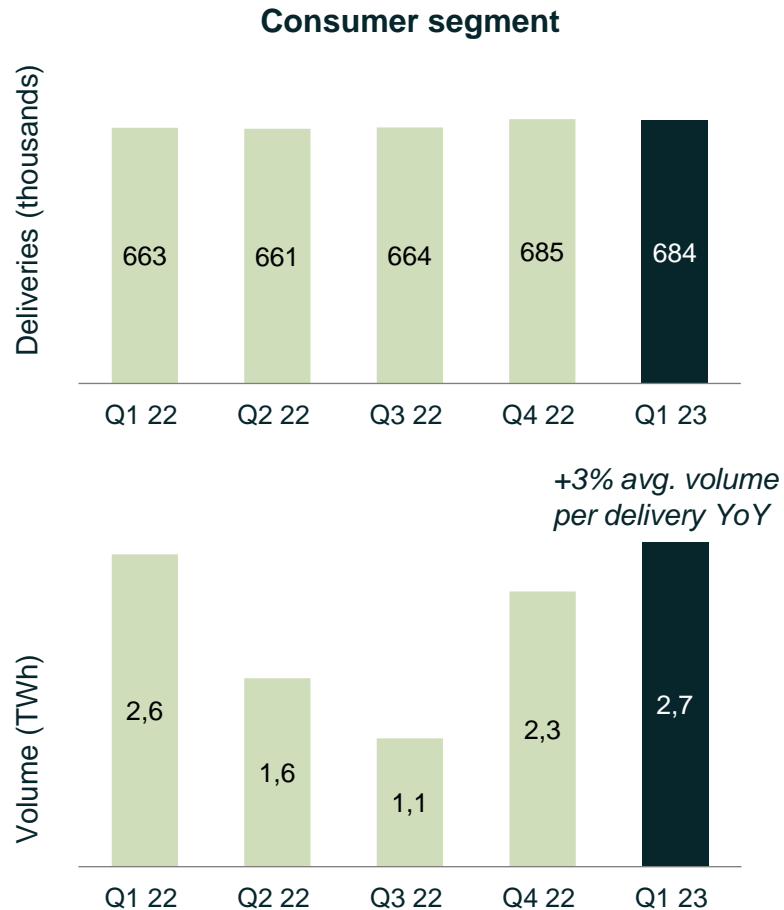
# Telia transaction completed

- The transaction with Telia was completed on 21 April
- The guaranteed consideration of NOK 115m for 90% of the customer portfolio has been received
- Calculation of any additional payment will occur once customer migration is completed and will depend on the number of successfully migrated customers
- Customers will be operated through Telia's network and Fjordkraft AS will deliver customer service, operations and branding
- Customer migration expected completed in Q2 '23



## DELIVERIES AND VOLUME PER SEGMENT

# Key figures



# New Growth Initiatives

- Positive development in many of the Group's growth initiatives
- Fjordkraft Mobile expected from break even to cash positive after the migration to Telia's network in Q2 '23
- High penetration of the smart phone application among Alliance partners
- Strong pipeline of solar panel installations in the "Soleklart" concept
- Commercial launch of Steddi's payment solution planned in Q2 '23
- AllRate piloting solution for Norwegian power grid companies

AllRate

Fjordkraft  
mobil

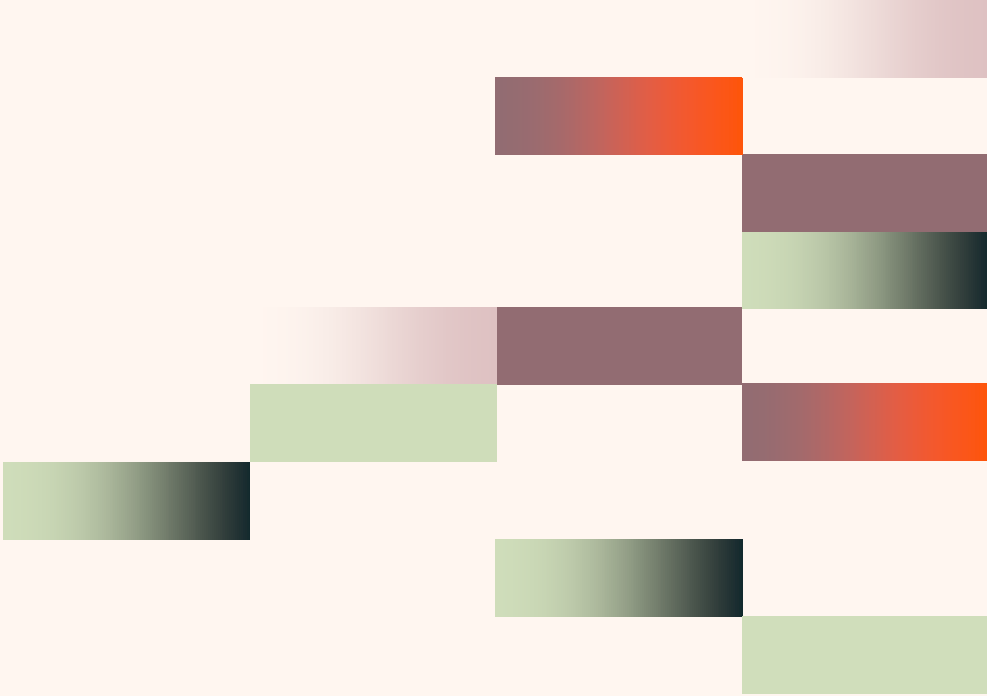
KRAFTALLIANSEN

Soleklart

Steddi

# Financial review Q1 2023

HENNING NORDGULEN (CFO)



**Elmera Group**

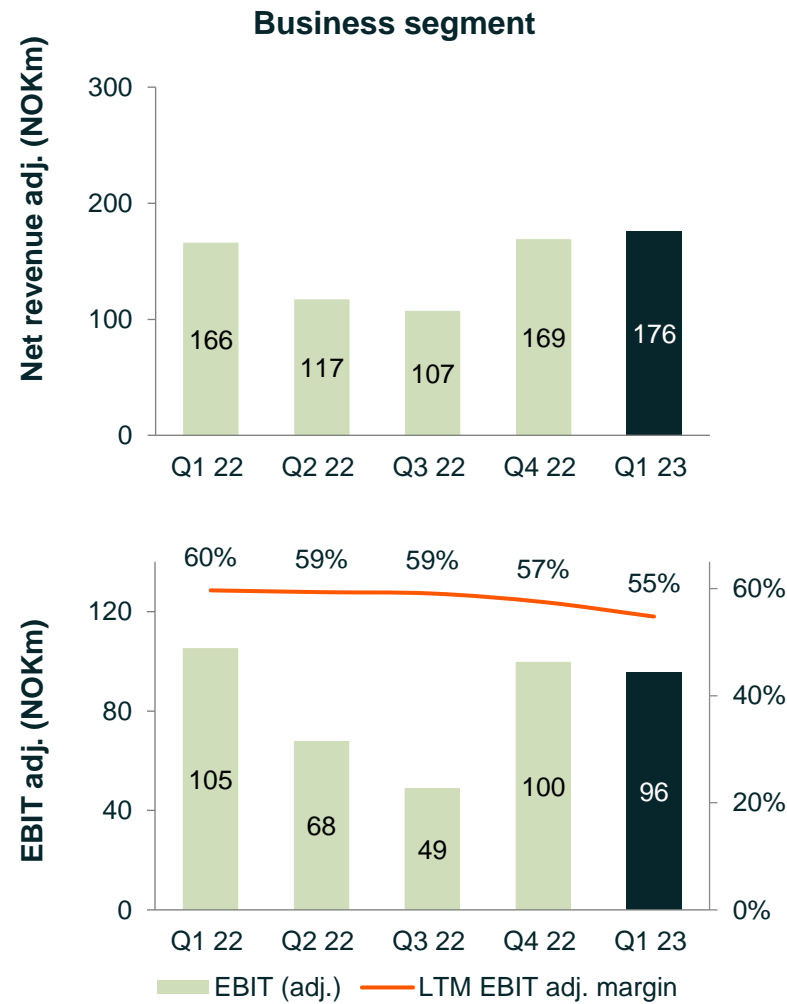
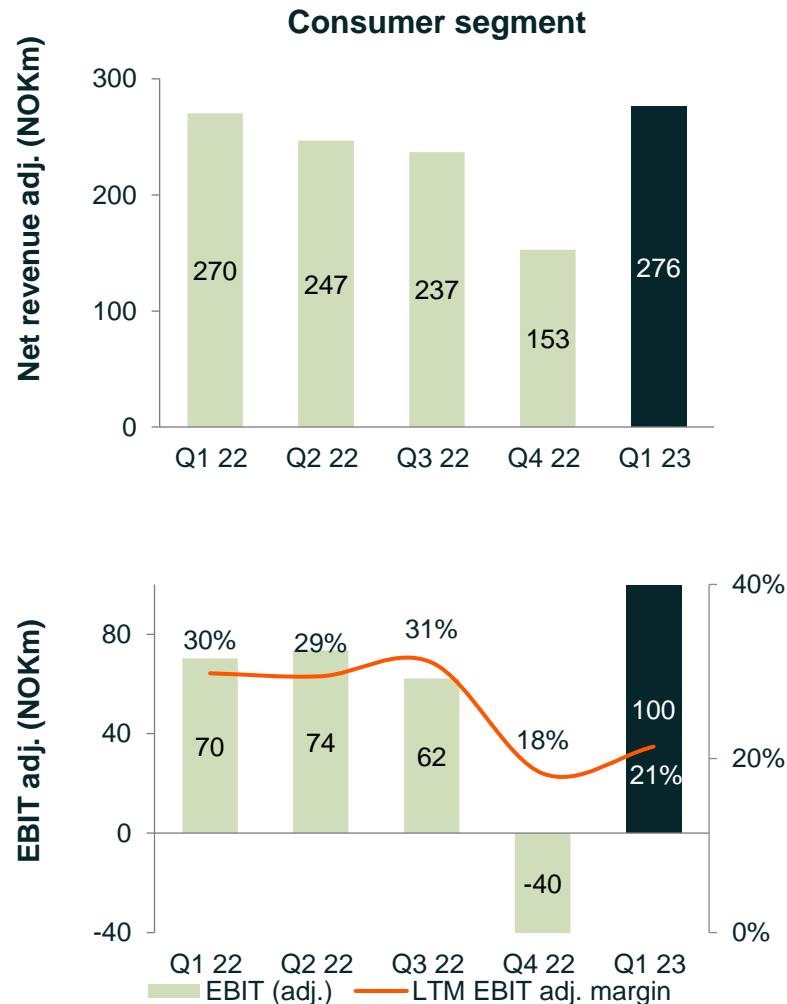
# Group net revenue adj. and EBIT adj.



- 8% growth in net revenue adj. YoY, with positive development across all segments
- EBIT adj. increase 15% YoY, driven by strong margins in the Consumer segment
- EBIT adj. last twelve months is 485m, corresponding to an EBIT adj. margin of 28% (27% in 2022)



# Net revenue and EBIT adj. by segment



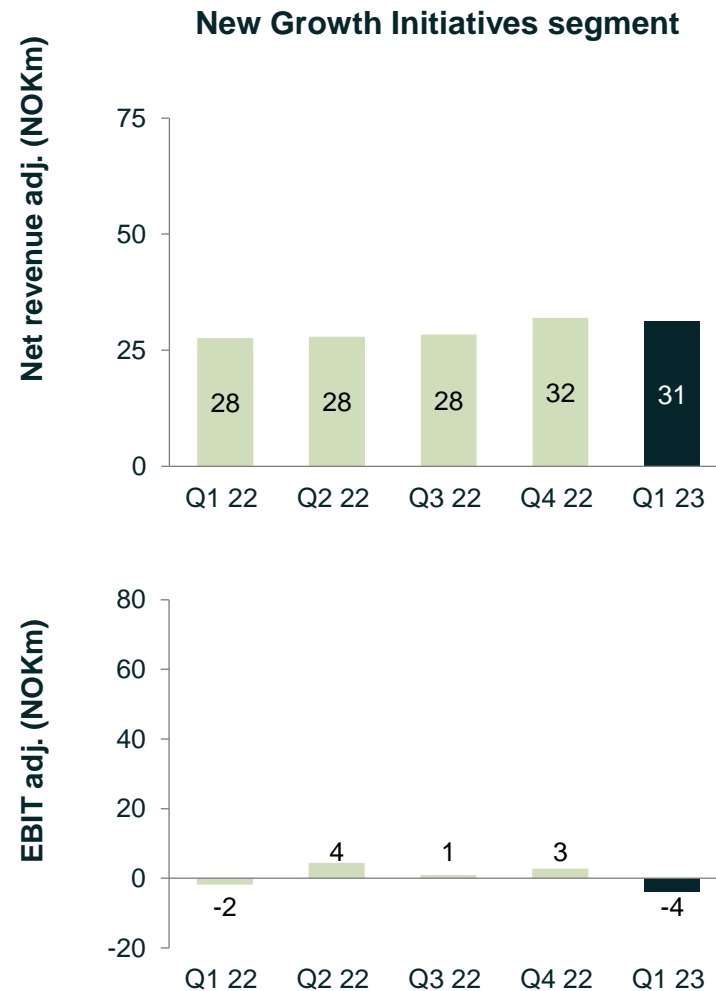
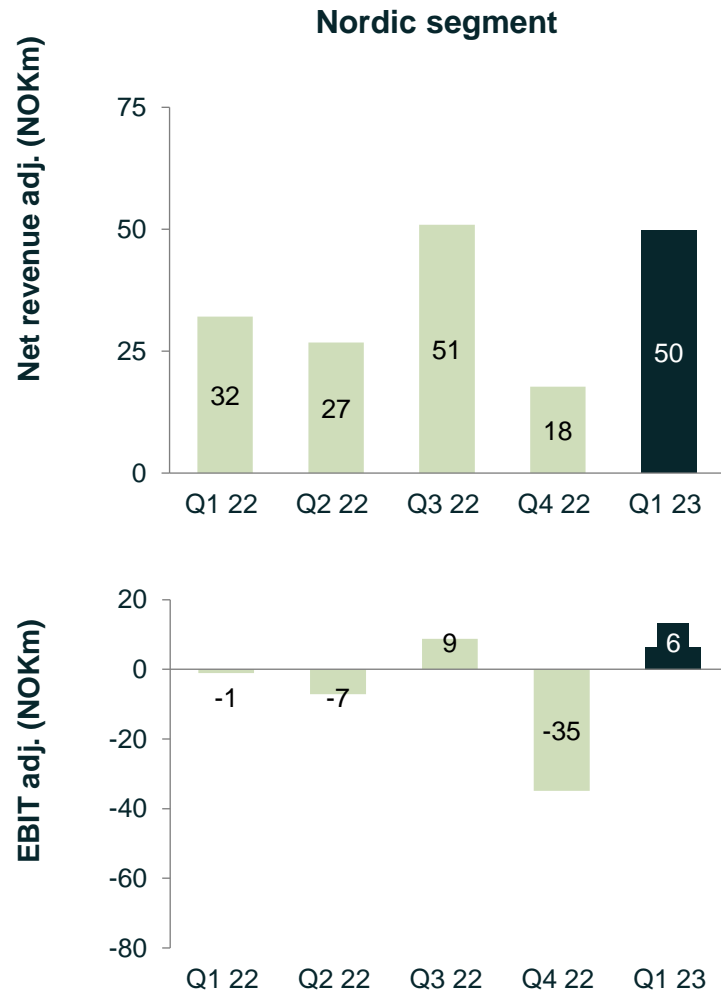
#### Consumer:

- Phase-out strategy for variable products and increased margins on spot products contributing to net revenue growth

#### Business:

- Increased margin from Power Sales driving the net revenue growth YoY
- OPEX increase driven by increased IT cost

# Net revenue and EBIT adj. by segment



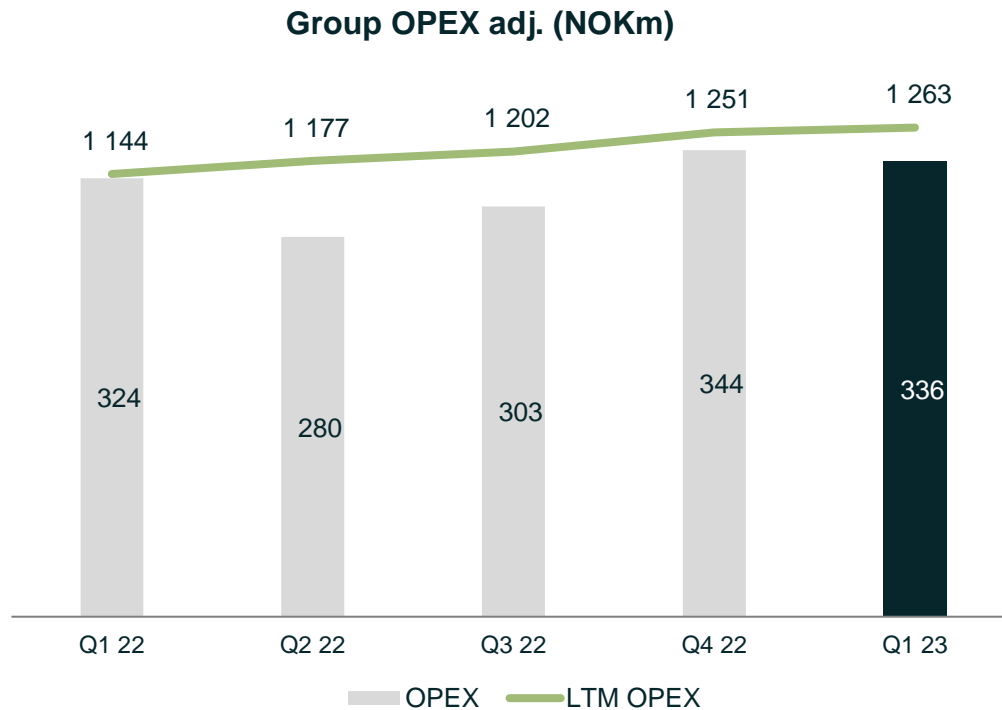
## Nordic:

- Positive trend in the segment, as legacy fixed price contract volume with profile risk tapers off

## New Growth Initiatives:

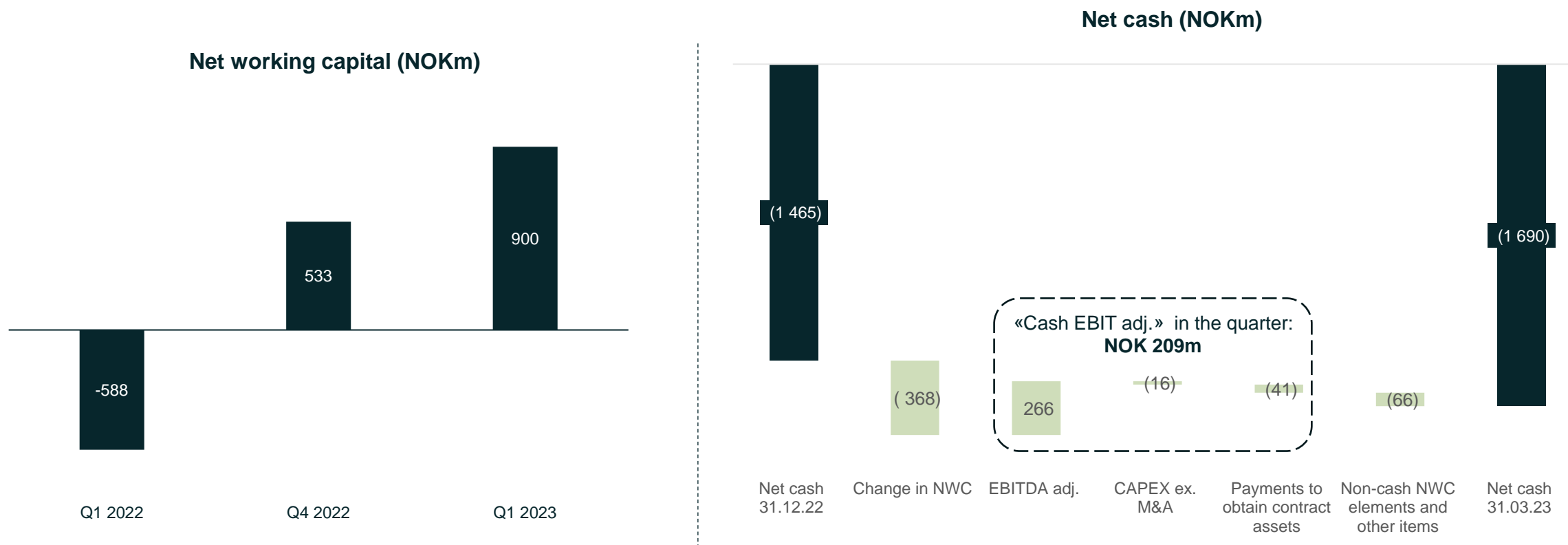
- Net revenue growth YoY driven by Alliance
- Growth related costs within Solar panel solutions and AllRate resulting in EBIT adj. decrease YoY

# Cost-efficiency programme on track



- Target NOK 100m reduction in Group OPEX run-rate at year-end 2023 compared to year-end 2022
- Number of call centres will be reduced from five to two, centralising in Bergen and Sandefjord
- Net FTE reduction of 10%. Severance expenses of NOK 5m booked in the quarter, covering part of the agreed severance packages
- Continuing process to reduce complexity, harmonise tech platforms and streamline processes

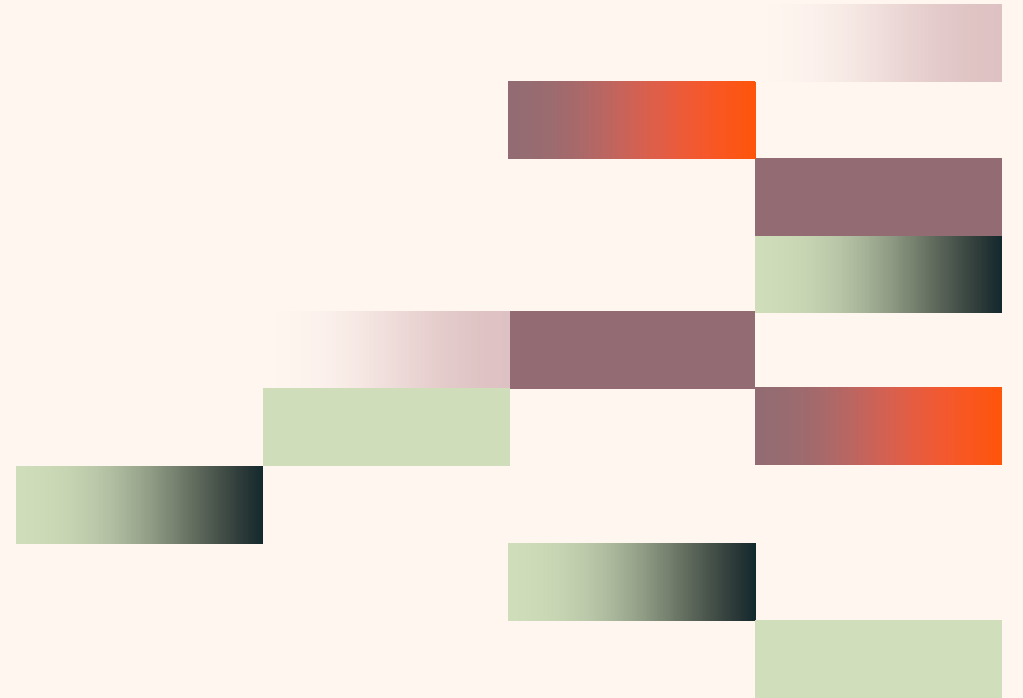
# NWC and net cash position



- Payment of the February power purchase has been accelerated in order to reduce financing costs, increasing NWC QoQ
- The decrease in electricity prices from Q4 '22 contribute to reduced financing costs in Q1 '23 compared to Q4 '22
- Strong cash flow from operations excl. NWC in the quarter

# Outlook

ROLF BARMEN (CEO)



Elmera Group

# Elmera Group

A leading player in the Nordic electricity market

Elmera Group provides consumers, businesses and the wholesale market with electricity, billing & rating services and electricity related technology solutions.

 **Fjordkraft**

 **TrøndelagKraft**

 **Gudbrandsdal Energi**

 **Nordic Green Energy**

**KRAFTALLIANSEN**

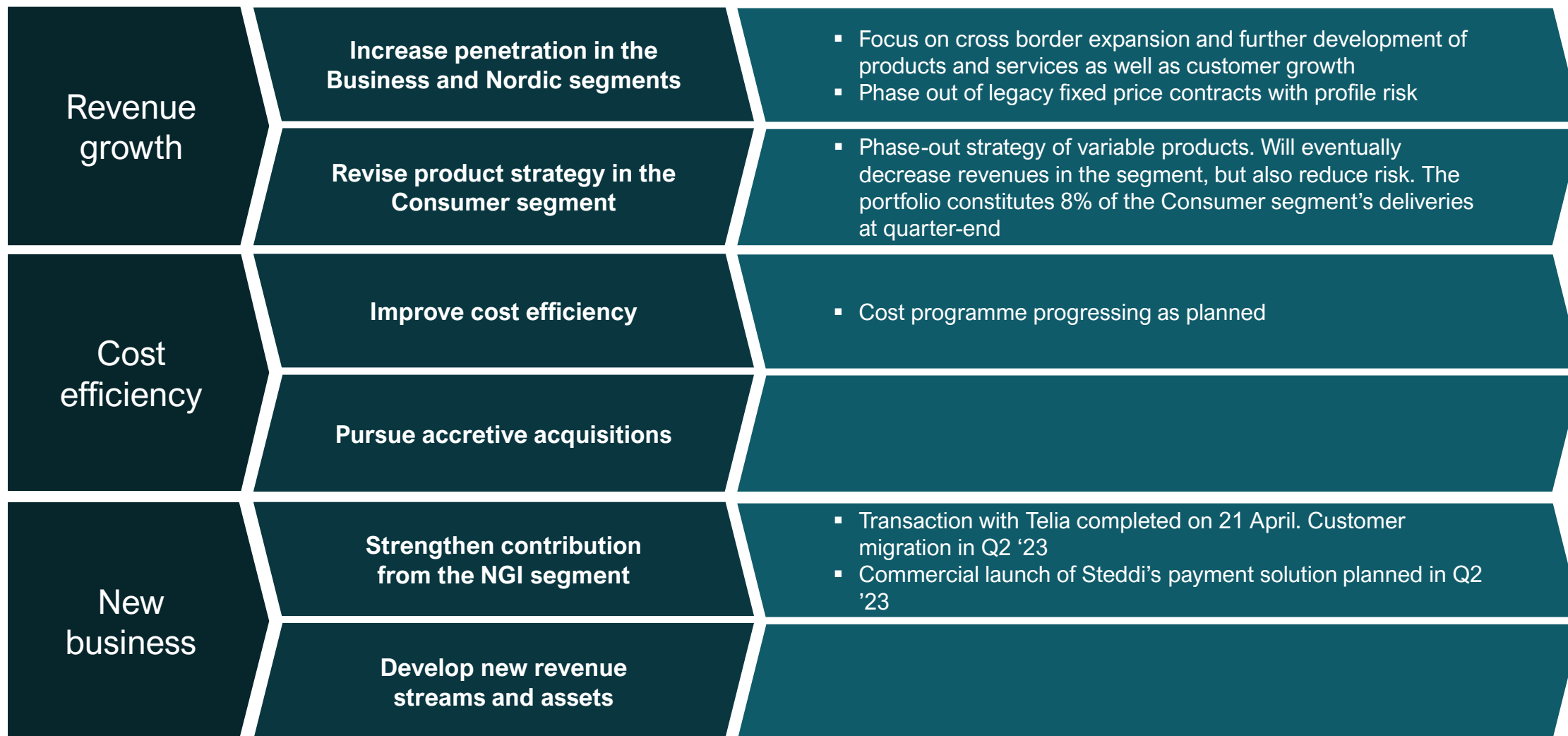
**AllRate**

 **Steddi**

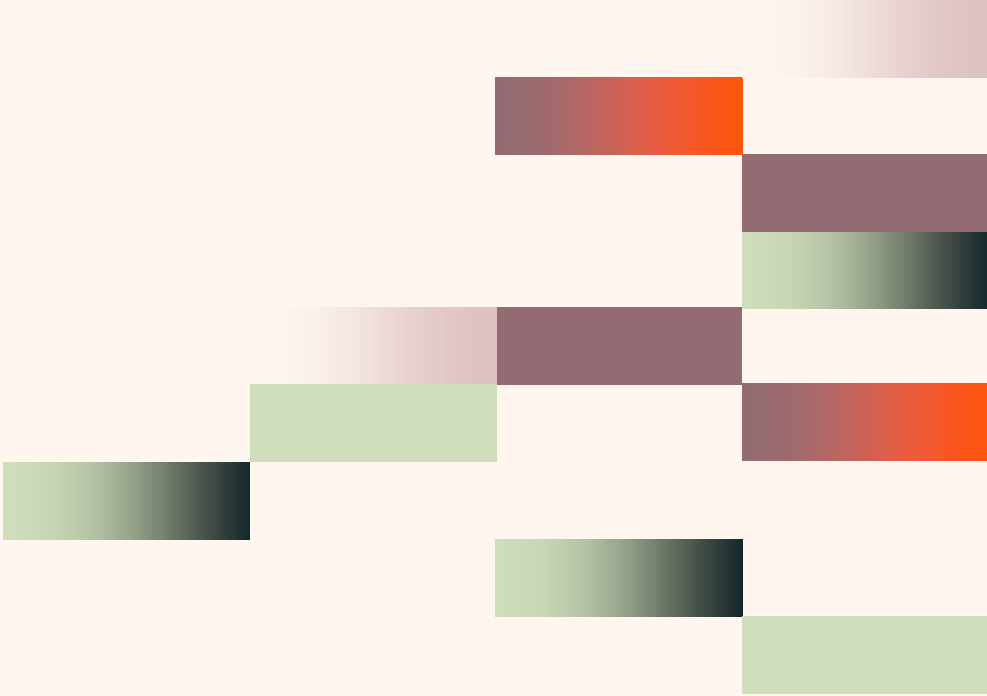
 **Fjordkraft mobil**

**METZUM**

# Strategic focus areas and activities

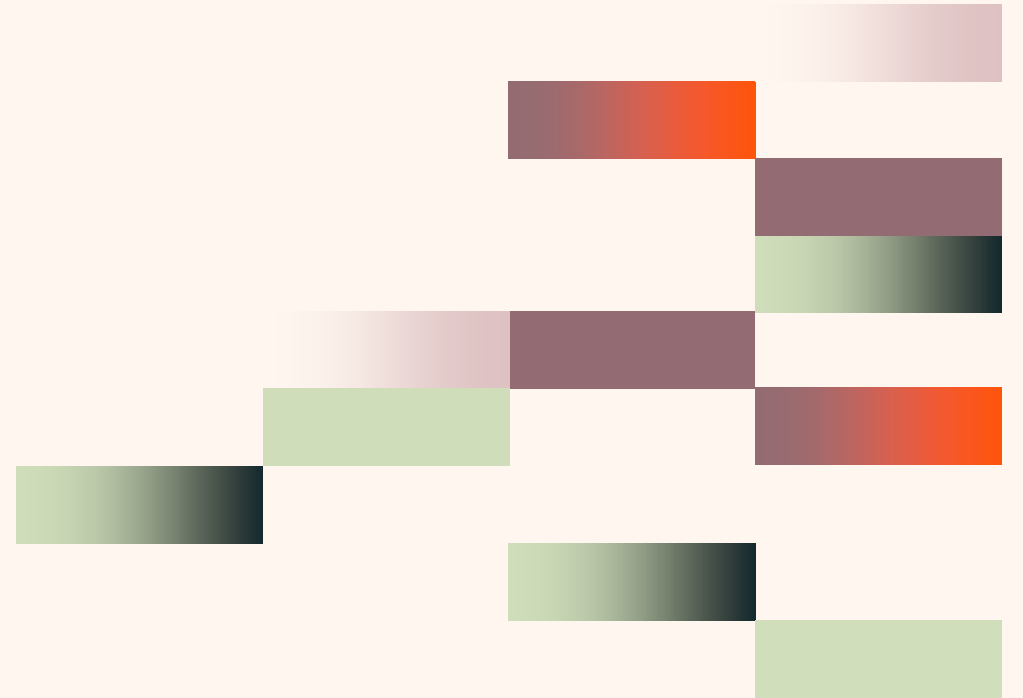


# Q&A





# Appendix



**Elmera Group**

# Adjusted EBIT reconciliation

NOK in thousands	Q1 2023	Q1 2022 <i>Restated</i>	Full year 2022
Revenue adjusted*	6 887 391	6 890 652	26 806 277
Direct cost of sales adjusted	(6 353 834)	(6 394 326)	(25 095 275)
<b>Net revenue adjusted</b>	<b>533 557</b>	<b>496 326</b>	<b>1 711 002</b>
Personnel and other operating expenses adjusted	(267 619)	(261 188)	(993 315)
Depreciation and amortisation adjusted	(68 127)	(62 406)	(257 633)
<b>Total operating expenses adjusted</b>	<b>(335 746)</b>	<b>(323 594)</b>	<b>(1 250 948)</b>
<b>Operating profit adjusted</b>	<b>197 811</b>	<b>172 732</b>	<b>460 054</b>
Acquisition related costs	-	-	-
Other one- off items	(11 898)	-	(2 660)
Depreciation of acquisitions **	(30 456)	(33 713)	(132 323)
Estimate deviations	-	-	(4 472)
Unrealised gains and losses on derivatives	(861 843)	(91 410)	(47 791)
Change in provisions for onerous contracts	838 189	87 378	39 256
Impairment of intangible assets	12 890	-	(39 282)
<b>Operating profit (EBIT)</b>	<b>144 695</b>	<b>134 987</b>	<b>272 781</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 2023	Q1 2022 <i>Restated</i>	Full year 2022
<b>Continuing operations</b>				
Revenue	2,3	8 033 341	6 698 553	25 521 514
Direct cost of sales	2,4	(7 523 438)	(6 206 259)	(23 823 519)
Personnel expenses	2	(122 839)	(111 317)	(421 029)
Other operating expenses	2	(156 677)	(149 870)	(574 946)
Depreciation and amortisation	2,7	(98 583)	(96 119)	(389 956)
Impairment of intangible assets and cost to obtain contracts	2,4,7	12 890	-	(39 282)
<b>Operating profit</b>		<b>144 695</b>	<b>134 987</b>	<b>272 781</b>
Income/loss from investments in associates and joint ventures		1 017	239	429
Interest income		8 512	5 374	26 952
Interest expense lease liability		(449)	(531)	(1 934)
Interest expense	11	(39 519)	(18 399)	(156 876)
Other financial items, net		3 083	(10 094)	(12 660)
<b>Net financial income/(cost)</b>		<b>(27 355)</b>	<b>(23 411)</b>	<b>(144 089)</b>
<b>Profit/ (loss) before tax</b>		<b>117 339</b>	<b>111 575</b>	<b>128 692</b>
Income tax (expense)/income	5	(20 838)	(27 572)	(54 845)
<b>Profit/ (loss) for the period</b>		<b>96 502</b>	<b>84 004</b>	<b>73 847</b>
Basic earnings per share (in NOK)	6	0,89	0,73	0,67
Diluted earnings per share (in NOK)	6	0,87	0,72	0,66

# Balance sheet

NOK in thousands	Note	31 March 2023	31 March 2022 <i>Restated</i>	31 December 2022
<b>Assets:</b>				
<b>Non-current assets</b>				
Deferred tax assets		37 573	33 922	34 990
Right-of-use assets property, plant and equipment		68 316	81 286	66 195
Property, plant and equipment		7 584	7 471	8 198
Goodwill	7	1 440 315	1 409 734	1 418 776
Intangible assets	7	544 812	650 837	558 325
Cost to obtain contracts		305 303	295 814	295 980
Investments in associates and joint ventures		15 251	14 043	14 234
Derivative financial instruments and firm commitments	9,10	992 526	637 434	1 863 551
Net plan assets of defined benefit pension plans		-	46 524	4 178
Other non-current financial assets		47 083	53 732	48 285
<b>Total non-current assets</b>		<b>3 458 763</b>	<b>3 230 798</b>	<b>4 312 711</b>
<b>Current assets</b>				
Intangible assets		2 762	5 910	763
Inventories		497	2 126	460
Trade receivables	8,13	3 879 133	4 570 567	7 551 433
Derivative financial instruments and firm commitments	9,10	1 197 091	2 028 162	2 370 117
Other current assets		137 944	101 079	66 025
Cash and cash equivalents		94 835	1 063 717	70 548
<b>Total current assets</b>		<b>5 312 262</b>	<b>7 771 561</b>	<b>10 059 347</b>
<b>Total assets</b>		<b>8 771 026</b>	<b>11 002 359</b>	<b>14 372 058</b>
<b>Equity and liabilities:</b>				
<b>Equity</b>				
Share capital		32 590	34 306	32 590
Share premium		993 294	993 294	993 294
Other equity		389 569	867 171	214 241
<b>Total equity</b>		<b>1 415 454</b>	<b>1 894 771</b>	<b>1 240 126</b>

# Balance sheet

NOK in thousands	Note	31 March 2023	31 March 2022 <i>Restated</i>	31 December 2022
<b>Non-current liabilities</b>				
Net employee defined benefit plan liabilities		103 321	66 904	79 780
Interest-bearing long term debt	11	606 459	697 299	629 169
Deferred tax liabilities		86 875	134 653	100 280
Lease liability - long term		51 699	63 399	49 477
Derivative financial instruments	9,10	886 683	496 231	1 492 743
Onerous contract provisions	4	227 534	371 282	784 239
Other provisions for liabilities		30 810	16 150	29 619
<b>Total non-current liabilities</b>		<b>1 993 381</b>	<b>1 845 918</b>	<b>3 165 307</b>
<b>Current liabilities</b>				
Trade and other payables	13	2 427 999	4 599 821	5 828 373
Overdraft facilities	11	657 095	-	534 112
Interest-bearing short term debt	11	518 700	243 700	368 700
Current income tax liabilities		34 684	33 772	50 506
Derivative financial instruments	9,10	985 109	1 152 281	1 692 584
Social security and other taxes		154 447	154 859	313 504
Lease liability - short term		20 158	21 454	20 284
Onerous contract provisions	4	81 347	597 640	285 336
Other current liabilities	12	482 652	458 143	873 227
<b>Total current liabilities</b>		<b>5 362 191</b>	<b>7 261 670</b>	<b>9 966 625</b>
<b>Total liabilities</b>		<b>7 355 572</b>	<b>9 107 588</b>	<b>13 131 932</b>
<b>Total equity and liabilities</b>		<b>8 771 026</b>	<b>11 002 359</b>	<b>14 372 058</b>

# Cash flow

NOK in thousands	Note	Q1 2023	Q1 2022 <i>Restated</i>	Full year 2022
<b>Operating activities</b>				
Profit/(loss) before tax		117 339	111 575	128 692
<i>Adjustments for:</i>				
Depreciation	7	43 839	46 734	183 760
Depreciation right-of-use assets		5 276	5 170	20 303
Amortisation of cost to obtain contracts		49 468	44 216	185 893
Impairment of intangible assets and cost to obtain contracts	4,7	(12 890)	-	39 282
Interest income		(8 512)	(5 374)	(26 952)
Interest expense lease liability		449	531	1 934
Interest expense		39 519	18 399	156 876
Income/loss from investments in associates and joint ventures		(1 017)	(239)	(429)
Change in long-term receivables		(556)	(897)	25
Share-based payment expense		787	1 018	4 790
Change in post-employment liabilities		1 182	2 062	(13 607)
Payments to obtain a contract		(40 935)	(55 888)	(237 550)
<i>Changes in working capital (non-cash effect):</i>				
Impairment loss recognised in trade receivables	8	17 324	6 282	4 402
Provision for onerous contracts	4	(838 189)	(87 379)	(39 256)
Change in fair value of derivative financial instruments	4,9,10	880 078	91 410	12 182
<i>Changes in working capital:</i>				
Inventories		(36)	21	1 686
Trade receivables	8	3 677 797	591 843	(2 385 823)
Purchase of el-certificates, GoOs and Climate Quotas		(10 765)	(72)	(38 527)
Non-cash effect from cancelling el-certificates, GoOs and Climate Quotas		8 765	1 648	45 373
Other current assets		(71 028)	(62 907)	(26 609)
Trade and other payables		(3 385 206)	97 886	1 297 999
Other current liabilities	12	(560 902)	(51 356)	515 278
<b>Cash generated from operations</b>		<b>(88 214)</b>	<b>754 683</b>	<b>(170 276)</b>
Interest paid		(70 492)	(18 268)	(123 449)
Interest received		8 512	5 374	26 952
Income tax paid	5	(61 843)	(99 994)	(103 339)
<b>Net cash from operating activities</b>		<b>(212 037)</b>	<b>641 796</b>	<b>(370 112)</b>

# Cash flow

NOK in thousands	Note	Q1 2023	Q1 2022 <i>Restated</i>	Full year 2022
<b>Investing activities</b>				
Purchase of property, plant and equipment		(184)	(159)	(3 325)
Purchase of intangible assets	7	(16 037)	(8 394)	(41 007)
Net (outflow)/proceeds from non-current receivables		1 758	1 949	6 474
Net (outflow)/proceeds from other long-term liabilities		(760)	16	13 485
<b>Net cash used in investing activities</b>		<b>(15 223)</b>	<b>(6 589)</b>	<b>(24 373)</b>
<b>Financing activities</b>				
Proceeds from overdraft facilities	11	122 983	-	534 112
Proceeds from revolving credit facility	11	150 000	150 000	275 000
Proceeds from issuance of shares		-	1 215	1 215
Dividends paid		-	-	(400 231)
Purchase of treasury shares		-	-	(132 827)
Instalments of long term debt	11	(23 425)	(23 425)	(93 700)
Payment of lease liability		(5 312)	(5 128)	(20 245)
<b>Net cash from financing activities</b>		<b>244 247</b>	<b>122 662</b>	<b>163 324</b>
<b>Net change in cash and cash equivalents</b>		<b>16 986</b>	<b>757 869</b>	<b>(231 162)</b>
<b>Cash and cash equivalents at start of period</b>		<b>70 548</b>	<b>306 627</b>	<b>306 627</b>
Effects of exchange rate changes on cash and cash equivalents		7 300	(779)	(4 918)
<b>Cash and cash equivalents at end of period</b>		<b>94 835</b>	<b>1 063 717</b>	<b>70 548</b>