

Elektroimportøren AS

Quarterly report Q3 2024



To our shareholders

We managed to grow sales in both countries through the quarter. In Norway, online and B2C sales represents the growth, whilst in Sweden, store sales and B2B is growing.

Sales have varied throughout the quarter. July started out very positively on both sales and margin, August was somewhat slower but still with an increase in sales, whilst September had a slight decline.

Sales growth are seen in more or less all categories, but smart home products and EV chargers are growing the most. Mid-September we re-launched heating pumps in Norway and we are expecting this product group to increase sales in the heating category throughout the winter season. Solar market continues to be challenging, and we have made a write-down on parts of our solar inventory to reflect the changed market conditions.

Gross margins have been carefully managed throughout the quarter in both countries. In July we had a general price increase, but we have also intensified our campaign management, to even better balance sales and gross margin.

In Norway we continue to see that consumers are more responsive to campaigns. Even though we see that we are increasing our market share in the B2B market, our professional customers are still waiting for the market to come back.

In Sweden we are continuously improving our offering for both consumers and professionals. We have managed to attract more and more B2B customers

to our physical store. This, together with intense campaign and pricing management are driving our Swedish operation in the right direction on both sales and gross margin.

Third quarter is the time to prepare for peak season, with October and November being the busiest time for us. During September we conducted our yearly product training Elektroakademiet. Together with our suppliers, all our employees attended a two-day product and sales training. This event aims to continue to build our employees' product knowledge and sales skills. This year we had an extra focus on smart home solutions and heating pumps.

Last week of August we opened our store number 28 in Norway. This store is our second in the larger Bergen area and, we are happy to now being able to increase our presence in this important market.

After two years of declining profits due to both internal and external challenges, the third quarter, in many ways, represents a small but positive change for us. Sales are up, Gross margins are up, OPEX to sales continue to improve and profits are again increasing year on year.

I would like to thank all our employees for the great job they are doing, every day, by delivering the best customer service in the most professional way.



Yours sincerely
Andreas Niss, CEO Elektroimportøren

Summary of key financials in Q3

- ⚡ Total revenue in Q3 was NOK 407 million, up 1.7 per cent from NOK 401 million last year:
 - Like-for-like revenue decreased by 1.1 per cent
 - B2B revenue decreased by 2.2 per cent
 - B2C revenue increased by 4.8 per cent

- ⚡ Gross margin in Q3 was 36.7 per cent, up from 35.3 per cent last year:
 - Increase driven by price increase and increase in B2C share of business

- ⚡ OPEX were NOK 105 million in Q3, down from NOK 112 million last year. The decline is driven by strong cost focus and cost reductions implemented during last year, which is coming through.

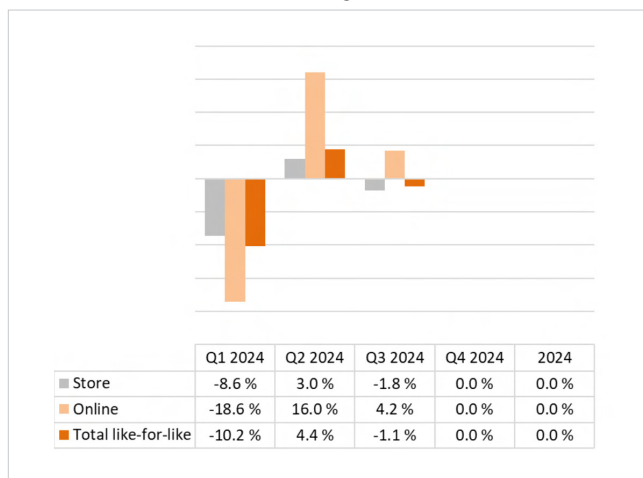
- ⚡ Reported EBITDA in Q3 was NOK 30 million, up from NOK 28 million last year. EBITDA margin of 7.4 per cent, up from 7.1 per cent last year. Adjusted EBITDA in Q3 was NOK 44 million, up from NOK 29 million last year. Adjustment of NOK 14 million is mainly related to write-down of Solar products of NOK 13 million. Adjusted EBITDA margin of 10.9 per cent, up from 7.3 per cent last year. We have agreed with DNB to exclude the write-down of solar in the LTM NGAAP EBITDA for the covenant calculation.

- ⚡ Net financial expenses in Q3 were NOK 30 million, up from NOK -13 million last year. Release of Elbutik earn-out provision of NOK 44 million offset interest cost of NOK -14 million.

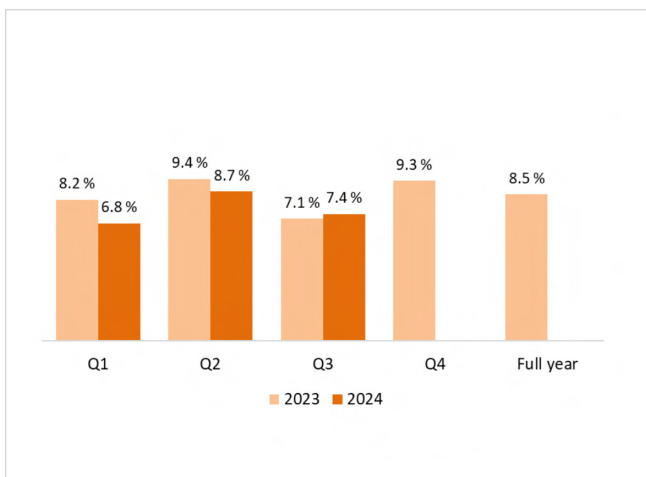
Revenue (NOK million)



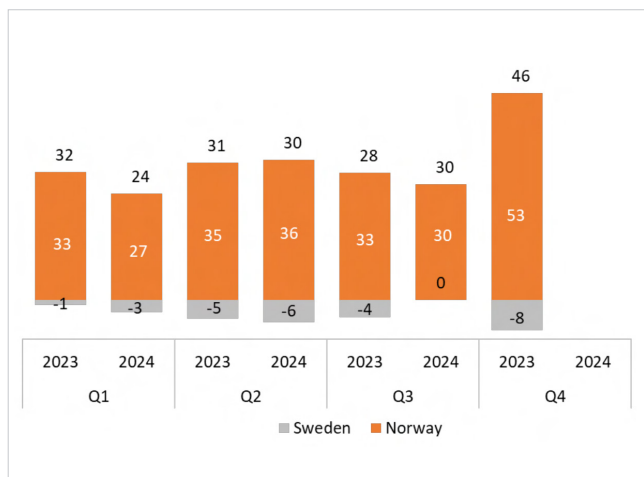
Like for Like growth %



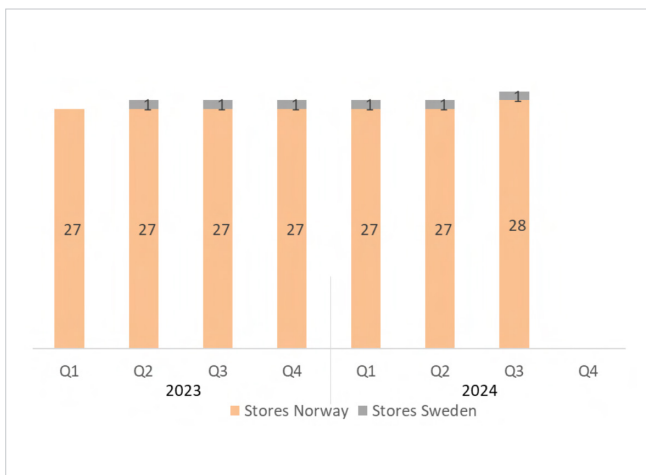
Reported EBITDA margin (%)



Reported EBITDA (NOK million)



of physical stores



Alternative performance measure

Q3 2024 – Group

Amounts in NOK million	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Revenue	407	401	1106	1109	1604
Cost of goods sold	-258	-259	-722	-719	-1051
Gross profit	150	141	384	391	553
Gross margin (%)	36.7 %	35.3 %	34.7 %	35.2 %	34.5 %
Operating expenses in sales channels	-63	-69	-159	-175	-242
Other operating expenses	-43	-43	-122	-125	-174
OPEX	-105	-112	-281	-299	-416
OPEX to sales margin (%)	-25.8 %	-28.0 %	-25.4 %	-27.0 %	-25.9 %
Adjusted EBITDA	44	29	103	91	137
Adjusted EBITDA margin (%)	10.9 %	7.3 %	9.3 %	8.2 %	8.5 %
Adjustments	-14	-1	-19	-1	-1
EBITDA reported	30	28	84	90	136
EBITDA reported margin (%)	7.4 %	7.1 %	7.6 %	8.2 %	8.5 %
Depreciation	-27	-26	-80	-76	-95
Adjusted EBIT	15	3	18	14	41
Adjusted EBIT margin (%)	3.8 %	0.9 %	1.6 %	1.3 %	2.5 %
Adjustments	-14	-1	-16	-1	-1
Amortisation intangible assets	-2	0	-2	-2	-1
EBIT reported	1	2	2	13	40
EBIT reported margin (%)	0.2 %	0.6 %	0.2 %	1.2 %	2.5 %
Net financial expenses	30	-11	10	-38	-55
Profit before tax	31	-9	12	-25	-16
Net profit	33	-6	17	-19	-12
Liabilities to financial institutions	-220	-352	-220	-352	-307
Leasing liabilities	-451	-374	-451	-374	-411
Cash and bank deposits	97	0	97	0	9
Net interest bearing debt incl IFRS	-574	-726	-574	-726	-709
Net interest bearing debt excl. IFRS	-151	-365	-151	-365	-310

Financials



Financial review Q3 2024 - Group

Revenues

Total revenue in the third quarter was NOK 407 million, corresponding to an increase of 1.7 per cent compared to last year. The increase was driven by online revenue in Norway, the store in Sweden and revenue from Solar projects which were finalised in the period.

B2C revenue increased by 4.8 per cent, while B2B revenue decreased by 2.2 per cent. The like-for-like revenue growth in Norway was -1.1 per cent in the quarter.

The number of visits to physical stores in Norway was up compared to last year by 0.5 per cent, while hit rate is down by 1.8 per cent and basket is up by 0.7 per cent.

Online revenue in Norway increased by 4.2 per cent in Q3 2024 compared to last year.

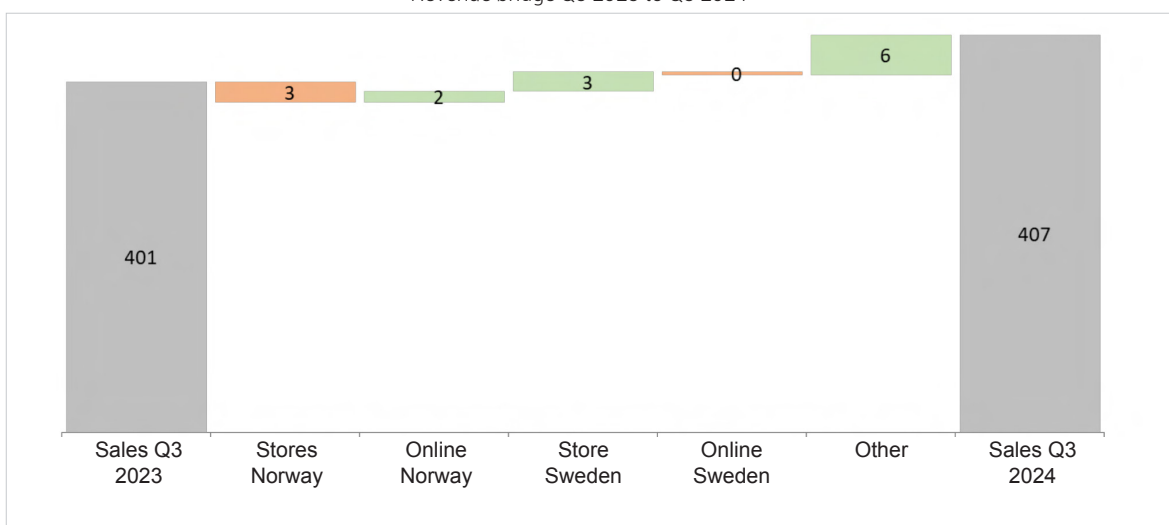
Revenue from Spoton of NOK 8 million in the quarter, compared to NOK 8 million last year.

Solar orders were NOK 3 million in Q3 2024, down from NOK 16 million last year. Invoiced solar projects in the quarter were NOK 9 million. Order backlog of NOK 4 million end of September 2024.

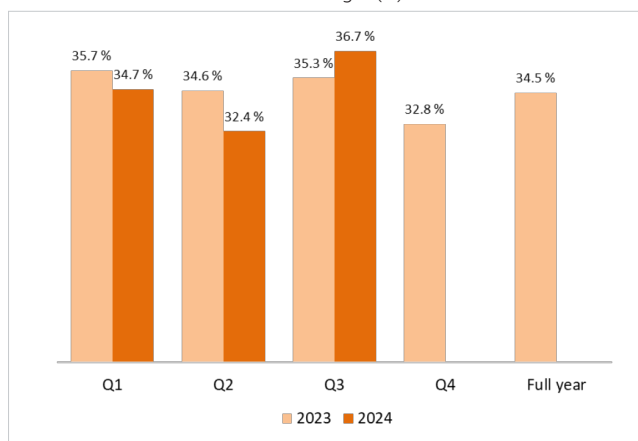
The store in Elbutik contributed with NOK 9 million in revenue for the quarter, while online revenue in Elbutik was NOK 32 million. B2B revenue in Sweden in the quarter is included with NOK 7 million.

Other revenue is mainly solar projects invoiced from our project department and not sold through our stores.

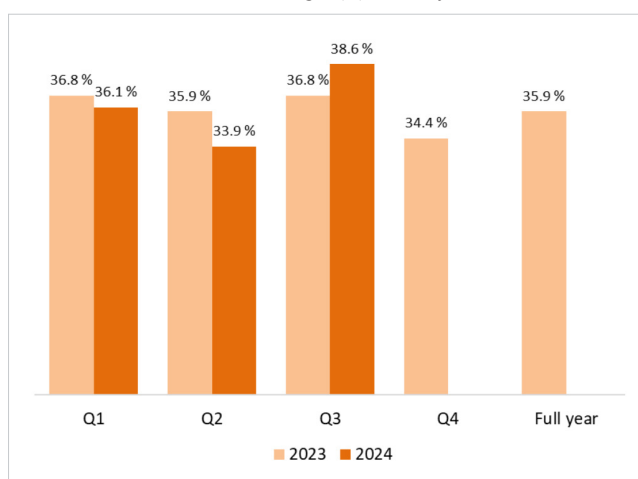
Revenue bridge Q3 2023 to Q3 2024



Gross margin (%)



Gross margin (%), Norway



Gross margin

Gross profit for the quarter was NOK 150 million, up from NOK 141 million last year. This translated into a gross margin of 36.7 per cent, compared with 35.3 per cent in the same period of 2023. Overall, margins were impacted by shift towards B2C with higher margin and price increase in the period.

The margin from Elbutik is significantly lower at 20.9 per cent, compared to 21.1 per cent last year. However, the margin increased from 18.5 per cent in Q2 2024. The lower margin compared to last year is the result of B2B share of business increased from 9 per cent last year to 18 per cent in Q3 2024. Margin on both B2C and B2B is increasing in Sweden.

In Norway, the gross margin was 38.6 per cent (36.8 per cent). The margin has increased because of shift towards B2C with higher margin and price increase in the period. The exchange rate and freight costs continue to keep pressure on the margin, hence we will follow that closely going forward. This is according to our communication in Q2 2024.

Operating expenses

Operating expenses are reduced with NOK 7 million compared to last year, even with general salary increase and inflation adjustment of costs. The group continues to maintain a rigid cost control and the cost reduction implemented during the last year is coming through. OPEX to sales ratio at 25.8 per cent compared to 28.0 per cent last year.

Adjusted EBITDA

Adjusted EBITDA for the quarter was NOK 44 million, up from NOK 29 million last year. The improvement is driven by improved gross profit of NOK 8 million together with cost reductions of NOK 7 million.

The Group has recognized an additional write-down of NOK 13 million on its Solar inventory, reflecting the challenging market situation. This additional write-down is reported under 'Adjustments' in the APM (Alternative Reporting Measures) overview. The gross solar inventory value at the end of the quarter was NOK 33 million.

EBITDA reported

Reported EBITDA for the quarter was NOK 30 million, up from NOK 28 million last year.

EBIT reported

EBIT for the quarter was NOK 1 million compared to NOK 2 million last year. The EBIT reported includes a one-off relating to inventory write-down of NOK 13 million.

Net financial expenses

Net financial expenses of NOK 30 million (income) relate to release of earn-out provision from acquisition of Elbutik AB of NOK 44 million (income). Other financial expenses are net interest expenses of NOK 5 million, loss on fair value movements on derivatives of NOK 2 million and IFRS 16 interest expenses of NOK 6 million. The average interest rate is 8.8 per cent in the quarter.

Net profit

Net profit for the quarter was NOK 33 million, up from NOK -6 million last year. Net profit increased by NOK 40 million. Adjusted for earn-out release (NOK 44 million) and the additional inventory write down (NOK -13 million), the net profit increased by NOK 9 million compared to last year.

Liquidity and borrowings

The group had cash of NOK 97 million at end of Q3 2024, in addition to an unused overdraft facility of NOK 120 million.

We have agreed with DNB to exclude the write-down of solar in the LTM NGAAP EBITDA for the covenant calculation. Excluding IFRS 16 effects, net interest-bearing debt was NOK 151 million at the end of the quarter, corresponding to 2.8x of the LTM NGAAP EBITDA (NOK 54 million) excluding IFRS16 effects (NOK 89 million) and adjusted for the write-down of Solar (NOK 13 million). The loan facilities will have no NIBD/EBITDA (based on NGAAP) covenant in Q3 2024, and will have a NIBD/ EBITDA covenant of 4.0x in Q4 2024.

Alternative Performance Measures Q3 2024 - Norway

Amounts in NOK million	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Revenue	366	362	998	1010	1462
Cost of goods sold	-225	-229	-635	-641	-937
Gross profit	141	133	362	369	524
Gross margin (%)	38.6 %	36.8 %	36.3 %	36.5 %	35.9 %
Operating expenses in sales channels	-60	-65	-150	-167	-229
Other operating expenses	-38	-36	-105	-102	-141
OPEX	-97	-100	-255	-268	-370
OPEX to sales margin (%)	-26.6 %	-27.7 %	-25.5 %	-26.5 %	-25.3 %
Adjusted EBITDA	44	33	108	101	154
Adjusted EBITDA margin (%)	12.0 %	9.0 %	10.8 %	10.0 %	10.5 %
Adjustments	-14	0	-15	0	0
EBITDA reported	30	33	93	101	154
EBITDA reported margin (%)	8.1 %	9.0 %	9.3 %	10.0 %	10.5 %
Depreciation	-24	-24	-70	-71	-88
Adjusted EBIT	19	9	36	30	66
Adjusted EBIT margin (%)	5.2 %	2.5 %	3.6 %	3.0 %	4.5 %
Adjustments	-14	0	-15	0	0
Amortisation intangible assets	-1	0	-2	-1	0
EBIT reported	5	9	21	30	66
EBIT reported margin (%)	1.3 %	2.5 %	2.1 %	3.0 %	4.5 %
Net financial expenses	-13	-12	-30	-37	-52
Profit before tax	-8	-3	-9	-7	14
Net profit	-7	-1	-8	-5	11

Alternative Performance Measures Q3 2024 - Sweden

Amounts in NOK million	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Revenue	42	39	109	99	142
Cost of goods sold	-33	-30	-87	-77	-114
Gross profit	9	8	22	22	29
Gross margin (%)	20.9 %	21.1 %	20.3 %	21.9 %	20.2 %
Operating expenses in sales channels	-3	-4	-10	-8	-13
Other operating expenses	-5	-8	-17	-23	-33
OPEX	-8	-12	-26	-31	-46
OPEX to sales margin (%)	-19.5 %	-30.2 %	-24.2 %	-31.5 %	-32.3 %
Adjusted EBITDA	1	-3	-4	-10	-17
Adjusted EBITDA margin (%)	1.4 %	-9.1 %	-3.9 %	-9.6 %	-12.1 %
Adjustments	0	-1	-4	-1	-1
EBITDA reported	0	-4	-8	-11	-18
EBITDA reported margin (%)	0.8 %	-11.7 %	-7.8 %	-10.6 %	-12.8 %
Depreciation	-4	-2	-10	-5	-7
Adjusted EBIT	-3	-6	-17	-16	-25
Adjusted EBIT margin (%)	-7.9 %	-14.3 %	-15.3 %	-16.0 %	-17.7 %
Adjustments	0	-1	-2	-1	-1
Amortisation intangible assets	0	0	0	-1	-1
EBIT reported	-4	-7	-18	-17	-26
EBIT reported margin (%)	-8.5 %	-16.9 %	-16.8 %	-17.0 %	-18.4 %
Net financial expenses	-1	0	-4	-1	-1
Profit before tax	-5	-6	-22	-18	-27
Net profit	-4	-6	-17	-14	-23

Group Figures Q3



Consolidated statement of profit and loss

Amounts in NOK million	Note	Unaudited			Audited	
		Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Revenue		407	401	1 106	1 109	1 604
Cost of goods sold		-271	-259	-736	-719	-1 051
Employee benefits expenses		-74	-75	-187	-196	-273
Depreciation and amortisation expenses	7	-29	-26	-82	-76	-95
Other operating expenses		-33	-38	-99	-105	-145
Total operating expenses		-406	-398	-1 104	-1 096	-1 564
Operating profit		1	2	2	14	40
Net financial income (+)/expenses (-)	9	30	-12	10	-38	-56
Profit before tax		31	-9	12	-24	-16
Income tax expense		2	3	5	6	4
Net profit (loss) for the period		33	-6	17	-19	-12
Basic and diluted earnings per share (EPS)		0.66	-0.24	0.39	-0.70	-0.49

Other comprehensive income

Amounts in NOK million	Note	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Profit for the period		33	-6	17	-19	-12
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		10	0	8	0	20
Total comprehensive income for the period net of tax		44	-6	25	-19	8
Attributable to:						
Non-controlling interests		0	0	-1	0	0
Equity holders of the parent		44	-6	26	-19	8

Consolidated statement of financial position

Amounts in NOK million	Note	Unaudited				Audited
		Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Goodwill	7	459	432	459	432	452
Trademark and other intangible assets	7	18	22	18	22	22
Deferred tax asset		22	14	22	14	19
Total intangible assets		499	468	499	468	492
Property, plant and equipment	7	528	450	528	450	493
Inventories	8	354	410	354	410	357
Trade receivables		86	96	86	96	75
Other current assets		21	52	21	52	27
Cash and bank deposits		97	0	97	0	9
Total current assets		558	558	558	558	466
TOTAL ASSETS		1585	1476	1585	1476	1452
Total paid-in-equity		369	196	369	196	195
Retained earnings		278	223	278	223	252
Non-controlling interests		1	0	1	0	2
Total Equity		649	419	649	419	449
Non-current lease liabilities		372	356	372	356	343
Non-current liabilities to financial institutions	4	220	295	220	295	255
Other non-current liabilities	9	0	41	0	41	44
Total non current liabilities		592	692	592	692	641
Current lease liabilities		79	18	79	18	68
Liabilities to financial institutions	4	0	57	0	57	52
Trade creditors		168	196	168	196	136
Taxes payable		-4	-7	-4	-7	5
Public duties payable		50	51	50	51	54
Other current liabilities		51	50	51	50	47
Total current liabilities		345	365	345	365	361
TOTAL EQUITY AND LIABILITIES		1585	1476	1585	1476	1452

Consolidated statement of cash flows

Amounts in NOK million	Note	Unaudited			Audited	
		Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Profit before income taxes		31	-9	12	-24	-16
Taxes paid		0	0	-7	-25	-22
Depreciation and impairment	7	29	26	82	76	95
Interest		-30	12	34	38	56
Change in inventory		-30	-54	2	-91	-37
Change in trade receivables		-4	-17	-11	-26	-4
Change in trade creditors		17	41	33	42	-18
Change in other current assets and liabilities		39	5	-36	-4	22
Net cash flow from operations		53	3	108	-13	76
Cash flow from investments						
Purchase of fixed assets		-7	-5	-13	-23	-27
Net cash flow from investments		-7	-5	-13	-23	-27
Cash flow from financing						
Repayment of long-term borrowings	4	0	0	-75	0	-40
Change in liabilities to financial institutions	4	0	17	-12	13	8
Proceeds from issue of shares		0	0	175	117	117
Change in non-controlling interest share purchase		0	0	0	0	3
Net interest paid		-13	-8	-34	-27	-56
Lease payments for the principal portion of lease liability		-19	-18	-61	-57	-63
Dividends paid to equity holders of the parent		0	-11	0	-11	-11
Net cash flow from financing		-33	-20	-7	36	-42
Cash and cash equivalents at the beginning of the period		85	22	9	0	3
Net change in cash and cash equivalents		13	-22	88	-1	6
Cash and cash equivalents at the end of the period		97	0	97	-1	9

Consolidated statement of changes in equity

<i>Amounts in NOK million</i>	<i>Note</i>	Paid in Equity	Other Equity	Total majority shares	Non- controlling interests	Total Equity
January 1st. 2023		78	253	331	0	331
Profit for January-June 2023		0	-19	-19	0	-19
Issue of share capital		117	0	117	0	117
Approved dividend		0	-11	-11	0	-11
Balance at 30 September 2023		195	224	419	0	419
Balance at 1st. January 2024		195	252	447	2	449
Profit for January-September 2024		0	18	18	-1	17
Other comprehensive income		0	8	8	0	8
Issue of share capital		178	0	178	0	178
Transaction costs related to issue of share capital		-4	0	-4	0	-4
Balance at 30 September 2024		369	278	647	1	649

Events after the period and outlook

Market conditions continue to be challenging, especially in the B2B market. Consumers show positive reactions to good campaigns but are otherwise still selective about their spending. However, so far in the 4th quarter we have managed to grow sales in both countries.

On the 4th of November we opened our store number 29 in Norway. The store is located at Skøyen in Oslo and has a location with great visibility and availability for both consumer and professional customers.

Oslo, 7th November 2024

The board of Elektroimportøren AS



Karin Bing Orgland




Kjersti Helen Krokeide Hobøl



Eirik Westvig Rogstad



Arvid Helstedt Tennefoss



Anders Jakobsson

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 28 physical stores in Norway and 1 in Sweden as of 30 September 2024.

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 million 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 Q3 2024 report has been prepared in accordance with IFRS® Accounting Standards 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 except for 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

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 31st December 2023.

Note 4 Liabilities to financial institutions

Elektroimportøren has an overdraft facility of NOK 120 million.

Liabilities to financial institutions are NOK 220 million as of Q3 2024.

There will be no further amortization in 2024. NOK 40 million in yearly amortization will be reinstated from December 2025. The facilities have a maturity of three years from 18th March 2024 and are secured by inventory, receivables and operating equipment in Elektroimportøren.

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

Amounts in MNOK	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Number of ordinary shares	50 782 200	26 782 200	50 782 200	26 782 200	26 782 200
Net profit	33	-6	17	-19	-12
Earnings per share	0.66	-0.24	0.39	-0.70	-0.49

Note 7 Fixed assets and intangible assets

(amounts in NOK 1000)	Right of use asset	PPE	Other intangibles	Goodwill
Balance 30.06.23	337 658	135 817	22 415	432 168
Additions, disposals and adjustments	0	5 424	0	0
Depreciation and amortization	-19 934	-8 820	0	0
Balance 30.09.23	317 724	132 421	22 415	432 168

(amounts in NOK 1000)	Right of use asset	PPE	Other intangibles	Goodwill
Balance 30.06.24	405 229	119 769	19 775	449 074
Additions, disposals and adjustments	19 563	7 225	0	0
Depreciation and amortization	-19 919	-7 548	-1 557	0
Foreign exchange	3 402	0	0	10 107
Balance 30.09.24	408 275	119 446	18 219	469 181

Impairment tests for trademark and goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and assumptions approved by senior management covering a five-year period.

The group has one CGU, and goodwill is tested for impairment at this level, which represents the lowest level in the entity at which goodwill is monitored for internal management purposes.

The key assumptions related to future cash flow are sales growth and gross margin percentage development. These key assumptions are based on historical performances. Based on budget for 2024 and business plan for coming years the Group has a significant headroom compared to capitalised goodwill in the statement of financial position, and a reasonably possible change in any of the key assumptions used, will not cause impairment.

The Groups establishment in Sweden has not been immune to market fluctuations such as the overall decline in electric installation material industry after the Groups acquisition of Elbutik in March 2022. Despite these challenges, the management are optimistic about the long-term prospect of the investment and the impairment assumptions are based on further investments in Sweden. Despite this, the management believe it is essential to acknowledge the existing risk that may pose challenges to the Groups goodwill related to the Swedish establishment.

- Key assumptions 31 December 2022:
- Budget figures for 2023, and business plan for 2024-2026
- Sales growth in budget period between 5% and 7% per year (lower than historical growth)
- Flat development in gross margin percentage
- Discount rate 9% after tax
- Long term growth 2% (consistent with long term inflation)

Key assumptions 31 December 2023:

- Budget figures for 2024, and business plan for 2025-2028
- Compound annual growth in sales in budget period of 14.7% (lower than historical growth)
- Marginal reduction in gross margin percentages driven by category mix
- Discount rate 10.2% after tax
- Long term growth rate of 1.8%

Note 8 Inventories

(amounts in NOK 1000)	Q3 2024	Q3 2023	31.12.2023
Inventory at purchase cost	378 026	419 908	366 219
Inventory write-downs to net relisable value	-23 532	-10 317	-9 630
Inventories	354 494	409 590	356 588

During Q3 2024, NOK 13 million was recognised as an expense for inventories carried at net realisable value, reflected in cost of goods sold. This inventory write-down primarily relates to Solar inventory to reflect the current market conditions.

Note 9 Deferred and contingent consideration (Earn-out)

The Group has an earn-out consideration in relation to the acquisition of the Elbutik-group in 2022. The Group held a balance of NOK 44 MNOK at year end 2023 which has been released in Q3 2024. The release is recognised in net financial income/expenses.

The earn-out is contingent on the performance of the Elbutik ecommerce business against earnings growth targets for four years, from 2022 to 2025. Expected cash outflows are estimated based on the terms of the purchase contract and the entity's knowledge of the Elbutik ecommerce business and how the current economic environment is likely to impact it. Revised forecasts for 2025 indicate that growth targets are unlikely to be met within the remaining earn-out period that expires 31.12.2025.

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 profit is profit (loss) for the period.

Elektroimportøren AS

Quarterly report Q3 2024



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