

2022

Full Year and Q4 presentation



Today's presenters



Tommie Rudi // CEO



Lars Gunnar Abusdal // CFO

Agenda

1 // Key events

2 // Strategic direction

3 // Finance Q4-22 and full year 2022

4 // Summary

5 // Q & A

1 // Key events

Key events

2022 in a nutshell

- ElKompis launched in Q3
- Skandia Energi; hold strategy continued
- New CEO appointed 1 July 2022
- Initiated search for funding – company in a distressed situation
- Significant impairments

Subsequent events, 2023

- CEO resigned January 2023
- Private placement concluded in February 2023
- New Board of Directors and management appointed
- Cost-saving programme initiated
- Significant downscaling of organization

Cost saving programme

Rationale: Ensure cash positive operations by the end of 2023

Actions

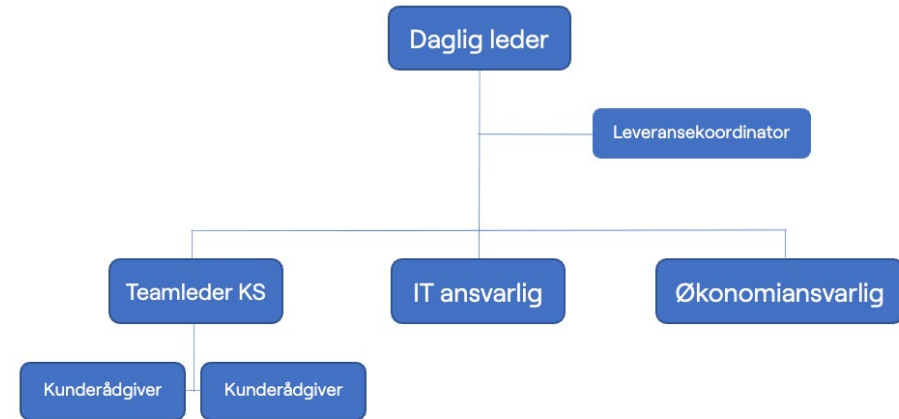
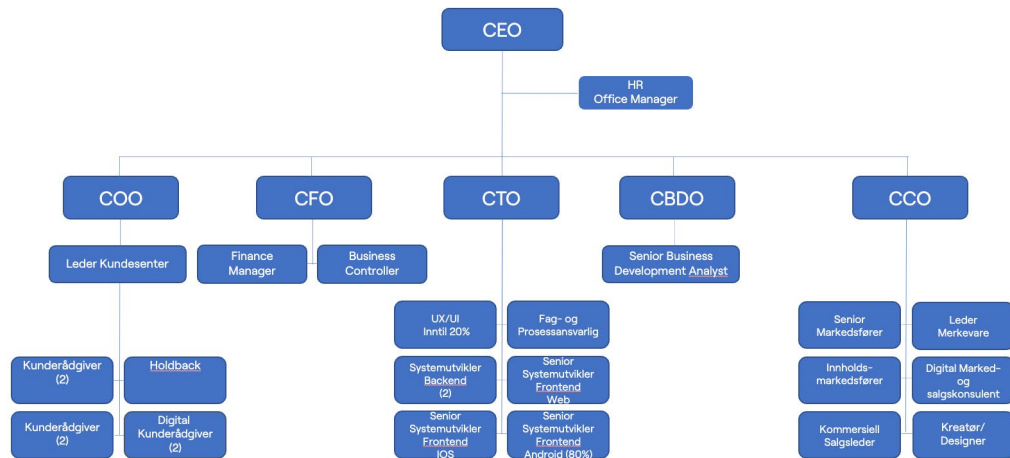
- Cost saving programme implemented February 2023 with the aim to reduce all operating cost and to improve cost control
- Specific measures:
 - Significant downscaling of organization
 - Marketing cost reduced to a minimum
 - Development cost on digital platform at a low level going forward
 - Substantial decrease of external consultants

Target*

- Reduce salaries and payroll cost by more than 50 %
 - From MNOK 21,5 to MNOK 9,7
- Reduce other operating expenses by approximately 70 %
 - From MNOK 41,1 to MNOK 11,9
- In addition to this, cost that has previously been capitalized (external consultants, salary cost and marketing cost), will be at a minimum going forward. Down from 21MNOK in 2022
- In total; the aim is a cost reduction of approximately MNOK 62 (74 %) to be realized by the end of 2023
- Full effect will be from FY 2024.

* All figures are annual cost, and the base is 2022.

Organisational changes in 2023



Organisational changes cont'd

Tommie Rudi – New CEO*

- Resides in Jessheim, Norway.
- 33 years old
- Majority owner of Skandia Greenpower through Evendo Invest AS
- Professional background; Founder of Saga Energi AS, founder and CEO of several companies within B2C sale.

Lars Gunnar Abusdal – New CFO*

- Resides in Kristiansand, Norway
- 42 years old
- BSc. in Financial mathematics (UIA) and MSc. in Business (UIA)
- Professional background: Various positions within finance and business controlling, Head of finance in in Efferia AS and Finance manager in Skandia Greenpower from May 2022.
- Investor relations (IR) contact for Skandia Greenpower

* Effective from 1 April 2023

2 // Strategic direction

Strategic direction

Short term (2023)

- Diversify the development and operating cost of the digital platform
 - Existing customer base in Skandia Energi
 - Possible lease the platform to external parties
- Expect positive margin development per customer:
 - Market changes
 - Value added services
 - Consolidate the number of product portfolios
- Improve cost control and investment analysis
- Implement a small and dynamic organisation
- Customer acquisition cost (CAC) reduced to a low level through execution of the cost saving programme

Long term (2024 →)

- The Board of Directors are currently assessing the long-term strategic direction for the company
 - Will be disclosed and addressed at a later stage
- Main priority is currently to ensure operations and an organisation that is adapted to the current market

3 // Finance Q4-2022 and Full year 2022

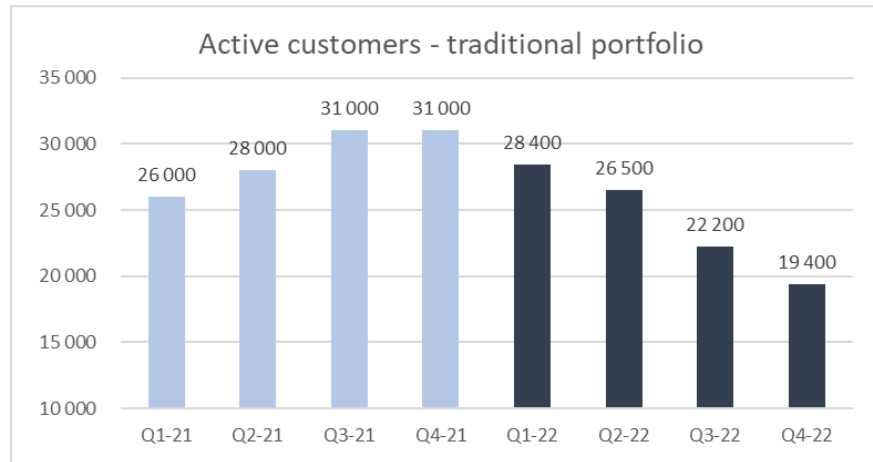
Customer portfolio

Number of customers

Skandia Energi has 19.400 customers at the end of Q4. At the time of reporting*, the number of customers in the portfolio is approximately 16.900.

Elkompis has 4300 customers at the end of Q4. At the time of reporting the number of Elkompis customers is approximately 4500*.

We are strengthening our knowledge in digital sales and are continuously evaluating how to provide value added services to our customers.

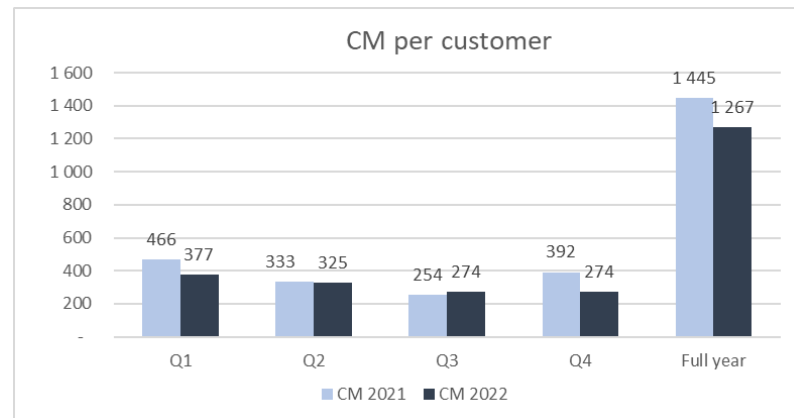


* Customers as of 21 April 2023

Contribution margin per customer, Skandia

Declining CM in the Skandia portfolio

- Throughout 2022 there has been a great deal of price competition in the market.
- This has come at the expense of the Skandiaenergi portfolio and we have experienced pressure on the CM per customer in that portfolio.
- CM per customer for full year 2023 is slightly lower than what was expected in Q3.



Way forward

Customer acquisition cost (CAC):

- Will be significantly reduced due to a minimum cost of marketing
- Focus will be on CAC-activities that will lead to profit

Expect positive margin development per customer due to:

- Market changes
- Value added services
- Consolidate the number of product portfolios

Profit and loss 2022

elkompis 

skandia
green:power

Statement of profit and loss, Skandia Greenpower (Consolidated)

NGAAP / NOK 1.000	Fourth quarter (unaudited)		Full year (audited)	
	2022	2021	2022	2021
Bruttoinntekt / Gross revenue	155 280	157 084	551 498	335 618
Varekostnader / Cost of goods sold	(149 809)	(146 491)	(520 359)	(299 110)
Netto inntekt / Net revenue	5 471	10 593	31 139	36 508
Lønn og sosiale kostnader / Salaries and payroll cost	(6 168)	(5 729)	(21 474)	(16 628)
Andre driftskostnader / Other operating expenses	(19 245)	(8 014)	(41 167)	(21 845)
EBITDA	(19 942)	(3 150)	(31 502)	(1 965)
Avskrivninger / Depreciation and amortization	(2 355)	(5 995)	(21 802)	(22 018)
Nedskrivninger / Impairments	(59 463)	-	(59 463)	-
Driftsresultat / EBIT	(81 760)	(9 145)	(112 767)	(23 983)
Finansposter / Net financial items	1 797	589	1 251	759
Resultat før skatt / EBT	(79 963)	(8 556)	(111 516)	(23 224)
Skattekostnad / Income taxes	(23 155)	1 880	(16 213)	5 107
Resultat / Net result	(103 118)	(6 676)	(127 729)	(18 117)

Comments, Full year 2022

1. Gross revenue for 2022 is significantly higher compared to the corresponding period in 2021, primarily due to significant higher power prices in the Nordics.
2. Net revenue down mainly due to lower contribution margin per customer, see previous slide.
3. Salaries and payroll cost up due to severance package to former CEO as well as a reduction in capitalization of salary cost related to sales activities.
4. Other operating expenses significantly up due to increased marketing and operating cost in relation to launch of ElKompis fall 2022 as well as higher losses on accounts receivables.
5. Substantial impairments recognized in Q4-22 related to the ElKompis platform and capitalized cost related to customer acquisition (CAC).
6. In 2022, the Group has not recognized any tax loss carried forward and has also decided to derecognize deferred tax assets, leading to significant increased in income taxes.

Impairments 2022

Impairment of Intangible and fixed assets, specification

<i>Immaterielle og varige eiendeler / Intangible and fixed assets</i>	Impairment 2022	Recognised value as of 31.12.22
Digital plattform (elKompis) / Digital platform (elKompis)	49 463	6 000
Kundeakvisisjonskost (KAK) / Customer acquisition cost (CAC)	10 000	14 222
Driftsløsøre / Other fixed assets	-	840
Total	59 463	21 061

Comments

Subsequent of the impairments, the recognized amount of the Digital platform and CAC is at a realistic and correct level.

1. Elkompis platform; successfully launched in 2022. However, revised analysis show that the expected future revenue from platform is significantly lower than previously expected. Impaired with NOK 49,5 million in 2022 (87 % of the invested amount).
2. CAC; impaired with NOK 10 million as revised analysis and changed market conditions show that the future contribution margin from customers is substantially lower than previously expected

Statement of financial position 31.12.22

Statement of financial position, Skandia Greenpower (Consolidated)

NGAAP / NOK 1.000	31.12.2022	31.12.2021
Immatrielle og varige eiendeler / Intangible and fixed assets	21 061	81 445
Utsatt skattefordel / Deferred tax assets	-	16 214
Fordringer / Receivables	116 059	101 220
Kontanter / Cash and equivalents	121 083	129 897
Eiendeler / Assets	258 203	328 777
Egenkapital / Equity	19 338	147 260
Kortsiktig gjeld / Current liabilities	238 865	181 517
Egenkapital og gjeld / Equity and liabilities	258 203	328 777

Comments

1. Intangible and fixed assets includes mainly capitalized customer acquisition costs (CAC) and capitalized investments in the development of the elkompis platform. Significantly down due to impairments in 2022, see previous slide.
2. Deferred tax assets have mainly been related to tax losses carried forward. The Group is in a transitional phase with increased uncertainty. Thus, deferred tax assets have been derecognized and until it is likely that the Group will have profits to utilize the tax loss carry-forward, tax assets will not be recognized.
3. Current liabilities are mainly related to power purchase delivered to the Groups customers and is not interest-bearing. Significantly up in 2022 compared to 2021 due to substantial increase in power prices.
4. Previously reported equity as of 31.12.21 overstated by approximately NOK 5 million due to erroneous revenue recognition over several years.

Cash flow

Group cash flow

NGAAP / NOK 1.000	Fourth quarter (unaudited)		Full year (audited)	
	2022	2021	2022	2021
Resultat før skatt / EBT	(79 964)	(8 557)	(111 516)	(23 224)
Avskrivning og amortisering / Depreciation and amortization	2 355	5 995	21 802	22 018
Nedskrivninger / Impairments	59 463	-	59 463	-
Endring i arbeidskapital / Change in working capital	16 296	46 412	41 146	40 156
Netto kontantstrøm fra drift Net cash flow from operating activities	(1 850)	43 850	10 895	38 950
Kjøp av varige driftsmidler og immatrielle eiendeler / Investment in fixed assets and intangibles	2 102	-	15 006	(21 035)
Netto kontantstrøm fra investeringer Net cash flow from investments	2 102	-	(21 035)	(55 226)
Netto innbetaling fra emisjon / Private placement, net	-	53	-	139 268
Renteinnbetalinger og -utbetalinger / Net cash from interests	1 326	336	1 326	336
Netto kontantstrøm fra finansieringer Net cash flow from financing activities	1 326	389	1 326	139 604
Netto endring i kontantstrøm Net change in Cash / Cash equivalents	1 578	29 233	(8 814)	123 328

Comments, Full year 2022

Cash from operations is positive.

This is mainly due to positive working capital movements on the back of favorable terms with the Group's power supplier, i.e., time lag between cash inflow from power sales and cash outflow from power purchase.

The negative cash flow from investments reflects the completion of the elkompis platform as well as the final customer acquisition cost (CAC) of Skandia Energi.

Net cash from investing activities in Q4 is positive due to erroneous classification of cash outflow related to CAC in previous periods.

Going forward, cash from investing activities will be at a minimum.

4 // Summary

Summary

- Historic strategic direction has led to significant losses in 2022
- New short-term strategic direction in place from February 2023
- Focus to execute cost saving programme
- Implement price adjustments, increase margins and improve cost control
- Investigate new opportunities for growth and profitable operations from 2024



5 // Q & A