

CORRECTION - Skandia Greenpower fast-tracks transformation to a fully digital business model and unveils the Elkompis brand

The correction is related to paragraph no. 6 regarding SkandiaEnergi.

Skandia Greenpower AS (Skandia Greenpower) has decided to fast-track its planned transformation from a traditional electricity retailer to a purebred and more scalable technology company with a fully digital business model. Today, the company unveils its new digital brand: Elkompis, which targets 450.000 Nordic customers by end-2026.

“Explained simply, we are moving away from the traditional electricity retail segment to become a fully digitally enabled company. Some early movers have already taken a larger market share proving this move” says Gunnar Norheim, CEO of Skandia Greenpower.

Until now, Skandia Greenpower has operated a hybrid business model that consists of a traditional Norwegian electricity retail brand (SkandiaEnergi) and a disruptive and fully digital solution – Elkompis – which goes commercial this week. Elkompis is a smart power-app for ordinary homes and is targeting the Nordic consumer market. The digital platform will be Skandia Greenpower’s operational future.

ELECTRICITY PRICES DRIVES TRANSFORMATION

High electricity prices have impacted the traditional electricity retail sector. More price conscious consumers have stressed customer profitability in general, driven by reduced customer loyalty and increased customer acquisition costs, with the associated lower profitability and contribution margins.

“The current electricity crisis has accelerated this development. We had of course planned for this shift, but we see now that there is a larger upside by shifting earlier. It has reinforced our belief that the traditional electricity retail business model is not sustainable going forward. As we have a limited footprint in the legacy retail market, it is easy for us to swiftly adapt and shift all resources to our fully digital Elkompis offering. This was always our plan, but we are now conducting this transformation ahead of schedule” adds Gunnar Norheim.

Going forward, SkandiaEnergi will at some point in time offer its existing retail customer base the opportunity to transfer onto the digital Elkompis platform. Needless to say; all customers, independent of brand, will be serviced as required. However, all future growth will be focused on the Elkompis platform.

LOW-COST MODEL

The company’s Elkompis offering is based on a fully digitalized platform that enables lower operating costs, lower prices to customers, improved operational flexibility and with significantly higher scalability potential. The existing content of the brand’s services may be viewed on www.elkompis.no.

“Our analyses show that consumers increasingly do not wish to pay for a traditional electricity product. However, they are interested in paying for services around power management packaged together with electricity supply. Our Elkompis platform will focus on such value-adding services, which facilitate our transformation to a purebred technology company,” says Gunnar Norheim.

Moving from a hybrid to a singular organization model is also expected to generate cost savings for Skandia Greenpower as the team can focus on building and growing one brand through a singular sales approach. A digital business model can also enable significantly lower customer acquisition costs than what is the case for the traditional electricity retail sector.

Under the new strategy, Skandia Greenpower targets 450.000 customers by the end of 2026. All customers will be on the same technology platform (and none on the legacy retail platforms), which represents a major operational advantage and scalability opportunity for the company through value-adding services. Fast-tracking this transformation will strengthen Skandia Greenpower's long-term growth potential and future funding needs.

"A full and swift transformation to our digital, low-cost business model will create a much more future-proof and flexible platform for profitable growth. "Continued investments to grow a traditional electricity retail business is not a sustainable option" concludes Gunnar Norheim.

Skandia Greenpower will present further details at the company's fourth quarter and full-year 2021 interim results presentation on Friday February 11th, 2022.

(ENDS)

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