



SEB Norwegian Retail Summit

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Disclaimer

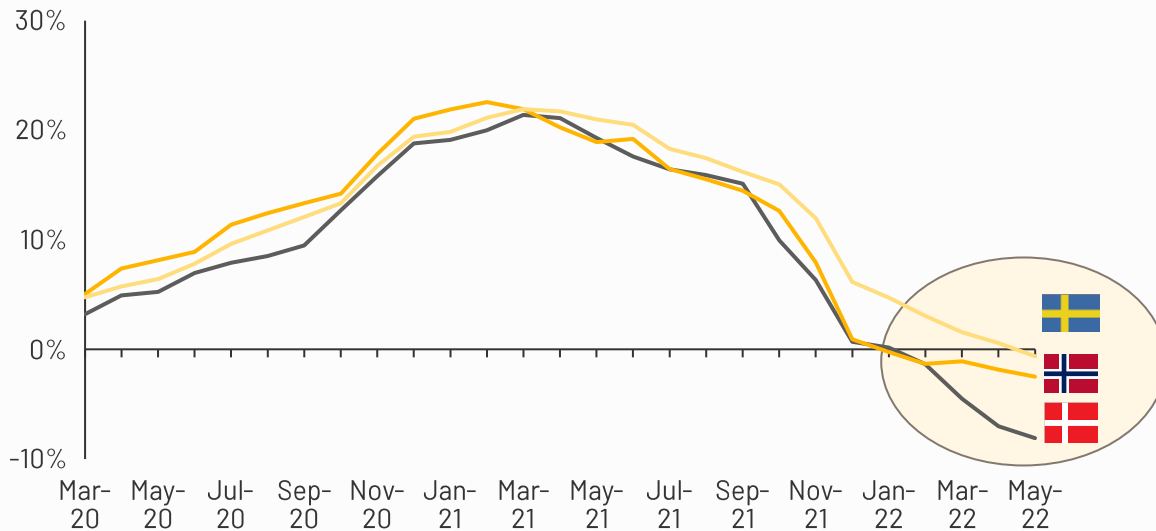
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Period of historic growth followed by challenging market conditions – driven by (1) a shift back from goods to services

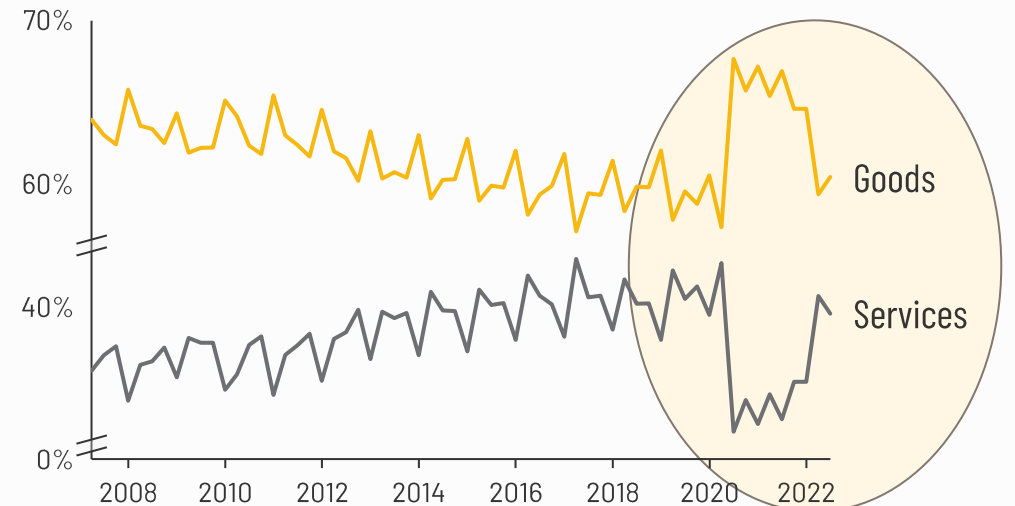
Market development for consumer electronics (B2C) have been challenging across Scandinavia this year ...

LTM YoY growth in sales value local currency (%)



..partly driven by a shift back from goods to services, which has stabilised at pre-covid levels in recent months

Household consumption in Norway (%)

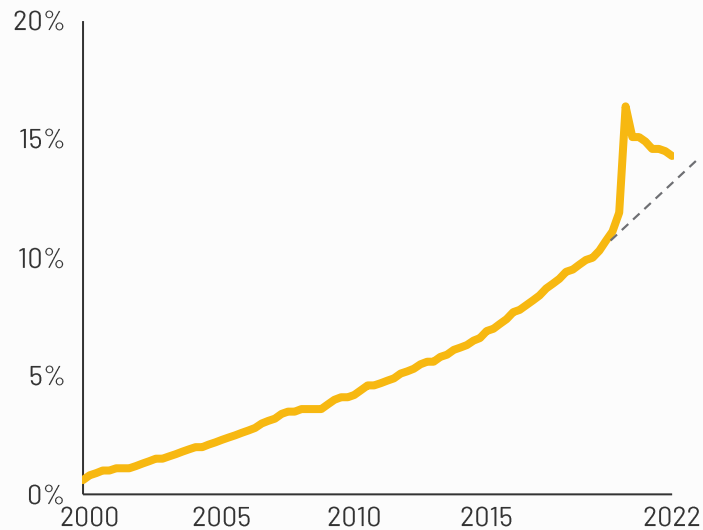


... (2) online share normalising to historic growth trajectory and (3) a weaker overall consumer sentiment

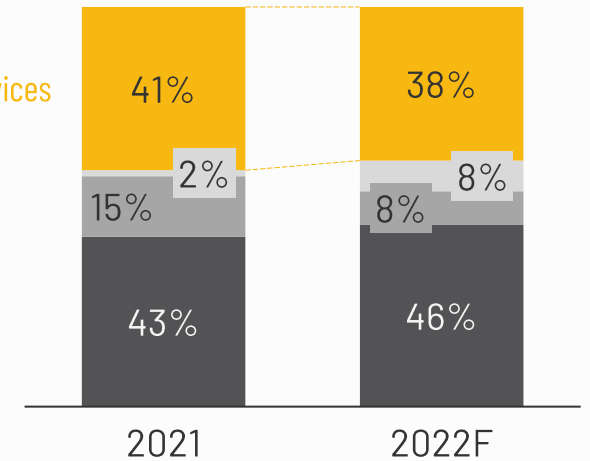
Online share normalising to historic trajectory as consumers return to stores...

... and households reducing discretionary spending due to high inflation, increasing interest rates and a shift back to overseas consumption

Online share of total retail trade in the US (estimated)



-  Elastic goods and services
-  Consumption abroad
-  Savings
-  Necessities

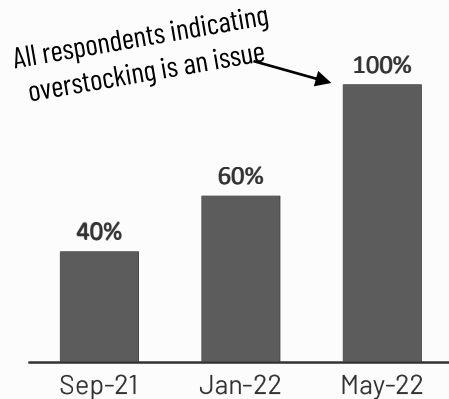


2021 spending of disposable income, 2022 predictions

Weaker market led to higher inventory levels and price pressure, challenging industry gross margins

Inventory levels are high across the industry...

Share of electronics retailers with overstocked inventories (SE)

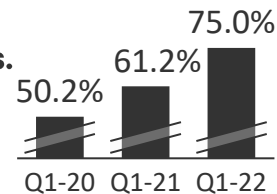


“We currently have ~20-30% overstock in most product categories”
- CEO, Din Elon, Sweden

Case example: Verkkokauppa

Q1 ending inventory vs. Q2 revenue (%)

Q2 2022 = consensus estimate 7th June 2022



...leading to industry price pressure

Norway

Price index change since Jan'22



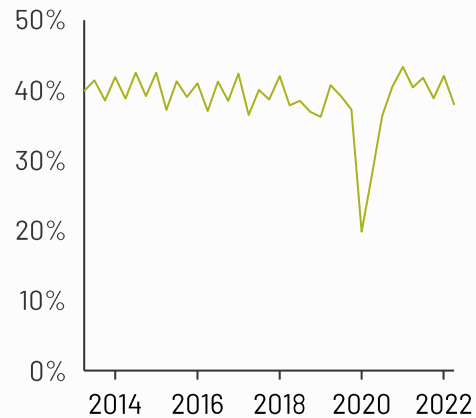
GMs are stable over time and recovers quickly after crisis – margin pressure will ease with inventory normalization

Crisis return – GM return to normal level after clean-up

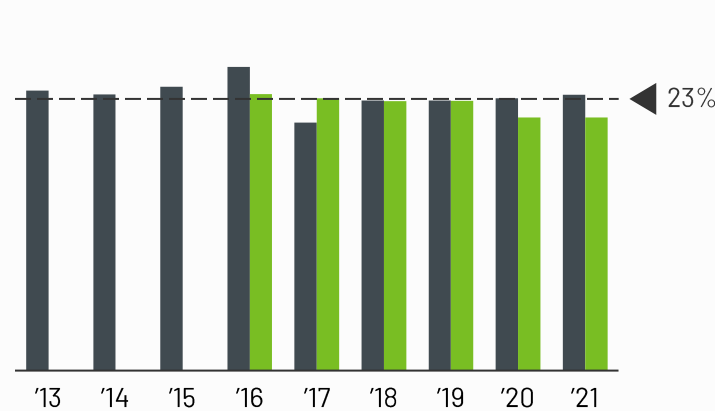
GMs are historically very stable across the industry

Industry margins do not allow for sustained GM squeeze

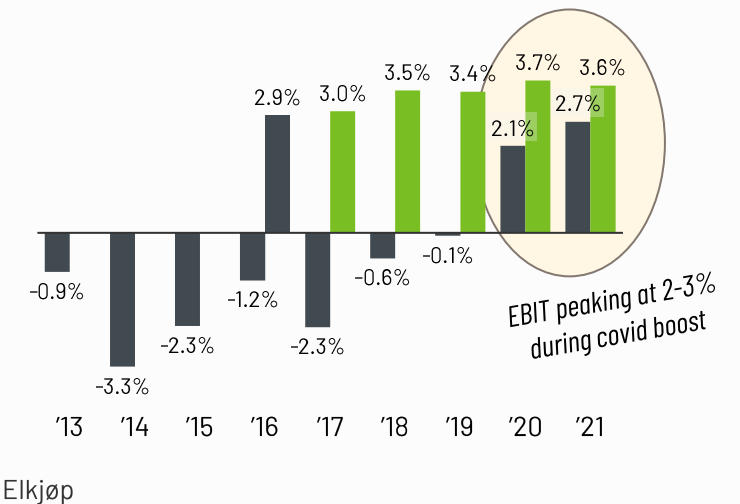
XXL GMs relatively stable over time – returning to pre-crisis level after inventory clean-up in 2020 (%)



GMs of Nordic electronic retailers (%)



EBIT-margin of Nordic electronic retailers (%)



Fundamentals support continued long-term growth despite current market challenges



Growing “installed” base of consumer electronics products with many new first-time buyers



Stable and short replacement cycles across categories support longer-term sales volumes



Online shopping outpacing overall market with home delivery as the preferred channel

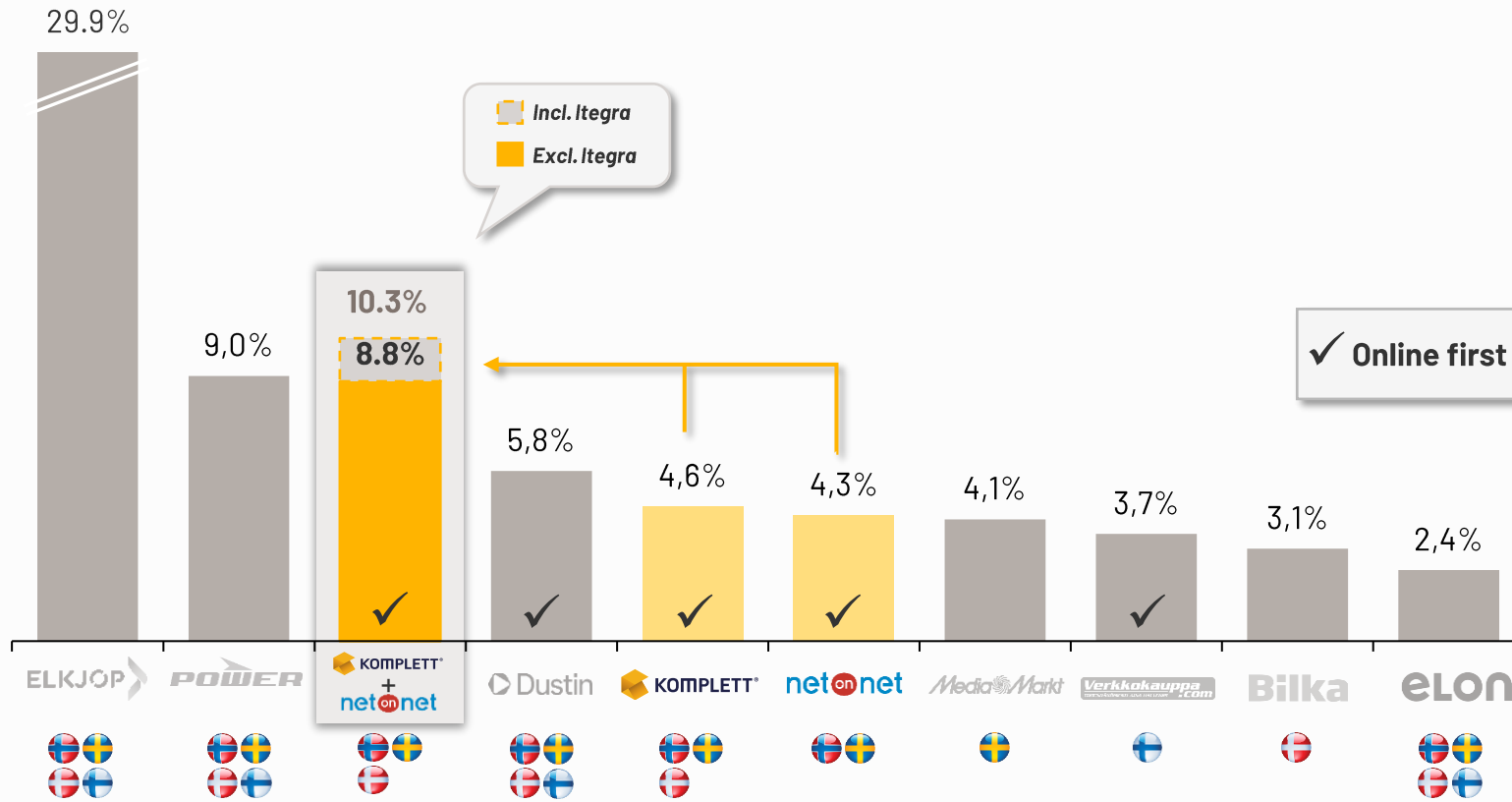


Longer-term, consumer electronics overall typically grow in line with GDP – with online at higher pace

The online-first consumer electronics champion of the Nordics

The largest online-first electronics retailer in the Nordic area

Electronics and appliance market share (Nordics)(2020)¹⁾



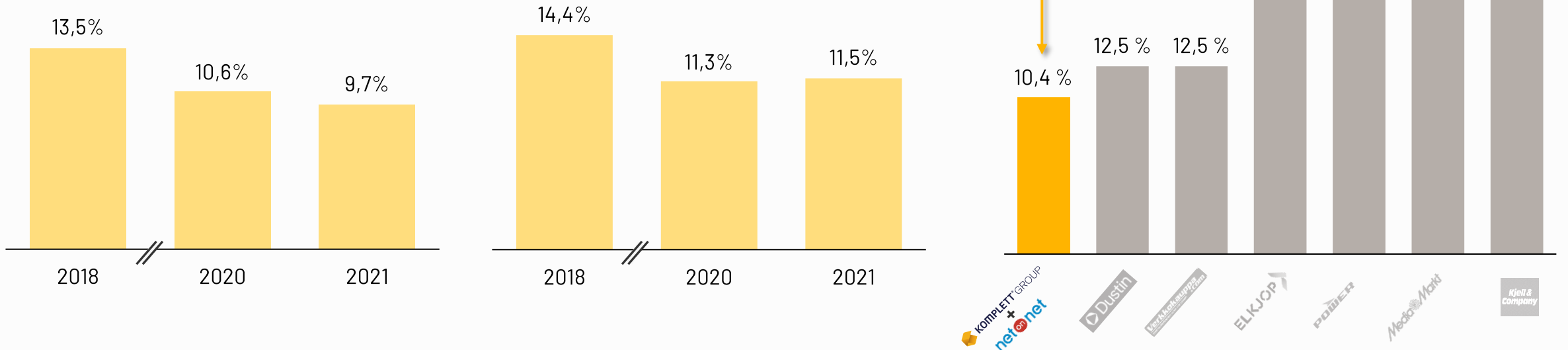
Significant synergies expected

NOK >200m

cost synergies with full effect within 24 months

Proven scalability with superior cost positions

Operating expenses % of revenue¹⁾

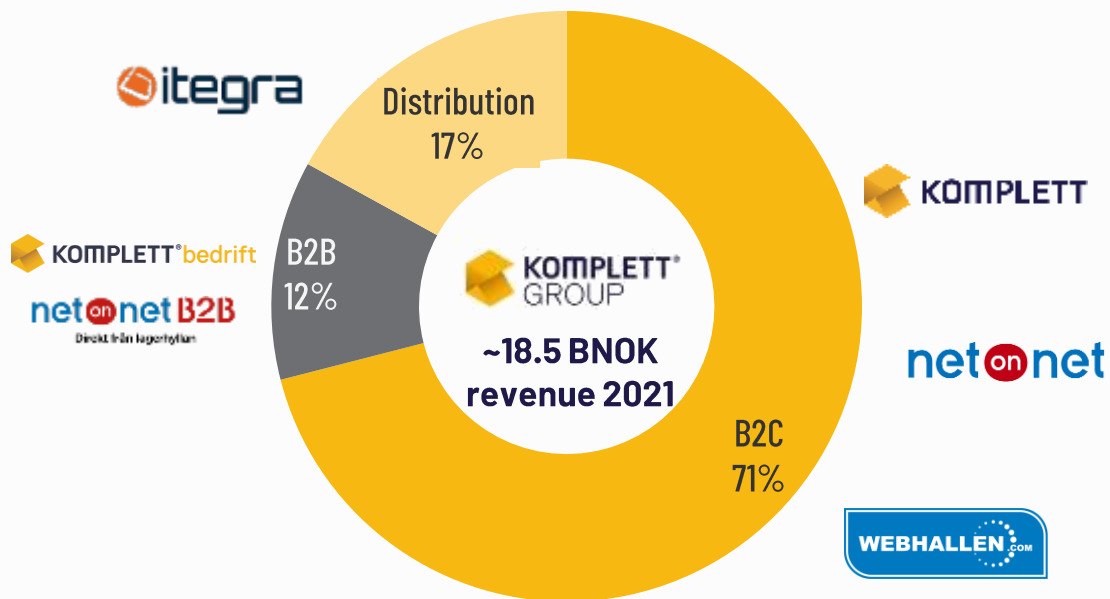


Note: Based on unaudited figures and with a SEK/NOK exchange rate of 1.0. Preliminary aggregated financials may differ from final combined pro forma figures i.a. due to potential differences in accounting policies

¹⁾ Operating expenses including depreciation. Benchmark graph shows preliminary aggregated Komplett Group and NetOnNet adjusted figures for 2021 and peer reported figures for 2020

Lower risk through multi-segment business model

Three different business units addressing differing customer needs



A combination that creates clear synergies



Lower COGS



Lower risk through multi-segment exposure



Great access to producers / products



Shared infrastructure with overlapping SKUs and reduced operating cost percentage

Priorities going forward

- Execute integration with NetOnNet
 - Continue supplier negotiations to extract synergies from NetOnNet combination
 - Secure long-term refinancing of bridge loan facility
- Maintain cost leadership position
 - Cost initiatives with gross impact of SEK 70-90 million launched in NetOnNet with effect from 2023
- Committed to continue lowering inventory and improve stock composition
- Secure a healthy balance sheet
 - Measures taken to postpone and reduce investments
 - Factoring expected to yield a further net working capital improvement of NOK 100-200 million in Q4
 - The effect is expected to increase in 2023
- Over time, the market is expected to recover and return to its attractive growth trajectory



