

First quarter results 2022

Lars Olav Olaussen, CEO

Krister Pedersen, CFO

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Highlights for the quarter:

Improved competitive advantage

- Successful combination with NetOnNet making Kompletт the leading online first electronics retailer in the Nordic region
- Sustained solid top-line growth in B2B and Distribution segments of 20.5 per cent and 19.8 per cent respectively
- B2C revenue decline of 14.6 per cent due to softer market conditions
- EBIT margin impacted by gross margin pressure
- Net improvement in operating costs despite cost inflation
- New packaging line will reduce plastic use by 17 tonnes annually



Combination with NetOnNet successfully completed



- ✓ Proven scalability
- ✓ Superior cost positions
- ✓ Strengthened competitiveness



- ✓ Attractively positioned
- ✓ Complementary strengths
- ✓ Stronger together



- ✓ Material value creation
- ✓ Cost synergies expected at NOK >200m p.a.

An online-first consumer electronics champion of the Nordics

New executive management following combination with NetOnNet



Lars Olav Olaussen
CEO



Martin Klafstad
MD Komplet



Susanne Holmström
MD NetOnNet,
Deputy CEO



Anders Torell
MD Webhallen



Roger Sandberg
Chief Procurement
Officer



Trine Lise Jensen
Group SC/IT Program



Kristin Torgersen
Chief HR Officer



Krister Pedersen
Chief Financial
Officer

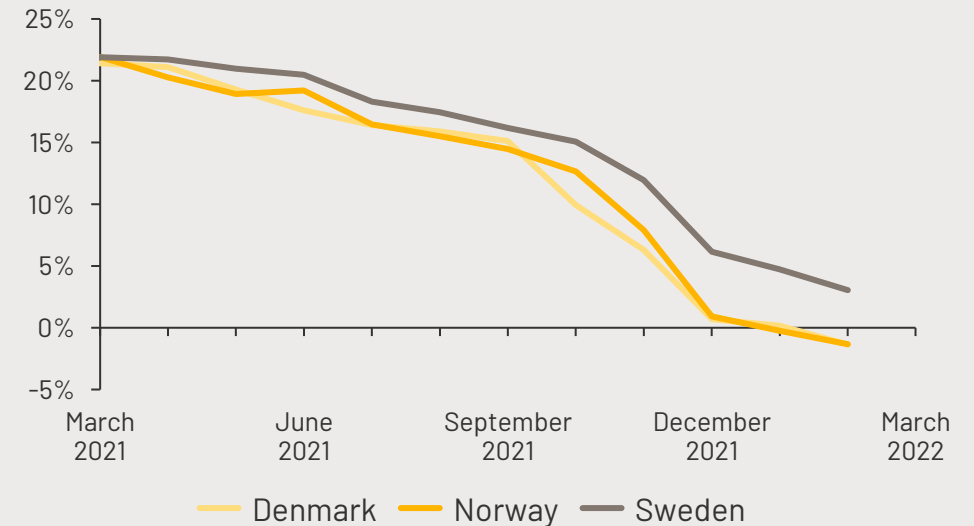
Softer market conditions in B2C – strong platform for value creation

- More consumer spending has moved from goods to services
- Trade has partly returned from e-commerce to physical retail as the society has re-opened
- Intense price campaign activity in the market – high inventory levels across the industry
- Softer market conditions in B2C expected to continue in the coming quarters
- Stronger and better positioned to continue gaining market shares across the Nordics

B2C Nordic electronics market

GfK Consumer Channels

LTM YoY growth in sales value in local currency (%)¹



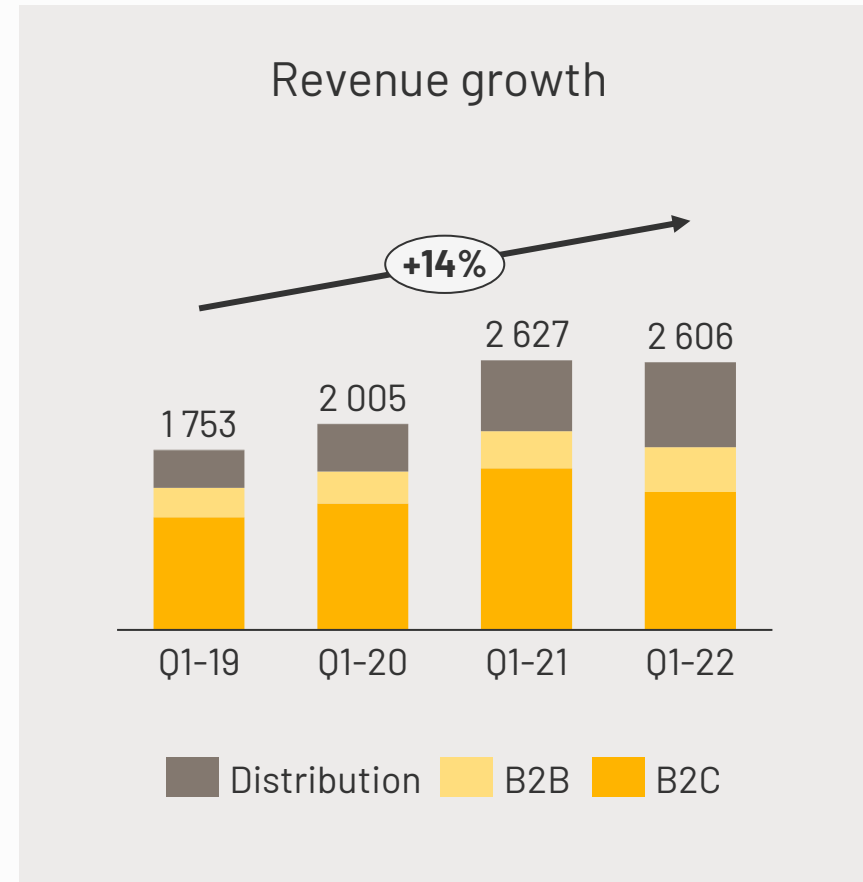
¹ December data excluded due to differences in number of shopping days in 2021 vs. 2020 covered by GfK data (34 vs. 27 days).

Note: Product groups included in data set are office equipment, information technologies, small and major domestic appliances, photo, consumer electronics and telecom.

Source: SSB; Svensk Handel; GfK.

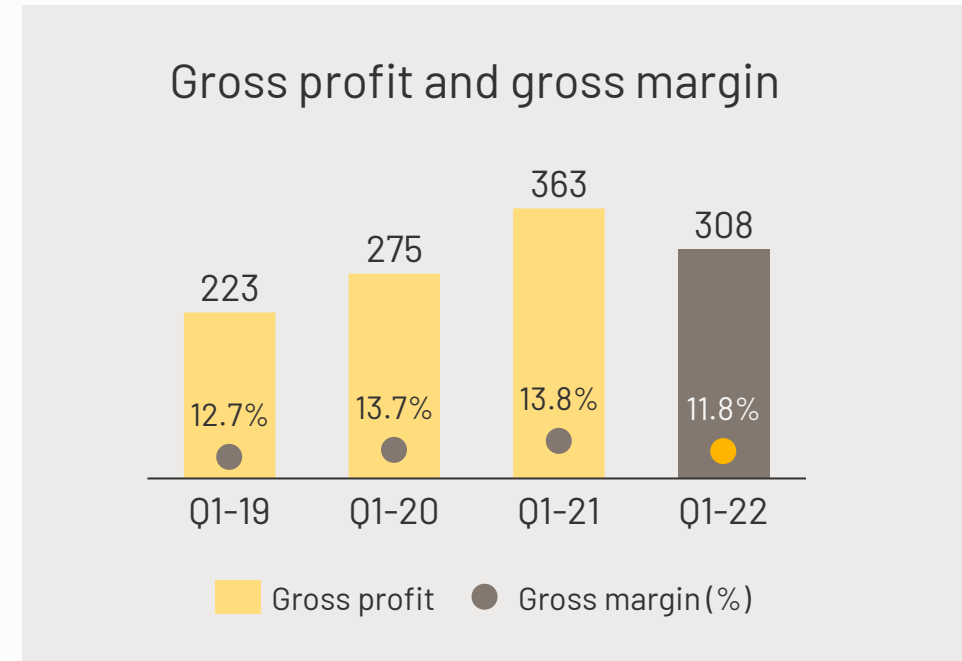
Solid revenue growth across B2B and Distribution

- Natural hedge from multi-segment business model
- Stable revenue despite headwind in B2C and following record-strong 31 per cent growth in Q1 2021
- Double-digit top-line growth in B2B and Distribution



Gross margin

- Gross margin impacted by softer market conditions in B2C, higher inventory levels and increased share of campaigns across the industry, adding pressure on sales price
- Gross profit increased across B2B and Distribution segments driven by higher sales volume
- Currency effects from a stronger NOK relative to SEK and DKK have had an estimated negative impact of NOK 17 million on gross profit
- The currency effects equal 0.7 percentage points of the gross margin decline

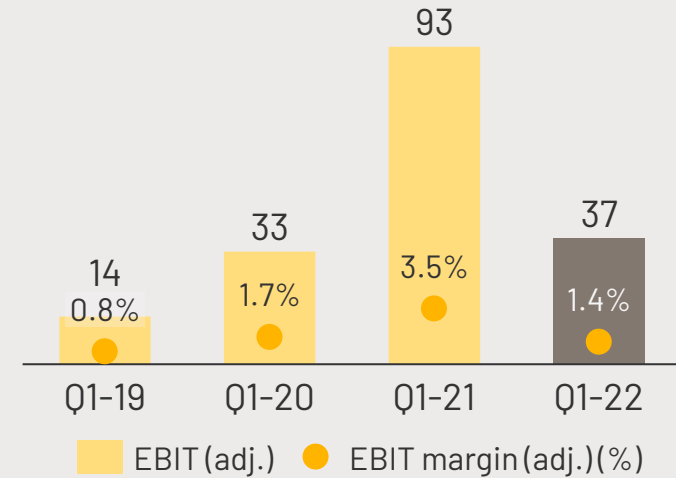


Gross margin by segment	Q1-21	Q1-22
B2C	15.9%	13.9%
B2B	18.2%	16.7%
Distribution	6.3%	5.6%

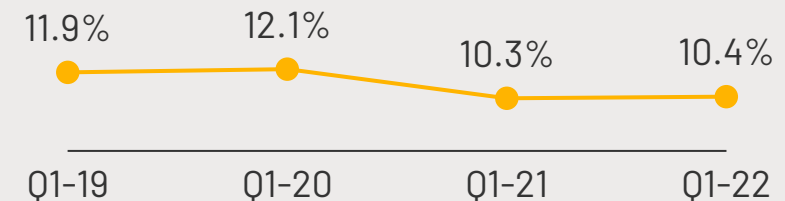
EBIT margin

- EBIT* decline mainly driven by volume decline in B2C and pressure on gross margin
- Currency effects had an estimated net negative impact of NOK 17 million on EBIT
- Negative EBIT impact of NOK 4 million related to Ironstone, and NOK 2 million from IFRS effects
- Efficient operations and good cost control led to a net reduction in operating expenses excluding Ironstone

EBIT (adj.) and EBIT margin (adj.) (%)



Operating cost percentage

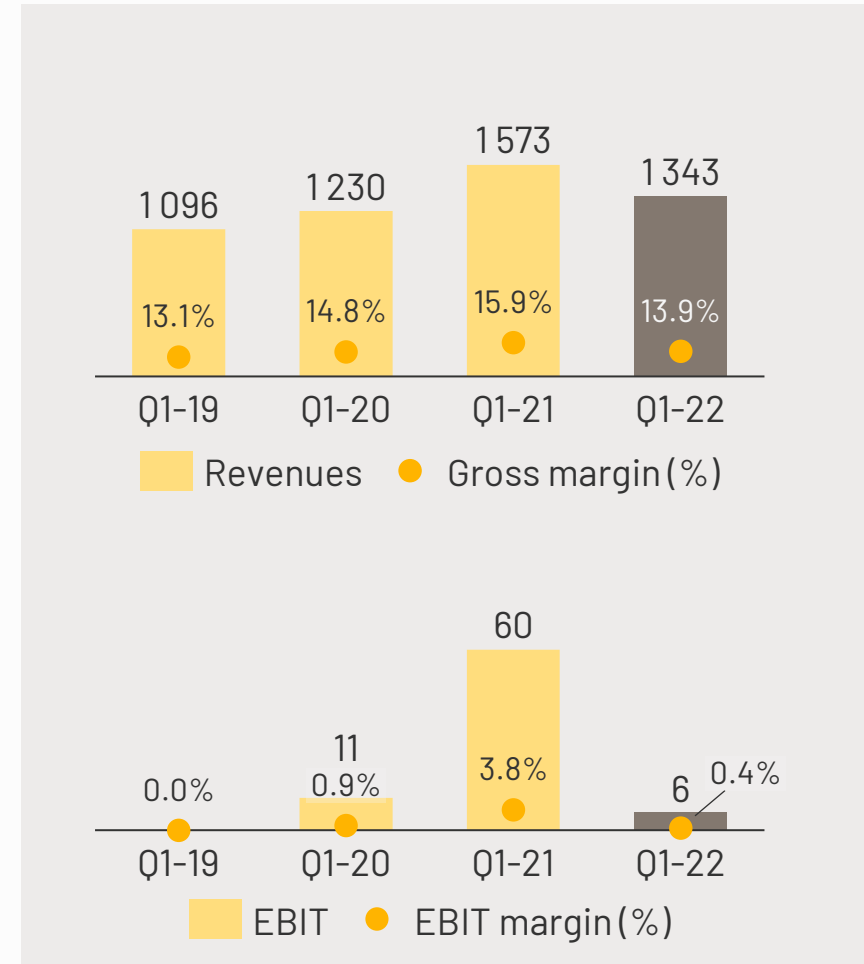


Operating cost percentage including depreciation and excluding one-offs

B2C

Well-positioned in a tougher market

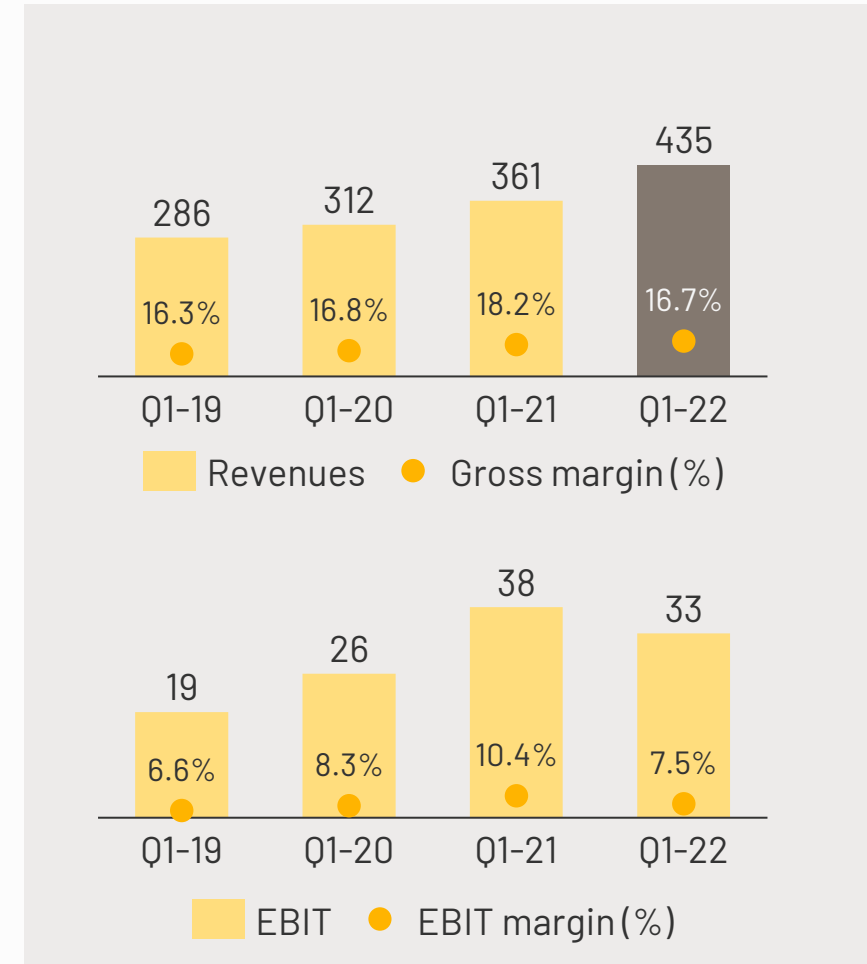
- Revenue decline following a period of unmatched growth
- Competitive market with heightened price campaign activity pressuring prices down
- EBIT decline as a result of lower revenue base, increased pressure on gross margins and estimated currency effects of NOK 10 million



B2B

Sustained growth and good cost control

- 20.5 per cent operating revenue increase driven by core product categories such as phones, monitors and PCs
- Gross margin decline is a result of product mix, negative currency effects and increased price pressure on components
- EBIT amounted to NOK 33 million, including estimated negative currency effect of NOK 3 million and negative impact of Ironstone of NOK 4 million
- EBIT margin was 7.5 per cent (8.9 per cent excl. Ironstone) compared with 10.4 per cent in the first quarter of 2021

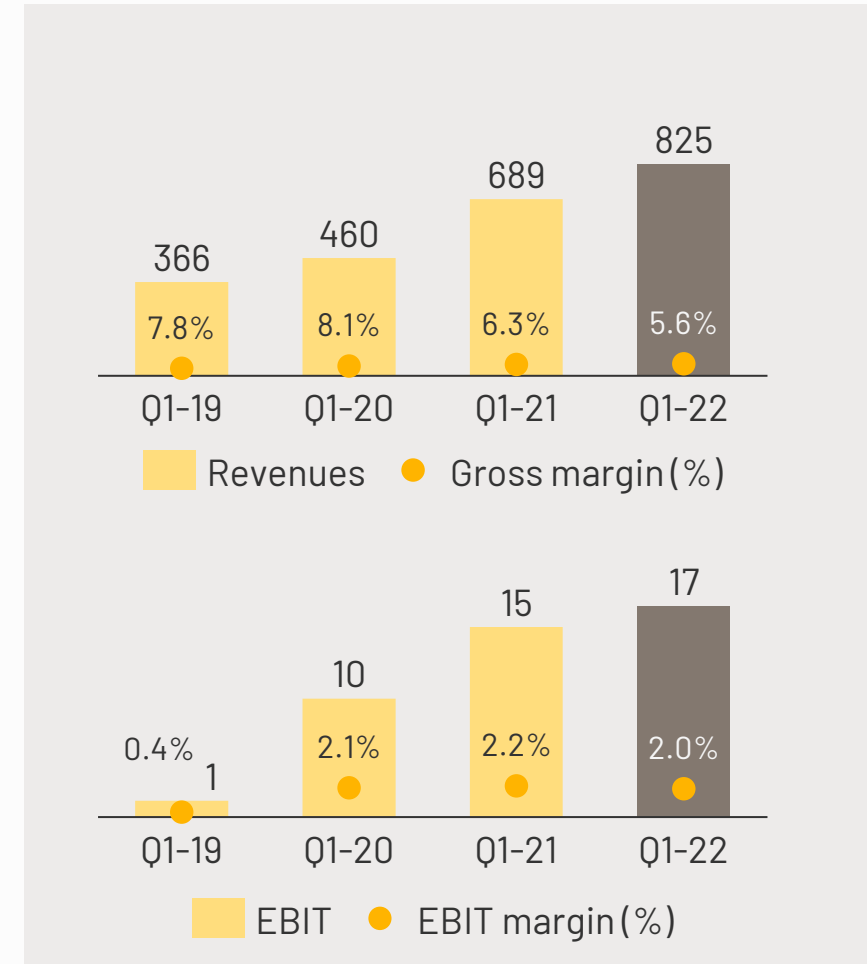


*Ironstone has been consolidated as from 1 September 2021 and accounts for NOK 22 million of revenues, NOK 4 million of gross profit and negative NOK 4 million of EBIT in Q1-22.

Distribution

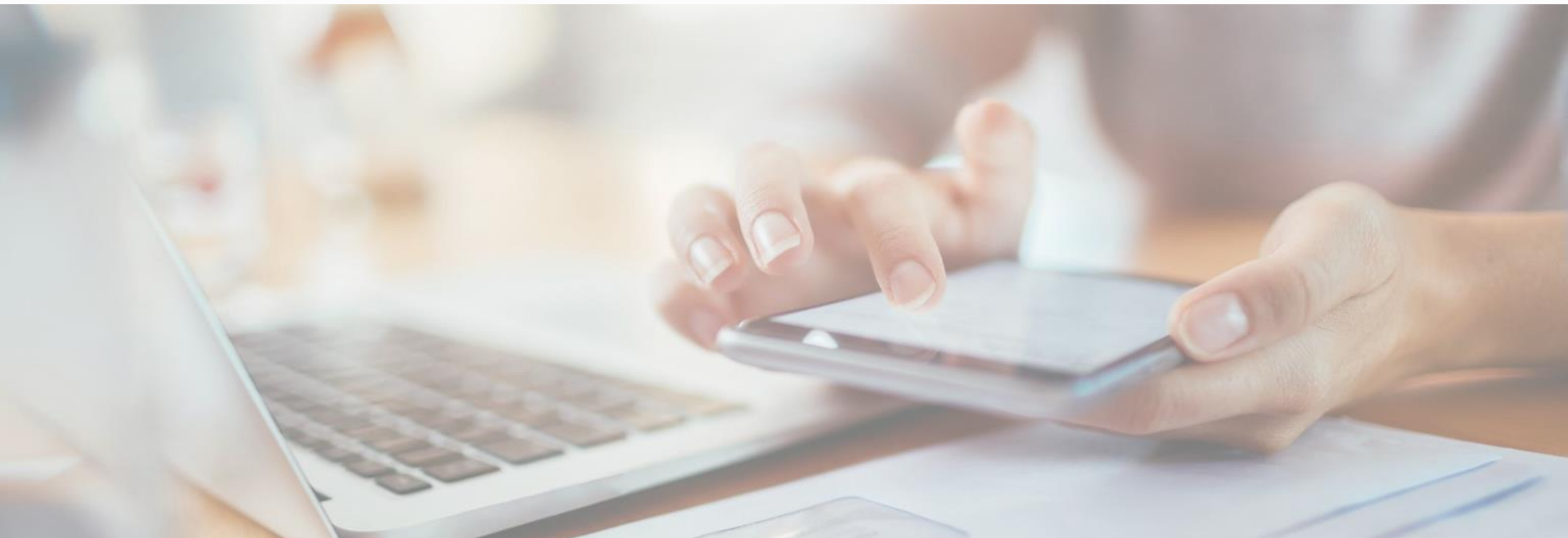
Growth and efficiency

- Another period of record-high operating revenue driven by new distribution agreements, product launches and organic growth
- Gross profit amounted to NOK 46 million, and was mainly driven by increased sales, and partly offset by negative currency effects
- Gross margin came down mainly due to currency effects, as well as product mix
- EBIT remained strong at NOK 17 million but was impacted by an estimated currency effect of NOK 4 million



| Financial performance

Krister Pedersen, CFO



Profit and loss

- Revenues declined 0.8 per cent in the first quarter
- Higher cost of goods sold driven by sales growth in B2B and Distribution, combined with lower gross margin and negative currency effects
- Adjusted for one-off costs and the effect from Ironstone, the Group achieved a net decline in operating expenses of NOK 9 million
- The one-off cost is related to the transaction with NetOnNet. Expect additional cost of around NOK 25-30 million in the second quarter
- Tax expenses increased from last year as the first quarter of 2021 included a positive tax effect from a settlement with the tax authorities in Norway and Sweden
- Profit for the period impacted by pressure on gross margins, negative currency effects and increased one-off costs

	Q1 2022	Q1 2021	FY 2021
Operating revenue	2 606	2 627	11 043
EBIT (adj.)	37	93	388
One-off cost	-18	-2	-19
EBIT	20	90	369
Net financials	-9	-4	-22
Profit before tax	11	86	347
Tax expense	-4	8	-48
PROFIT FOR THE PERIOD	7	95	300

Cash flow & working capital

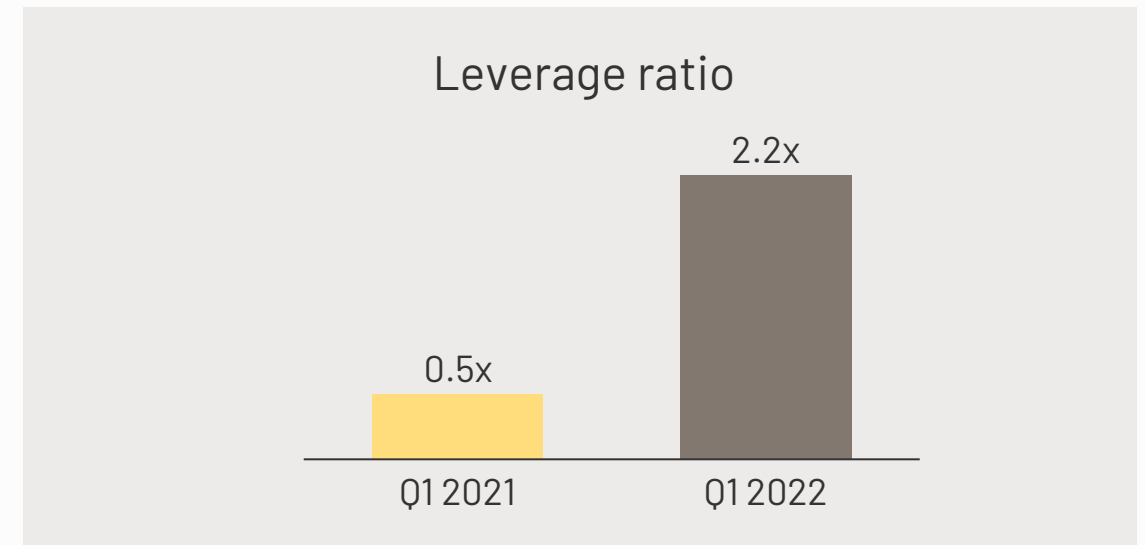
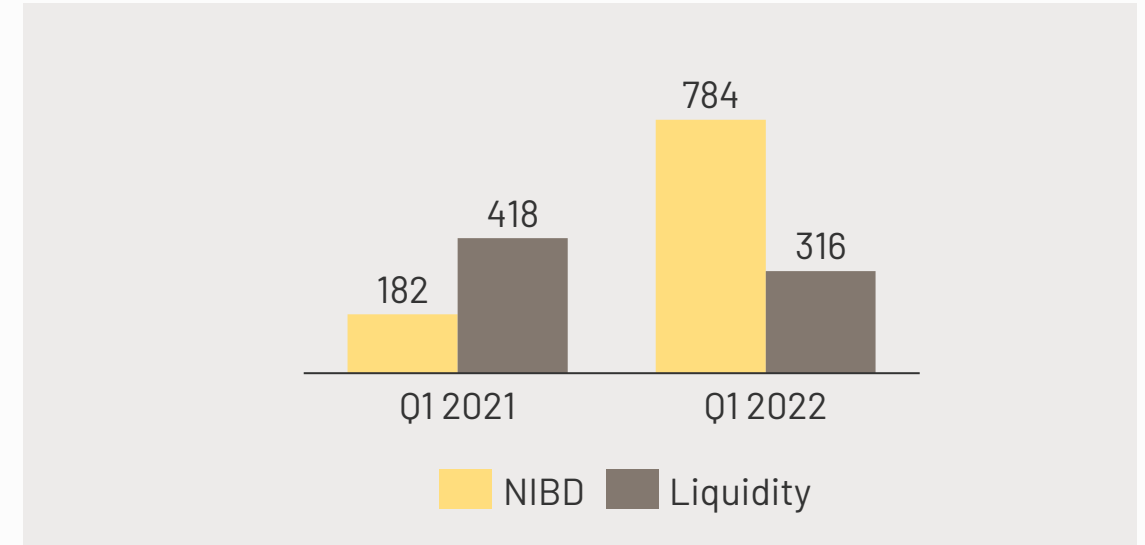
- Cash flow from operating activities amounted to negative NOK 158 million, a result of increased net working capital, driven by decreased trade payables
- Cash flow from investing activities increased as a result of more investments in IT and supply chain projects
- Cash flow from financing activities was NOK 171 million, an increase from the same period last year due to increased utilisation of financial facilities

Cash flow	Q1 2022	Q1 2021	FY 2021
Net cash from operating activities	-158	-155	65
Net cash used in investing activities	-31	-10	-114
Net cash (used in)/from financing activities	171	129	36
Net increase in cash and cash equivalents	-18	-35	-12

Change in net working capital	Q1 2022	Q1 2021	FY 2021
Change in inventory	-223	130	425
Changes in trade receivables - regular	-68	-39	186
Changes in payables	451	211	-190
Changes in other assets and liabilities	61	-	35
Change in net working capital	222	302	455

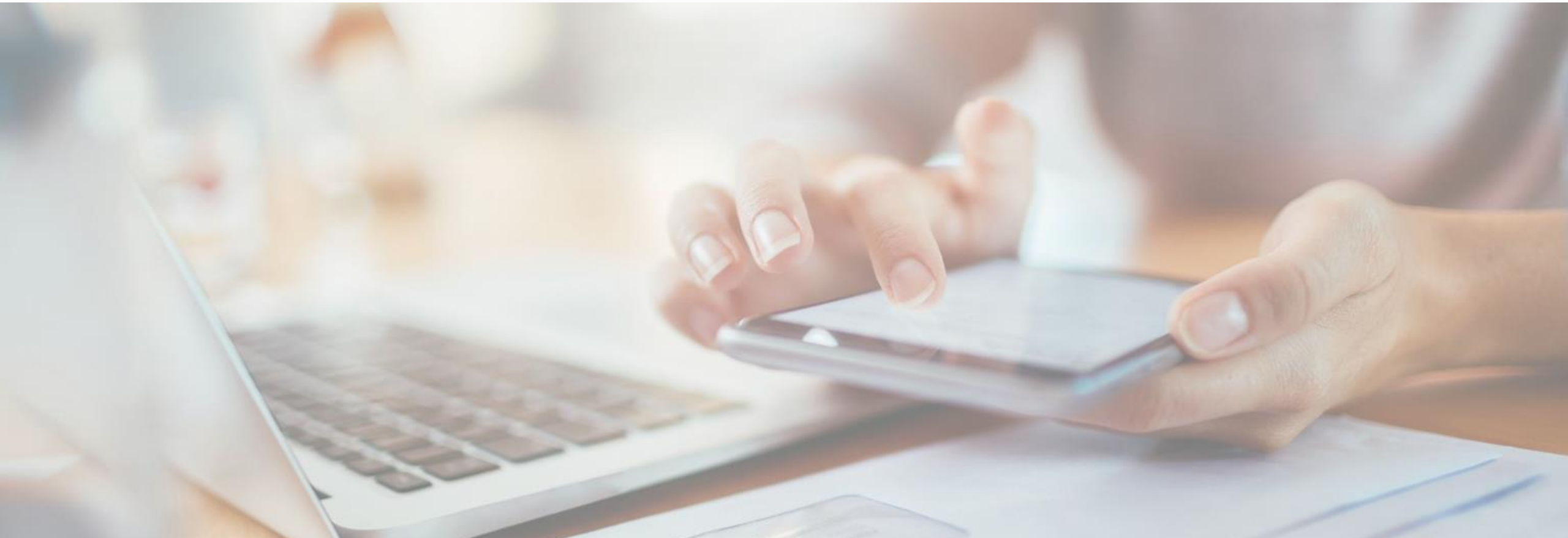
Financial position

- The inventory is still too high and the accounts payable is too low
- The liquidity reserve was NOK 316 million at the end of the first quarter compared with NOK 418 million one year earlier
- Net interest-bearing debt was NOK 784 million equalling a leverage ratio (NIBD / LTM EBITDA¹) of 2.2x at the close of the first quarter of 2022



| Summary and outlook

Lars Olav Olaussen, CEO



Key takeaways

- Solid progress on strategic initiatives
 - New packaging line will reduce plastic use by 17 tonnes annually
 - Combination with NetOnNet made Komplett the leading online-first electronics retailer in the Nordic region
- Sustained top line performance due to multi-channel business model
- Net improvement in operating costs despite cost inflation
- Softer market conditions in B2C expected to continue in the coming quarters
- Stronger and better positioned to continue gaining market shares across the Nordics





KOMPLETT® GROUP



Alternative Performance Measures (APMs)

The APMs used by Komplet Group are set out below (presented in alphabetical order):

EBIT adjusted: Derived from Financial Statements as operating result (EBIT) excluding one-off costs. The Group has presented this item because it considers it to be a useful measure to show Management's view on the efficiency in the profit generation of the Group's operations before one-off items.

Reconciliation

	Q1'22	Q1'21	FY'21
Total Operating revenue	2 606	2 627	11 043
EBIT	20	90	369
+ One-off cost	18	2	19
= EBIT adjusted	37	93	388
EBIT Margin adjusted	1,4 %	3,5 %	3,5 %

EBIT Margin: Operating result (EBIT) as a percentage of total operating revenue. The Group has presented this item because it considers it to be a useful measure to show Management's view on the efficiency in the profit generation of the Group's operations as a percentage of total operating revenue.

Reconciliation

	Q1'22	Q1'21	FY'21
Total Operating revenue	2 606	2 627	11 043
EBIT	20	90	369
EBIT margin	0,8 %	3,4 %	3,3 %

EBIT Margin adjusted: EBIT adjusted as a percentage of total operating revenue. The Group has presented this item because it considers it to be a useful measure to show Management's view on the efficiency in the profit generation of the Group's operations before one-off items as a percentage of total operating revenue.

Reconciliation - see above under EBIT adjusted

EBITDA excl. impact of IFRS-16: Derived from Financial Statements as the sum of operating result (EBIT) plus the sum of depreciation and amortisation for the segments B2C, B2B, Distribution and Other. The Group has presented this item because it considers it to be a useful measure to show Management's view on the overall picture of operational profit and cash flow generation before depreciation and amortisation in the Group's operations, excluding any impact of IFRS-16.

Reconciliation

	Q1'22	Q1'21	FY'21
EBIT	20	90	369
- EBIT - IFRS 16	-2	-2	-9
+ Dep B2C, B2B, Dist. Other	14	17	64
= EBITDA excl IFRS 16	32	105	424

Gross Margin: Gross Profit (as defined below) as a percentage of total operating revenue. The Group has presented this item because it considers it to be a useful measure to show Management's view on the efficiency of gross profit generation of the Group's operations as a percentage of total operating revenue.

Reconciliation - see below under Gross Profit

Gross Profit: Total operating revenue less cost of goods sold. The Group has presented this item because it considers it to be a useful measure to show Management's view on the overall picture of profit generation before operating costs in the Group's operations.

Reconciliation

	Q1'22	Q1'21	FY'21
Total Operating revenue	2 606	2 627	11 043
- Cost of goods sold	-2 298	-2 264	-9 581
= Gross Profit	308	363	1 462
Gross Margin	11,8 %	13,8 %	13,2 %

Net Interest-Bearing Debt: Interest-bearing liabilities less cash and cash equivalents. The Group has presented this item because Management considers it to be a useful indicator of the Group's indebtedness, financial flexibility and capital structure.

Reconciliation

	Q1'22	Q1'21	FY'21
Long-term loans	400	-	400
+ Bank overdraft	407	200	207
- Cash/cash equivalents	-23	-19	-41
= Net Int.Bear. Debt	784	182	566

Net Working Capital: Working capital assets, comprising inventories plus total current receivables less trade receivables from deferred payment arrangements less current lease receivables, less working capital liabilities, comprising total current liabilities less current lease liabilities less bank overdraft. Management considers it to be a useful indicator of the Group's capital efficiency in its day-to-day operational activities.

Reconciliation

	Q1'22	Q1'21	FY'21
Inventories	1 083	1 010	1 305
+ Total Curr. receivables	1 079	819	1 152
- Deferred payment	-112	-132	-130
- Curr. lease receivables	-12	-11	-12
- Total curr. liabilities	-1 690	-1 502	-1 984
+ Curr. lease liabilities	87	82	80
+ Bank overdraft	407	200	207
= Net Working Capital	841	465	619

Operating Cost Percentage (adj.): Total operating expenses less cost of goods sold and One-off cost as a percentage of total operating revenue. The Group has presented this item because Management considers it to be a useful measure of the Group's efficiency in operating activities.

Reconciliation

	Q1'22	Q1'21	FY'21
Total Operating revenue	2 606	2 627	11 043
Total operating exp.	2 587	2 536	10 674
- Cost of goods sold	-2 298	-2 264	-9 581
- One-off cost	-18	-2	-19
= Total operating expenses (adj.)	271	270	1 074
Operating Costs %	10,4 %	10,3 %	9,7 %

Operating Free Cash Flow: EBITDA excl. impact of IFRS16 less investment in property, plant and equipment, less change in Net Working Capital less change in trade receivable from deferred payment arrangements. The Group has presented this item because Management considers it to be a useful measure of the Group's operating activities' cash generation.

Reconciliation

	Q1'22	Q1'21	FY'21
EBITDA excl IFRS 16	32	105	424
- Investments	-30	-10	-56
+/- Change in Net Working Capital	-222	-302	-455
+/- Change in deferred payment	17	20	22
= Operating Free Cash Flow	-204	-186	-65

Total operating expenses (adj.): Total operating expenses less cost of goods sold and One-off cost. The Group has presented this item because Management considers it to be a useful measure of the Group's efficiency in operating activities.

Reconciliation - see above under Operating Cost Percentage

 **KOMPLETT[®]GROUP** + **netonnet**



Pro forma figures

Komplett + NetOnNet pro forma key figures

Key figures Q1 2022

	Pro forma Group	Komplett	NetOnNet	Adjustment
Amounts in NOK million	Q1 2022	Q1 2022	Q1 2022	Q1 2022
Operating revenue	4 076	2 606	1 470	-
Growth (%)	-5.2%	-0.8%	-12.0%	-
Gross profit ¹	529	308	220	-
Gross margin (%) ¹	13.0%	11.8%	15.0%	-
Operating expenses (ex dep and one-off)(adj.)	-421	-240	-181	-
Depreciation and amortisation	-77	-31	-32	-15
Total operating expenses (adj.)	-499	-271	-213	-15
Operating Cost Percentage (adj.) ¹	-12.2%	-10.4%	-14.5%	-
EBIT (adj.) ¹	30	37	7	-15
EBIT margin (adj.) (%)¹	0.7%	1.4%	0.5%	-
One-off cost	-22	-18	-4	-
EBIT	9	20	4	-15
Net financials	-24	-9	-2	-12
Profit before tax	-15	11	1	-27
Profit before tax (%)	-0.4%	0.4%	0.1%	-

Key figures Q1 2021

	Pro forma Group	Komplett	NetOnNet	Adjustment
Amounts in NOK million	Q1 2021	Q1 2021	Q1 2021	Q1 2021
Operating revenue	4 298	2 627	1 671	-
Growth (%)	32.8%	31.0%	35.6%	-
Gross profit ¹	657	363	294	-
Gross margin (%) ¹	15.3%	13.8%	17.6%	-
Operating expenses (ex dep and one-off)(adj.)	-438	-237	-201	-
Depreciation and amortisation	-81	-33	-33	-15
Total operating expenses (adj.)	-519	-270	-234	-15
Operating Cost Percentage (adj.) ¹	-12.1%	-10.3%	-14.0%	-
EBIT (adj.) ¹	138	93	60	-15
EBIT margin (adj.) (%)¹	3.2%	3.5%	3.6%	-
One-off cost	-2	-2	-	-
EBIT	136	90	60	-15
Net financials	-16	-4	0	-12
Profit before tax	120	86	60	-27
Profit before tax (%)	2.8%	3.3%	3.6%	-

Komplett + NetOnNet pro forma IFRS P&L

Q1 2022
Incl IFRS

	Pro forma Group	Komplett	NetOnNet	Adjustment
<i>Amounts in NOK million</i>	Q1 2022	Q1 2022	Q1 2022	Q1 2022
Revenues from sale of goods	4 025	2 558	1 468	-
Other operating income	51	49	2	-
Total operating income	4 076	2 606	1 470	-
Cost of goods sold	-3 548	-2 298	-1 250	-
Employee benefit expenses	-245	-136	-109	-
Depreciation and amortisation expense	-77	-31	-32	-15
Other operating expenses	-198	-122	-76	-
Total operating expenses	-4 068	-2 587	-1 466	-15
OPERATING RESULT	9	20	4	-15
Net finance income and expenses	-24	-9	-2	-12
PROFIT BEFORE TAX	-15	11	1	-27
Tax expense	3	-4	1	6
PROFIT FOR THE PERIOD	-12	7	2	-21

Q1 2021
Incl IFRS

	Pro forma Group	Komplett	NetOnNet	Adjustment
<i>Amounts in NOK million</i>	Q1 2021	Q1 2021	Q1 2021	Q1 2021
Revenues from sale of goods	4 269	2 601	1 669	-
Other operating income	29	26	2	-
Total operating income	4 298	2 627	1 671	-
Cost of goods sold	-3 641	-2 264	-1 377	-
Employee benefit expenses	-243	-126	-117	-
Depreciation and amortisation expense	-81	-33	-33	-15
Other operating expenses	-197	-113	-84	-
Total operating expenses	-4 162	-2 536	-1 611	-15
OPERATING RESULT	136	90	60	-15
Net finance income and expenses	-16	-4	0	-12
PROFIT BEFORE TAX	120	86	60	-27
Tax expense	3	8	-11	6
PROFIT FOR THE PERIOD	122	95	49	-21



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