

Highlights

Sustained EBIT of NOK 118 million, with operating revenue down 4 per cent to NOK 3 292 million

B2C revenue declined due to softer market, following a record fourth quarter in 2020 and supply constraints

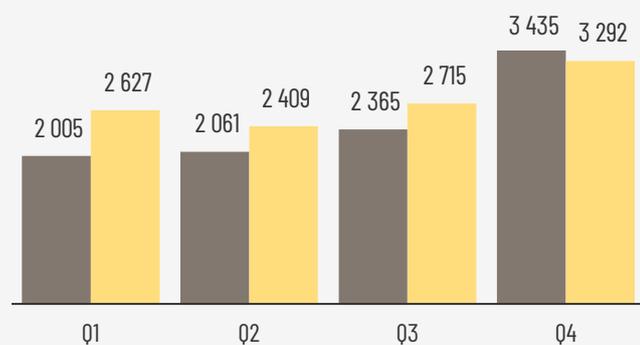
Record quarter for both the B2B and Distribution segments

Continued cost leadership position with operating cost at 9.2 per cent of revenues combined with improved gross margin resulted in increased EBIT margin

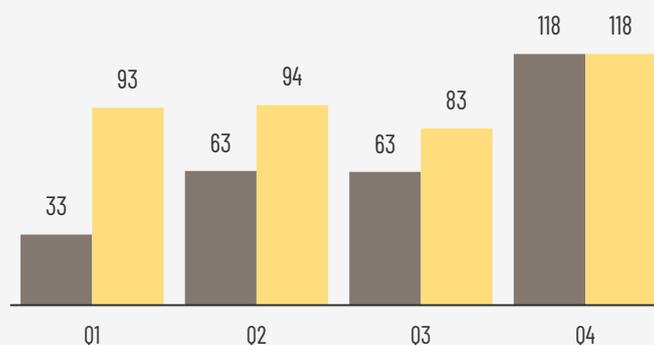
Proposed dividend per share of NOK 2.90 for 2021



Operating revenue



EBIT (adj.)¹



2020 2021

¹Alternative performance measure (APMs)

| CEO comments

The fourth quarter of 2021 concluded a milestone year for Komplet. Komplet was reintroduced on the stock exchange, we celebrated our 25th anniversary as an online retailer and, most importantly, we continued to strengthen our position as the leading ecommerce player in the Nordics.

In 2018, we launched our “back to core” strategy and went back to our roots as a pure-play online retailer of electronic goods and services. Since then, we have been the fastest-growing player in the Nordics. Over a two-year time period, we have outperformed the market by growing revenues by 46 per cent, while at the same time utilising our scalable business model to achieve a cost leadership position.

Overall, there is positive momentum in the ecommerce market, and, despite headwinds from supply chain constraints and a components shortage, we saw 12 per cent revenue growth in 2021. This growth was primarily driven by strong progress across the B2B and Distribution segments. In the B2C segment, revenues fell back in the fourth quarter following a period of record-high demand. This segment, specifically the gaming and components categories, has been largely hit by the aforementioned supply chain challenges.

We continued to strengthen our cost leadership position throughout 2021. The Group’s highly scalable business model and increased business efficiency resulted in operating costs of 9.7 per cent of revenues for 2021, corresponding to an improvement of 0.9 percentage points from 2020.

This translated into a 41 per cent adjusted EBIT growth.

As mentioned, this year also marks the Group’s listing on the Oslo Stock Exchange, which took place in June. Since then, we successfully acquired 65 per cent of the shares in Ironstone Holding AS, a leading supplier of cloud-based IT solutions and services. This strategic move is already benefitting customers and has reinforced our offering in the growing service segment.

It has been an exciting year for the Group, and I would like to thank all employees, customers, suppliers and partners for their hard work and support.

Looking ahead, we anticipate the online migration to continue, and we are well positioned to continue to increase our share of the market. While the underlying drivers of our business remain strong, we expect the ongoing supply chain constraints to continue to impact market dynamics also in 2022, especially within gaming and components. Our exposure is however balanced by the natural hedge of our multi-channel business model.

Supported by our strong commercial execution and efficient, scalable business model, we will continue to capitalise on our position as the leading Nordic online first retailer.

Yours sincerely,

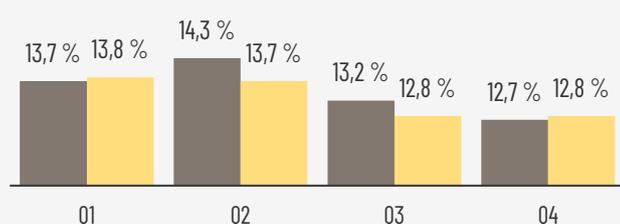
Lars Olav Olaussen, CEO

Komplett Group Key figures

Amounts in NOK million	Quarter		Full year	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenue	3 292	3 435	11 043	9 866
Growth (%)	-4,2 %	40,7 %	11,9 %	30,8 %
Gross profit ¹	421	435	1 462	1 318
Gross margin (%) ¹	12,8 %	12,7 %	13,2 %	13,4 %
Operating expenses (ex dep) (adj.) ¹	-270	-281	-945	-905
Depreciation and amortisation	-32	-36	-129	-137
Total operating expenses (adj.) ¹	-302	-317	-1 074	-1 042
Operating cost percentage ¹	-9,2 %	-9,2 %	-9,7 %	-10,6 %
EBIT (adj.) ¹	118	118	388	276
EBIT margin (adj.) (%) ¹	3,6 %	3,4 %	3,5 %	2,8 %
One-off cost	-3	-	-19	-
EBIT	115	118	369	276
Net financials	-7	-9	-22	-24
Profit before tax	108	109	347	253
Profit before tax (%) ¹	3,3 %	3,2 %	3,1 %	2,6 %
Investments (capex)	14	10	56	39
Net Interest bearing debt ¹	566	-6	566	-6
Operating free cash flow ¹	19	376	-65	382

¹ Alternative performance measure (APMs)

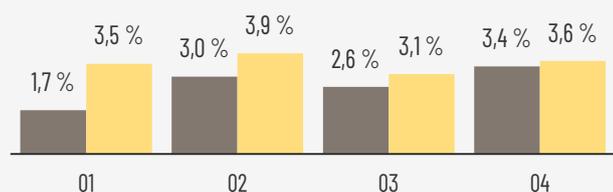
Gross margin



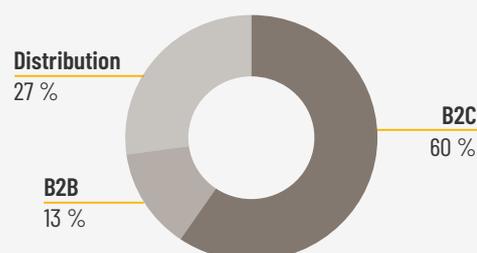
Operating cost percentage



EBIT margin (adj.)¹



Size per segment in Q4 2021



2020 2021

Increased profitability despite B2C headwind

In the fourth quarter of 2021, the Komplet Group improved the adjusted EBIT margin to 3.6 per cent, up from 3.4 per cent one year earlier. While both the B2B and the Distribution segments delivered record quarterly revenues and operating results, the B2C segment revenue was impacted by challenging comparisons, component shortages and supply constraints in key categories which led to a revenue decline in this segment of 12 per cent. Total revenue for the Group in the fourth quarter was NOK 3 292 million, a four per cent reduction from the fourth quarter of 2020. By achieving slightly higher gross margins and reducing operating expenses, the Komplet Group succeeded in delivering EBIT numbers at the same level as in the fourth quarter of 2020.

For 2021 in total, the Group increased revenues to NOK 11.0 billion, corresponding to a 12 per cent growth from the year before, while adjusted EBIT increased 41 per cent to NOK 388 million. On a 2 year basis, annual revenues increased with 46 per cent. Both the B2B and the Distribution segments passed significant milestones in yearly revenues, with B2B surpassing NOK 1.5 billion and Distribution surpassing NOK 3 billion.

B2B and Distribution hits records - B2C experienced a softer market

The Group's revenue declined by 4 per cent in the fourth quarter of 2021, from NOK 3 435 million to NOK 3 292 million. This decline follows heightened activities across 2020, which led to 41 per cent growth last year. The B2B and Distribution segments grew by 15 and 8 per cent, respectively, while the B2C segment declined by 12 per cent. Both the B2B and the Distribution segment achieved record-high quarterly revenues. Both segments achieved a significant milestone in 2021 by surpassing NOK 1.5 billion and NOK 3 billion in yearly revenues, respectively. The B2B segment was particularly successful in growing the average order value and order value per customer. The Distribution segment's growth was driven by a new distribution agreement in 2021 and new product launches. The B2C segment was impacted by softer market conditions in comparison to the fourth quarter in 2020, in addition to supply chain constraints in some categories.

Gross margin keeping up in a more competitive environment

Gross profit for the fourth quarter decreased from NOK 435 million last year to NOK 421 million in 2021 and was mainly driven by reduced revenues. The overall gross margin increased from 12.7 per cent in the fourth quarter of 2020 to 12.8 per cent this year and was mainly driven by higher margins in the B2B and Distribution segments, where gross margins increased by 1.3 and 0.3 percentage points, respectively. In the B2C segment, gross margin remained stable at 14.1 per cent compared to the same quarter prior year.

For the full-year period, gross profit amounted to NOK 1 462 million, with a gross margin of 13.2 per cent, compared with 13.4 per cent one year earlier.

Cost efficiency

Operating expenses, including depreciation but excluding one-off costs, decreased from NOK 317 million last year to NOK 302 million in the fourth quarter, equaling a decrease of 4.7 per cent. In parallel with reduced revenue, the Group succeeded in reducing costs. Accordingly, quarterly operating expenses as a percentage of revenue remained the same as last year at 9.2 per cent. This shows the scalability of the business model whereby the Group is able to adjust operating expenses to be in line with the revenue development.

Total operating expenses for 2021 amounted to NOK 1 074 million, resulting in an operating cost percentage of 9.7 per cent for the full-year period.

EBIT margin improvement

Adjusted EBIT was NOK 118 million in the fourth quarter of 2021, the same as last year's fourth quarter, and was mainly impacted by decreased revenue but offset by higher gross margins and cost control of operating expenses. Adjusted EBIT margin increased to 3.6 per cent in the fourth quarter from 3.4 per cent in the same quarter of last year. EBIT margin improved in B2B and Distribution but was down for the B2C segment due to decreased revenue.

This gave an adjusted EBIT for 2021 of NOK 388 million, corresponding to an adjusted EBIT margin of 3.5 per cent for the year, up from 2.8 per cent in 2020.

One-off costs amounted to NOK 3 million for the quarter and NOK 19 million for the full-year period and included costs related to the listing process and M&A.

Cashflow and financial position

Cash flow from operating activities was NOK 53 million in the fourth quarter compared to NOK 394 million in the same quarter last year. The change in net cash flow from operating activities was primarily a result of increased net working capital, compared to a significant reduction in the same period of 2020. The increase in net working capital for the fourth quarter of 2021 was due to increased levels of inventory and trade receivables, partly offset by increased trade payables.

Full-year cash flow from operating activities totalled NOK 65 million, compared with NOK 472 million in 2020.

The main reason for the reduced net working capital in 2020 was the lower inventory levels at year-end, caused by higher sales and shorter visibility in terms of supplies, while 2021 was characterised by lower sales and higher inventory at year end to ensure delivery capabilities. However, the inventory remains healthy. With continuing revenue growth in the B2B and Distribution segments, the receivables from customer credit terms increased in the fourth quarter. Net working capital remained higher due to this effect, however with marginal losses on account receivables.

Cash flow used for investing activities was NOK 14 million in the fourth quarter, up from NOK 10 million in the same quarter in the prior year. The change in investing activities came from investments in IT and supply chain projects.

For the full-year period, cash flow used for investments was NOK 114 million, including the acquisition of Ironstone.

Cash flow from financing activities was a negative NOK 30 million during the fourth quarter, compared to a negative NOK 342 million in the same quarter prior year. The utilisation of the bank overdraft facility remained almost at the same level during the fourth quarter of 2021, while the Group made a larger down payment of the bank overdraft in the same period last year.

Cash flow from financing in 2021 was positive by NOK 36 million, representing a cash inflow, compared with a net outflow of NOK 430 million in 2020, due to down payment of the bank overdraft.

The equity ratio was 23.2 per cent at the end of the fourth quarter compared to 33.5 per cent at year-end 2020. The reduction is related to dividend pay-out of NOK 400 million.

Overall, liquidity continues to be solid. Total credit facilities include an overdraft of NOK 500 million and SEK 100 million, in addition to a revolving credit facility of NOK 500 million. At the end of the fourth quarter, NOK 207 million of the overdraft facilities and NOK 400 million of the revolving credit facility were utilised. Including available cash of NOK 41 million, the liquidity reserve was NOK 534 million at the end of fourth quarter compared to NOK 606 million one year earlier. Net interest-bearing debt was NOK 566 million equaling a leverage ratio (NIBD / LTM EBITDA¹) of 1.3x at the close of the fourth quarter of 2021. At year-end 2020, the Group was cash positive with no interest-bearing debt.

¹Alternative performance measure (APMs)

Significant
economies of scale

36% growth in sales
of private label products

Q4 2021 compared to same period 2020

Normalised retail
shopping conditions 

2-year **growth** for the
Group at 46 per cent
from FY19 to FY21

Nearly **700 000** unique B2C
customers in Q4 2021

| B2C Softer market conditions



Revenue

Operating revenues for the B2C segment in the fourth quarter was NOK 1 957 million, compared to NOK 2 224 million for the same period in 2020. This corresponds to a 12 per cent decrease, following a record fourth quarter of 2020 at 33 per cent growth. Norway and Sweden had a revenue decline of 4 per cent and 10 per cent, respectively. Denmark, which represents approximately 5 per cent of the B2C sales volume, had a decline of 33 per cent. This is a result of the Group not having strong enough product offerings and marketing campaigns in the Danish market.

The fourth quarter was characterised by increased campaign activity. Compared to the fourth quarter in 2020, physical stores in general had few restrictions and were primarily open, which meant that the competitive advantage of the online shopping channel was not as strong in the fourth quarter of 2021. The B2C segment was also impacted by supply chain constraints, components shortages, and softer market conditions compared with the same quarter last year. Demand was particularly strong in the Handheld and White Goods categories.

For 2021 in total, the B2C segment revenues increased 4 per cent from 2020.

Gross profit

Gross profit was NOK 276 million in the fourth quarter, a decrease of NOK 38 million compared to the same quarter in 2020, mainly due to decreased sales. Gross margin was stable at the same level as in the prior year at 14.1 per cent. Compared to the same quarter of 2020, gross margin development was particularly strong in the Brown Goods and Peripherals categories.

Operating expenses

B2C operating expenses were NOK 208 million in the fourth quarter, compared to NOK 217 million for the same period in 2020. Komplet reduced costs in its B2C segment due to lower activity, but not enough to compensate for the lower revenue. As a result, the operating cost percentage increased to 10.6 per cent, from 9.7 per cent in the same quarter of last year.

EBIT

EBIT for the fourth quarter was NOK 68 million, compared to NOK 98 million in the fourth quarter of 2020. This equals an EBIT margin of 3.5 per cent compared to 4.4 per cent last year. The decline is mainly due to decreased revenue.

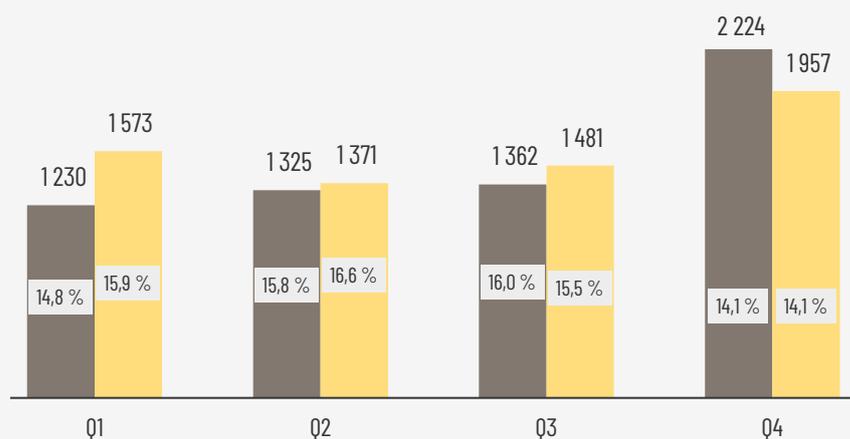
B2C Key figures

Amounts in NOK Million	Quarter		Full year	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenue	1 957	2 224	6 382	6 142
Growth (%)	-12,0 %	32,8 %	3,9 %	25,8 %
Gross profit ¹	276	314	983	924
Gross margin (%) ¹	14,1 %	14,1 %	15,4 %	15,1 %
Operating expenses (ex dep)	-197	-202	-706	-677
Depreciation and amortisation	-12	-14	-48	-54
Total operating expenses (adj.) ¹	-208	-217	-754	-731
Operating cost percentage ¹	-10,6 %	-9,7 %	-11,8 %	-11,9 %
EBIT	68	98	229	194
EBIT margin (%) ¹	3,5 %	4,4 %	3,6 %	3,2 %

¹ Alternative performance measure (APMs)

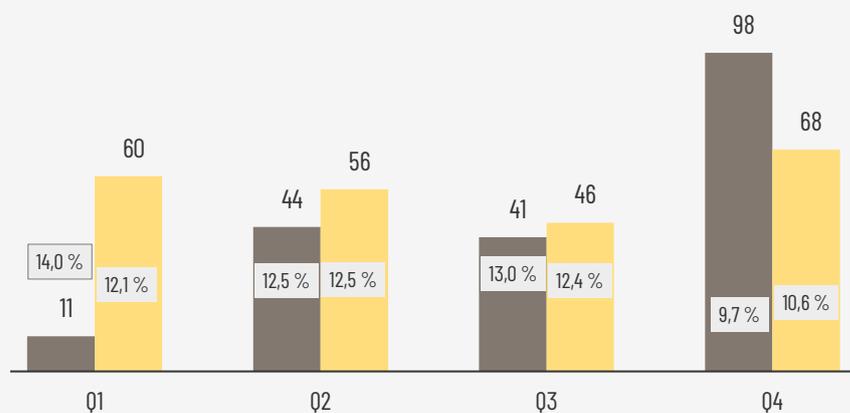
Operating revenue

- Gross margin ¹
- 2020
- 2021



EBIT

- Operating cost percentage ¹
- 2020
- 2021



B2B Record quarter - Record year



Revenue

Operating revenue for the B2B segment in the fourth quarter amounted to NOK 436 million, compared to NOK 378 million for the same period in 2020. The increase of 15 per cent was driven by core product categories such as Handhelds and PCs. Norway and Sweden delivered growth of 7 per cent and 39 per cent, respectively. Ironstone accounted for NOK 20 million of the revenue. Without the acquisition of Ironstone, the B2B segment grew by 10 per cent.

The record-high operating revenue resulted from several factors such as a strong position among SME customers and available supply to deliver. In addition, the segment experienced substantial growth in order value per customer and the average order value compared to the same quarter in 2020.

For 2021 in total, the B2B segment revenues increased with 19 per cent from 2020.

Gross profit

Gross profit was NOK 82 million in the fourth quarter, representing a growth of NOK 17 million compared to the same quarter in 2020. The gross margin increased by 1.3 percentage points to 18.8 per cent due to a broad-based increase across categories. The improvement was particularly strong in the Brown Goods, Peripherals and

Handheld categories, and increased sales of private label products contributed to improved gross margins. Ironstone accounted for NOK 6 million of the gross profit. Without Ironstone, the gross margin was 18.2 per cent.

Operating expenses

Total operating expenses in the quarter were NOK 43 million compared to NOK 33 million in the same quarter in 2020. Operating expenses relative to the operating revenue increased to 9.8 per cent in the quarter compared to 8.8 per cent in the same quarter in 2020. Ironstone accounted for NOK 8 million of the operating expenses. Without Ironstone, the operating cost percentage is 8.4 per cent implying a further decrease in operating expenses relative to operating revenue.

EBIT

EBIT for the fourth quarter was NOK 39 million, an improvement from NOK 33 million in the fourth quarter of 2020. EBIT margin was 9.0 per cent compared to 8.7 per cent in the same quarter of last year. This increase is mainly due to sales growth, better gross margins and continued efficient operations. Ironstone had a negative EBIT of 1.6 million in the quarter. EBIT margin was 9.8 per cent without Ironstone.

I B2B Key figures

Amounts in NOK Million	Quarter		Full year	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenue	436	378	1528	1286
Growth (%)	15,3 %	16,4 %	18,8 %	14,3 %
Gross profit ¹	82	66	275	219
Gross margin (%) ¹	18,8 %	17,5 %	18,0 %	17,0 %
Operating expenses (ex dep)	-41	-31	-120	-101
Depreciation and amortisation	-2	-2	-9	-9
Total operating expenses (adj.) ¹	-43	-33	-129	-110
Operating cost percentage ¹	-9,8 %	-8,8 %	-8,5 %	-8,6 %
EBIT	39	33	146	109
EBIT margin (%) ¹	9,0 %	8,7 %	9,6 %	8,5 %

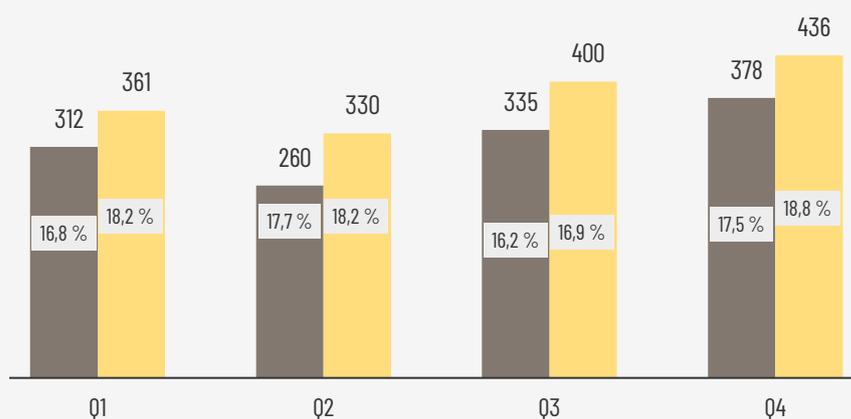
¹ Alternative performance measure (APMs)

Operating revenue

□ Gross margin ¹

■ 2020

■ 2021

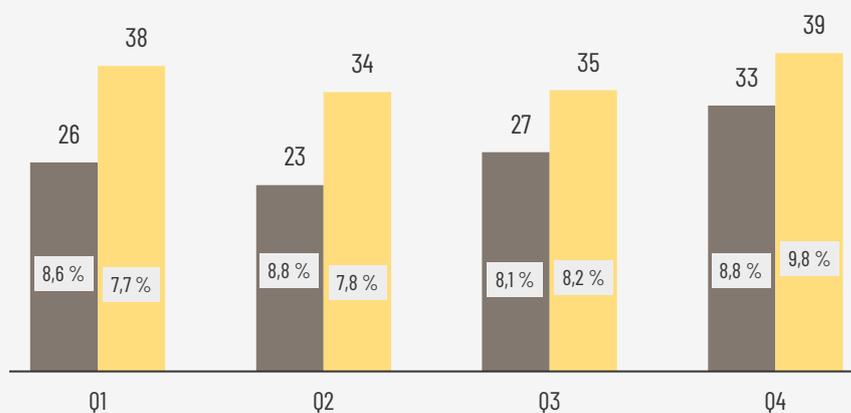


EBIT

□ Operating cost percentage ¹

■ 2020

■ 2021



| Distribution

Surpassing NOK 3 billion in yearly sales



Revenue

The Distribution segment experienced another period of record-high operating revenue in the fourth quarter at NOK 896 million, up from NOK 830 million for the same period in 2020. The 8 per cent increase was driven by entering new distribution agreements, product launches and organic growth.

Demand was especially strong within the Handheld & Accessories category, which was mainly driven by increased sales of mobile phones.

For 2021 in total, the Distribution segment revenue increased 29 per cent from 2020.

Gross profit

Gross profit was NOK 59 million in the fourth quarter compared to NOK 52 million in the same quarter of 2020 and was mainly driven by increased sales and higher gross margins. The gross margin increased by 0.3 percentage points to 6.6 per cent, mainly due to increased demand in key categories such as Handhelds and PCs. The gross

margin was also positively impacted by higher sales of Brown Goods and improved margins in Peripherals.

Operating expenses

More efficient logistics and increased economies of scale from new distribution agreements lowered the operating expenses to NOK 32 million in the fourth quarter of 2021 compared with NOK 34 million in the same period in 2020. Measured as a percentage of revenue, the operating expenses decreased from 4.0 per cent last year to 3.6 per cent in the fourth quarter of 2021.

EBIT

The Distribution segment recorded a record-high EBIT of NOK 27 million in the fourth quarter of 2021, compared to NOK 19 million in the fourth quarter of 2020. This segment also recorded a record-high EBIT margin of 3.0 per cent compared to 2.3 per cent for the same period in 2020. The increase is mainly due to increased sales and reduced operating expenses compared to the same period in 2020.

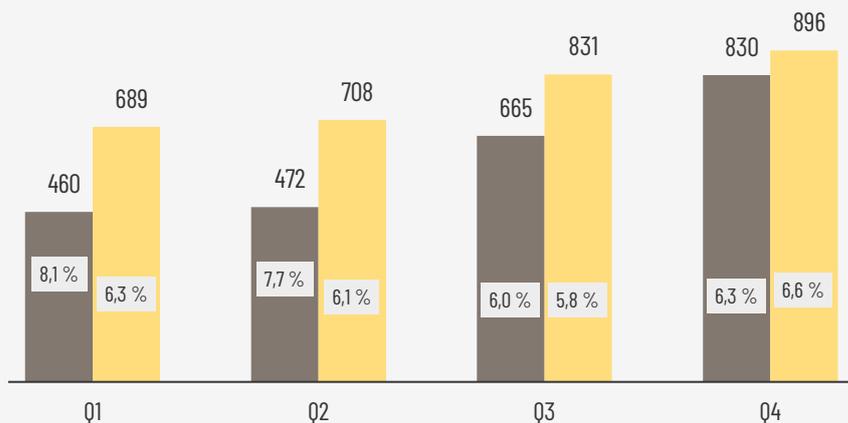
Distribution Key figures

Amounts in NOK Million	Quarter		Full year	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenue	896	830	3 124	2 426
Growth (%)	8,0 %	86,6 %	28,8 %	59,4 %
Gross profit ¹	59	52	194	166
Gross margin (%) ¹	6,6 %	6,3 %	6,2 %	6,8 %
Operating expenses (ex dep)	-31	-32	-109	-110
Depreciation and amortisation	-1	-1	-6	-5
Total operating expenses (adj.) ¹	-32	-34	-115	-115
Operating cost percentage ¹	-3,6 %	-4,0 %	-3,7 %	-4,8 %
EBIT	27	19	79	51
EBIT margin (%) ¹	3,0 %	2,3 %	2,5 %	2,1 %

¹ Alternative performance measure (APMs)

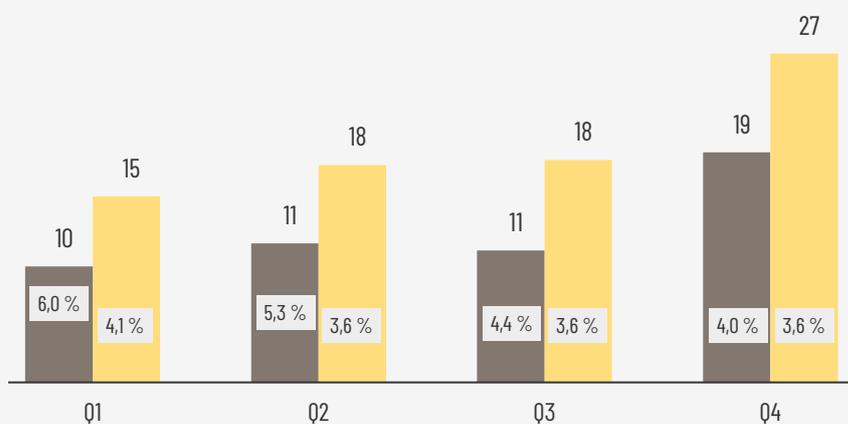
Operating revenue

□ Gross margin ¹
 ■ 2020
 ■ 2021



EBIT

□ Operating cost percentage ¹
 ■ 2020
 ■ 2021



| Other / IFRS 16

Amounts in NOK Million	Quarter		Full year	
	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenue	3	3	9	12
Gross profit ¹	3	3	9	9
Operating expenses (ex dep)	-2	-16	-9	-17
Depreciation and amortisation	-17	-18	-66	-69
Total operating expenses (adj.) ¹	-19	-34	-75	-86
EBIT (adj.) ¹	-16	-31	-66	-77
One-off cost	-3	-	-19	-
EBIT	-19	-31	-85	-77
Net financials	-7	-9	-22	-24
Profit before tax	-26	-40	-107	-100

¹ Alternative performance measure (APMs)

EBIT

Other revenues are related to income from royalties.

Operating expenses last year were significantly higher because of strategic projects that were expensed at the end of the year.

During the fourth quarter of 2021, a total of NOK 3 million was booked as a one-off cost.

Net financials

Net financial expenses were NOK 7 million for the fourth quarter of 2021, representing a NOK 2 million decrease compared to the fourth quarter in 2020. The change was driven by lower exchange rate losses partly offset by higher interest expenses from increased use of credit facilities.

Other / IFRS 16 information

"Other" represents Group costs not allocated to the operating segments B2C, B2B and Distribution. This applies when costs are difficult to allocate fairly between the segments. Typical cost elements under this segment include management costs and group strategic initiatives.

The different effects of IFRS (International Financial Reporting Standards), especially IFRS 16, are not part of the operational measures and are excluded from the operating segments B2C, B2B and Distribution.

For additional explanation, please refer to note 4 – Segment Information in this report.

I Financials for the Group

Consolidated income statement

Total operating revenue was NOK 3 292 million in the fourth quarter, compared to NOK 3 435 million in the same period last year. The decrease was mainly due to lower sales in the B2C segment, which were partly offset by customer value growth in the B2B segment and new distribution agreements. The B2C figures were negatively impacted by softer market conditions, as well as supply chain constraints and component shortages. Operating revenue for the year increased by 11.9 per cent from NOK 9 866 million in 2020 to NOK 11 043 million in 2021.

Cost of goods sold was NOK 2 871 million in the fourth quarter, compared to NOK 3 000 million in the same period last year. The decrease was driven by lower sales, partly offset by an increased gross margin of 0.1 percentage points primarily due to mix effects. Cost of goods sold for the year was NOK 9 581, compared to NOK 8 547 in 2020.

Operating expenses were NOK 305 million in the fourth quarter, compared to NOK 317 million in the same period last year. The decrease was driven by lower sales combined with reduced marketing costs and lower expenses related to strategic projects. Total operating expenses for the year increased by NOK 51 million to NOK 1 093 million in 2021.

Operating result (EBIT) in the fourth quarter decreased by NOK 3 million to NOK 115 million. EBIT for the year increased from NOK 276 million in 2020 to NOK 369 million in 2021.

Net financial expenses in the fourth quarter totalled NOK 7 million, compared to NOK 9 million in the same period last year.

Tax expenses increased to NOK 27 million in the fourth quarter, compared to NOK 8 million in 2020, as the tax expense in 2020 was low due to recognition of losses carried forward that previously had not been recognised.

Profit for the period decreased by NOK 19 million in the fourth quarter of 2021 to NOK 82 million compared to NOK 101 million in the same period last year. This was driven by lower sales and higher tax expenses. Profit for the year increased from NOK 221 million in 2020 to NOK 300 in 2021.

Consolidated cash flow

Cash flow from operating activities amounted to NOK 53 million for the fourth quarter compared to NOK 394 million in the same period last year. The change in net cash flow from operating activities was primarily related to increa-

sed inventory and receivables in the B2B segments, partly offset by increased payables. Full-year cash flow from operating activities totalled NOK 65 million, compared to NOK 472 million in 2020.

Cash flow from investing activities amounted to negative NOK 14 million for the fourth quarter compared to negative NOK 10 million in the same period last year. The change was due to increased investments in IT and supply chain projects. For the full-year period, cash flow from investments was negative NOK 114 million including the acquisition of Ironstone in Q3.

Cash flow from financing activities amounted to negative NOK 30 million for the fourth quarter compared to negative NOK 342 million in the same period last year due to a change in the utilisation of financial facilities. Cash flow from financing in 2021 was positive by NOK 36 million, representing a cash inflow, compared with a net outflow of NOK 430 in 2020.

Financial position and liquidity

Non-current assets amounted to NOK 971 million at the end of the fourth quarter of 2021 compared to NOK 905 million in the same period last year.

Current assets amounted to NOK 2 498 million at the end of the fourth quarter this year, compared to NOK 1 834 million in the same period last year. The higher level was mainly related to increased inventory of NOK 425 million, due to lower sales this year and supply orders placed earlier to meet demand in the first quarter next year. Additionally, trade receivable increased because of higher sales in the B2B segments. Total cash and cash equivalents amounted to NOK 42 million at the end of the quarter versus NOK 54 million over the same period last year.

Equity amounted to NOK 806 million at the end of the fourth quarter of 2021 compared to NOK 917 million in the same period last year. The decrease in equity was due to NOK 400 million in paid dividends, partly offset by increased profits.

Total liabilities amounted to NOK 2 663 million at the end of the fourth quarter of 2021, compared to NOK 1 821 million in the same period last year. The main drivers were the increase in long-term debt to finance the dividend payment, together with increased trade payables and utilisation of the overdraft facility.

Total equity and liabilities amounted to NOK 3 469 million at the end of the fourth quarter of 2021 compared to NOK 2 739 million in the same period last year.

I Special events, Risks and Financial targets

Special events

There were no special events in the fourth quarter of 2021

Risks and uncertainties

Komplett Group is subject to several risks, including market and competition risk, operational and financial risks, such as currency, interest, credit, and liquidity risk, as well as IT security risk. The board and executive management are continuously monitoring the Group's risk exposure, and the Group strives to take an active approach to risk management and internal control processes. Below is a summary of the key risks for the Group over the next six months.

The Group operates in an intensely competitive and rapidly growing industry. In the B2C segment, changes in customer behavior and preferences are impacting both sales and profitability. Continuing uncertainties within relation to the long-term post-effects of Covid-19 and changes in consumer trends and spending may result in lower growth in the B2C segment during 2022.

Potential shortage in product availability, driven by the global shortage of electronic components and microchips, could have an adverse effect on the Group's ability to continue its sales growth trajectory. The Group focuses on maintaining its close cooperation with key suppliers and expand visibility to ensure timely deliveries going forward.

As the Group operates online, it is vulnerable to hacking and cybercrimes on critical applications and its websites. Although the Group has systems in place to identify and block external attacks, they may likely be subject to new and smarter attempts of unauthorised access that can expose a risk to the business.

Risks and uncertainties must be taken into consideration when looking at financials targets below. For additional explanation regarding risks and uncertainties, please refer to the listing prospectus dated 8 June 2021, section 2 and note 4 in the company's Annual Report for 2020.

Financial targets

The Group's long-term financial targets are maintained.

For 2025, the Group targets revenue to exceed NOK 15 billion, with a gross margin around 15 per cent and an EBIT margin at approximately 5 per cent.

Annual revenue growth by segment will vary from year to year. The ongoing supply chain constraints and components shortages are expected to continue in 2022, primarily impacting B2C growth.

The Komplett Group expects annual operational capital expenditures at the level of NOK 50 million. Additional investments in the level of NOK 400 million are expected for the period 2022-2024 to expand supply chain capacity and upgrade the Group's IT systems.

The Komplett Group shall have an adequate capital structure to provide financial flexibility while supporting growth targets and dividend policy. The Group targets stable growing dividends year-on-year, and a pay-out ratio of 60-80 per cent of net profit adjusted for one-off and special items. The effective tax rate in Norway is currently 22 per cent.

Dividend

The Board of Directors proposes a dividend per share of NOK 2.90. The proposal is subject to approval by the General Assembly on 12 May 2022.

Financial statements and notes

Condensed consolidated interim statement of profit and loss

Unaudited for the period ended 31 December 2021

Amounts in NOK million	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
		Unaudited	Unaudited	Unaudited	Unaudited
TOTAL OPERATING REVENUE	3,4	3 292	3 435	11 043	9 866
Cost of goods sold		-2 871	-3 000	-9 581	-8 547
Employee benefit expenses		-149	-139	-511	-465
Depreciation and amortisation expense	6,7	-32	-36	-129	-137
Other operating expenses	6	-124	-142	-453	-440
Total operating expenses		-3 176	-3 317	-10 674	-9 589
Operating result (EBIT)		115	118	369	276
Net finance income and expenses	6	-7	-9	-22	-24
Profit before tax		108	109	347	253
Tax expense		-27	-8	-48	-32
PROFIT FOR THE PERIOD		82	101	300	221
OTHER COMPREHENSIVE INCOME					
<i>Items that will or may be reclassified to profit or loss:</i>					
Foreign currency rate changes		-5	-1	-14	9
TOTAL COMPREHENSIVE INCOME		76	100	286	230
Earnings per share (basic and diluted)	5	1,13	3,42	-33,14	5,20

Condensed consolidated interim statement of financial position

Unaudited for the period ended 31 December 2021

Amounts in NOK million	Note	31/12/2021	31/12/2020
		Unaudited	Unaudited
NON-CURRENT ASSETS			
Goodwill	7	433	358
Software	7	113	113
Other intangible assets	7	73	58
Total intangible assets		619	529
Right-of-Use assets	6,7	253	255
Machinery and fixtures	7	28	36
Total property, plant and equipment		281	291
Deferred tax asset		25	32
Investments in equity-accounted associates		11	9
Other receivables	6	34	44
Total other non-current assets		70	85
TOTAL NON-CURRENT ASSETS		971	905
CURRENT ASSETS			
Inventories		1 305	880
Trade receivables - regular		676	491
Trade receivable from deferred payment arrangements		130	152
Other current receivables	6	346	258
Cash and cash equivalents		41	54
TOTAL CURRENT ASSETS		2 498	1 834
TOTAL ASSETS		3 469	2 739

Condensed consolidated interim statement of financial position

Unaudited for the period ended 31 December 2021

Amounts in NOK million	Note	31/12/2021	31/12/2020
		Unaudited	Unaudited
EQUITY			
Share capital		29	29
Share premium		1 075	1 075
Other equity		-298	-187
TOTAL EQUITY		806	917
LIABILITIES			
Non-current liabilities			
Other obligations	13	49	-
Long-term loans	11	400	-
Non-current lease liabilities	6	230	236
Total non-current liabilities		679	236
Current liabilities			
Short-term loans	11	207	48
Trade payables		1 124	934
Public duties payable		293	247
Current income tax		68	41
Current lease liabilities	6	80	82
Other current liabilities		212	233
Total current liabilities		1 984	1 586
TOTAL LIABILITIES		2 663	1 821
TOTAL EQUITY AND LIABILITIES		3 469	2 739

Condensed consolidated interim statement of cash flows

Unaudited for the period ended 31 December 2021

Amounts in NOK million	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
		Unaudited	Unaudited	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		108	109	347	253
Depreciation and amortisation expense	7	32	36	129	137
Long-term incentive program		3	-	5	-
Payment received on finance lease receivable		2	2	10	9
Interest on finance lease receivable	6	0	1	2	2
Share of post-tax profits from equity accounted investments		-1	-1	-3	-2
Net finance items		8	6	25	21
Changes in deferred payment arrangements receivables		-2	-9	22	11
Changes in inventories, trade payables and trade receivables		-157	267	-423	-36
Currency effects		-4	-1	-9	2
Other changes in accruals		62	-15	-39	75
Net cash flows from operating activities		53	394	65	472
Investing activities					
Investments in property, plant and equipment		-14	-10	-56	-39
Acquisition of subsidiary, net of cash acquired		-	-	-59	-
Dividend from associated company		-	-	1	-
Net cash used in investing activities		-14	-10	-114	-39
Financing activities					
Increase in/repayment of liabilities		-	-	400	-
Changes in bank overdrafts		-4	-307	155	-324
Principal paid on lease liabilities	6	-17	-18	-72	-72
Interest paid on lease liabilities	6	-4	-3	-14	-14
Net Interest paid on loans and overdrafts		-5	-3	-13	-10
Distributions to owners		-	-10	-420	-10
Net cash (used in)/from financing activities		-30	-342	36	-430
Net increase in cash and cash equivalents		9	42	-12	4
Cash and cash equivalents at beginning of period		33	12	54	50
Cash and cash equivalents at end of year		41	54	41	54

Condensed consolidated interim statement of changes in equity

Unaudited for the period ended 31 December 2021

Amounts in NOK million	Share capital	Share premium	Other equity	Total equity
At 1 January 2020	29	1 075	-416	688
Profit for the period	-	-	221	221
Other comprehensive Income	-	-	9	9
Total comprehensive Income for the period	-	-	230	230
Other changes	-	-	-0	-0
Contributions by and distributions to owners	-	-	-0	-0
At 31 December 2020	29	1 075	-187	917

At 1 January 2021	29	1 075	-187	917
Profit for the period	-	-	300	300
Other comprehensive Income	-	-	-14	-14
Total comprehensive Income for the period	-	-	286	286
Long-term incentive program	-	-	2	2
Dividend/Group contribution	-	-	-400	-400
Contributions by and distributions to owners	-	-	-398	-398
At 31 December 2021	29	1 075	-298	806

Notes disclosure to the consolidated interim financial statements

Unaudited for the period ended 31 December 2021

NOTE 1 General information and basis for preparation

Komplett ASA and its subsidiaries (collectively, "the Group's") operational activities are related to sale of consumer and business electronics in Norway, Sweden and Denmark, to consumers, corporates and retailers.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated.

These condensed interim financial statements have not been audited.

The Group's condensed interim financial statements are prepared according to IAS 34 Interim Financial Reporting. The interim reporting does not include all information that is normally prepared in a full annual financial statement and should be read in conjunction with the Group's consolidated financial statement for the year ended 31 December 2020.

The accounting policies used in the Group's interim reporting are consistent with the principles presented in the approved consolidated financial statement for 2020. There are no significant effects from adoption of new standards effective as of 1 January 2021. The Group has not voluntarily adopted any other standard that has been issued but is not yet mandatory.

NOTE 2 Critical accounting estimates and judgements

The preparation of interim condensed financial statements requires management to make estimates and judgements that impact how accounting policies are applied and the reported amounts for assets, liabilities, income and expenses. Actual results may differ from these estimates. The accounting estimates and judgements are consistent with those in the consolidated financial statements for 2020.

NOTE 3 Segment Information

Amounts in NOK million	B2C	B2B	Distribution	Other	IFRS 16	Total
Q4 2021						
TOTAL OPERATING REVENUE	1957	436	896	6	-3	3 292
Cost of goods sold	-1 681	-354	-837	0	-	-2 871
Employee benefit expenses	-94	-22	-18	-15	-	-149
Depreciation and amortisation expense	-12	-2	-1	-1	-16	-32
Other operating expenses	-102	-19	-12	-12	21	-124
Total operating expenses	-1 889	-397	-869	-27	5	-3 176
Operating result (EBIT)	68	39	27	-21	2	115
Net finance income and expenses	-	-	-	-3	-4	-7
PROFIT BEFORE TAX	68	39	27	-25	-1	108

Q4 2020						
TOTAL OPERATING REVENUE	2 224	378	830	6	-3	3 435
Cost of goods sold	-1 910	-312	-777	-0	-	-3 000
Employee benefit expenses	-88	-14	-20	-17	-	-139
Depreciation and amortisation expense	-14	-2	-1	-1	-17	-36
Other operating expenses	-114	-17	-13	-20	21	-142
Total operating expenses	-2 127	-345	-811	-39	5	-3 317
Operating result (EBIT)	98	33	19	-33	2	118
Net finance income and expenses	-	-	-	-6	-3	-9
PROFIT BEFORE TAX	98	33	19	-39	-1	109

Amounts in NOK million	B2C	B2B	Distribution	Other	IFRS 16	Total
FY 2021						
TOTAL OPERATING REVENUE	6 382	1 528	3 124	21	-12	11 043
Cost of goods sold	-5 399	-1 252	-2 931	1	-	-9 581
Employee benefit expenses	-331	-63	-65	-52	-	-511
Depreciation and amortisation expense	-48	-9	-6	-1	-65	-129
Other operating expenses	-375	-57	-44	-62	85	-453
Total operating expenses	-6 153	-1 382	-3 046	-114	20	-10 674
Operating result (EBIT)	229	146	79	-93	9	369
Net finance income and expenses	-	-	-	-10	-12	-22
PROFIT BEFORE TAX	229	146	79	-104	-3	347

FY 2020						
TOTAL OPERATING REVENUE	6 142	1 286	2 426	23	-11	9 866
Cost of goods sold	-5 217	-1 067	-2 260	-3	-	-8 547
Employee benefit expenses	-301	-48	-67	-49	-	-465
Depreciation and amortisation expense	-54	-9	-5	-2	-67	-137
Other operating expenses	-376	-53	-43	-54	86	-440
Total operating expenses	-5 948	-1 177	-2 375	-108	19	-9 589
Operating result (EBIT)	194	109	51	-85	8	276
Net finance income and expenses	-	-	-	-12	-12	-24
PROFIT BEFORE TAX	194	109	51	-97	-3	253

NOTE 4 Revenues from contracts with customers

Amounts in NOK million	Q4 2021	Q4 2020	FY 2021	FY 2020
Disaggregation based on type of customers				
Sale to consumers (B2C)	1 957	2 224	6 382	6 142
Sale to corporates (B2B)	436	378	1 528	1 286
Sale to resellers (Distribution)	896	830	3 124	2 426
Other	3	3	9	12
Total	3 292	3 435	11 043	9 866

Amounts in NOK million	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues based on geographic location of customers				
Norway	2 074	2 000	7 126	5 996
Sweden	1 119	1 279	3 553	3 459
Denmark	98	156	364	410
Total	3 292	3 435	11 043	9 866

Amounts in NOK million	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues by product or service				
Sale of goods	3 240	3 408	10 903	9 765
Other income	52	27	140	101
Total	3 292	3 435	11 043	9 866

NOTE 5 Earnings per share

The basic earnings per share are calculated as the ratio of the profit for the period that is due to the shareholders of the parent divided by the weighted average number of ordinary shares outstanding. On 28 May 2021 the shareholders meeting resolved to merge the two separate classes of shares, by changing all shares to ordinary shares. For the calculation of earning per share this is treated as a settlement of the preference shares by issuing ordinary shares. The difference between the fair value the ordinary shares "issued" and the carrying amount of the preference shares settled is charged against the result allocated to the holders of ordinary shares. Dividends paid or payable to the holders of preference shares is also charged against the result allocated the holders of ordinary shares.

Amounts in NOK million	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues based on geographic location of customers				
Profit for the period	82	101	300	221
Dividend payable to preference share holders	-	-27	-48	-108
Additional dividend paid to holders of preference shares	-	-	-173	-
Difference between fair value and carrying amount on conversion*	-	-	-1 775	-
Result allocated to the holders of ordinary shares	82	74	-1 696	113
Average number of shares				
Shares at the beginning of the period	14 451	4 335	4 335	4 335
Effect of merging the two classes of shares	-	-	5 901	-
Average number of shares	14 451	4 335	10 236	4 335
Effect of 1 to 5 split**	72 255	21 677	51 181	21 677
Earnings per share (basic and deluted)	1,13	3,42	-33,14	5,20

*Canica hold 100% of the preference shares and close to 100% of the ordinary shares. The theoretical loss/charge towards the result allocated to the holders of ordinary shares is an off market transaction, and the charge included above holds little meaning and is just theoretical.

** In May the shareholders meeting resolved a 1 to 5 split of the shares in the company. For the calculation of earnings per share the split is adjusted for retrospectively.

As earnings per share reflects a theoretical market transaction we believe that it gives more meaning to calculate earnings per share by ignoring the different classes of shares from the beginning. By dividing the result for the period on the total number of shares adjusted for the 1 to 5 split (72 255 155). This would give the following adjusted earnings per share:

	Q4 2021	Q4 2020	FY 2021	FY 2020
Adjusted earnings per share	1,13	1,40	4,15	3,06

Diluted earnings per share.

There are no instruments or options that will have a dilutive effect on earnings per share as of 31.12.2021.

NOTE 6 Leases

The Group's right of use assets, lease liabilities and lease receivables are categorised and presented in the table below:

Amounts in NOK million	Land and buildings
RIGHT OF USE ASSETS	
At 1 January 2021	255
Additions incl. adjustments to existing contracts	70
Amortisation	-65
Foreign currency effects	-6
At 31 December 2021	253
Economic life/lease term	1-9 years
Amortisation method	Straight line
LEASE LIABILITIES	
At 1 January 2021	318
Additions	70
Interest expenses	14
Lease payments	-85
Foreign currency effects	-6
At 31 December 2021	310
Whereof:	
Current lease liabilities	80
Non-current lease liabilities	230
LEASE RECEIVABLE FROM FINANCE LEASE	
At 1 January 2021	51
Additions	2
Interest income	2
Lease payments received	-12
At 31 December 2021	43
Whereof:	
Current lease receivable	31
Non-current lease receivable	12

NOTE 7 Fixed assets and intangible assets

Amounts in NOK million						
	Goodwill	Software	Other intangi- ble assets	Machinery, furniture, fittings	Right of use assets	Total
Carrying amount as of 1 January 2021	358	113	58	36	255	820
Additions	78	50	19	6	70	224
Disposals	-	-	-	0	-0	-0
Depreciation	-	-49	-1	-14	-65	-129
Foreign currency effects	-2	-1	-4	-1	-6	-13
Carrying amount as of 31 December 2021	433	113	73	28	253	900

NOTE 8 Related party transactions

In addition to subsidiaries and associated companies, the Group's related parties include its majority shareholders, all members of the Board of Directors and key management, as well as companies in which any of these parties have either controlling interests, board appointments or are senior staff. All transactions have been entered into in accordance with the arms' length principle, meaning that prices and other main terms and conditions are deemed to be commercial.

All significant transactions with related parties that are not eliminated in the Group accounts are presented below:

Amounts in NOK million		Q4 2021	Q4 2020	FY 2021	FY 2020
Parties	Type of transactions				
Kullerød Eiendom AS ¹	Lease of office and warehouse	6	6	25	25
F&H Asia Limited ¹	Purchase of products	59	40	108	82
Total		66	46	133	106

¹ Related entities owned by the Company's ultimate parent company in the greater Canica group of companies.

NOTE 9 Share option plan

In connection with the Listing, a long-term incentive program for members of Management, key employees and certain identified young talents was implemented as a share option program. The program has been adopted by the Board of Directors of Komplet ASA (the "Company") to reward employees by enabling them to acquire Shares of the Company.

The strike price for the options granted are based on the final Offer Price including a premium of 3% annually from grant date until the options are vested.

The program is measured at fair value at the date of the grant and the value of the issued options is expensed over the vesting period which in this case is gradually over three years after grant. The Black & Scholes option-pricing model have been used to calculate the fair value.

The cost of the employee share-based transaction is expensed over the average vesting period. The value of the issued options of the transactions that are settled with equity instruments (settled with the company's own shares) is recognised as salary and personnel cost in profit and loss and in other equity.

Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

NOTE 10 Financial instruments - fair value

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Trade receivables
- Trade payables
- Cash and cash equivalents
- Long-term loans
- Debt to financial institutions

The Group has no other financial assets or liabilities valued at fair value.

NOTE 11 Loans and borrowings

Amounts in NOK million			31.12.2021	31.12.2020
Parties	Type	Total facility	Utilised	Utilised
Revolving Credit Facility	Long-term loans	Nok 500 million	400	-
Overdraft Facility	Bank overdraft	Nok 500 million	162	-
Credit Facility	Bank overdraft	SEK 100 million	45	48
Total			607	48

On 31 May 2021, Komplet ASA entered into a NOK 500 million unsecured revolving credit facility agreement with Skandinaviska Enskilda Banken AB (publ), with a three years' duration and 1 + 1 year renewal option. In the second quarter, the Company made an initial draw-down of the revolving credit facility of NOK 400 million.

NOTE 12 Top 20 shareholders

At 31 December 2021			
Rank	# of shares	Stake	Name
1	43 325 517	59,96	CANICA INVEST AS
2	3 000 000	4,15	The Northern Trust Comp, London Br
3	2 852 523	3,95	FOLKETRYGDFONDET
4	1 641 660	2,27	Morgan Stanley & Co. Int. Plc.
5	1 481 256	2,05	The Bank of New York Mellon SA/NV
6	1 373 128	1,90	UBS Europe SE
7	1 302 628	1,80	UBS AG
7	1 250 000	1,73	VERDIPAPIRFONDET HOLBERG NORGE
9	1 250 000	1,73	VERDIPAPIRFONDET HOLBERG NORDEN
10	1 192 045	1,65	The Bank of New York Mellon SA/NV
11	1 139 285	1,58	Citibank, N.A.
12	713 284	0,99	STOREBRAND NORGE I VERDIPAPIRFOND
13	700 000	0,97	Skandinaviska Enskilda Banken AB
14	652 439	0,90	SOLE ACTIVE AS
15	499 215	0,69	R OG L INVEST AS
16	489 206	0,68	MUSTAD INDUSTRIER AS
17	480 000	0,66	VERDIPAPIRFONDET PARETO INVESTMENT
18	433 000	0,60	The Bank of New York Mellon SA/NV
19	420 473	0,58	NIAN AS
20	400 000	0,55	Skandinaviska Enskilda Banken AB

NOTE 13 Business Combinations

On 26 August 2021, Komplet ASA acquired 65 per cent of the shares in Ironstone Holding AS, a leading supplier of cloud-based IT solutions and services for a cash settlement of NOK 62 million. Komplet ASA has entered into a sales and purchase option agreement with the minority interest in Ironstone AS for the remaining 35 per cent of the shares. The purchase will thus be accounted for as an acquisition of 100 per cent of the shares in Ironstone AS. An obligation of NOK 52 million which reflects the fair value of the remaining obligation was recognised at the acquisition date. Subsequent changes in the purchase obligation will be recognised in the statement of profit or loss. The transaction costs related to the acquisition was approximately NOK 5 million, and have been recognised as other operating expenses.

This acquisition meets the growing demand from corporate customers for basic IT services to complement traditional hardware purchases. The pure cloud technology and IT service offered by Ironstone makes a strategically good fit with Komplet's wide-ranging customer base. Ironstone leverages the Microsoft Cloud technology platform to provide IT services to both large corporations and small and medium-sized enterprises. The core offering comprises cutting edge innovative managed services, built on top of Microsoft technologies such as Microsoft Azure, Microsoft 365 and security, as well as consulting and migration. Its experienced team of ~20 employees generated revenues of NOK ~68 million in 2020 and a positive EBITDA contribution. Since its foundation in 2016, they have grown its customer base to count ~100 and receive excellent customer satisfaction scores.

Based on the preliminary purchase price allocation the fair value of identifiable assets acquired and liabilities assumed at the acquisition date are as follows:

Amounts in NOK million	Fair value
Identifiable assets acquired and liabilities assumed	
Brand name	5
Customer relations	14
Fixed Assets	0
Other assets	13
Total assets	32
Deferred tax liabilities	4
Long-term debt	4
Short-term debt	14
Total liabilities	23
Net identifiable assets	9
Goodwill	78
Prepaid payroll element on option	26
Acquisition cost	114
Hereby by cash settlement	62
Hereby by future obligations	52

Total goodwill recognised from the acquisition amount to NOK 78 million. Goodwill includes the value of expected synergies from the acquisition and the competence and intellectual property from employees. The prepaid payroll element on the option part is recognised to account for that per the sales and purchase option agreement the purchase price for the remaining shares are dependent upon that minority owners that also are employees stay in the company in a lock-up period of 42 months. The prepaid payroll element will be recognised as employee benefits expenses over the lock-up period.

No change in the purchase obligation have been identified as of 31 December 2021.

In the period between the acquisition date and 31 December 2021 Ironstone contributed with NOK 27 million to the Group's total revenue and an EBIT loss of NOK 2 million to the Group's operating result (EBIT).

Attachment: Alternative Performance Measures (APMs)

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

EBIT adjusted: Derived from Financial Statements as operating result (EBIT) excluding one-off cost. 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

	Q4'21	Q4'20	FY'21	FY'20
Total Operating revenue	3 292	3 435	11 043	9 866
EBIT	115	118	369	276
+ One-off cost	3	-	19	-
= EBIT adjusted	118	118	388	276
EBIT Margin adjusted	3,6 %	3,4 %	3,5 %	2,8 %

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

	Q4'21	Q4'20	FY'21	FY'20
Total Operating revenue	3 292	3 435	11 043	9 866
EBIT	115	118	369	276
EBIT margin	3,5 %	3,4 %	3,3 %	2,8 %

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

	Q4'21	Q4'20	FY'21	FY'20
EBIT	115	118	369	276
- EBIT - IFRS 16	-2	-2	-9	-8
+ Dep B2C, B2B, Dist. Other	16	19	64	71
= EBITDA excl IFRS 16	129	135	424	339

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

	Q4'21	Q4'20	FY'21	FY'20
Total Operating revenue	3 292	3 435	11 043	9 866
- Cost of goods sold	-2 871	-3 000	-9 581	-8 547
= Gross Profit	421	435	1 462	1 318
Gross Margin	12,8 %	12,7 %	13,2 %	13,4 %

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

	Q4'21	Q4'20	FY'21	FY'20
Long-term loans	400	-	400	-
+ Bank overdraft	207	48	207	48
- Cash/cash equivalents	-41	-54	-41	-54
= Net Int.-Bear. Debt	566	-6	566	-6

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

	Q4'21	Q4'20	FY'21	FY'20
Inventories	1 305	880	1 305	880
+ Total Curr. receivables	1 152	900	1 152	900
- Deferred payment	-130	-152	-130	-152
- Curr. lease receivables	-12	-9	-12	-9
- Total curr. liabilities	-1 984	-1 586	-1 984	-1 586
+ Curr. lease liabilities	80	82	80	82
+ Bank overdraft	207	48	207	48
= Net Working Capital	619	163	619	163

Operating Cost Percentage: 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

	Q4'21	Q4'20	FY'21	FY'20
Total Operating revenue	3 292	3 435	11 043	9 866
Total operating exp.	3 176	3 317	10 674	9 589
- Cost of goods sold	-2 871	-3 000	-9 581	-8 547
- One-off cost	-3	-	-19	-
= Total operating expenses (adj.)	302	317	1 074	1 042
Operating Costs %	9,2 %	9,2 %	9,7 %	10,6 %

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

	Q4'21	Q4'20	FY'21	FY'20
EBITDA excl IFRS 16	129	135	424	339
- Investments	-14	-10	-46	-39
+/- Change in Net Working Capital	-94	260	-455	71
+/- Change in deferred payment	-2	-9	22	11
= Operating Free Cash Flow	19	376	-55	382

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

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