

Second quarter 2023

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20 July 2023



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Scaling up our competitive advantages second quarter...

- **Using the group's scale benefits** as a leading Nordic player through improved sourcing terms:
 - Attractive concepts in both Norway and Sweden now with larger scale
 - Younger customer group than the competitors
 - Most satisfied customers also building the supplier brands
 - Lower cost to serve for the suppliers
- **Optimised and healthy inventory position** through disciplined forecasting and planning.
- **New marketing campaign launched for Komplet** in Norway with good momentum, improving top of mind and customer response.
- **New marketing concept for NetOnNet** to be launched in H2 to attract more customers and improve conversion rates.
- **Expanding private label product range** for Komplet, NetOnNet and Webhallen, building on the strong starting point from NetOnNet.
- **New management team in place** for Komplet Group and for Komplet brand in Sandefjord.



...and well positioned for the medium to long term

- **Superior customer satisfaction ratings** - among all retailers and within the industry.
- **Unparalleled customer service** response time, dedicated and loyal employees with full responsibility.
- **Best-in-class same and next day delivery** and seamless logistical set-up - very few mistakes.
- **Attractive synergies** between the B2C and the B2B business, and more to build from.
- **Industry-leading cost position**, which will further improve to competition in an inflationary environment.
- **Untapped potential** in core and adjacent categories such as SDA, MDA and mobile with subscriptions.

Topp 10 i Norge og klart best i elektronikkbransjen.

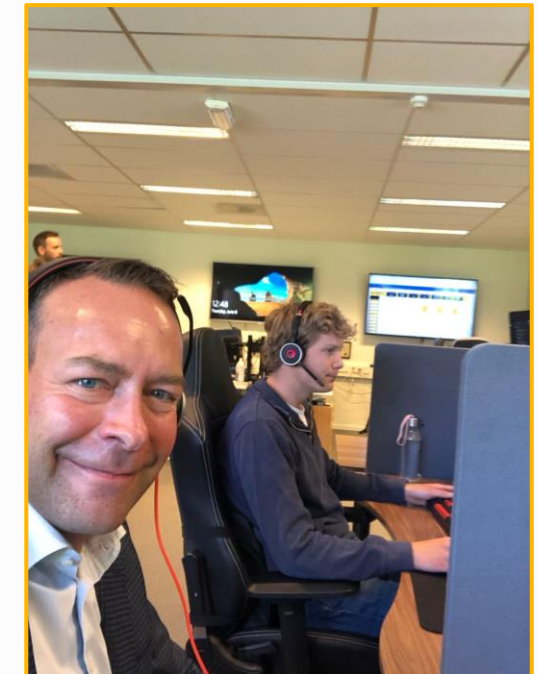
1. Vinmonopolet
2. Flytoget
3. Sbanken
4. Finn.no
5. Bilka
6. Toyota
7. Volvo
8. Interoptik
- 9. Komplett.no**
10. BMW

NORSK KUNDEBAROMETER
2023

Over 5.000 forbrukere er spurt om hvor godt fornøyd de er med de ulike aktørene i elektronikkbransjen. Underkastelsen omfatter til sammen 108 bedrifter som selger varer eller tjenester som betyr mye for folks privatkonsum.

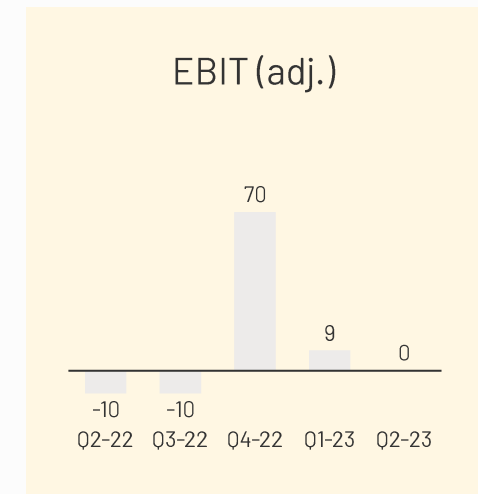
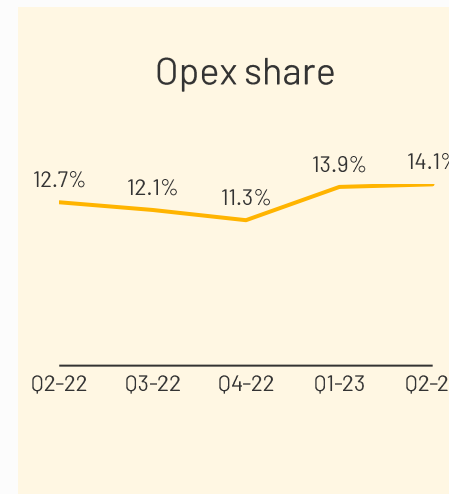
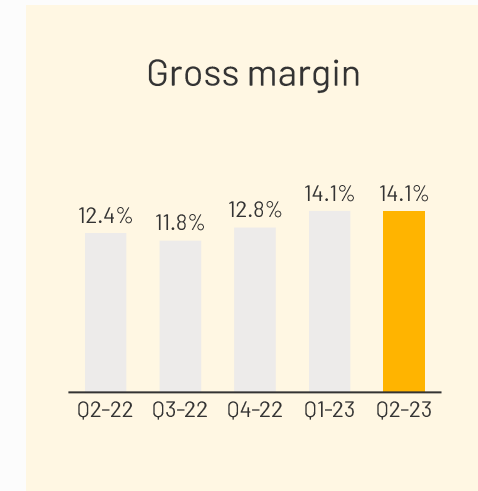
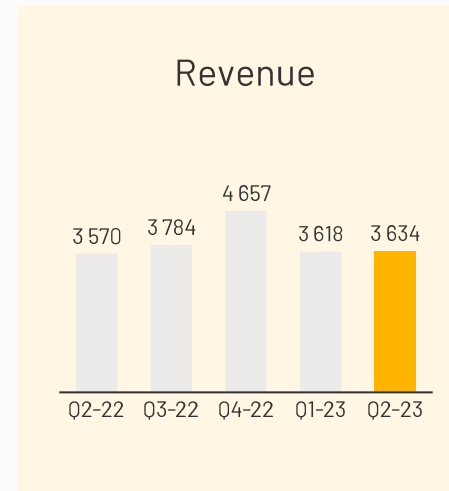
Men det er fortsatt åtte plasser til toppen.

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Steady course in a challenging market

- **Soft retail market** anticipated to continue for the remainder of 2023, but improved EBIT from Q2 2022 to Q2 2023.
- **Sales benefiting from careful investments** in brand building and product availability.
- **Gross margin progress** supported by active management in a healthier price environment, important to continue this journey.
- **Synergies extracted according to plan**, but cost base is impacted by higher inflation.
- **Sound inventory position** contributes to improved working capital and profitability.
- **Komplett Group remains well-positioned** to capitalise on future market recovery with an asset-light and scalable business model.



Financial performance

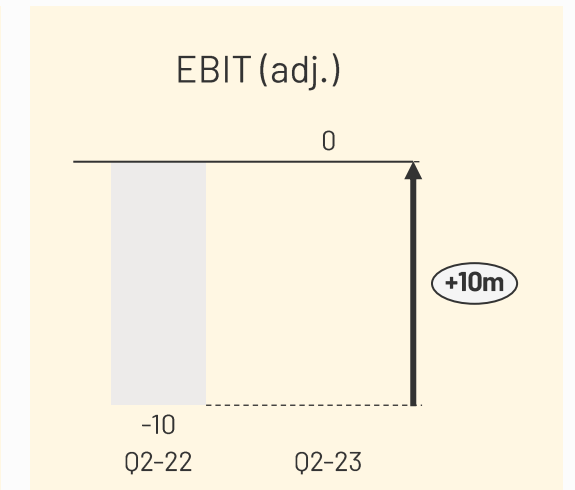
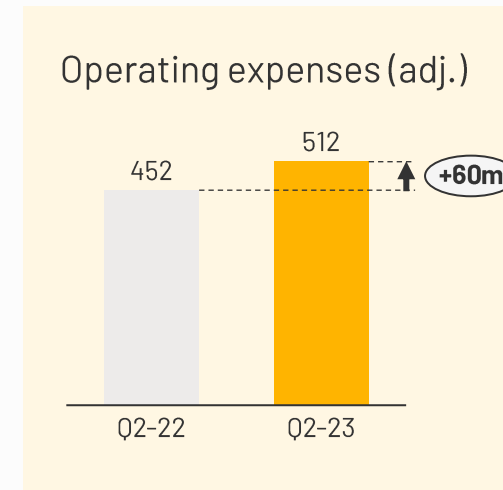
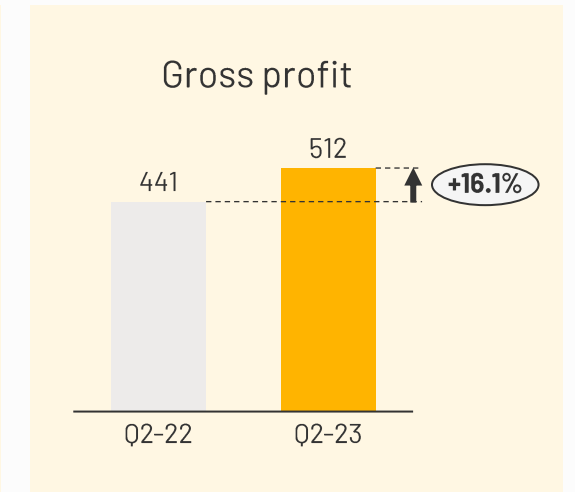
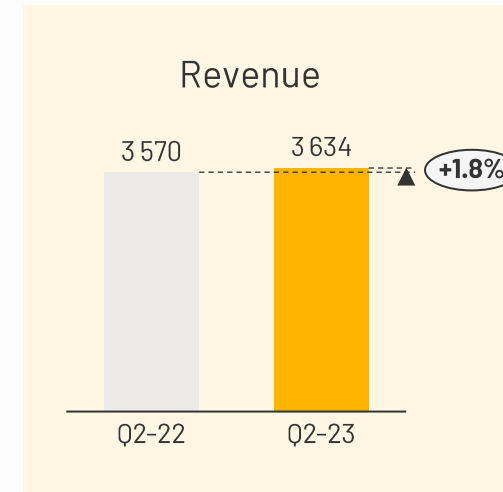
Thomas Røkke, CFO



Key financials

Modest EBIT uplift in a challenging environment

- **Stable revenues (+1.8 per cent) in difficult market**
 - Material currency translation effects (2.0 per cent LFL decline)
 - Good progress in Norwegian operations
 - Select investments in marketing and availability
 - Soft and uncertain retail markets continue
- **Gross margin uplift of 1.7 pp YoY with active measures**
 - Healthier environment and improved pricing practices
 - Cost inflation and adverse currency effects mitigated
 - Synergy realisation continues
- **Continued cost control in an inflationary environment**
 - Operating expenses affected by high inflation
 - Careful and deliberate marketing investments
 - Reported costs affected by currency translation
 - Project-related cost items and phasing effects



B2C

Positive EBIT development driven by gross margin improvement

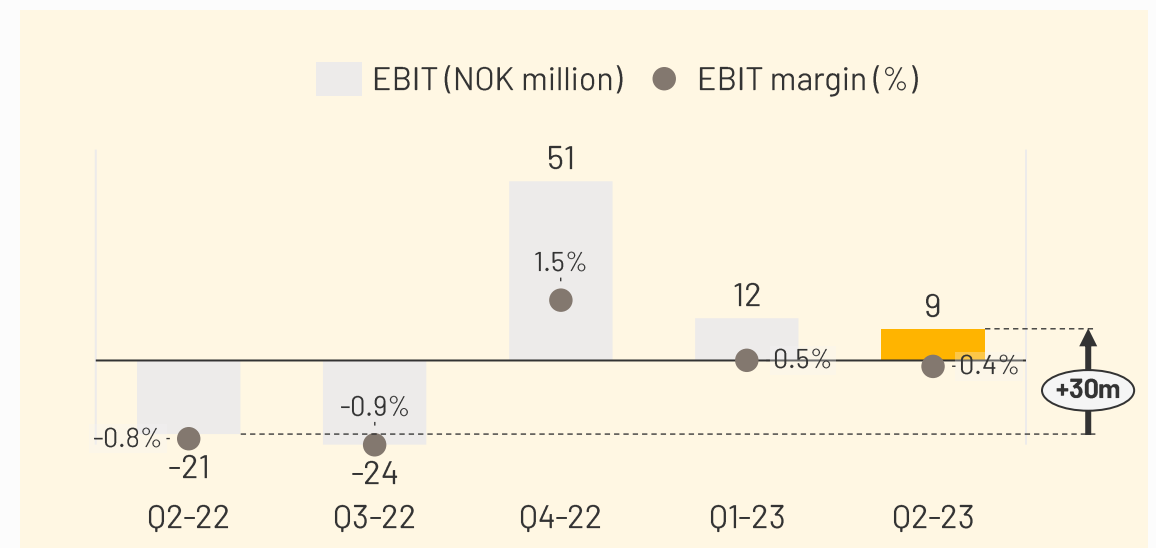
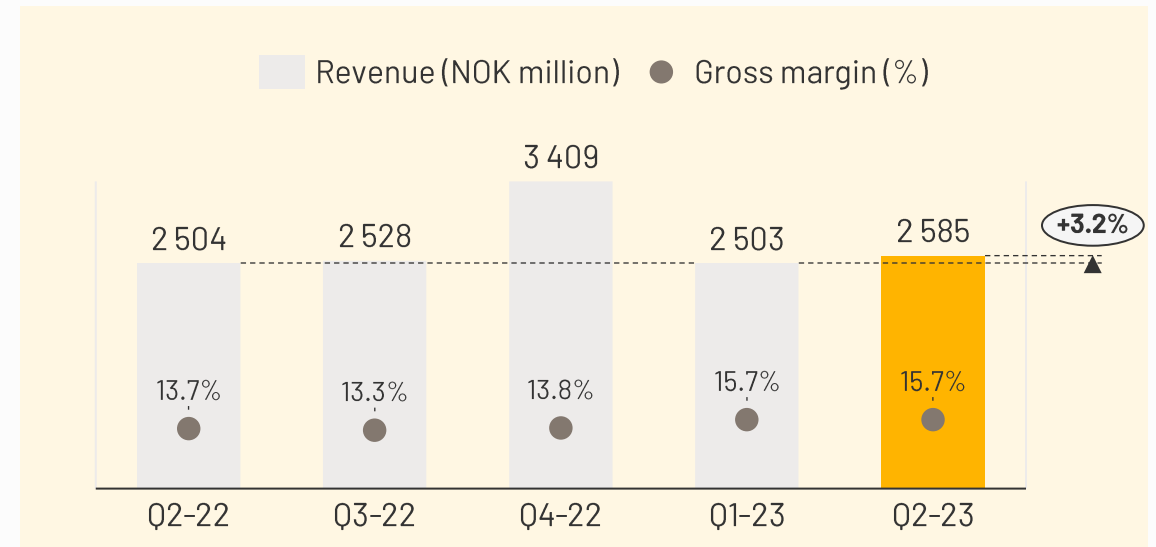
- **Revenue growth of 3.2 per cent** with large regional differences and material currency translation effects:
 - Norway + 19.3 per cent - Sweden - 7.6 per cent
 - Strong momentum in the Komplettnet brand vs. LY
 - Overall, 2.0 per cent decline in constant currency
 - Continued difficult and uncertain markets
- **Gross margin progress (+2.0 pp)** driven by:
 - healthier pricing environment compared with last year
 - sound inventory and good supplier partnerships
- **Operating expenses higher** driven by currency translation effects, phasing as well as marketing investments and overall cost inflation.

net on net

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webhallen

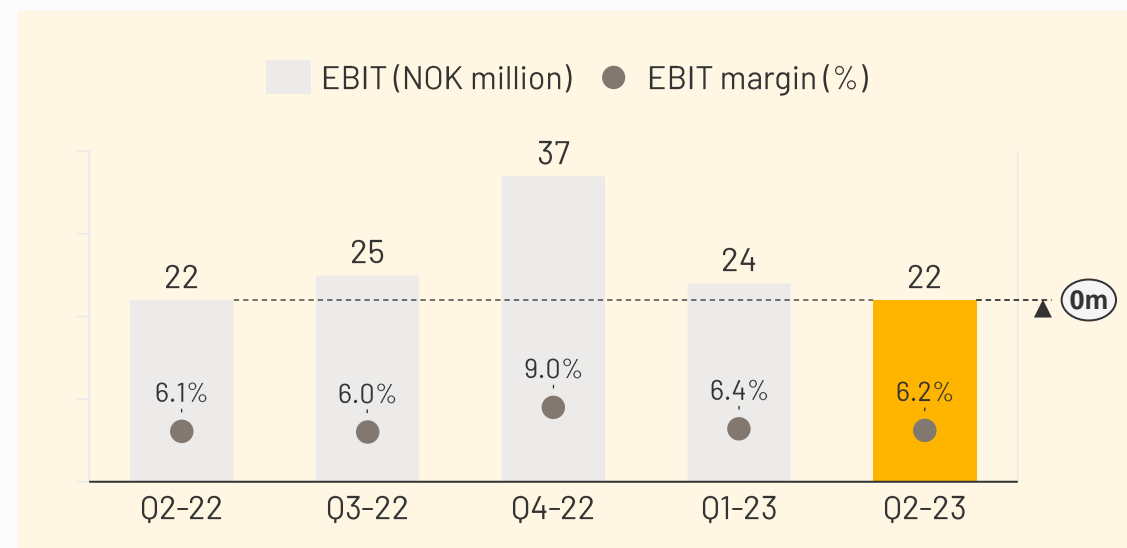
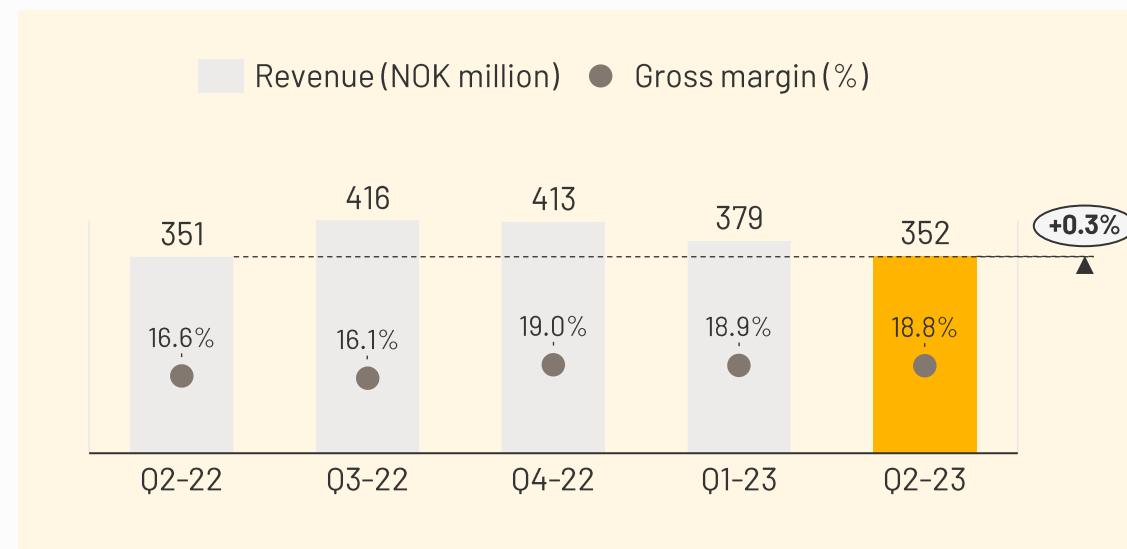
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B2B

Stable EBIT development as improved gross profit offset increased cost levels

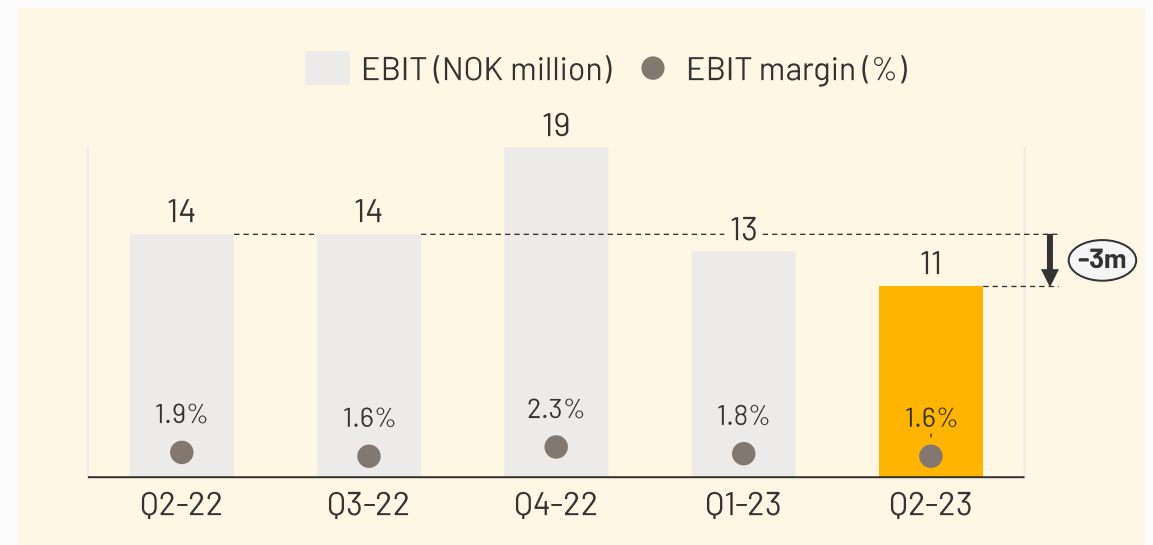
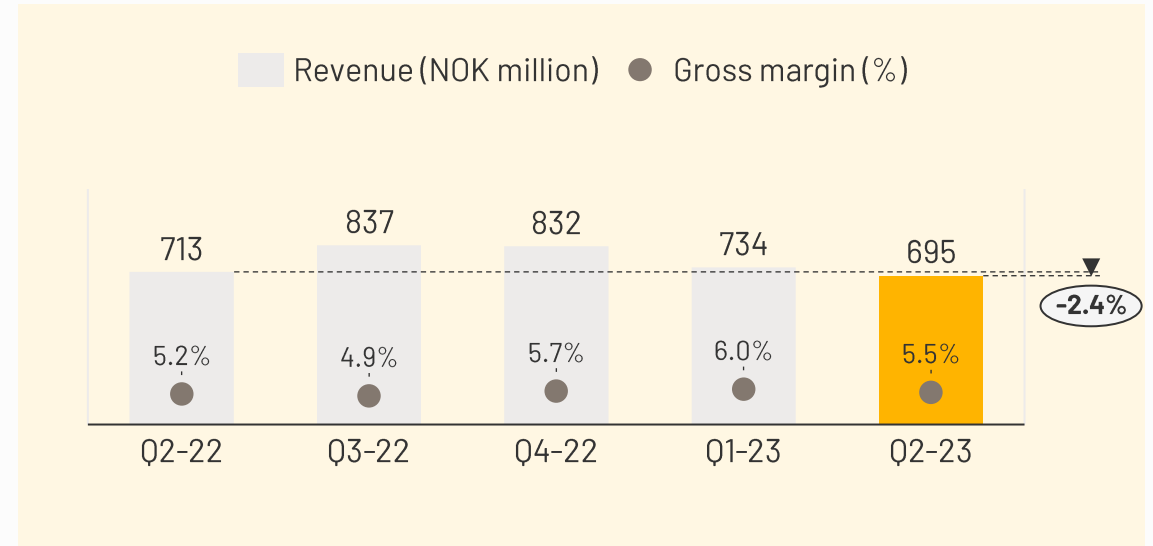
- **Revenue development stable YoY** as negative headwinds seen in 2022 continue to recede:
 - Higher availability in several categories and strong recovery in components and Komplett PC
 - Continued impacted by lower demand from smaller businesses
 - Minor positive currency translation effects
- **Gross margin uplift of 2.2 pp** driven by improved pricing conditions and healthier inventory.
- **Higher opex** driven by increased marketing, sales and customer pipeline investments as well as phasing and general cost inflation.



Distribution

Slight EBIT decline from weaker consumer sentiment and mix effects

- **Revenue decline of 2.4 per cent** as sales continue being impacted by overall weaker consumer sentiment:
 - Minor currency translation effects
 - Some shifts in phasing of deliveries
- **Stable gross margins (+0.3 pp)** despite negative mix effects:
 - Improved sourcing terms, improved inventory and operational efficiencies
 - Partly offset by negative product and client mix
- **Increased opex share (+0.6 pp)** driven by the revenue decline combined with inflationary pressures.



Profit and loss

Negative but improved net profit

- **Depreciation and amortisation** accounted for NOK 86 million, of which NOK 13 million were related to the amortisation of acquired customer value. Increase YoY mainly driven by IFRS lease adjustments.
- **One-off costs of NOK 3 million** related to the refinancing process completed earlier this year, and significantly down by NOK 35 million compared to last year.
- **Increase in net financials of NOK 11 million** as higher interest rates on existing debt and factoring costs offset a significant lower level of net interest-bearing debt (NOK 1.3bn vs. NOK 3.2bn).
- **Positive tax of NOK 11 million** as a result of the net loss, normal changes to deferred taxes on intangible assets as well as period adjustments.
- **Loss for the period of NOK 27 million** compared with a loss of NOK 69 million in Q2 2022, an uplift of NOK 42 million supported by higher operating profit and reduced one-off costs.

	Q2-23	Q2-22	YTD-23	YTD-22	FY-22
Operating revenue	3 634	3 570	7 253	6 177	14 618
Depreciation and amortisation	-86	-75	-167	-106	-256
EBIT (adj.)	0	-10	9	27	87
One-off cost	-3	-38	-16	-56	-80
EBIT	-3	-49	-7	-29	6
Net financials	-36	-25	-84	-34	-104
Profit before tax	-38	-74	-91	-63	-98
Tax expense	11	5	21	1	56
Profit from continuing operations	-27	-69	-70	-62	-42
Profit for the period	-27	-69	-70	-62	-32

Cash flow & working capital

Net working capital optimisation maintained

- **Net cash flow from operating activities** of NOK 240 million supported by inventory reductions as well as utilisation of the extended tax deferment scheme in Sweden, albeit offset by reduced trade payables.
- **Net cash used in investing activities** of NOK 40 million, reflecting both maintenance expenditures as well as planned upgrades of IT platforms, compared with NOK 1 565 million in Q2-22, mainly relating to the acquisition of NetOnNet.
- **Net cash used in financing activities** of NOK 344 million mainly from reduced drawdown on the Group's RCF facility, as well as repayment of lease liabilities and net interest. 2022 figures strongly affected by financing of NetOnNet.
- **Inventory optimised and reduced** by NOK 136 million YoY, while ensuring a healthy and competitive product range as well as increasing availability; utilisation of tax deferments scheme increase other assets and liabilities.

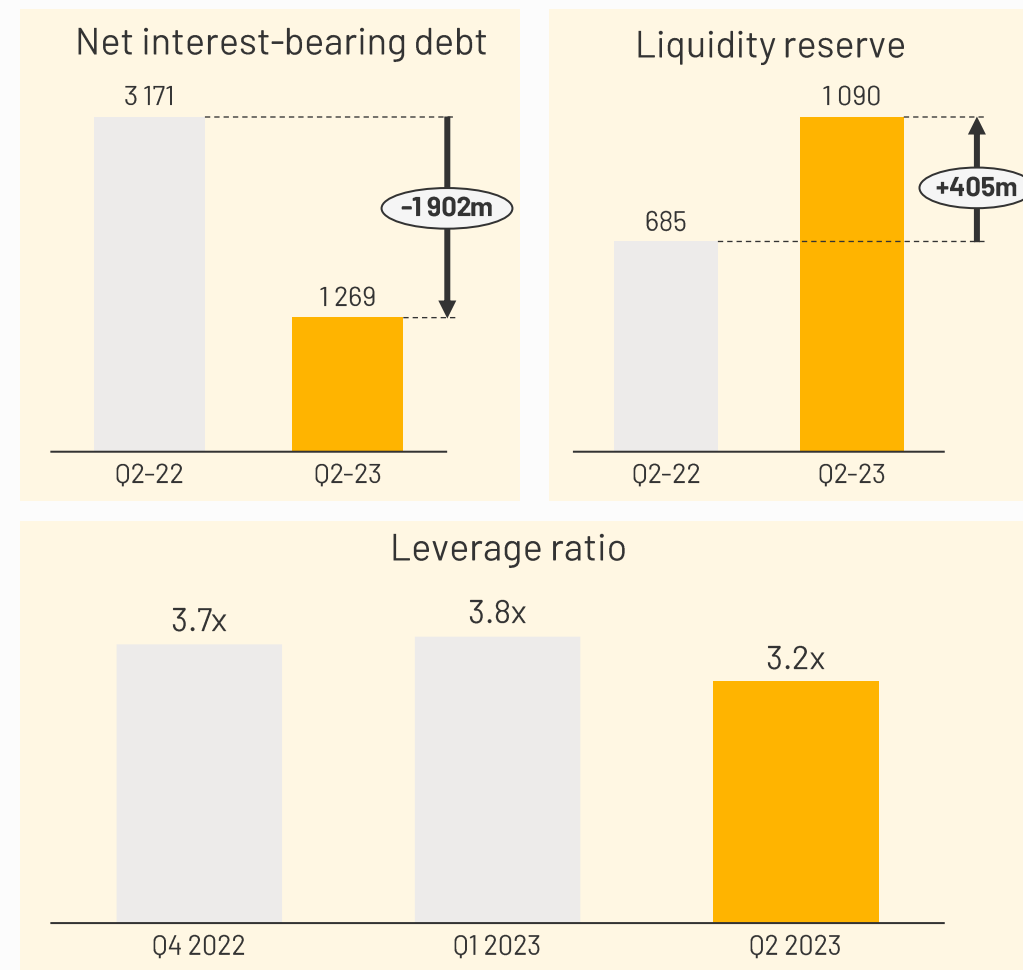
Cash flow	Q2-23	Q2-22	YTD-23	YTD-22	FY-22
Net cash flow from operating activities	240	321	428	163	1 102
Net cash used in investing activities	-40	-1 565	-85	-1 595	-1 701
Net cash (used in)/from financing activities	-344	1 269	-151	1 440	706
Net change in cash and cash equivalents	-144	25	192	7	108

Net working capital	Q2-23	Q2-22	FY-22
Inventory	1 897	2 033	1 928
Trade receivables – regular	249	706	309
Trade payables	-1 131	-1 204	-1 412
Other assets and liabilities	-620	-185	-181
Net working capital	394	1 350	644

Financial position

Key metrics improved

- **Financial position strengthened** with new equity YoY. Equity ratio of 46.8 per cent at the end of Q2.
- **Net interest-bearing debt reduced** to NOK 1 269 million at quarter-end, compared with NOK 3 171 million including IFRS 16 liabilities one year earlier. Changes primarily driven by new equity, working capital reductions and factoring.
- **Liquidity reserve increased** to NOK 1 090 million at the end of June 2023, driven both by refinancing, operational reduction in inventories and the utilisation of the options of the Swedish tax deferral scheme.
- **Leverage ratio (NIBD/ LTM EBITDA) lowered** to 3.2x at the end of Q2 compared to 3.8x at the end of Q1 2023 and 3.7x at the end of Q4-22 (Q2 2022 not comparable).



Summary and outlook

Jaan Ivar Semlitsch, CEO



Key takeaways and outlook

- **Soft demand** expected for the remainder of 2023.
- **Positive gross margin** vs. last year expected to continue.
- Sales supported by **careful investments in brand building** and product availability-actions during Q2 with encouraging results.
- Synergies are being extracted according to plan, but cost base is impacted by inflation and currency.
- Komplet Group remains **well-positioned** to capitalise on future market recovery.





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Alternative Performance Measures (APMs)

The APMs used by Komplett Group are defined as set out below:

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 the management's view on the overall picture of profit generation before operating costs in the group's operations.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Total operating revenue	3 634	3 570	7 253	6 177	14 618
- Cost of goods sold	(3 122)	(3 129)	(6 230)	(5 427)	(12 824)
= Gross profit	512	441	1 023	750	1 794
Gross margin	14.1%	12.4%	14.1%	12.1%	12.3%

Gross margin: Gross profit as a percentage of total operating revenue. The group has presented this item because it considers it to be a useful measure to show the management's view on the efficiency of gross profit generation of the group's operations as a percentage of total operating revenue.

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

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 the management considers it to be a useful measure of the group's efficiency in operating activities.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Total operating revenue	3 634	3 570	7 253	6 177	14 618
Total operating expenses	3 637	3 619	7 260	6 206	14 612
- Cost of goods sold	(3 122)	(3 129)	(6 230)	(5 427)	(12 824)
- One-off cost	(3)	(38)	(16)	(56)	(80)
= Total operating expenses (adj.)	512	452	1 014	723	1 707
Operating cost percentage	14.1%	12.7%	14.0%	11.7%	11.7%

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 the 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

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
EBIT	(3)	(49)	(7)	(29)	6
- EBIT impact of IFRS 16	(4)	(3)	(8)	(5)	(12)
+ Dep B2C, B2B, Dist. Other	38	34	73	48	115
= EBITDA excl IFRS 16	31	(18)	58	14	109

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 the management's view on the efficiency in the profit generation of the group's operations before one-off items.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Total operating revenue	3 634	3 570	7 253	6 177	14 618
EBIT	(3)	(49)	(7)	(29)	6
+ One-off cost	3	38	16	56	80
= EBIT adjusted	0	(10)	9	27	87
EBIT margin adjusted	0.0%	(0.3%)	0.1%	0.4%	0.6%

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 the 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.

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 the management's view on the efficiency in the profit generation of the group's operations as a percentage of total operating revenue.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Total operating revenue	3 634	3 570	7 253	6 177	14 618
EBIT	(3)	(49)	(7)	(29)	6
EBIT margin	(0.1%)	(1.4%)	(0.1%)	(0.5%)	0.0%

Net working capital: Working capital assets, comprising inventories, trade receivables, trade payables and other current assets and liabilities. The management considers it to be a useful indicator of the group's capital efficiency in its day-to-day operational activities.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Inventory	1 897	2 033	1 897	2 033	1 928
+ Trade receivables - regular	249	706	249	706	309
- Trade payables	(1 131)	(1 204)	(1 131)	(1 204)	(1 412)
+/- Other assets and liabilities	(620)	(185)	(620)	(185)	(181)
= Net working capital	394	1 350	394	1 350	644

Net interest-bearing debt: Interest-bearing liabilities less cash and cash equivalents. The group has presented this item because the management considers it to be a useful indicator of the group's indebtedness, financial flexibility and capital structure. The net interest-bearing debt incl. IFRS 16 is a useful measure as indebtedness, including the lease liabilities from IFRS 16, is relevant for the covenants of the group's credit facilities.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Long-term loans	998	500	998	500	400
+ Short-term loans	52	2 086	52	2 086	625
- Cash/cash equivalents	(341)	(49)	(341)	(49)	(149)
= Net interest-bearing debt	709	2 538	709	2 538	876
+ IFRS 16 liabilities	560	633	560	633	558
= Net int. bear. debt incl. IFRS 16	1 269	3 171	1 269	3 171	1 434

Operating free cash flow: EBITDA excl. impact of IFRS 16 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 the management considers it to be a useful measure of the group's operating activities' cash generation.

Reconciliation

Amounts in NOK million	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
EBITDA excl IFRS 16	31	(18)	58	14	109
- Investments	(40)	(42)	(89)	(72)	(177)
+/- Change in net working capital	160	267	254	44	750
+/- Change in deferred payment	7	10	(7)	28	39
= Operating free cash flow	158	217	215	13	721



Pro forma figures

Komplett + NetOnNet pro forma key figures

Key figures YTD 2023

	Group	Komplett	NetOnNet	Adjustment
Amounts in NOK million	YTD 2023	YTD 2023	YTD 2023	YTD 2023
Operating revenue	7 253	4 538	2 715	-
Growth (%)	-5.1%	-3.0	-8.5	-
Gross profit ¹	1 023	586	437	-
Gross margin (%) ¹	14.1%	12.9%	16.1%	-
Operating expenses (ex. dep and one-off)(adj.)	-847	-514	-332	-
Depreciation and amortisation	-167	-66	-75	-26
Total operating expenses (adj.)	-1 014	-581	-407	-26
Operating cost percentage (adj.) ¹	-14.0%	-12.8%	-15.0%	-
EBIT (adj.) ¹	9	5	29	-26
EBIT margin (adj.) (%)¹	0.1%	0.1%	1.1%	-
One-off cost	-16	-16	-	-
EBIT	-7	-11	29	-26
Net financials	-84	-71	-13	-
Profit before tax	-91	-82	16	-26
Profit before tax (%)	-1.3%	-1.8%	0.6%	-

Key figures YTD 2022

	Pro forma Group	Komplett	NetOnNet	Adjustment
Amounts in NOK million	YTD 2022	YTD 2022	YTD 2022	YTD 2022
Operating revenue	7 645	4 676	2 968	-
Growth (%)	-10.5%	-7.1%	-15.4%	-
Gross profit ¹	964	534	430	-
Gross margin (%) ¹	12.6%	11.4%	14.5%	-
Operating expenses (ex. dep and one-off)(adj.)	-796	-433	-363	-
Depreciation and amortisation	-149	-62	-64	-23
Total operating expenses (adj.)	-945	-495	-427	-23
Operating cost percentage (adj.) ¹	-12.4	-10.6%	-14.4%	-
EBIT (adj.) ¹	19	39	3	-23
EBIT margin (adj.) (%)¹	0.3%	0.8%	0.1%	-
One-off cost	-56	-56	-	-
EBIT	-37	-17	3	-23
Net financials	-49	-17	-7	-25
Profit before tax	-86	-34	-4	-48
Profit before tax (%)	-1.1%	-0.7%	-0.1%	-

Komplett + NetOnNet pro forma IFRS P&L

YTD 2023 Incl IFRS

	Group	Komplett	NetOnNet	Adjustment
<i>Amounts in NOK million</i>	YTD 2023	YTD 2023	YTD 2023	YTD 2023
Total operating income	7 253	4 538	2 715	-
Cost of goods sold	-6 230	-3 952	-2 278	-
Employee benefit expenses	-484	-270	-214	-
Depreciation and amortisation expense	-167	-66	-75	-26
Other operating expenses	-379	-260	-119	-
Total operating expenses	-7 260	-4 549	-2 685	-26
OPERATING RESULT	-7	-11	29	-26
Net finance income and expenses	-84	-71	-13	-
PROFIT BEFORE TAX	-91	-82	16	-26
Tax expense	21	15	1	5
PROFIT FOR THE PERIOD	-70	-66	17	-21

YTD 2022 Incl IFRS

	Pro forma Group	Komplett	NetOnNet	Adjustment
<i>Amounts in NOK million</i>	YTD 2022	YTD 2022	YTD 2022	YTD 2022
Total operating income	7 645	4 676	2 968	-
Cost of goods sold	-6 681	-4 142	-2 538	-
Employee benefit expenses	-470	-234	-236	-
Depreciation and amortisation expense	-149	-62	-64	-23
Other operating expenses	-382	-255	-127	-
Total operating expenses	-7 682	-4 694	-2 965	-23
OPERATING RESULT	-37	-17	3	-23
Net finance income and expenses	-49	-17	-7	-25
PROFIT BEFORE TAX	-86	-34	-4	-48
Tax expense	7	-4	1	10
PROFIT FOR THE PERIOD	-79	-38	-3	-38



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