



# Komplett and NetOnNet to combine

Creating an online-first consumer electronics champion and a Nordic e-commerce leader

9 February 2022

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**Creating an online-first champion and  
a Nordic e-commerce leader!**



# Today's presenters



**Lars Olav Olaussen**

*CEO Komplett Group*



**Susanne Holmström**

*CEO NetOnNet*



**Krister Pedersen**

*CFO Komplett Group*

# Summary of the combination

## Transaction highlights<sup>1)</sup>

- Komplettnet to acquire NetOnNet from SIBA Invest owned by the Bengtsson family. SIBA Invest will receive 35,242,424 Komplettnet shares and NOK 1,500 million in cash. Based on Komplettnet's close of day share price 8 February 2022 of NOK 62.60, this values NetOnNet's share capital at NOK 3,706 million, corresponding to an EV of NOK 3,797 million (equal to 13.3x EBIT (adj.) 2021) based on year-end 2021 net interest bearing debt (excluding lease liabilities)
- Shares issued to SIBA Invest equal to approximately 32.78% of the new number of shares in Komplettnet, before dilution from the intended new issuance of shares to finance the cash consideration / replace the bridge loan, as commented below
- Canica Invest will remain the largest shareholder after the combination with an approximate shareholding of 40% before the intended new issuance of shares to finance the cash consideration / replace the bridge loan, as commented below

## Financial impact<sup>1)</sup>

- Preliminary 2021 aggregated revenue of NOK 18,515m and EBIT (adj.) NOK 674m (NetOnNet: NOK 7,427m and NOK 286m)
- Cost synergies est. at NOK >200m p.a. with full effect expected within ~24 months
- Dividend for 2021 proposed at NOK 2.90 per share, payable also on shares to be issued to SIBA Invest

## Financing

- Financing to settle the cash consideration is secured through a NOK 1,500 million committed 15-month bridge loan
- Komplettnet intends to replace the bridge loan through issuance of new shares in due course – Canica Invest committed to subscribe for at least NOK 500m in such a share issue

## Governance

- Lars Olav Olaussen to continue as CEO of Komplettnet with Susanne Holmström as deputy CEO and managing director of NetOnNet after the combination
- Fabian Bengtsson, chairman of SIBA Invest, proposed as a new board member and Roland Vejdemo, current CoB of NetOnNet, as a new observer on Komplettnet's board. Martin Bengtsson, CEO of SIBA Invest, to be represented on Komplettnet's nomination committee

## Conditions and timeline

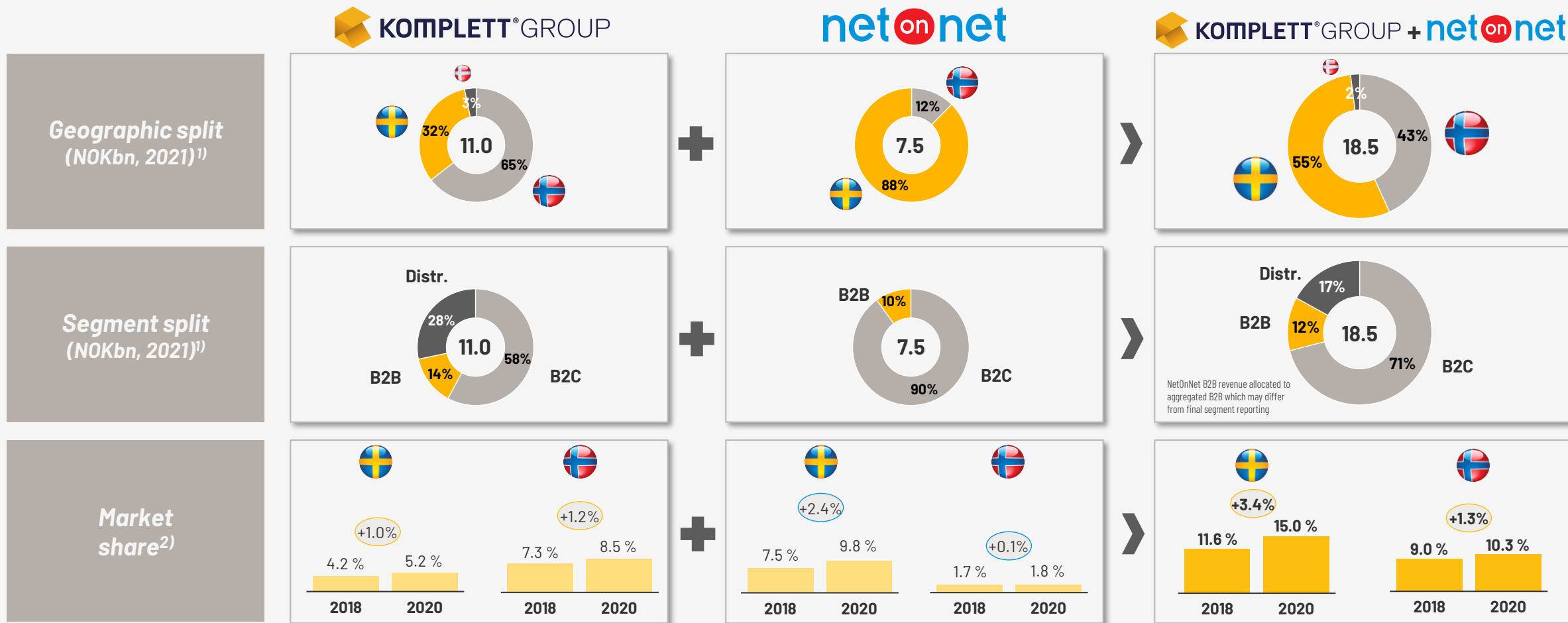
- Completion of the transaction is subject to approval in an extraordinary general meeting ("EGM") in Komplettnet, to obtaining necessary competition authority clearances (Norway, Sweden) and the fulfilment of certain customary closing conditions
- EGM expected to be held during March 2022 – closing expected Q2 2022 subject to among other timing of competition authority clearances

# Online-first electronics champion - Nordic e-commerce leader

- 1 An online-first consumer electronics champion of the Nordics
- 2 Attractively positioned - complementary strengths - stronger together
- 3 Proven scalability - superior cost positions - strengthened competitiveness
- 4 Significantly expanded footprint in Sweden - truly Nordic platform
- 5 Material value creation - cost synergies expected at NOK >200m p.a.
- 6 Strong financials with a sustained and attractive dividend policy



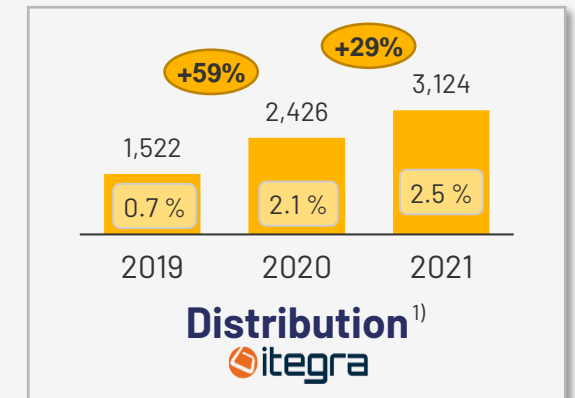
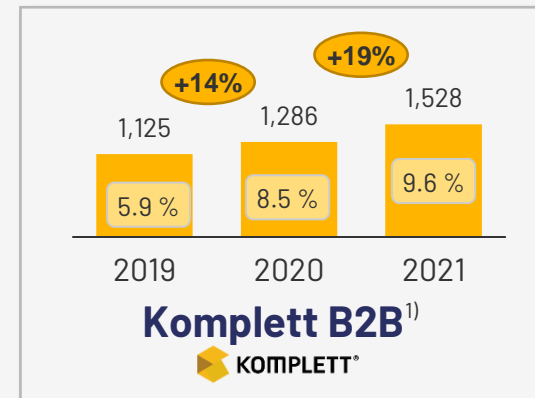
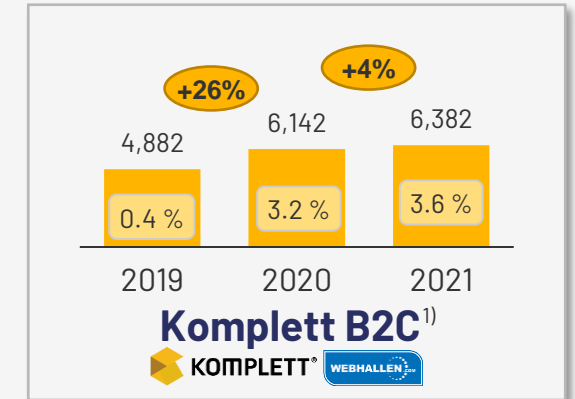
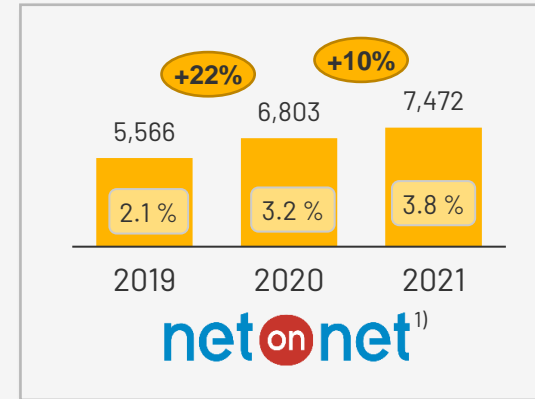
# Highly complementary and winning businesses!



# Successful brands and complementary positions

- ✓ **Strong successful brands**
- ✓ **Complementary strengths**
- ✓ **Combining sourcing – significant synergies**
- ✓ **Lean organizations – cost leadership**
- ✓ **Low-risk combination**

## Solid growth and margin expansion across brands



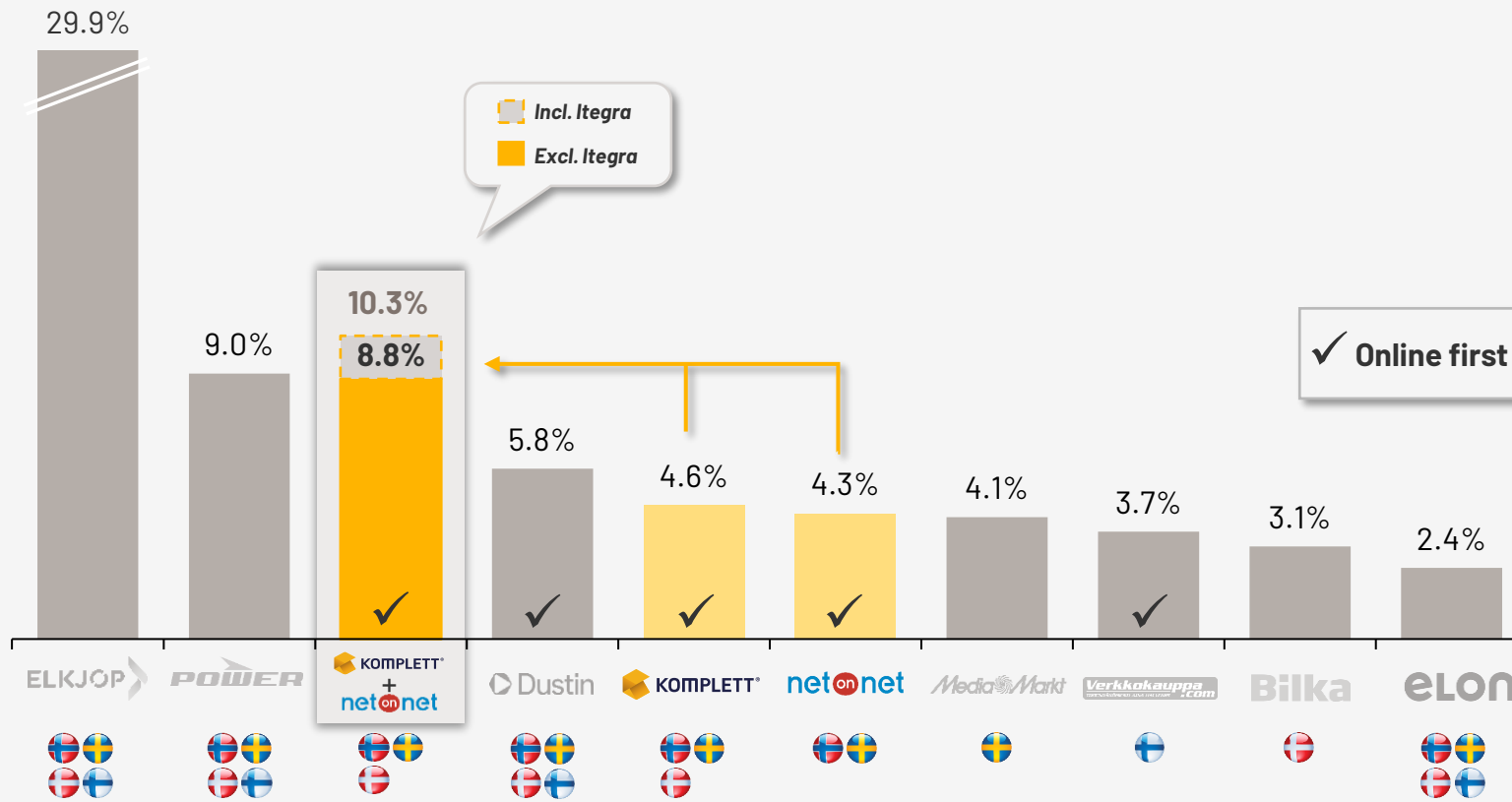
○ = revenue growth    □ = adj. EBIT-margin



# An online-first electronics champion of the Nordics!

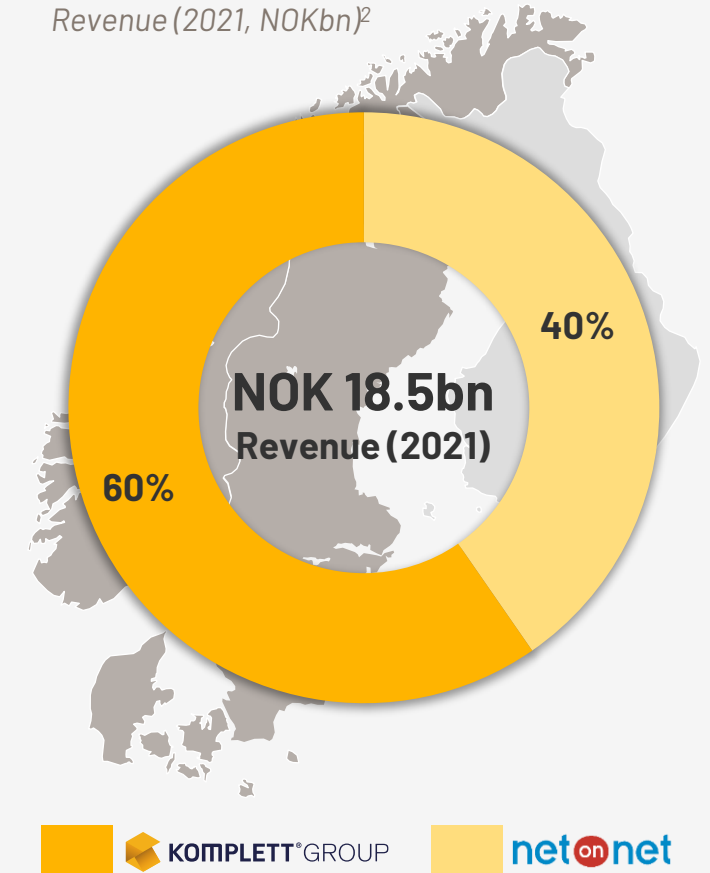
## The largest online-first electronics retailer in the Nordic area

Electronics and appliance market share (Nordics)(2020)<sup>1)</sup>



## Substantially increased scale

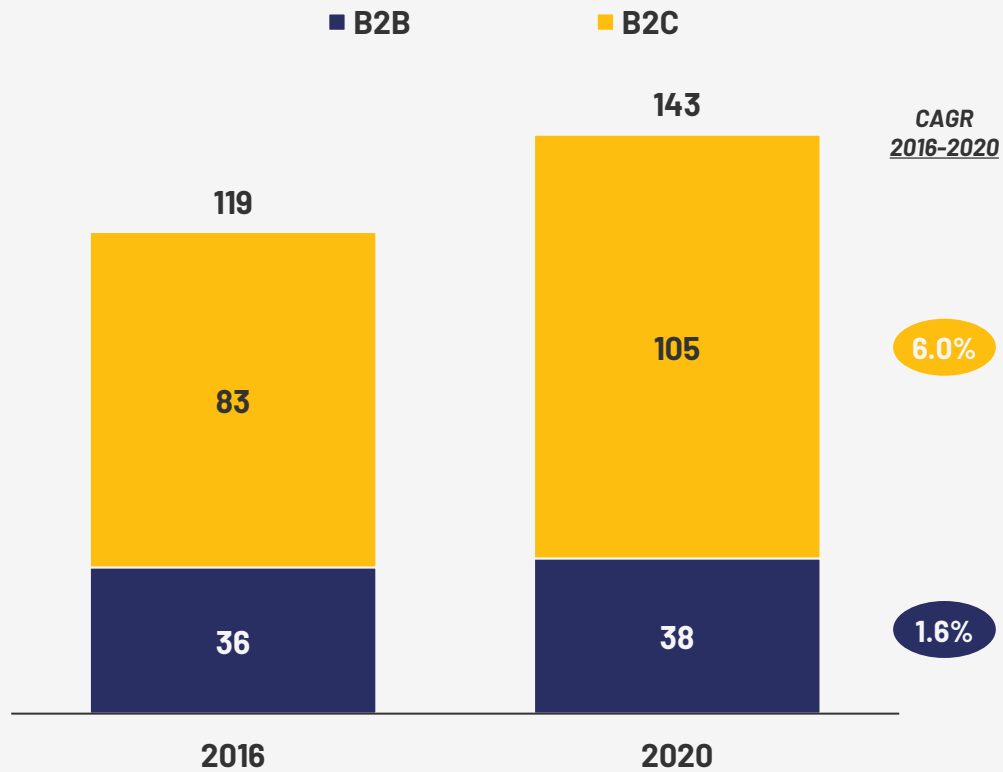
Revenue (2021, NOKbn)<sup>2)</sup>



# Positioned in large, structurally growing and attractive markets

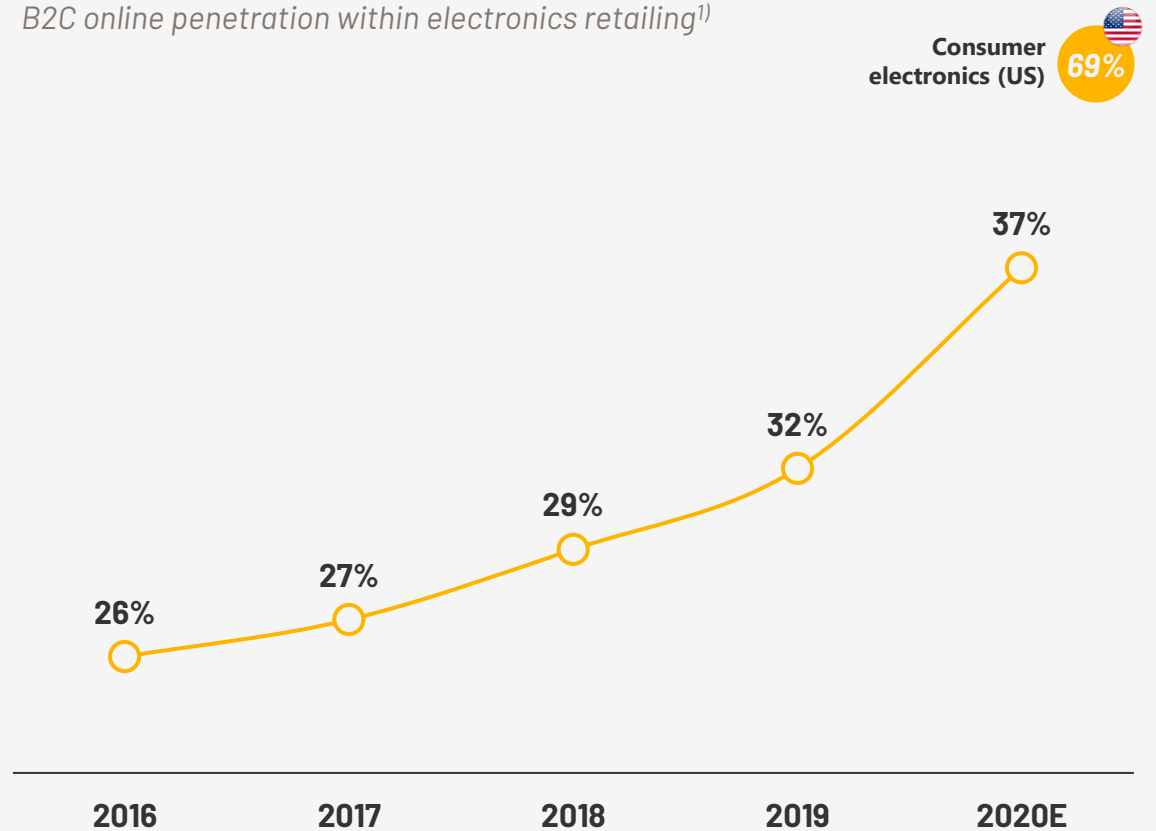
## Large structurally growing markets

Electronics / IT-products market<sup>1)</sup> (NOKbn)



## Rapid online migration set to continue

B2C online penetration within electronics retailing<sup>1)</sup>



# Loved by customers – building loyal communities!



**KLUBB  
HYLLAN®**

*lite mer hjälp*

HEATON





# Strong local brands – broadened customer reach

Attractively positioned based on strong consumer brands<sup>1)</sup>...

... with broadened customer reach



Est. 1996   



Amongst all consumer electronics retailers



Amongst all retailers



Est. 1999  



PriceRunner

E-Champion of the Year



Best price, consumer electronics



Est. 1999 

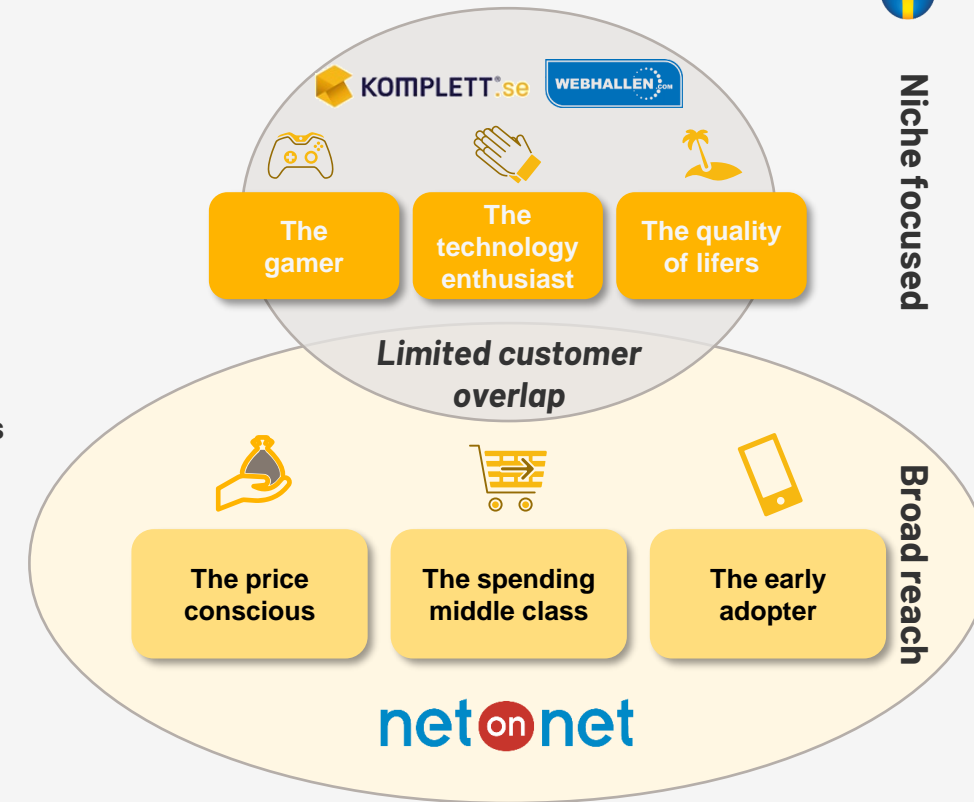


PriceRunner

E-com player of the year within gaming and consoles

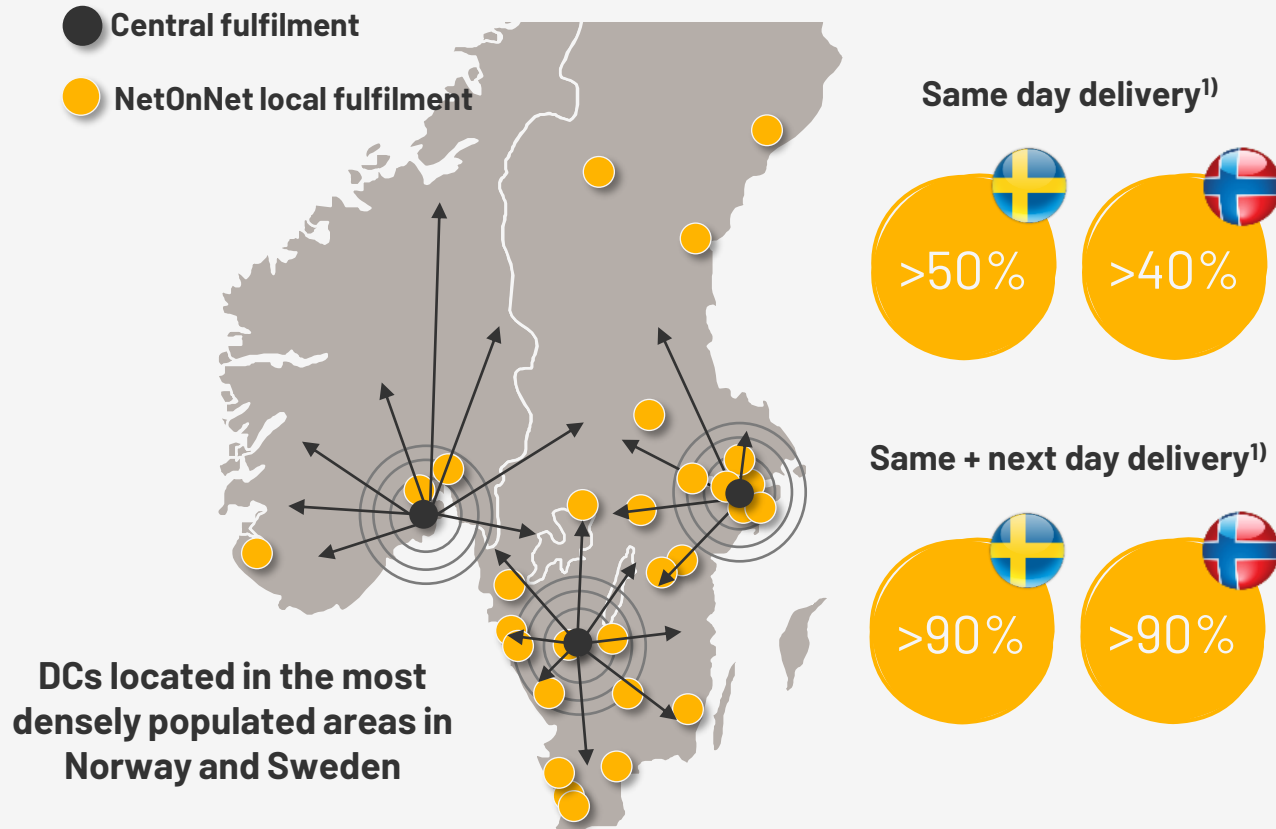


Winner of Swedish SEO price within Electronics



# Expanded reach – leading same-day and last-mile service

## Expanded market reach and home-delivery capabilities



## Scale benefits - infrastructure



Bundled volumes towards suppliers



Greater access to suppliers and products – including strong own brands portfolio



Scale impact - lower operating cost percentage



Increased diversification and lower risk, higher delivery certainty and lower stockout risk



# Proven scalability and cost leadership

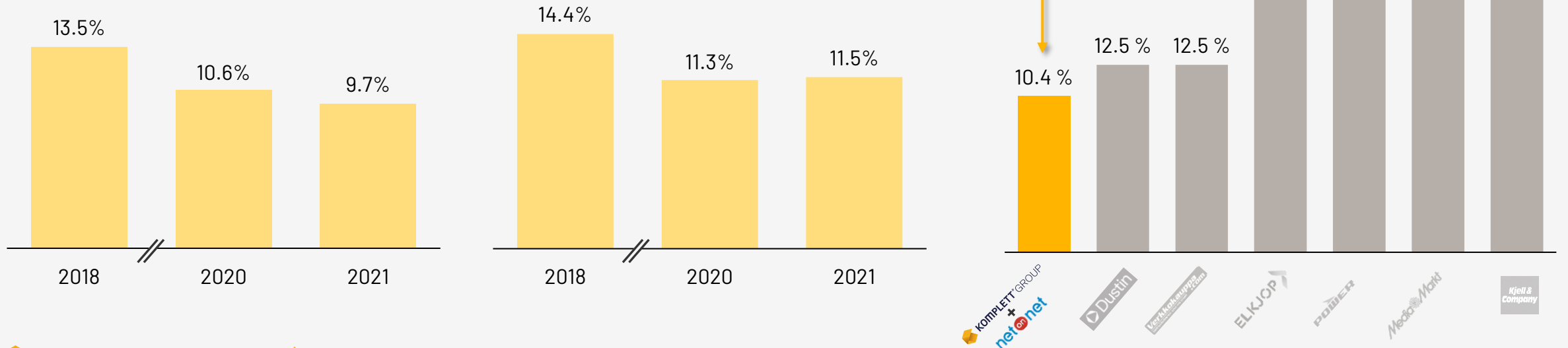
Operating expenses % of revenue<sup>1)</sup>



net on net



KOMPLETT®GROUP  
+  
net on net

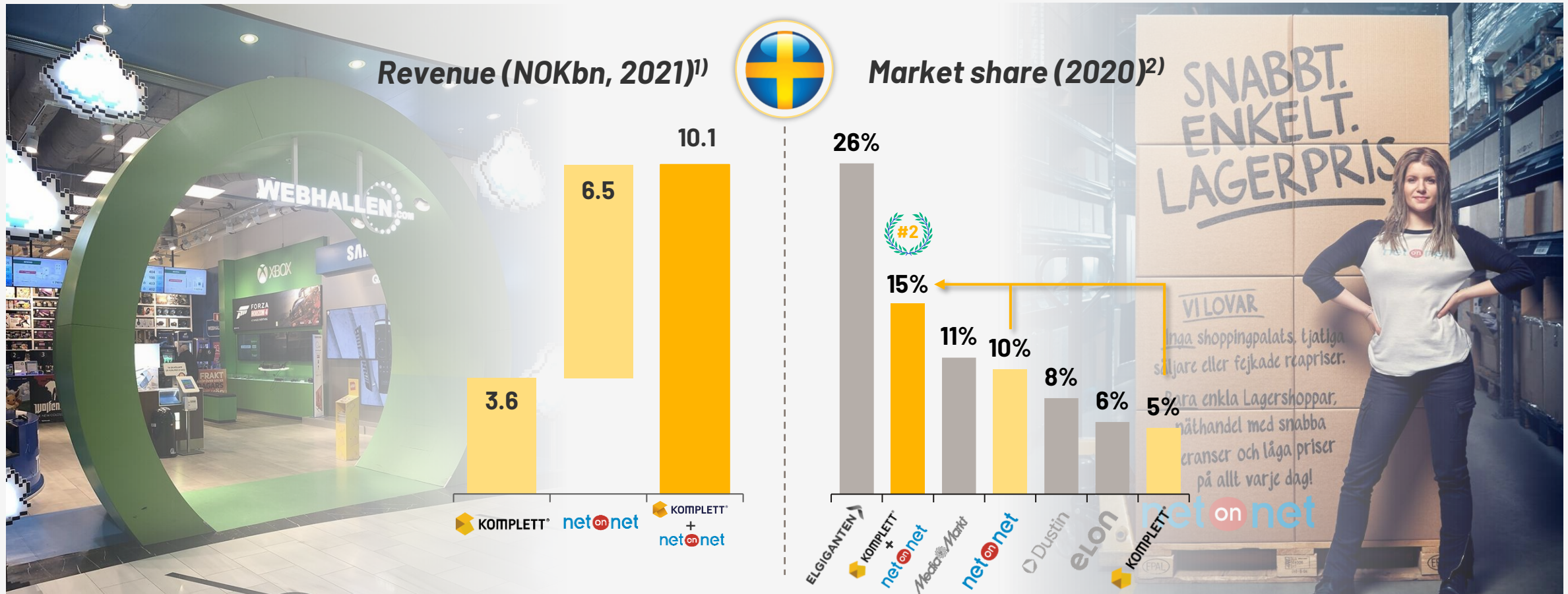


KOMPLETT®GROUP | net on net

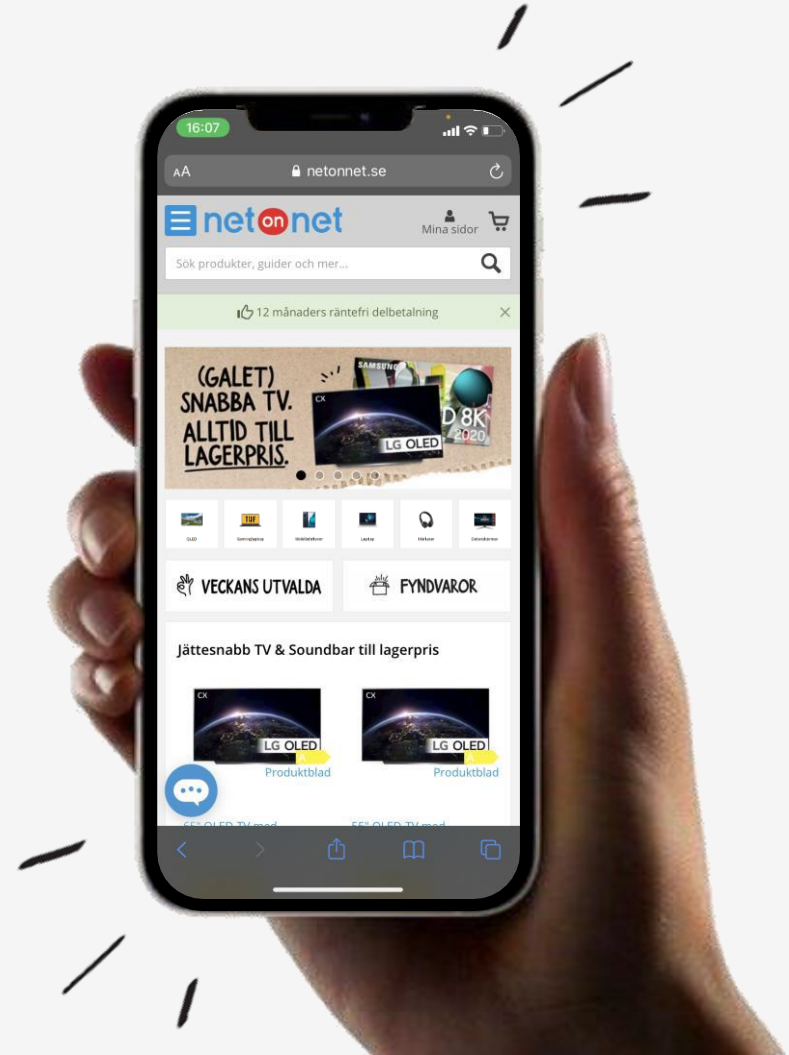
Note: Based on unaudited figures and with a SEK/NOK exchange rate of 1.0. Preliminary aggregated financials may differ from final combined pro forma figures i.a. due to potential differences in accounting policies

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

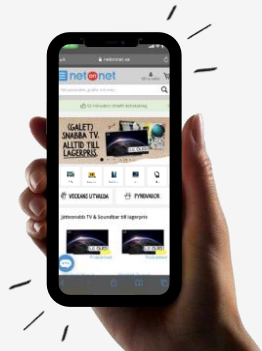
# Significantly strengthened footprint in Sweden contributing to a truly Nordic e-commerce leader position



# Introduction to NetOnNet



# NetOnNet at a glance



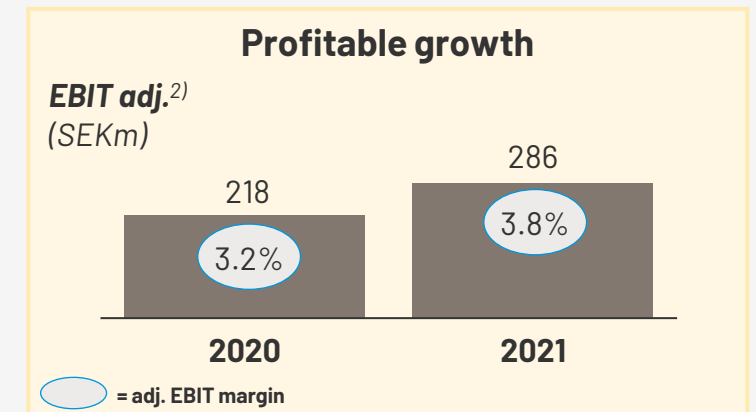
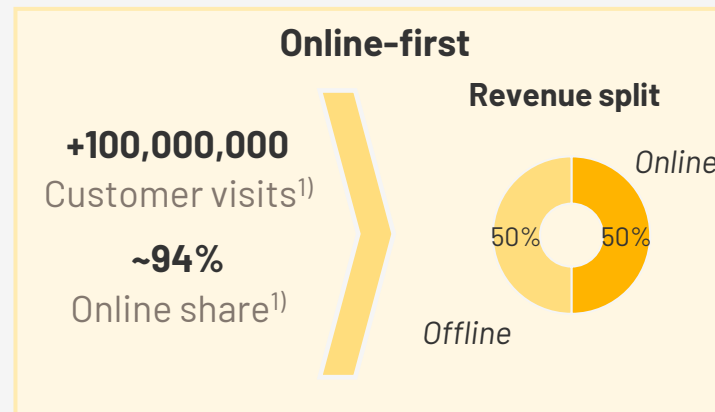
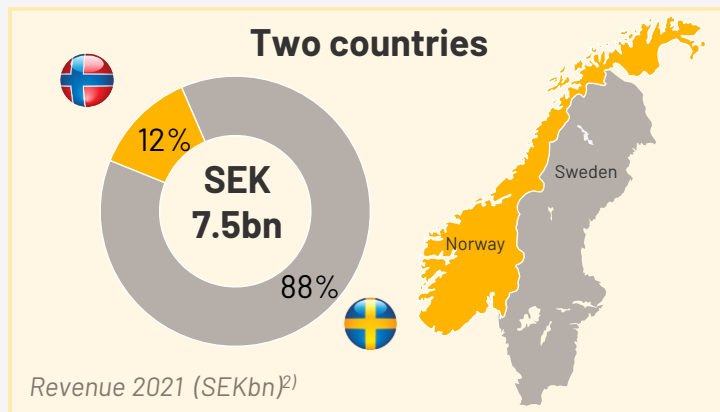
Online-first  
since  
inception



Profitable  
service  
centres



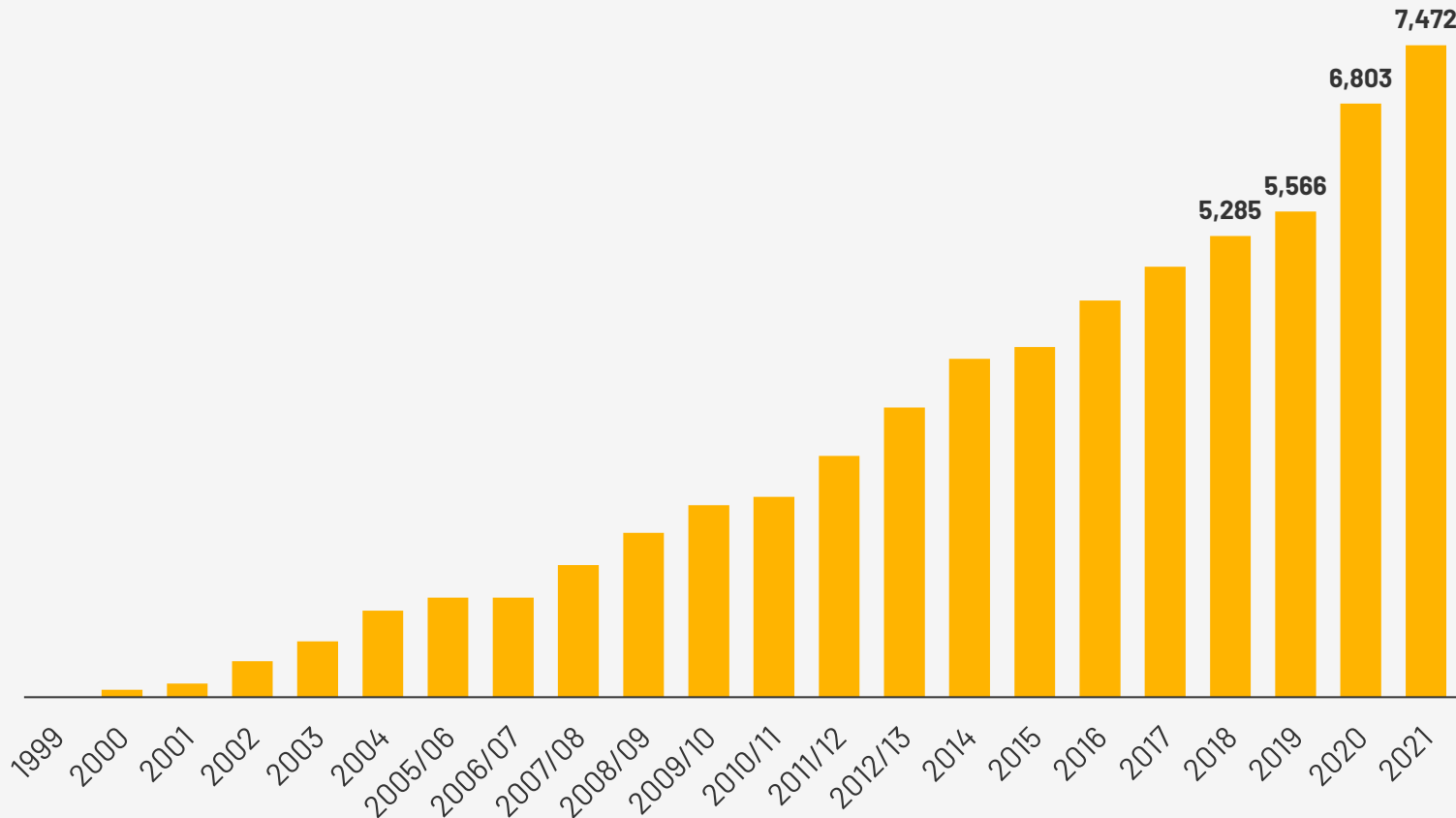
Growing  
profits and  
scalable cost  
base



# Online-first since inception – long growth track-record!

**A family-owned business with a long track record of profitable and sustainable growth**

*NetOnNet – total sales (SEKm)<sup>1)</sup>*



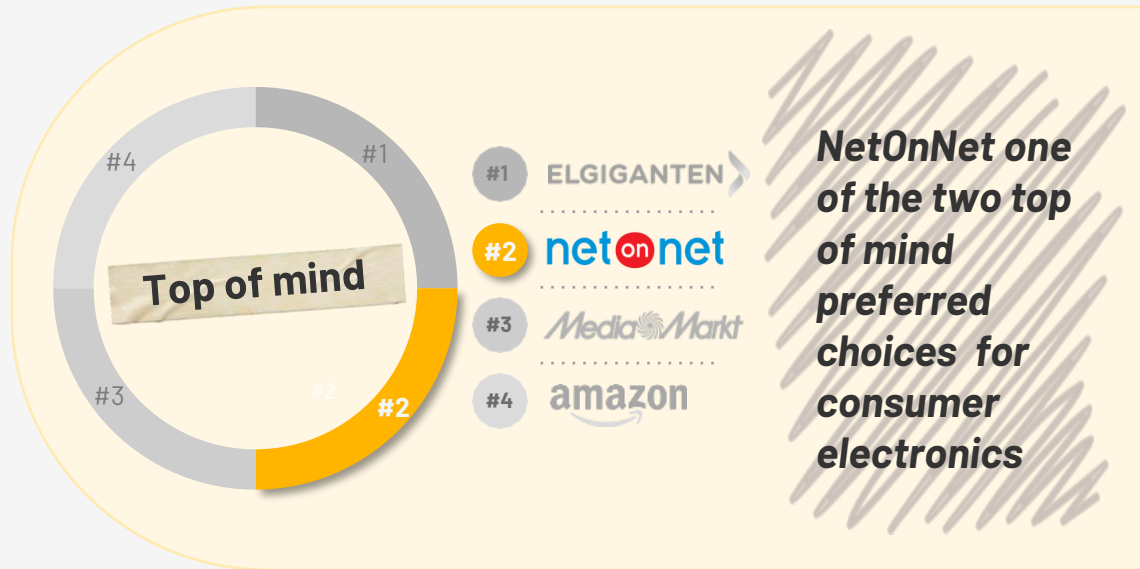
## Selected key milestones

- 1999** NetOnNet founded
- 2000** IPO on Stockholm Stock Exchange
- 2005** Purchase office China established
- 2006** Entered Norway
- 2011** NetOnNet delisted by SIBA Invest
- 2012** Launch of B2B offering
- 2021** Over 1m customer club members

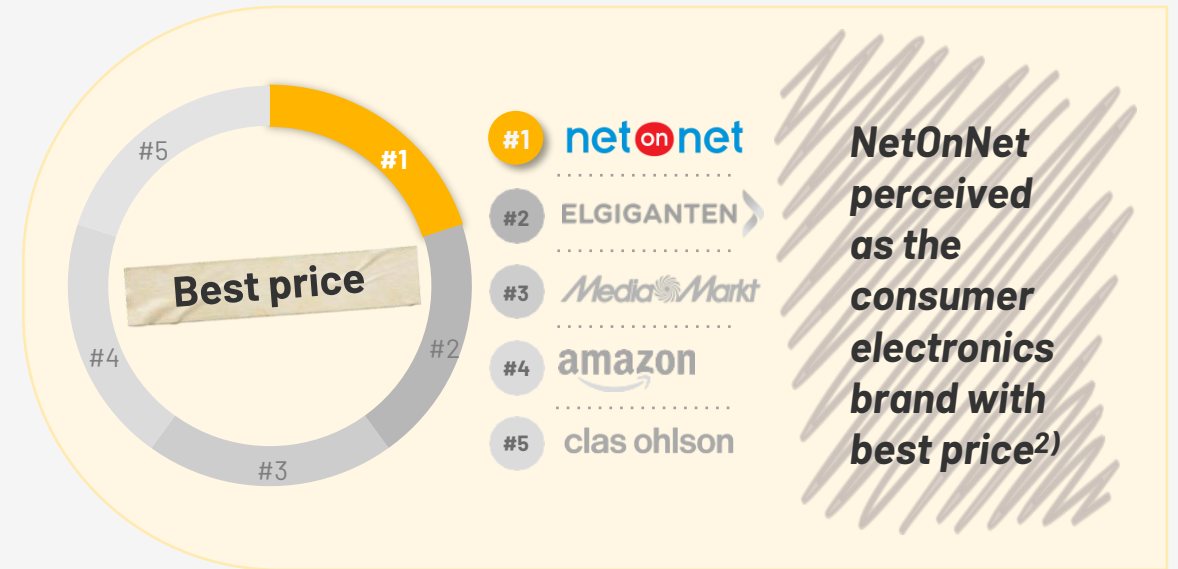


# A highly recognized and appreciated consumer brand

## ✓ Top of mind preference



## ✓ Best price

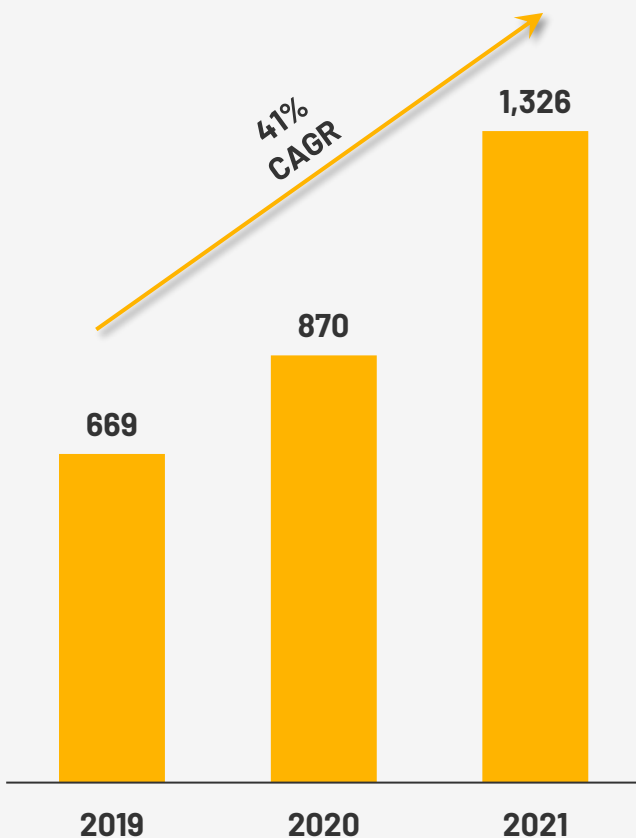


Brand awareness rankings Sweden<sup>1)</sup>

# A large, loyal and growing membership base

## Growing member base

No. of Klubbhyllan members, ('000)<sup>1)</sup>



Introduction to **KLUBBHYLLAN**<sup>®</sup>

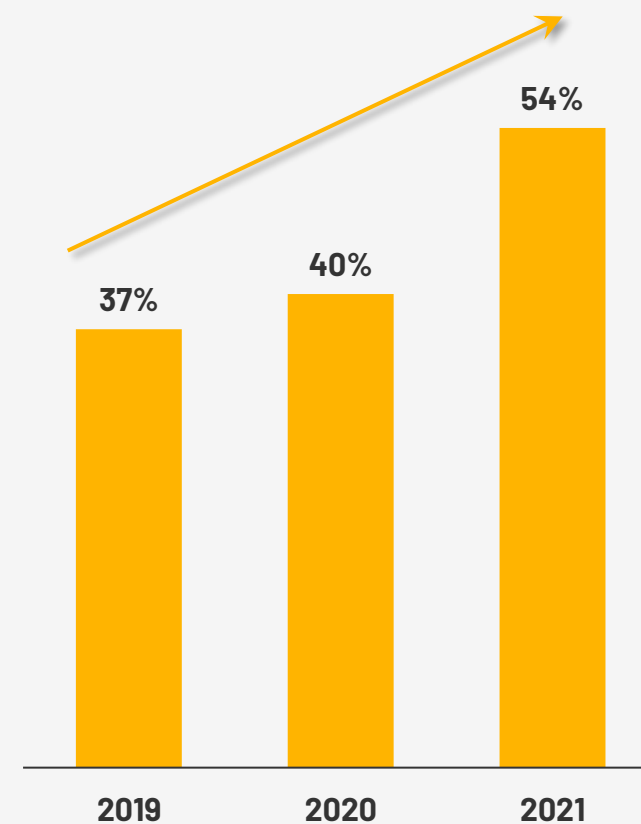
*lite mer hjälp*

**Free membership with attractive membership benefits**

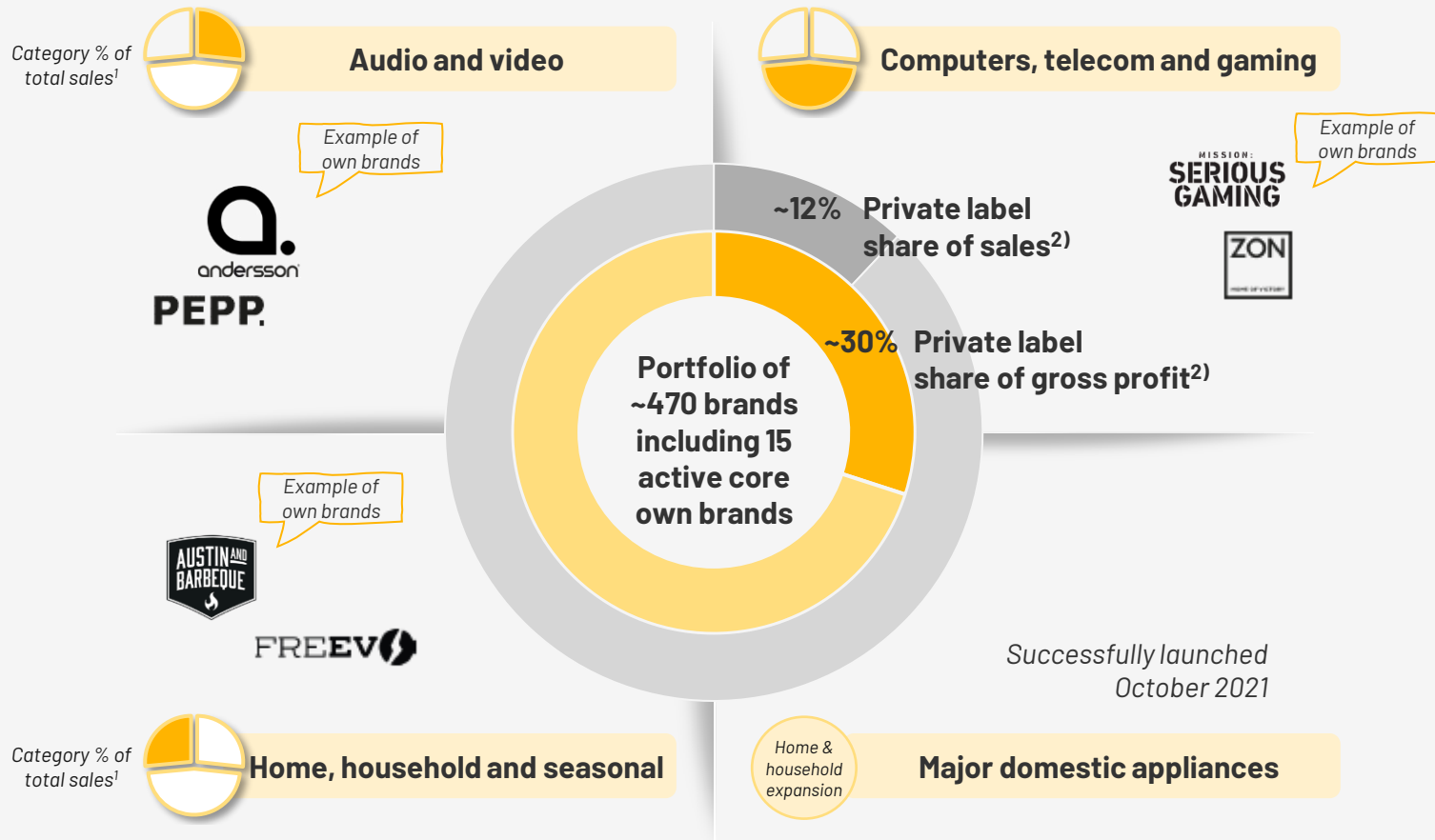
- 90 days of open purchase
- Saved receipt
- Personal technology advisory by phone
- Free loan of trailer
- Faster assistance in support
- Buying advice and tips from NetOnNet's experts

## > 50% of revenue from members

Share of revenue from Klubbhyllan members<sup>2)</sup>

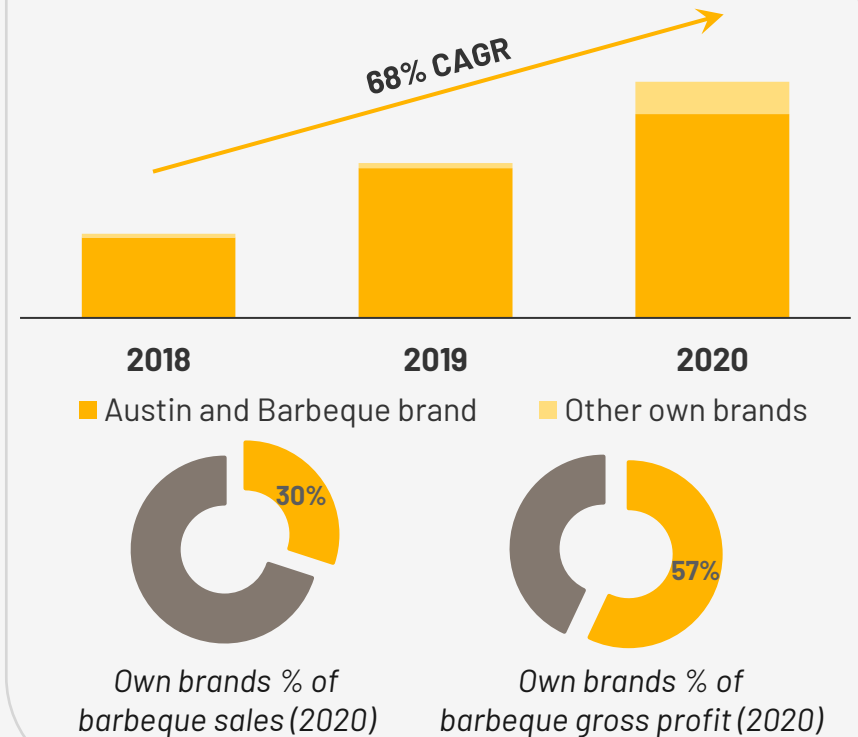


# Extensive brand portfolio incl. strong own brands offering

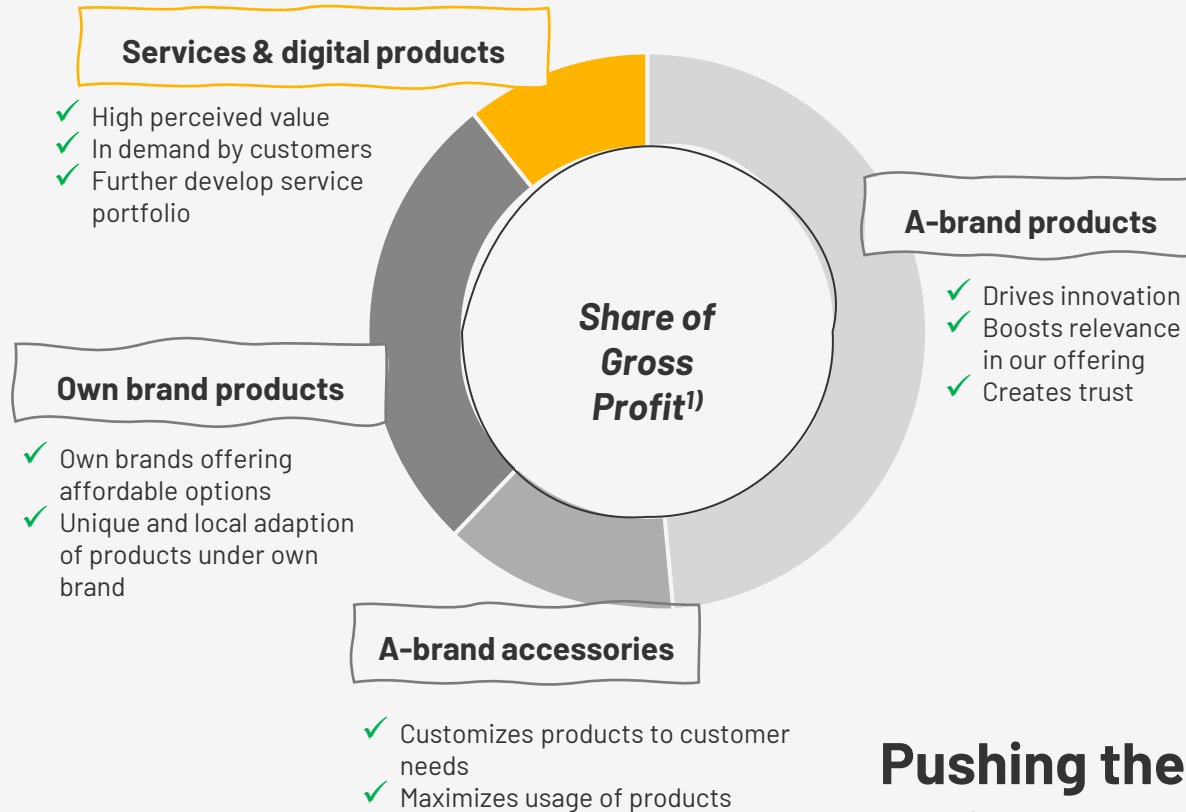


## Case study: Barbeque

Barbeque own brand sales development (SEKm)



# Building services and products in the customer ecosystem



**Pushing the service offering and position in the circular economy**

## VÄXLA UPP!

MANAD	1	12	13
KOSTNADSEXEMPEL	399,-	399,-**	

- Forward trade-in program (guaranteed residual value of new products lowering monthly costs)
- Flexible trade-in to end instalments or upgrade to new device after 12 months

## BYT IN!

Värdera din pryl här

- Trade-in of used consumer electronics
- Digital valuation
- Available online and in Lagershops

## BEGAGNAT

- Sales of refurbished products
- Good for the environment, good for your wallet
- Sourcing via external partners



## HYRESHYLLAN

- Rental of products such as mobile, laptops, etc.
- Currently live in proof of concept phase

**HYR AV NETONNET  
DIREKT FRÅN HYRESHYLLAN**  
Äntligen kan du hyra hemelektronik på ett enkelt sätt!

# Best-in-class fulfilment - fast deliveries, efficient logistics

## Local purchase office in China since 2005



- ✓ Carefully sourced suppliers and products to ensure quality and price of own brands
- ✓ Sourcing products from multiple suppliers to mitigate risks and ensure bargain power

## Central fulfilment with low cost and high delivery precision

### Fulfilment centre in Borås



+ technical product service

- ✓ Central fulfilment with low costs
- ✓ Proven high and stable delivery precision
- ✓ Integrated sorting terminal with PostNord

27,000  
sqm

~6,900  
active SKUs<sup>1)</sup>

~2,100,000  
packages sent per year  
to online customers

## Complementary service centre coverage with instant pick-up

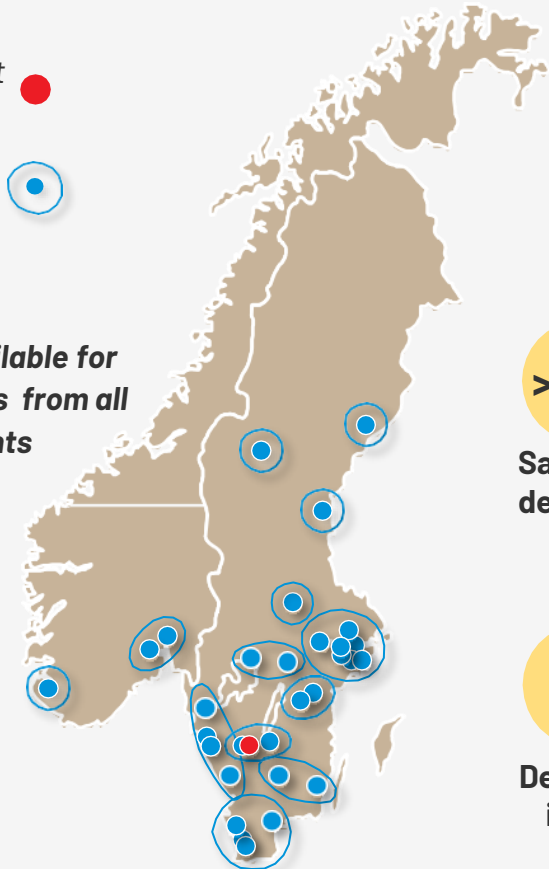
Central fulfilment centre




Service centre, instant pick-up



All products available for online customers from all distribution points



  
> 50%  
Same day deliveries

  
90%  
Deliveries in 24h

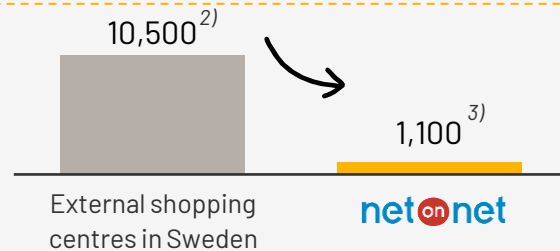


# Cost efficient service centres – agile local fulfilment

## Network of 29 service centres – 26 in Sweden, 3 in Norway

- ✓ Enabling local order fulfilment for fast efficient distribution and customer reach
- ✓ Proven self-service and low-cost concept with ~6m visits in service centres
- ✓ Ca 63% conversion rate<sup>1)</sup> evidencing role as customer destination  
Close to 100% considering shopping families and couples
- ✓ Essential for building local awareness and increasing online penetration

**Low cost destinations**  
Avg. rent per sqm



**2,600**

Avg. sqm per  
service centre

**Så här handlar du**

- 1. Sök**  
I hela sortimentet, jämför produkter.
- 2. Notera**  
Skriv ner artikelnummer och lagerplats.
- 3. Hämta**  
Hämta varan på sin lagerplats.
- 4. Betala**  
Betala i kassan.

**Större sortiment på netonnet.se**  
Vill du köpa en produkt som inte finns i vår Lagershop - kontakta oss så hjälper vi dig.

**Handla nu - betala sen**  
Ansök om NetOnNet-kort redan idag.

**Alltid 30 dagars öppet köp**

**Hallå, var är alla säljare?**  
I våra sökstationer kan du själv hitta produkten du vill ha, i lugn och ro.  
Eftersom du själv gör jobbet blir priset lägre.

**Grattis, du hittade hit!**  
Ju mindre fina adresser vi har, desto bättre priser för dig.

# Service centres complementary to Kompletts Webhallen

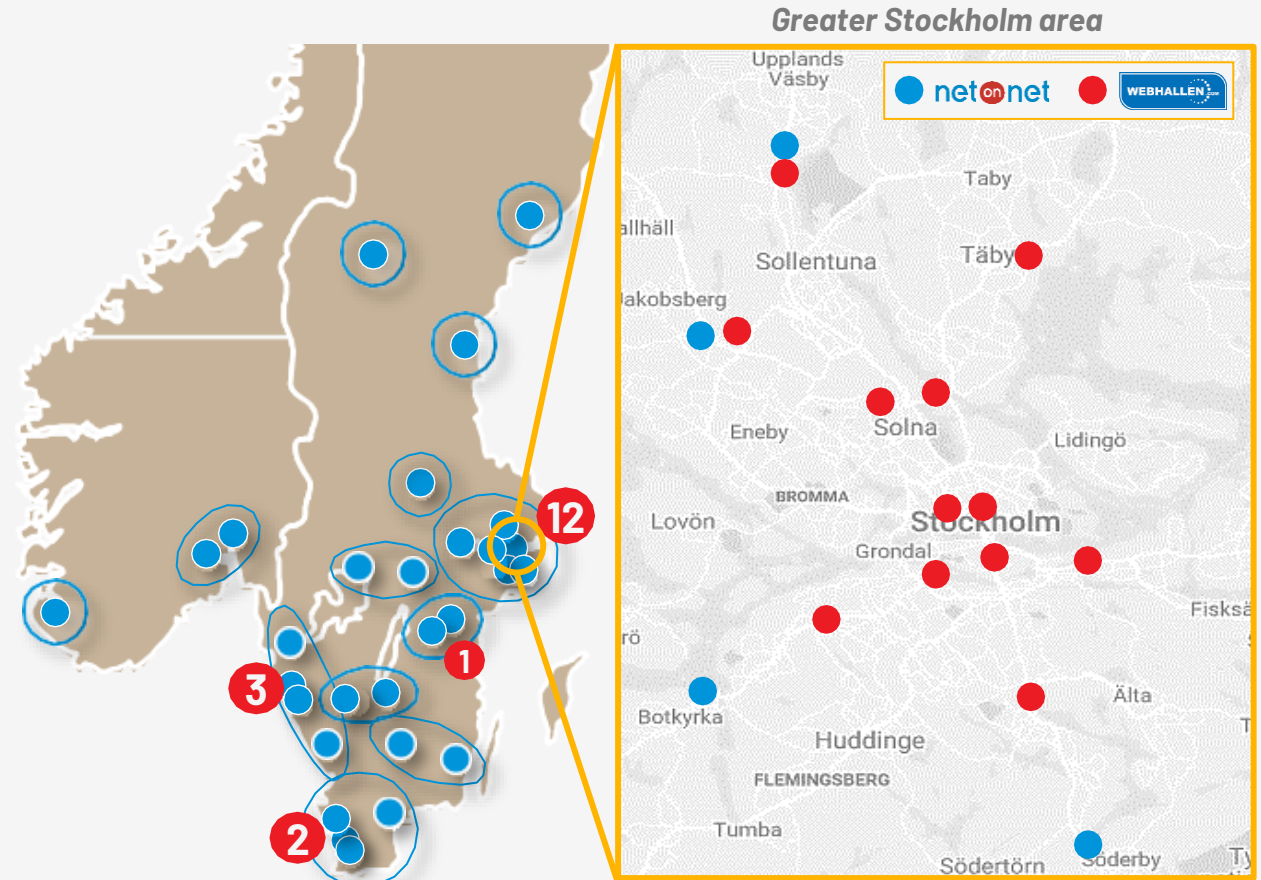
## Complementary concepts...

netonnet



Concept	Large, efficient, low-cost self-service centres	Smaller stores, profiled as gaming-focused
Location	Outside city-centres, near larger access roads, broad geographical footprint	City-centre, high-street and mall locations, strong in Stockholm area
# locations	26 in Sweden and 3 in Norway	18 in Sweden
Avg. size	~2,600 sq.m	~500 sq.m

## ...at complementary locations



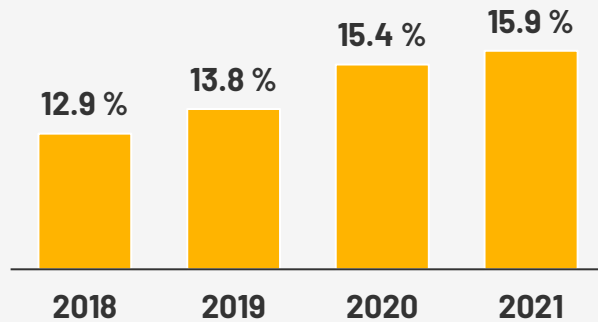
# A highly synergistic combination



# Significant benefits expected from combining sourcing

## Komplett – track-record of sourcing improvements

B2C + B2B gross margin<sup>1)</sup>



- ✓ Leveraging strong customer insight to improve category management
- ✓ Improved supplier cooperation and negotiation across the group
- ✓ Supplier streamlining – fewer and stronger supplier partnerships

## NetOnNet – strong own brand sourcing capabilities

Local purchase office in China since 2005



~12%  
Own brand  
share of sales<sup>2)</sup>

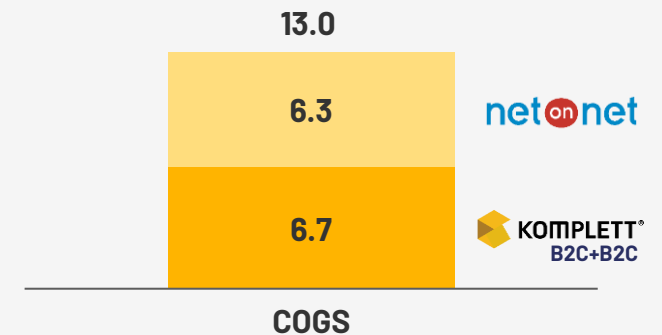


~30%  
Own brand  
share of gross profit<sup>2)</sup>

- ✓ Carefully sourced suppliers and products to ensure quality and price of own brands
- ✓ Sourcing products from multiple suppliers to mitigate risks and ensure bargain power

## Significant room to optimize sourcing for Komplett and NetOnNet together

B2C and B2B COGS<sup>3)</sup> – 2021 (NOKbn)



- ✓ Leverage learnings from Komplett's sourcing improvements
- ✓ Leverage NetOnNet's own brand sourcing capabilities
- ✓ Scale benefits in sourcing
- ✓ Streamline supplier base

# Substantial and clearly identifiable synergies

Categories	Description	Annual synergies (est.)
<b>Cost synergies</b>	<ul style="list-style-type: none"> <li>• Assessment of sourcing synergy potential based on detailed review of sourcing including product overlaps and purchasing costs</li> <li>• Lean organizations – limited overlap – scale effects over time</li> <li>• Lion share of synergies expected within sourcing</li> <li>• Targeted savings including a buffer vs full potential</li> </ul>	<b>NOK &gt;200m</b>
<b>Supply chain – capital expenditure</b>	<ul style="list-style-type: none"> <li>• Shared infrastructure expected to enable supply chain savings over time</li> </ul>	
<b>Synergies phasing</b>	<ul style="list-style-type: none"> <li>• Full effect of cost synergies savings expected within ~24 months</li> </ul>	



# Introducing a strong, active owner to the Board – substantial competencies and track-record within electronics



**Nils K. Selte**  
Chairman of the Board



**Fabian Bengtsson**  
Board Member



**Roland Vejdemo**  
Observer

*New proposed board member and observer<sup>1)</sup>*

# Illustrative aggregated key financials<sup>1)</sup> – before synergies

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Year	2020	2021	2020	2021	2020	2021
<b>Revenue</b>	<b>9,866</b>	<b>11,043</b>	<b>6,803</b>	<b>7,472</b>	<b>16,668</b>	<b>18,515</b>
<b>% Growth</b>	<b>30.8%</b>	<b>11.9%</b>	<b>22.2%</b>	<b>9.8%</b>	<b>27.1%</b>	<b>11.1%</b>
<b>Gross profit<sup>2)</sup></b>	<b>1,318</b>	<b>1,462</b>	<b>985</b>	<b>1,142</b>	<b>2,304</b>	<b>2,604</b>
<b>% Margin</b>	<b>13.4%</b>	<b>13.2%</b>	<b>14.5%</b>	<b>15.3%</b>	<b>13.8%</b>	<b>14.1%</b>
<b>Adj. OPEX<sup>3)</sup></b>	<b>(1,042)</b>	<b>(1,074)</b>	<b>(767)</b>	<b>(856)</b>	<b>(1,809)</b>	<b>(1,929)</b>
<b>% of revenue</b>	<b>(10.6%)</b>	<b>(9.7%)</b>	<b>(11.3%)</b>	<b>(11.5%)</b>	<b>(10.9%)</b>	<b>(10.4%)</b>
<b>Adj. EBIT<sup>4)</sup></b>	<b>276</b>	<b>388</b>	<b>218</b>	<b>286</b>	<b>495</b>	<b>674</b>
<b>% margin</b>	<b>2.8%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>3.8%</b>	<b>3.0%</b>	<b>3.6%</b>

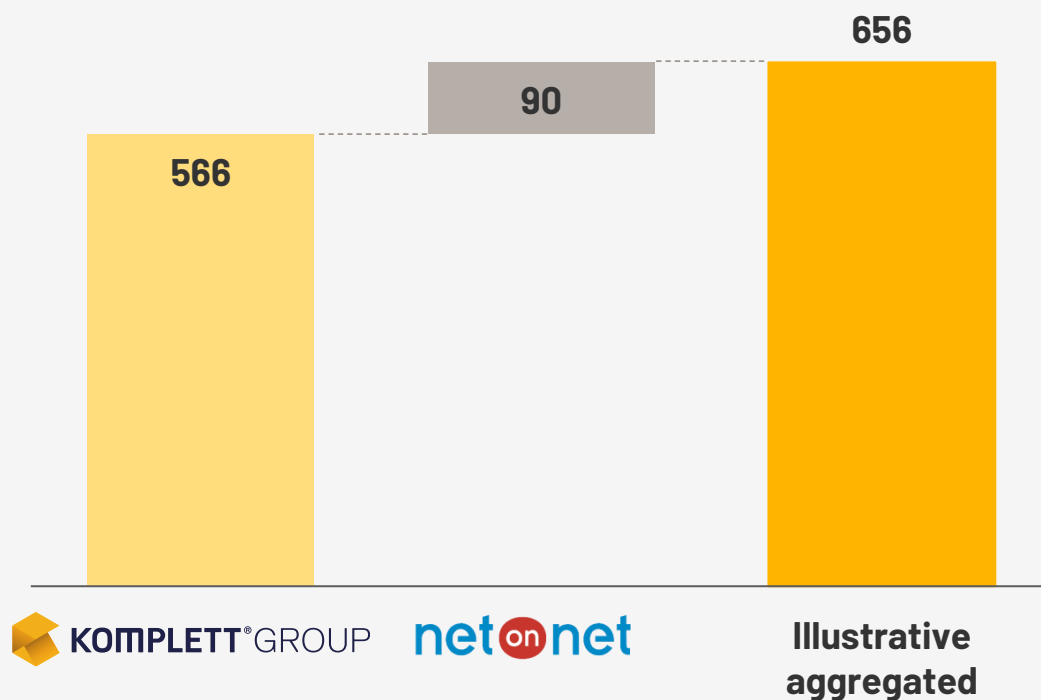
 **KOMPLETT**®GROUP | 

<sup>1)</sup> Based on unaudited figures and with an SEKNOK exchange rate of 1.0. Preliminary aggregated financials may differ from final combined pro forma figures i.a. due to potential differences in accounting policies ; <sup>2)</sup> Gross Profit is defined as total operating revenue less cost of goods sold; <sup>3)</sup> Adjusted OPEX is defined as total operating expenses less cost of goods sold and one-off cost; <sup>4)</sup> Adjusted EBIT is derived from Financial Statements as operating result (EBIT) excluding one-off cost

# Robust balance sheet providing financial flexibility

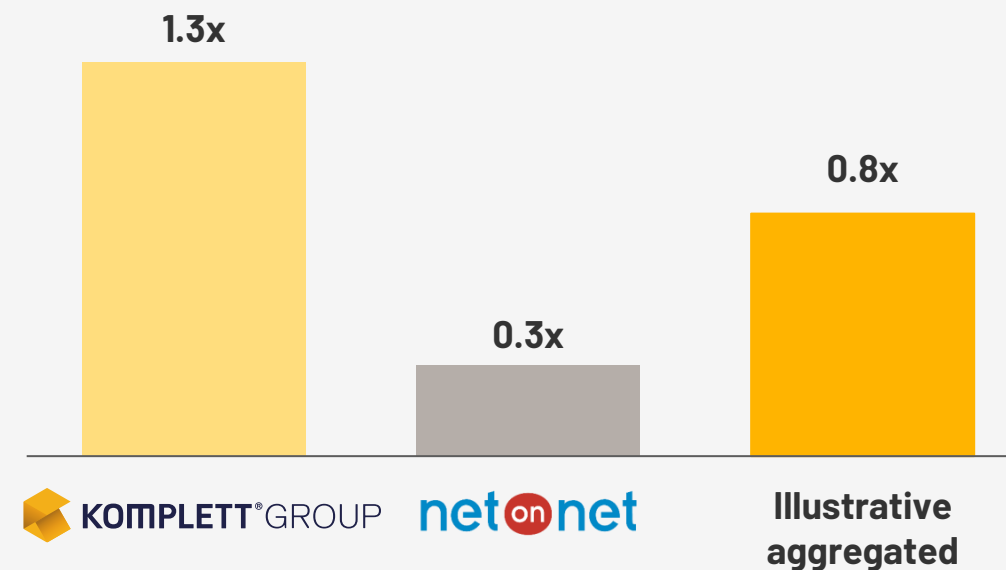
## Net Interest-bearing debt ("NIBD")<sup>1)</sup>

NOKm (excluding IFRS16) – Q4 2021



## Leverage ratio / gearing<sup>1)</sup>

xEBITDA (excluding IFRS16) – Q4 2021



# Transaction timeline and expected key dates

**9 February  
2022**

- Announcement of agreement to combine Komplett and NetOnNet

**March 2022**

- Komplett EGM – approval of the combination including the issuance of the consideration shares to SIBA Invest and authorization to issue shares in a directed issue to replace the bridge facility

**Q2 2022**

- Expected competition authority clearances (Norway, Sweden)

**Q2 2022**

- Completion of the combination, subject to timing of competition authority clearances

**Q3 2022**

- Planned Capital Markets Day for the combined company

# Online-first electronics champion - Nordic e-commerce leader

- 1 An online-first consumer electronics champion of the Nordics
- 2 Attractively positioned - complementary strengths - stronger together
- 3 Proven scalability - superior cost positions - strengthened competitiveness
- 4 Significantly expanded footprint in Sweden - truly Nordic platform
- 5 Material value creation - cost synergies expected at NOK >200m p.a.
- 6 Strong financials with a sustained and attractive dividend policy







# Appendix



# NetOnNet financial summary

Income statement – financial year Jan-Dec (SEKm) <sup>1)</sup>	2020	2021
Net sales	6,800	7,469
Other operating income	2	3
<b>Total income</b>	<b>6,803</b>	<b>7,472</b>
COGS	(5,817)	(6,330)
Other external costs	(250)	(327)
Personnel costs	(374)	(415)
Depreciation & amortization	(137)	(132)
Other operating costs	(7)	(0)
<b>EBIT</b>	<b>218</b>	<b>268</b>
Net financial items	(18)	(5)
EBT	200	263
Taxes	(48)	(58)
<b>Net income</b>	<b>152</b>	<b>205</b>
<b>EBIT (reported)</b>	<b>218</b>	<b>268</b>
Adjustment for one-off costs	0	19
<b>EBIT (adjusted)</b>	<b>218</b>	<b>286</b>
Adj. EBIT margin (adjusted)	3.2%	3.8%

Balance sheet year-end (SEKm) <sup>1)</sup>	2021
Intangible fixed assets	37
Tangible fixed assets	446
Other non-current assets	6
<b>Total non-current assets</b>	<b>490</b>
Inventory	1,253
Accounts receivables	292
Cash and cash equivalents	9
<b>Total current assets</b>	<b>1,554</b>
<b>Total assets</b>	<b>2,044</b>
Interest-bearing debt	99
Non interest-bearing long-term liabilities	28
Long-term lease liabilities	262
Short-term lease liabilities	92
Accounts payables	556
Other payables	523
<b>Total liabilities</b>	<b>1,559</b>
<b>Equity</b>	<b>484</b>
<b>Total equity and liabilities</b>	<b>2,044</b>

# Basis for financials presented

## Commentary

- The illustrative aggregated unaudited financial information as included in this presentation is based on unaudited consolidated financial statements for Komplett and NetOnNet for the year ended 31 December 2021 and respective audited consolidated financial statements for the year ended 31 December 2020
- The illustrative aggregated unaudited financial information does not represent pro forma financial information as impacts such as among other those relating to purchase price allocation, differences in accounting principles, adjustments related to transaction costs and impacts of potential refinancing have not been taken into account
- Expected potential synergies are not included
- The illustrative aggregated income statement information and key figures have been presented as if the combined business had been carried on in the same group from the start of 2020
- NetOnNet's financial information presented in SEK has been converted to NOK at an exchange rate of 1.0

APM	Definition <sup>1)</sup>
EBIT adjusted	Derived from Financial Statements as operating result (EBIT) excluding one-off cost.
EBIT margin adjusted	EBIT adjusted (as defined above) as a percentage of total operating revenue
EBITDA adjusted	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 excluding one-off cost
EBITDA adjusted excl. IFRS16	EBITDA (as defined above) adjusted for IFRS16 related depreciation
Gross Profit	Total operating revenue less cost of goods sold
Gross Margin	Gross Profit (as defined above) as a percentage of total operating revenue
Net Interest-Bearing Debt	Interest-bearing liabilities less cash and cash equivalents
OPEX adjusted	Total operating expenses less cost of goods sold and one-off cost
OPEX adjusted %	OPEX adjusted (as defined above) as a share of total revenue

