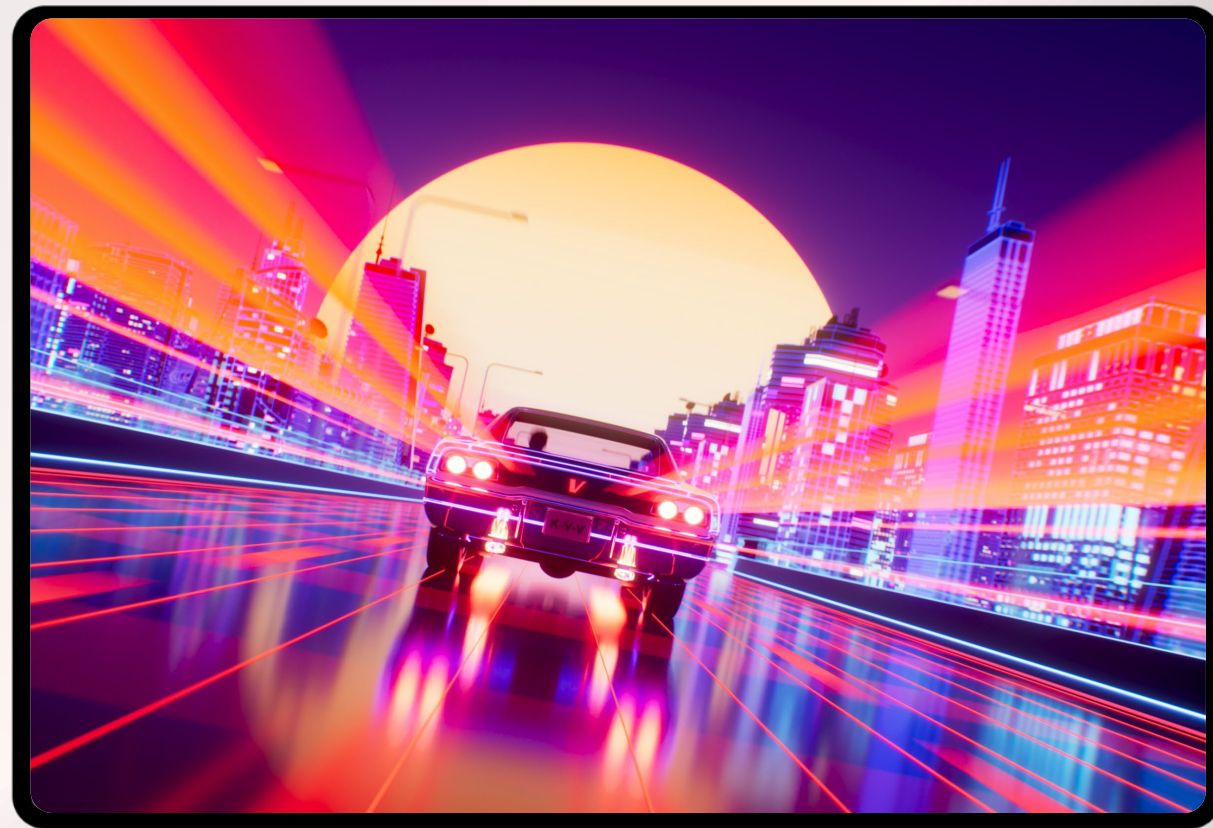


CAPITAL MARKETS DAY 2024

Verkkokauppa.com Oyj

30 May 2024





How we change the retail in Finland

Panu Porkka

Chief Executive Officer

VERKKOKAUPPA.COM'S MANAGEMENT TEAM



NINA ANTTILA 

Chief Supply Chain Officer

PEKKA LITMANEN

Chief Experience Officer

SUVITUULI TUUKKANEN 

Chief Marketing Officer

TATU KALEVA 

Chief Commercial Officer

JYRKI TULOKAS 

Chief Strategy and Technology Officer

SATU BERLIN

Chief Human Resources Officer

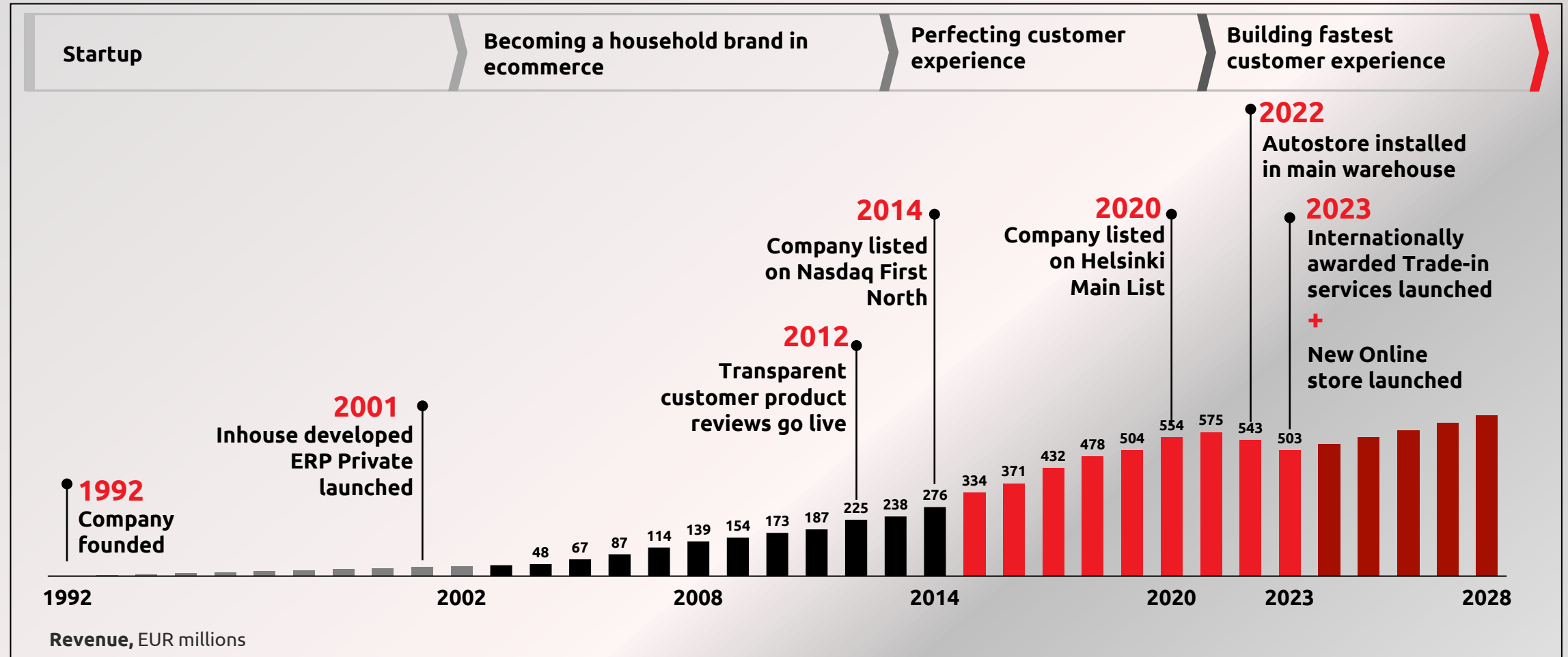
PANU PORKKA 

Chief Executive Officer

JESPER BLOMSTER 

Chief Financial Officer

Three decades as Finnish ecommerce forerunner



Verkkokauppa.com uniquely positioned to win in future retail

Most visited e-tailer in
Finland

73 M

ONLINE VISITS IN 2023

Strongest customer
satisfaction

73  *+5pp YoY*

NPS 2023

Ecommerce net sales (meur) generated in
Finland in 2023

verkkokauppa.com

317

gigantti.fi*

200

k-ruoka.fi*

174

zalando.fi*

134

karkkainen.com*

129

**Source: Peer group figures based on Ecommerce Database (ECDB)*

Note: first party net sales generated after deduction of returns, allowances for damaged or missing goods and any discounts allowed

Widest fast delivery
assortment

32 700

FAST DELIVERY SKU COUNT

Most engaged customers

508 718  *+17 301 # YoY*

NO. PRODUCT REVIEWS BY
2024 MAY

Finland's most preferred
Consumer electronics
brand

Kantar Brand tracking Q1/2024

Lowest returns in 2023

0.7%

MARKET OUTLOOK

Panu Porkka

Chief Executive Officer



Headwinds in the market environment



Subdued economic growth, signs of potential turnaround are visible later in the year¹



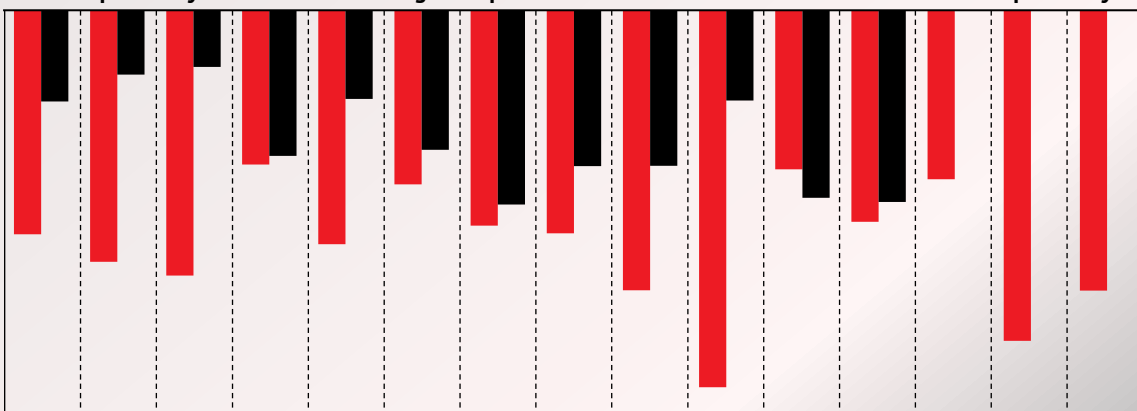
Weak consumer confidence restraining spending on discretionary goods¹



Despite the challenges in the market, signs of a potential turnaround are emerging later in the year as interest rates decrease¹

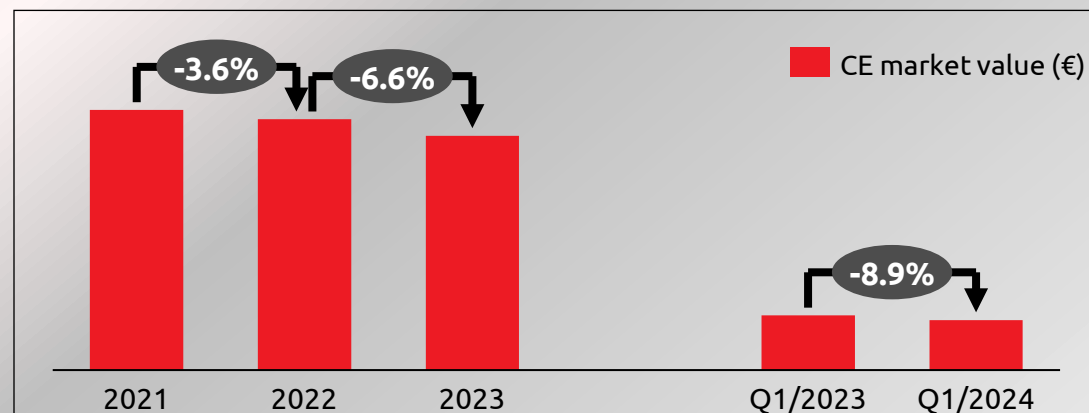
Consumer confidence in their own finances indicates the development of specialty retail revenue²

Mar 23 Apr 23 May 23 Jun 23 Jul 23 Aug 23 Sep 23 Oct 23 Nov 23 Dec 23 Jan 24 Feb 24 Mar 24 Apr 24 May 24



■ Consumer confidence (own economy, current) ■ Specialty retail yearly change, sales

Three-year market decline indicates surging demand for upcoming years³



Market & consumer tailwinds contributing to future growth and strengthening our position



Company's addressable market continues transitioning online, cannibalizing traditional brick & mortar



Fast and convenient shopping becoming a new norm for buying



New ways of buying and owning becoming more relevant



Artificial intelligence creating new innovations to consumer electronics and household appliances



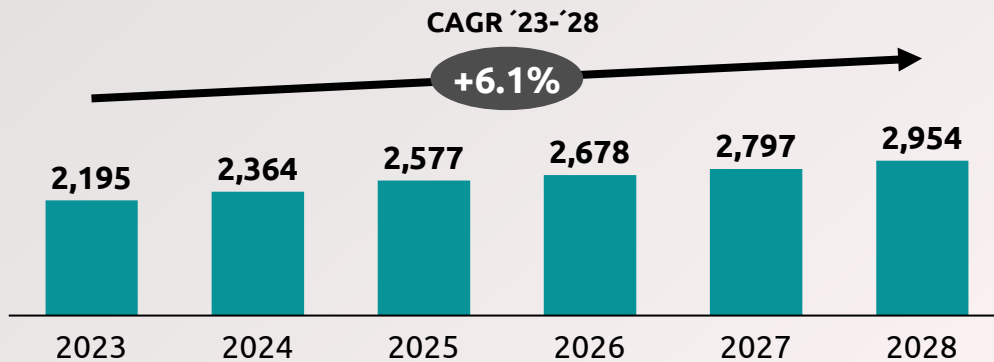
Rising importance of sustainability and circularity



Retail in Finland is steadily transitioning to online

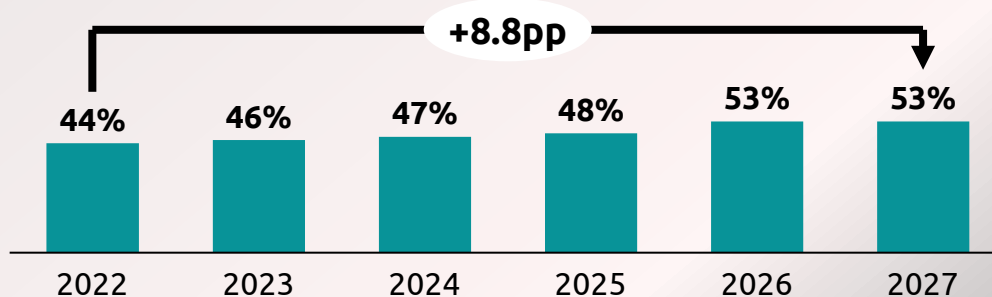
Consumer electronics is one of the top-selling categories online and is experiencing fastest shift to online

Total addressable ONLINE market size (meur) and development, Finland 2023-2028



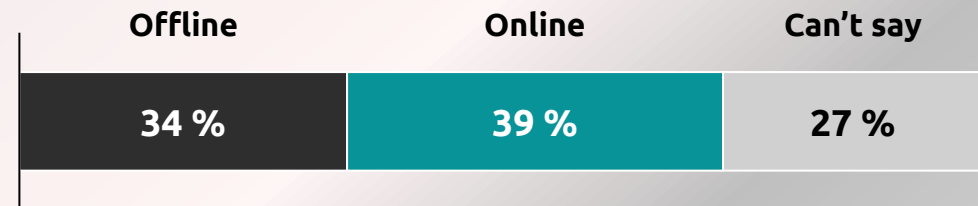
Source: Statista

Online share of sales estimates in consumer electronics, Finland 2022-2027

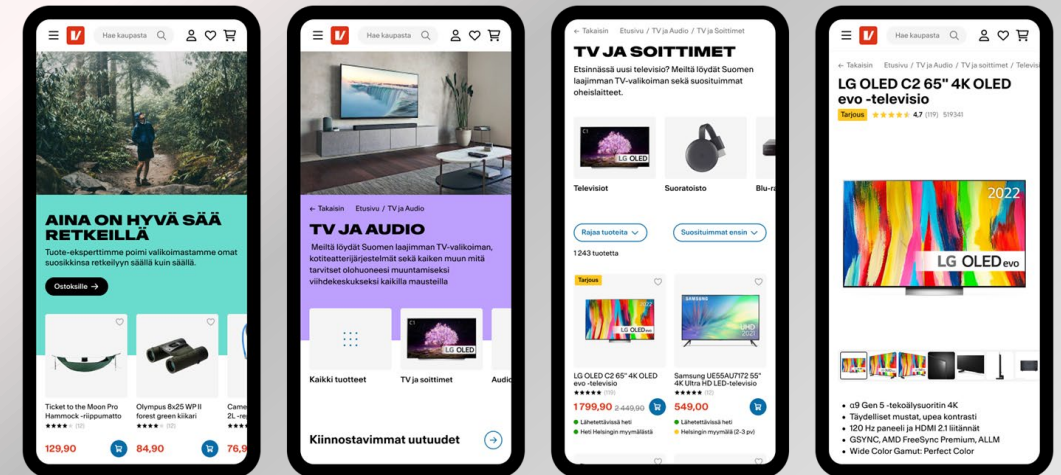


Source: Statista

Consumers preferring to buy electronics online rather than offline in 2023



Source: Digital consumer buying journey, Finnish Commerce Federation Finland 9/2023



Fast deliveries are growing globally at a significant pace

Fast deliveries are a top priority for customers, but Finland lags many other countries in this area

Top preference drivers*

BIGGEST UPLIFT POTENTIAL AS
DIFFERENTIATOR

Smooth shopping experience

Fast and handy deliveries

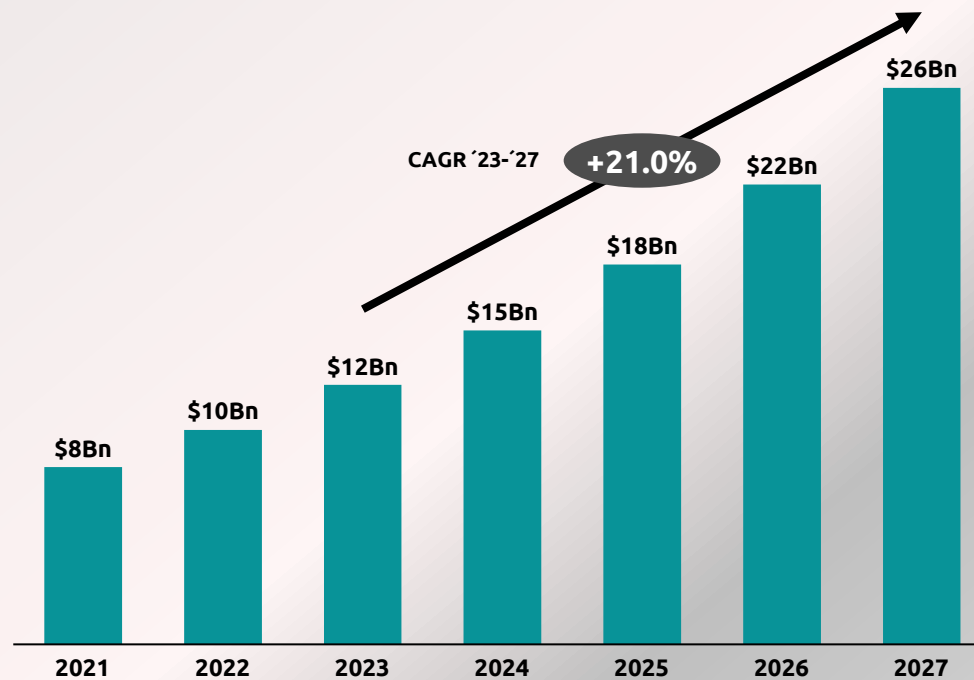
MARKET MUST-HAVES

Good price level

Interesting assortment

**Based on Kantar statistical analysis on
Verkkokauppa.com data 07-12/2023,
n=2000*

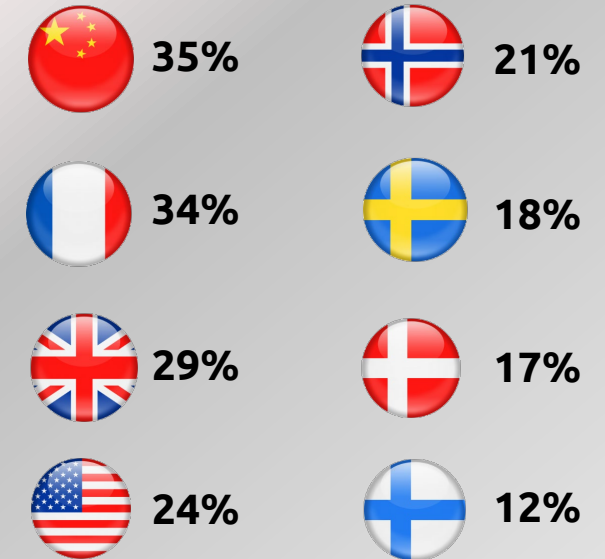
Global same-day delivery market size forecast 2021-2027, BN\$



Source: Statista

The availability of fast delivery increases the preference for fast delivery

"When I order an item, I prefer express shipping"



Source: Statista Consumer Insights Global Survey

The buy now, pay later (BNPL) trend has become increasingly popular worldwide

Finland is no exception, with many consumers opting for this payment method

Majority of Finnish consumers have used BNPL option

Have you used any "Buy now, pay later" options for purchases in the past 12 months?" (multi-pick)

47% Yes, in the past 12 months

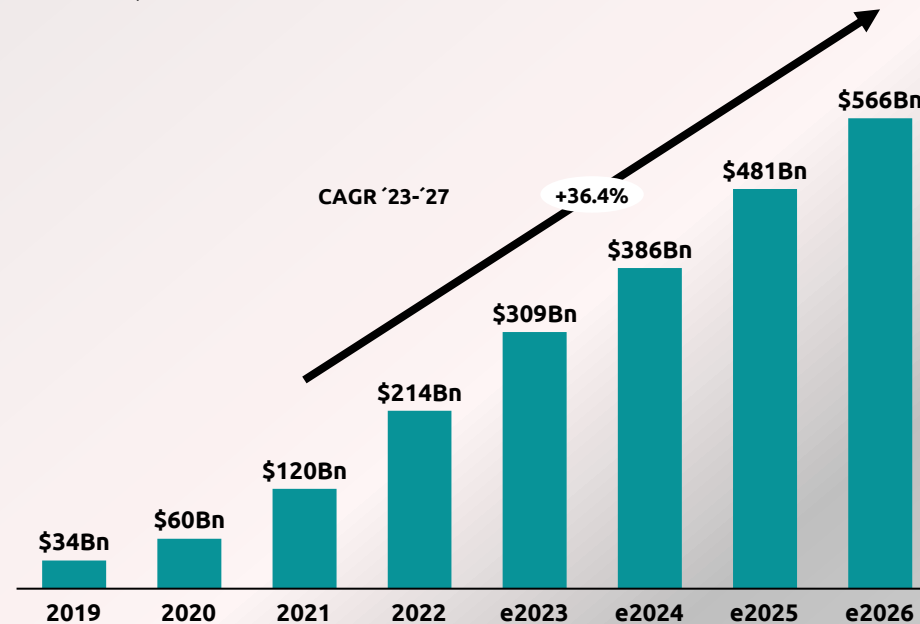
8% Yes, but longer than 12 months ago

14% No, but I could imagine using it in the future

30% No, and I don't consider using it in future

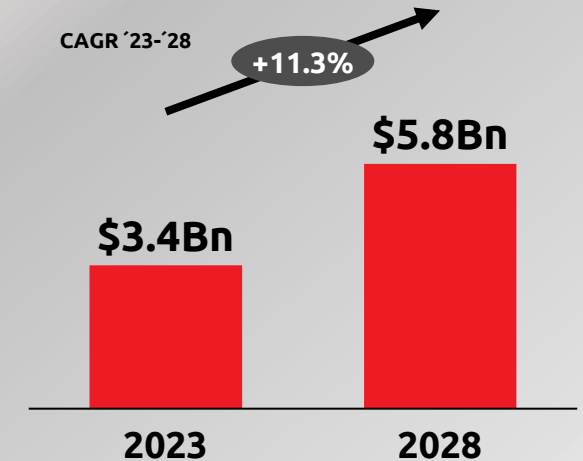
Source: Statista Consumer Insights, 2024, Finnish consumers (n=12 000)

Global transaction value of buy now, pay later (BNPL) in ecommerce 2019-2026 (in billion U.S. dollars)



Source: Statista

Buy Now Pay Later market in Finland (USD)



Source: Research and Markets

The transformative potential of AI in household appliances and consumer electronics

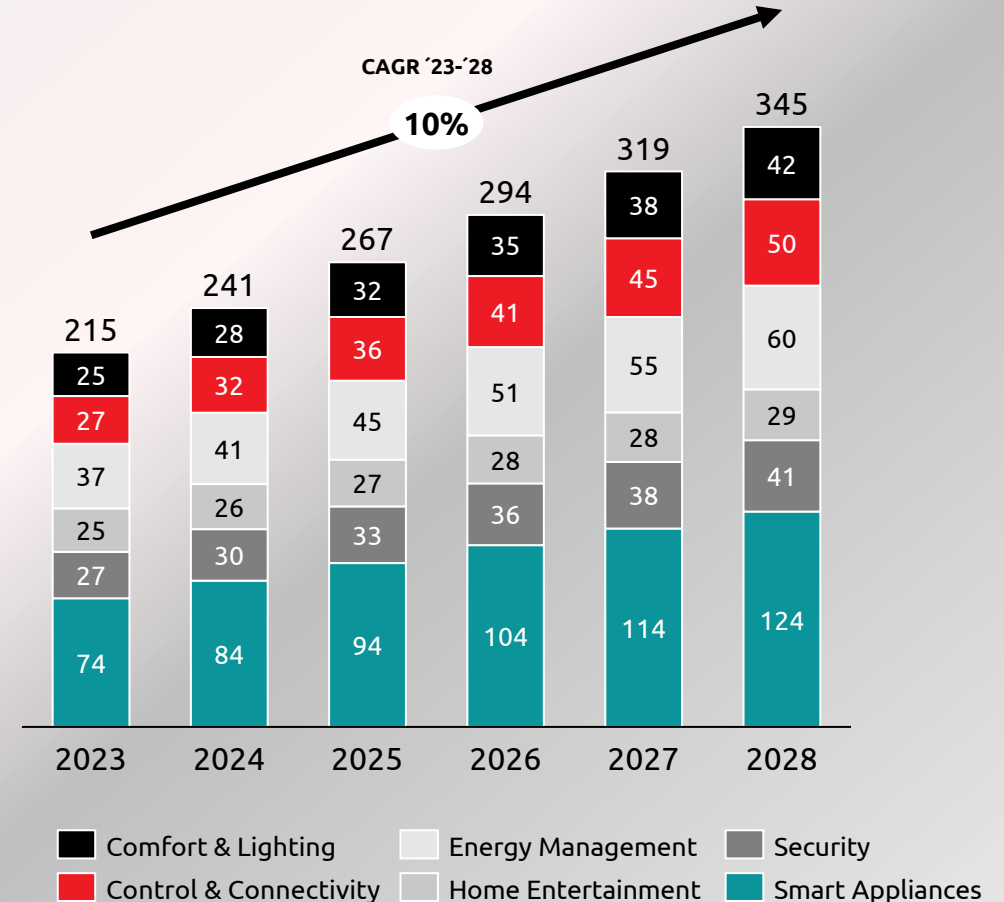
Smart home market in Finland is expected to show an annual growth rate of 10%

We see AI boosting consumer electronics & IT demand in the upcoming years



IDC forecasts artificial intelligence PCs to account for nearly 60% of all PC shipments worldwide by 2027

Smart home revenue 2023-2028 in Finland, meur

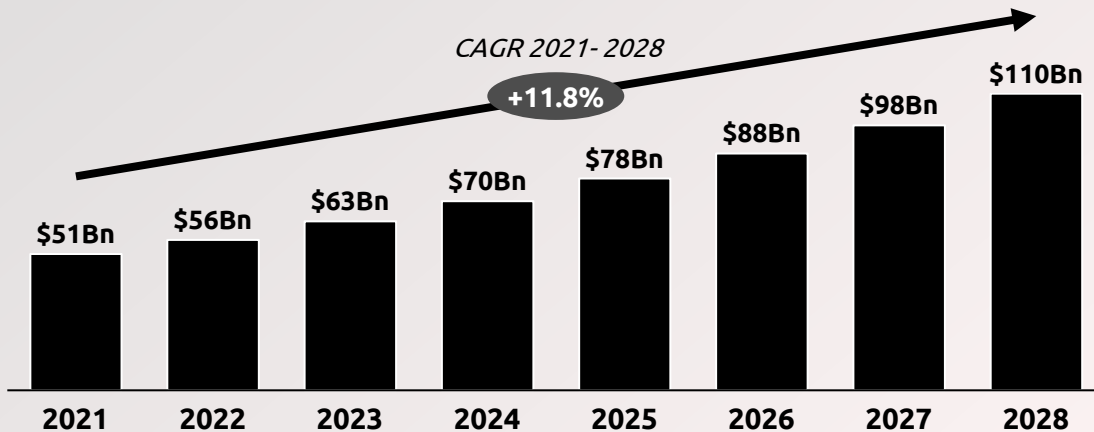


Source: Statista

Circular products becoming more important

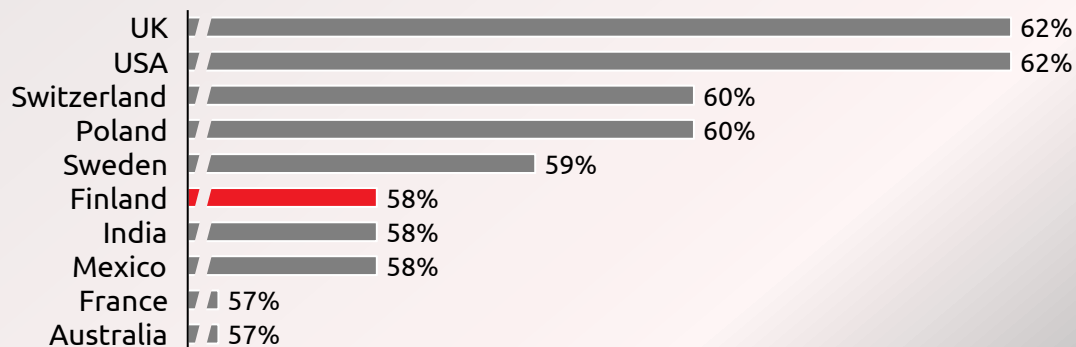
Finland is one of the world's leading countries in second-hand purchasing

Market size of global refurbished phones 2022-2028



Source: Statista

Share of consumers who have bought second hand products in last 12 months



Source: Digital shopping trends and digital purchasing 2023, Finnish Commerce Federation

Majority of Finnish consumers would buy used electronics

"I could buy reliable and serviced used electronics from well-known online stores if there were more available"

Verkkokauppa.com customers

75%

Finnish population

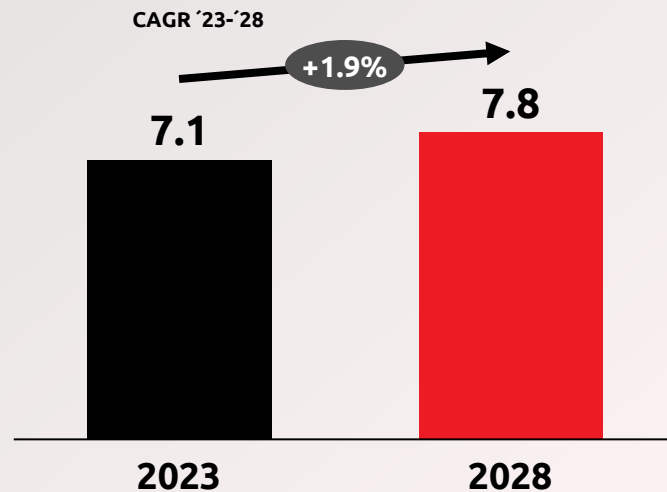
62%

Source: Verkkokauppa.com Consumer Electronics Responsibility Study 04/2024 Finnish population N=1044 Own customer base N=13 347

Capitalizing on our unique position in the market: seizing growth opportunities within categories and online market expansion

1 Market offering moderate growth

Total potential market Finland (bnEUR) 2023-2028



Total potential market include:

CURRENT CATEGORIES

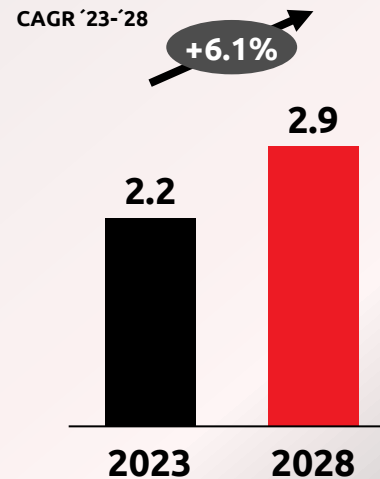
Consumer electronics, Home appliances, Toys & Hobby, Bicycles, Accessories (incl. luggage & bags, watches), Home & Garden, Kitchenware

DISCOVERY CATEGORIES

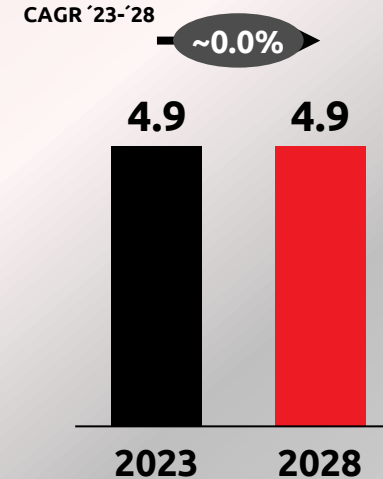
DIY (excl. hardware & building material), Beauty & Personal care, all non-food durable goods (excl. apparel, cars and luxury items)

2 Online growth supporting strong growth opportunities

Online addressable market Finland (bnEUR) 2023-2028



Offline addressable market Finland (bnEUR) 2023-2028

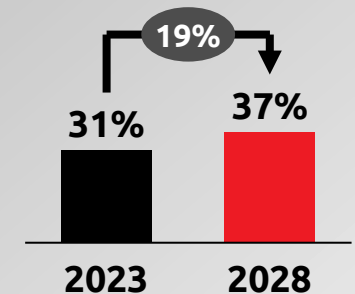


3 Opportunity in total potential market

Market growth
~€700M

Online transition
~€700M

Online share of market, dev-%



OUR STRATEGY FOR 2024-2028

WE WILL **ACCELERATE ONLINE TRANSITION** WITH FOUR CORNERSTONES LEADING TO PROFITABLE GROWTH

1 FASTEST FULFILMENT



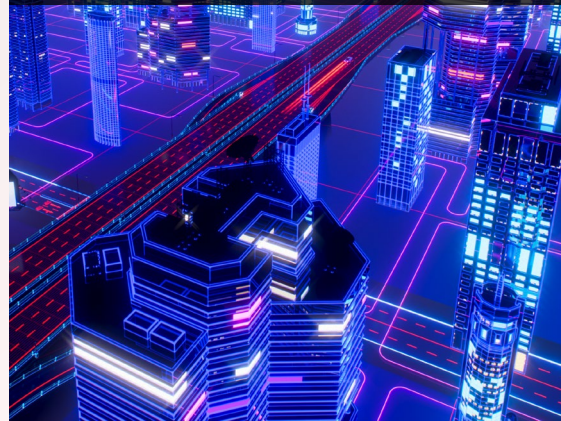
- **Blazing delivery speed** a new norm of buying
- The most **effortless shopping** experience
- Automated product flows and intralogistics

2 CURATED ASSORTMENT



- First one to introduce latest products and innovations
- Full assortment with **best availability** in selected categories
- High-quality Private Label selection

3 NEW BUSINESS MODELS



- New subscription-based services, new norm of owning
- **New profit models** e.g Retail as Media
- New fulfilment operating models

4 OPERATIONAL EXCELLENCE



- **Most efficient retail operations**
- Feature-rich and leading own platform
- Data and AI powered way-of-working

Our VISION is

TO CREATE A NEW NORM FOR BUYING AND OWNING

Providing distinct value and maintaining a leading position

Our distinctive competitive advantages

Fastest fulfilment & low costs



Annual top line growth (CAGR) of more than 5%, outgrowing the market

Leading platform



EBIT margin above 5%*

Most efficient retail operations



Fixed costs below 10% of revenue*

Strong brand with rebel attitude



Target to pay out 60-80 percent of annual net profit in quarterly growing dividends

“ Our distinctive competitive advantages focuses on the fast and convenient customer experience with lowest operational costs

Our four customer value propositions

Finland's fastest deliveries with ultimate convenience

Winning assortment assured by customers

Probably always cheaper

Passionately on customer's side

“ Our four customer value propositions help us accelerate online transition

*by the end of 2028

We will make fast deliveries the new norm in Finland

1-HOUR DELIVERIES

2024 YTD

1-hour deliveries available 24/7 in capital region covering >13% of Finnish population



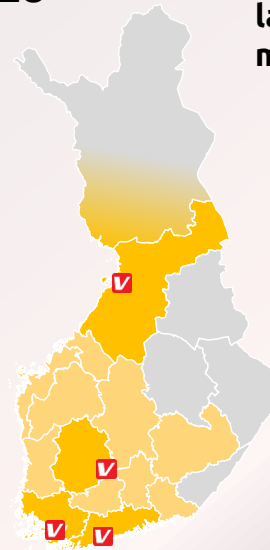
- ✓ Store as delivery hub and click & collect
- ✓ Store as click & collect

- 1-h deliveries in capital region
- Next day deliveries



2028

1-hour deliveries across Finland in largest cities using cost effective micro fulfilment centres



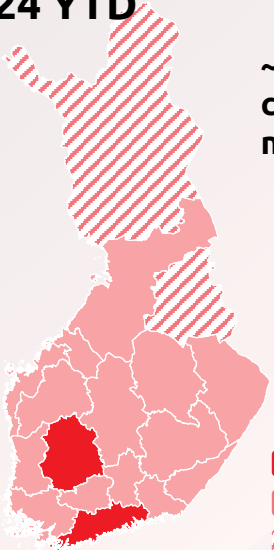
- ✓ Store as delivery hub and click & collect
- Micro fulfilment delivery hubs (location approx.)

- 1-h deliveries in major urban areas
- Fast deliveries for smaller cities/areas
- Next day deliveries



2024 YTD

~69% of population covered with guaranteed next day delivery

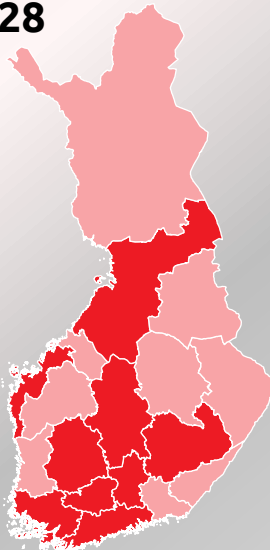


- Same day deliveries
- Next day deliveries
- 1-2 day deliveries with selected areas in next day



2028

~90% of population covered with guaranteed next day delivery



- Same day deliveries
- Next day deliveries
- 1-2 day deliveries with selected areas in next day

NEXT DAY DELIVERIES

* All maps are illustrative

OUR PURPOSE



**TO REWRITE
THE RULES OF
RETAIL**

OUR VISION



**TO CREATE THE NEW
NORM FOR BUYING
AND OWNING**

As rebels of retail, we do things differently. We will accelerate the online transition and lead the way with the fastest deliveries and ultimate convenience supported by new services. Everyday, we strive to find more streamlined ways to surpass our customers' expectations.

KEY TAKE-AWAYS

- 1 Verkkokauppa.com has built up a robust business model to outstand competition and market headwinds**
- 2 Market & consumer tailwinds contributing for future growth**
- 3 We have a clear strategy on how to scale our business and provide future growth**
- 4 Accelerating online transition through fast deliveries**
- 5 We have a winning team and mentality to strengthen our value proposition as local champion**