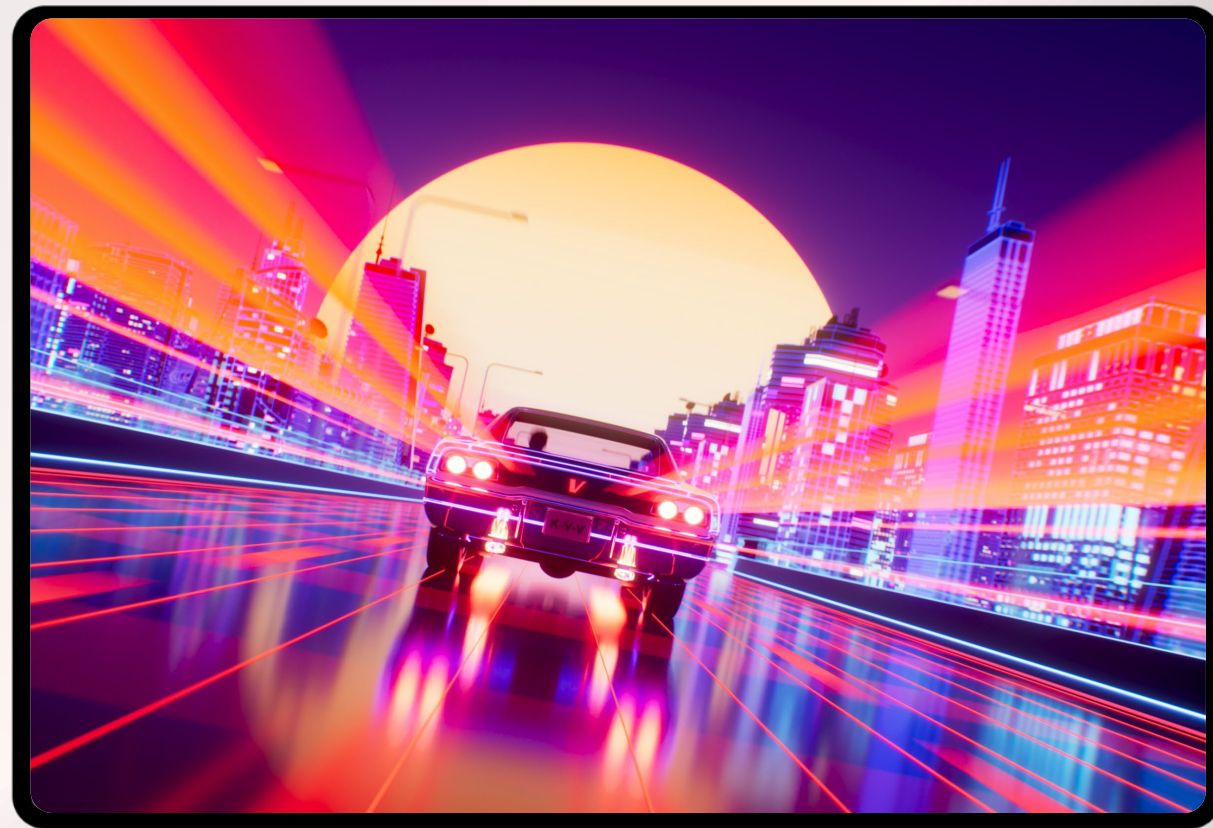


CAPITAL MARKETS DAY 2024

Verkkokauppa.com Oyj

30 May 2024



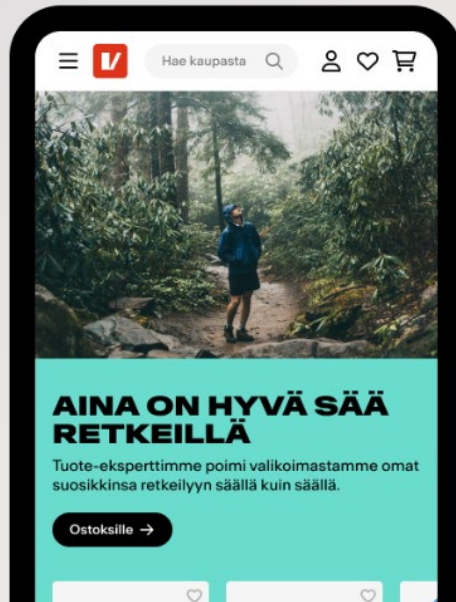


How we make shopping fast and extremely convenient

Nina Anttila

Chief Supply Chain Officer

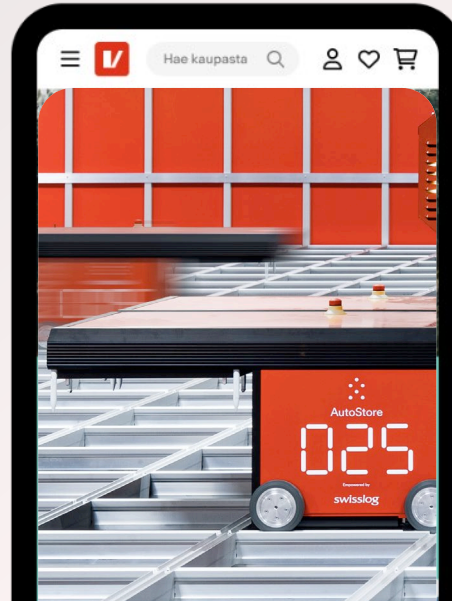
JOURNEY SO FAR



**Online experience
24/7 deliveries
1-hour in capital area**



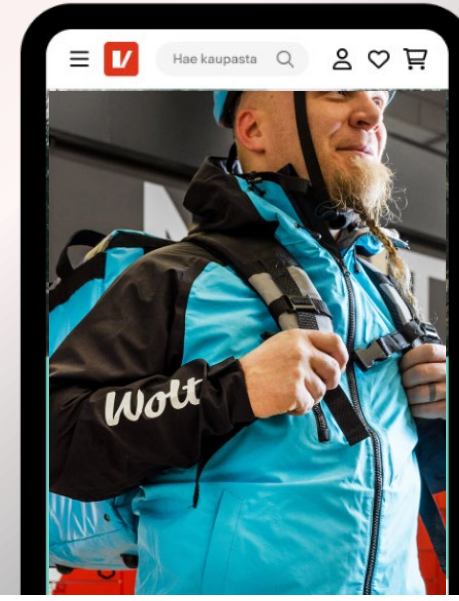
PRESENT



**Extension fast deliveries
to all own stores**



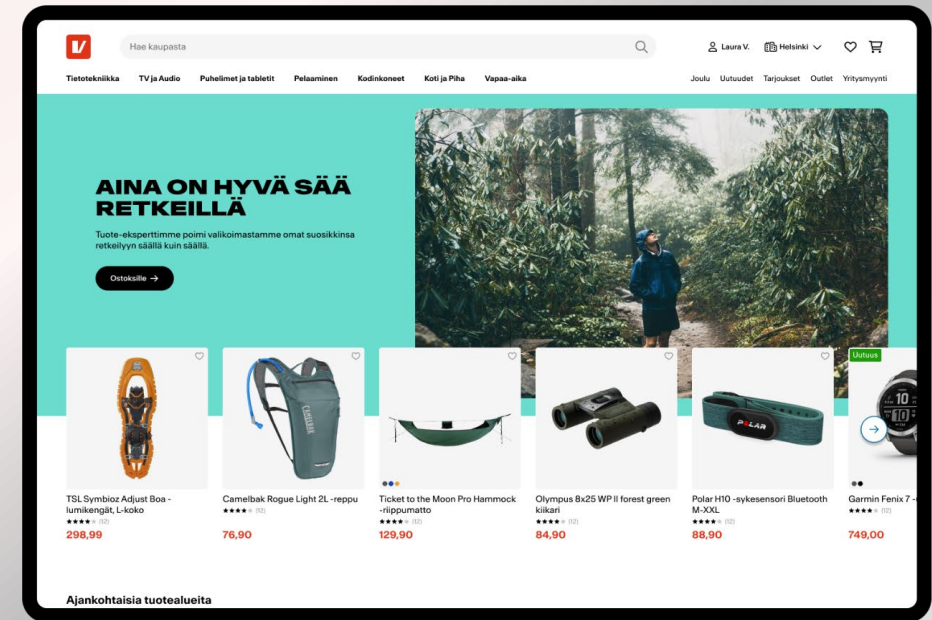
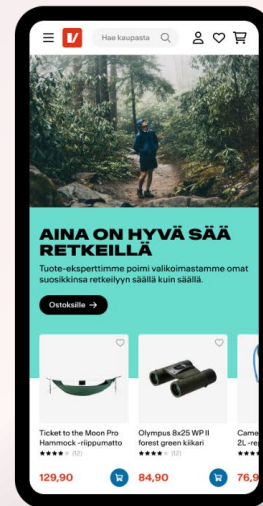
FUTURE



**Potential to extend
1-hour coverage by
Micro Fulfilment Centers**

FOCUS ON EFFORTLESS CUSTOMER EXPERIENCE

Nina Anttila
Chief Supply Chain Officer



The most effortless shopping journey

ONLINE SHOP RENEWAL IN 2023

Time spent on site
YoY comparison

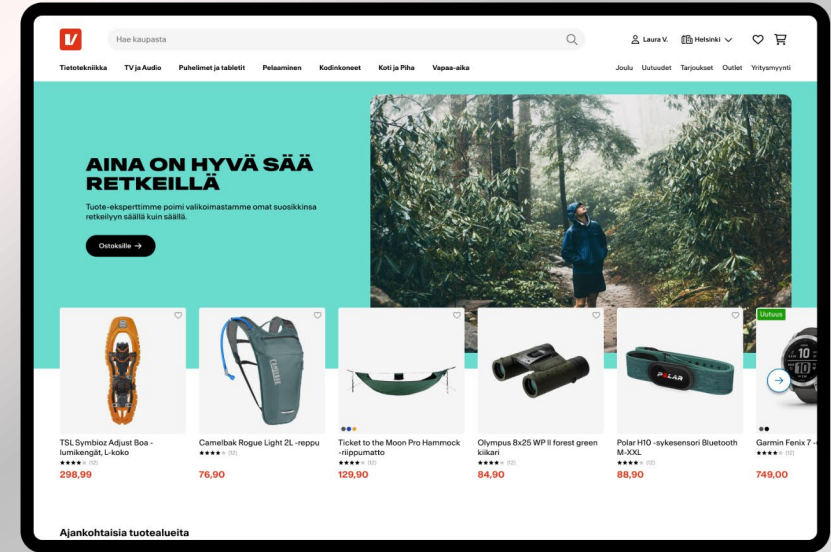
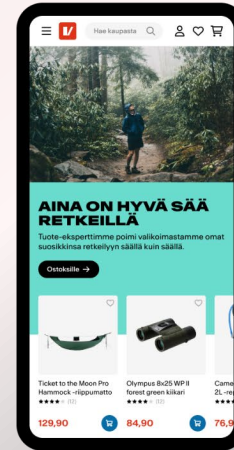
+15%

Increase in average order value
YoY comparison

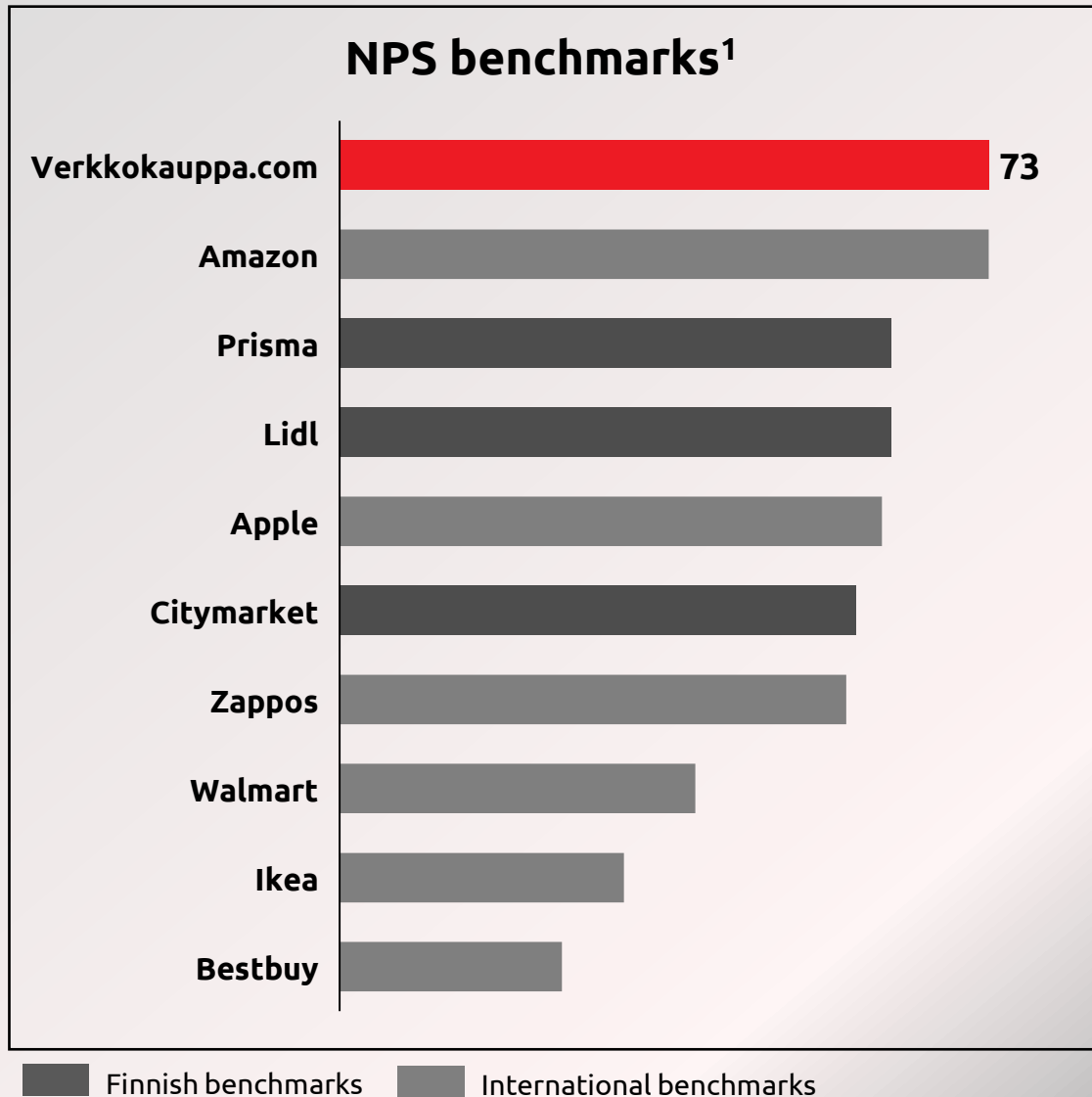
+22€

Shopping cart abandonment
YoY comparison

-29%



Delivery fastness and effortless experience are driving customer engagement



Verkkokauppa.com NPS top promoters²

DELIVERY

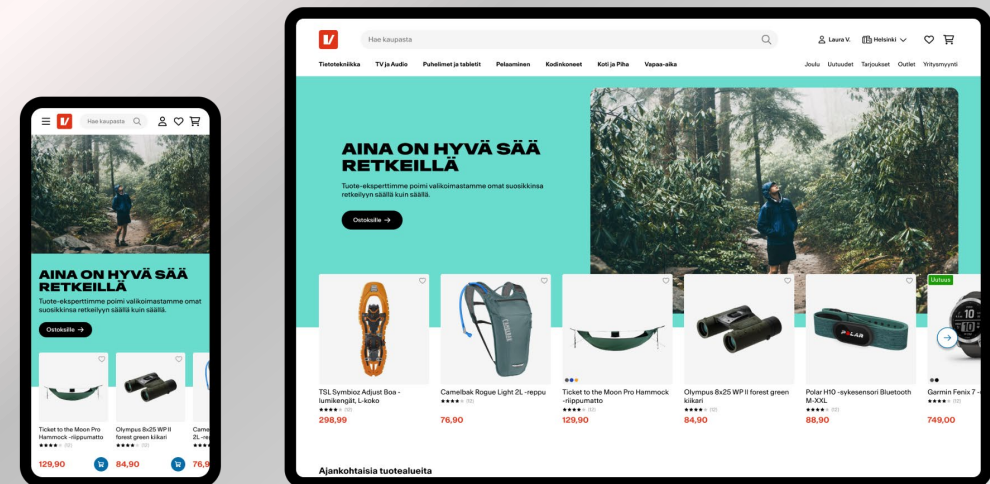
82%

EFFORTLESSNESS AND EASE

86%

FAST SERVICE

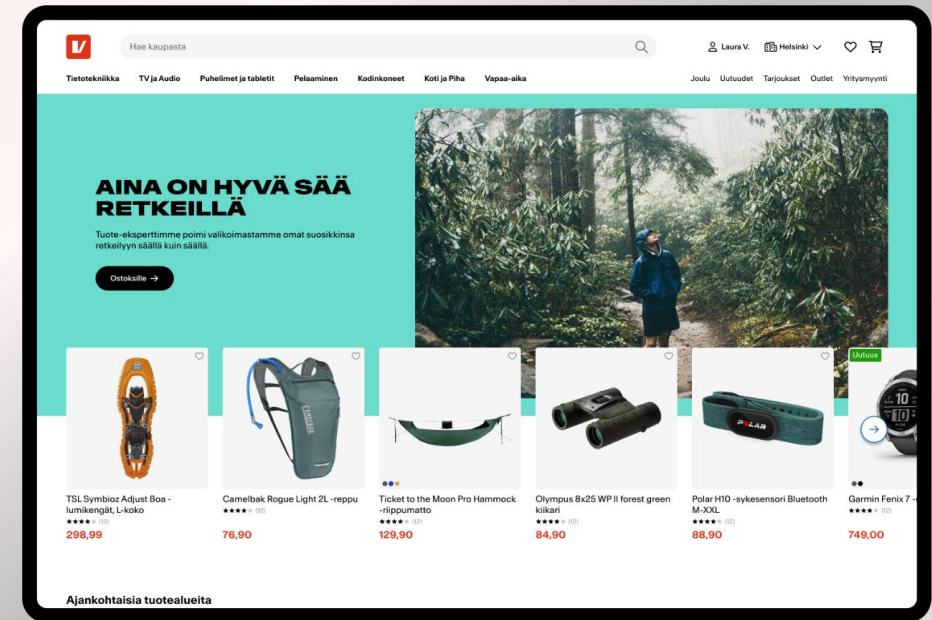
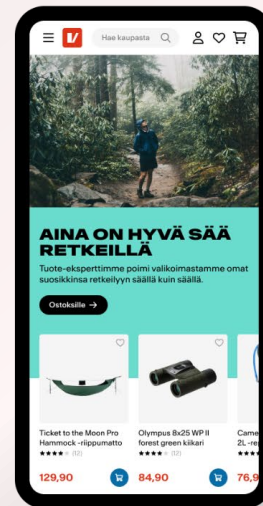
88%



1) www.markkinointiutiset.fi/artikkelit/kyselytutkimus-paljastaa-prismalla-ja-lidlilla-lojaaleimmat-asiakkaat
2) Verkkokauppa.com NPS Survey

Focus on blazing fast customer experience

Nina Anttila
Chief Supply Chain Officer

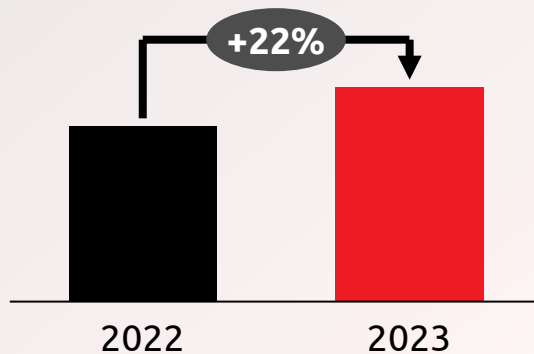


Helsinki warehouse automated 24/7 operations enabling 15min click & collect and 1-hour deliveries

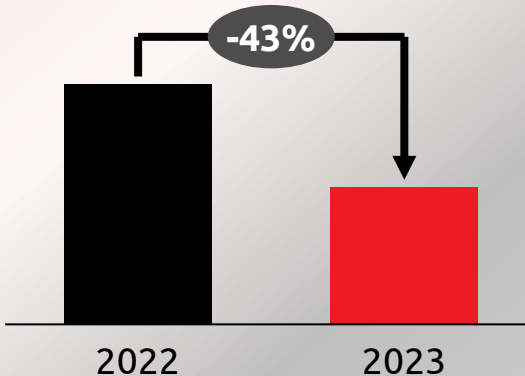
Physical fulfilment into next level

- Optimized use of **automation**: AutoStore and packing automation in use
- 32 700 sku's in a fast delivery assortment
- LEAN mode of operations: Several process improvements to drive customer-focused delivery performance

Internal operations efficiency improved (lines/hr)



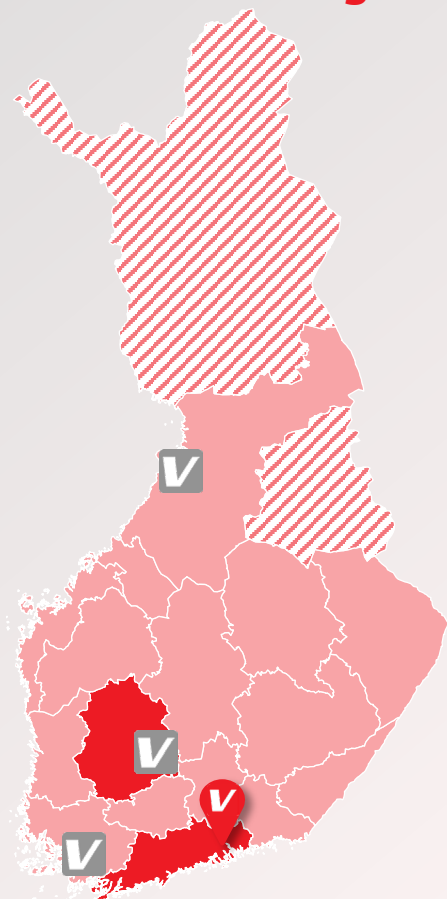
Shortened E2E lead time from order to delivery



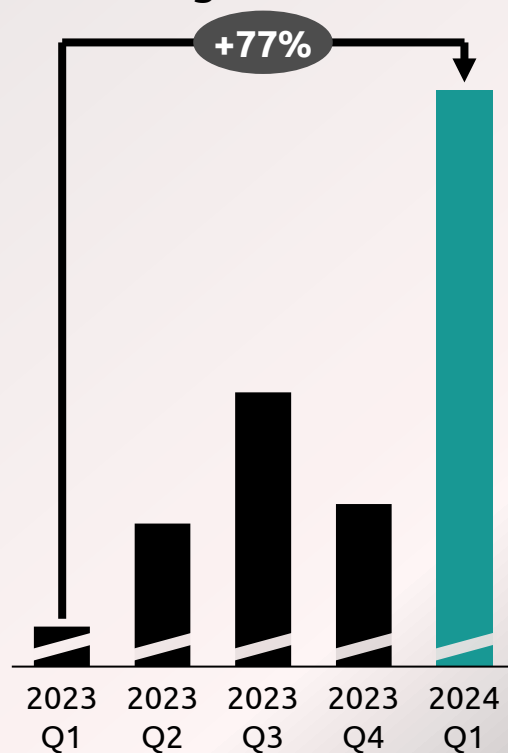
Building next day deliveries with existing capabilities, assets and evolving partner collaboration

2024 YTD

~69% of population covered with guaranteed next day delivery



Next day deliveries growth



- 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

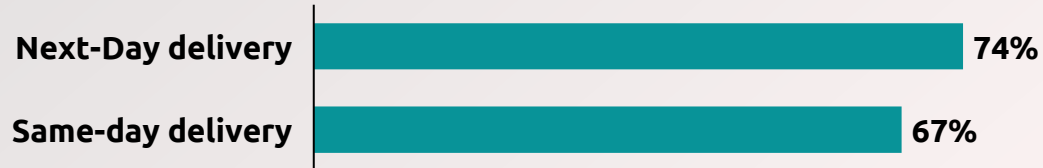


As a no. 1 online store in Finland, we'll be able to set new standards on delivery speed and effortless shopping experience

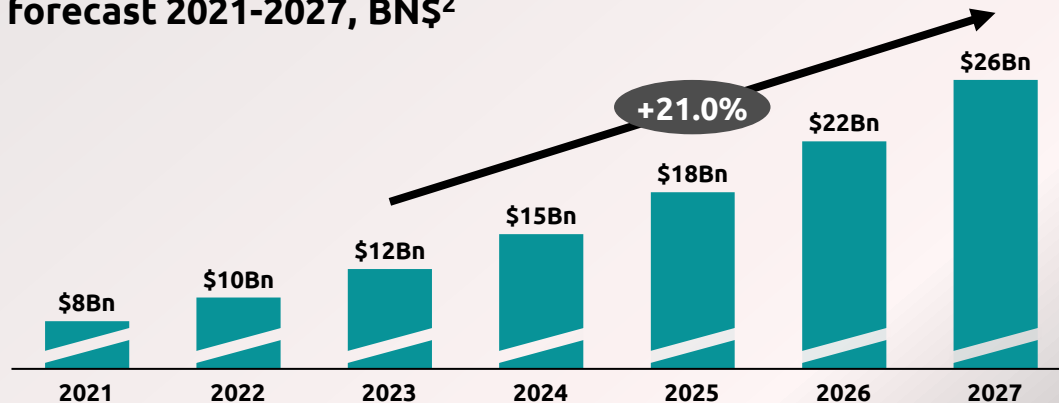
23% of customers abandon their cart because slow delivery options

Delivery speed expectation as a customer engagement driver¹

Shoppers also chose one retailer over another due to the availability of next-day and same-day delivery in USA.



Global same-day delivery market size forecast 2021-2027, BN\$²



Being extremely fast is found to be promoted by our customers³

NPS on 1-hour deliveries

91

NPS total

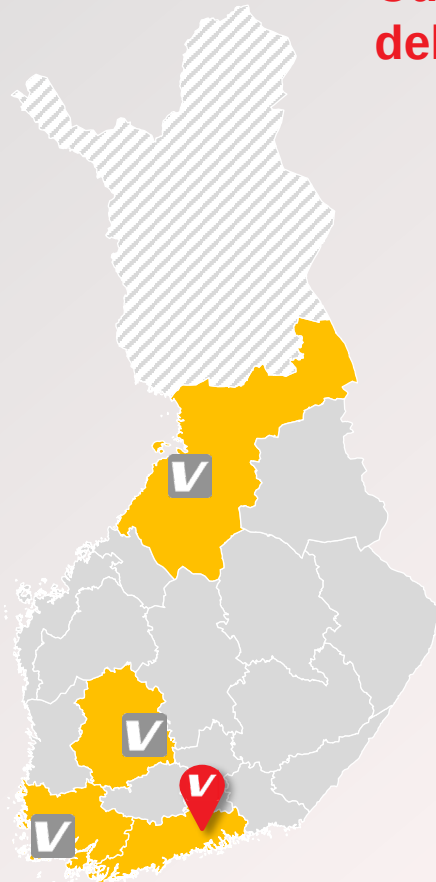
73

To revolutionize retail, we will minimize reasons to shop offline and stand out in the market.

So far, our fastest offered experience from payment to customers doorstep has been 12 minutes.

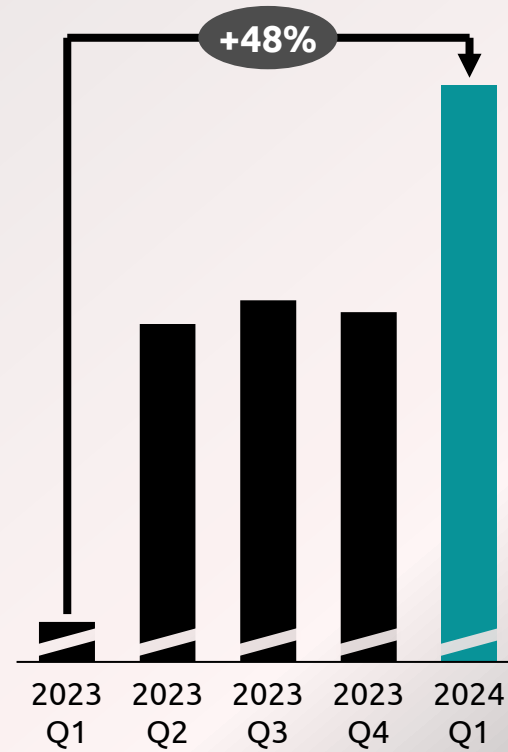
Effortless blazing fast deliveries are driving customer engagement and experience

2024 YTD



Customers are choosing faster deliveries when possible

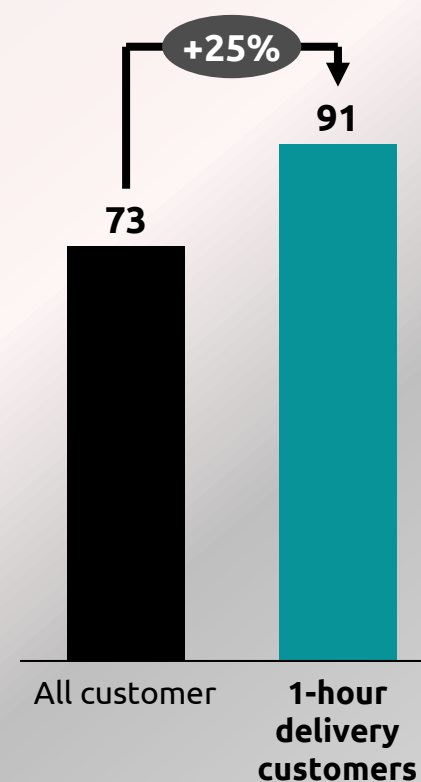
1-hour deliveries growth



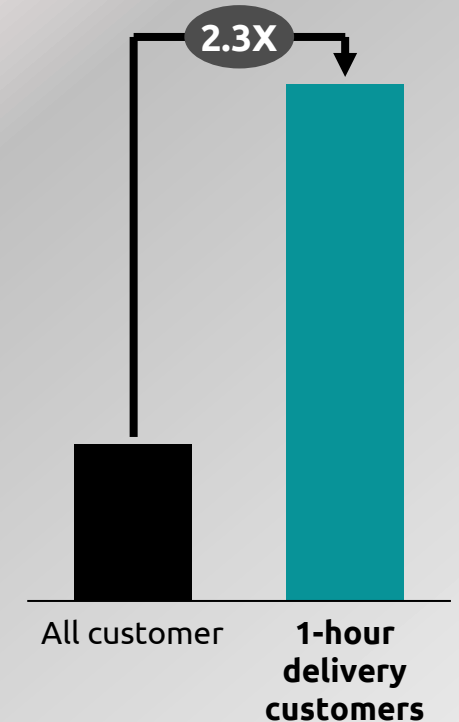
86% of 1-hour orders are from consumers


Fast delivery experience drives engagement

NPS for 1-hour delivery/all



Purchase frequency for 1-hour delivery/all

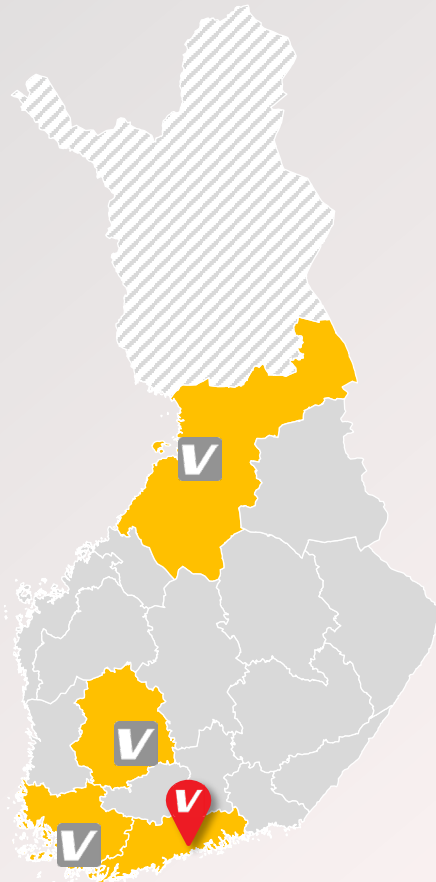


 Store as delivery hub and click & collect

 Store/warehouse

Raising the bar on last mile in 2024 with **blazing fast fulfilment**

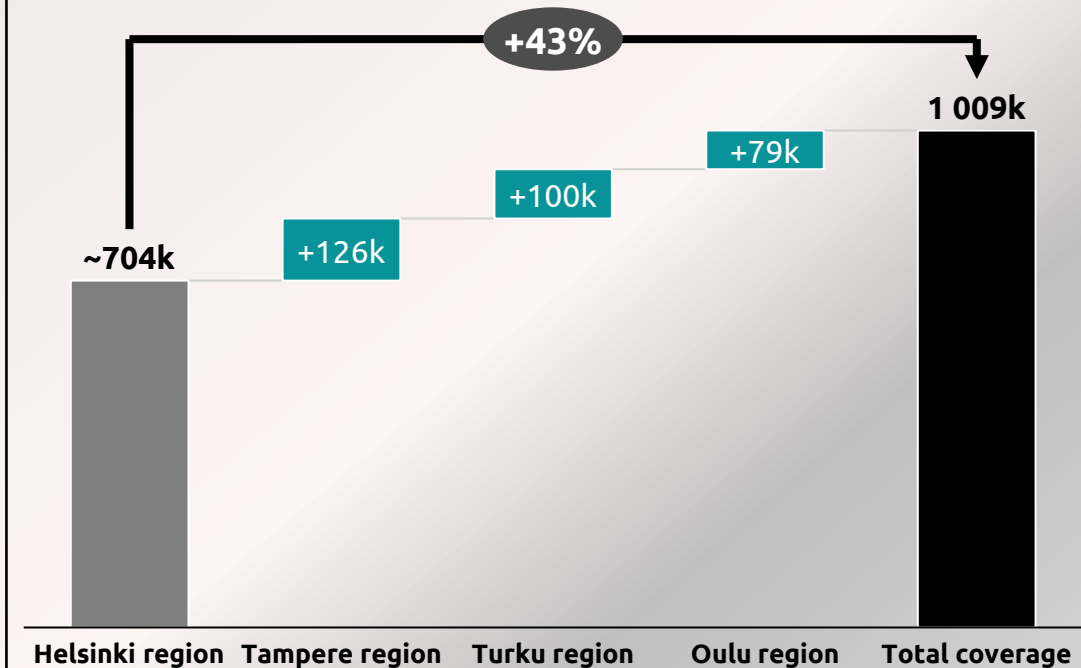
2024 YTD



- Store as delivery hub and click & collect
- Store/warehouse

BUILDING WIDER COVERAGE FOR FAST DELIVERIES IN 2024

1-hour delivery coverage, citizen in fast delivery area

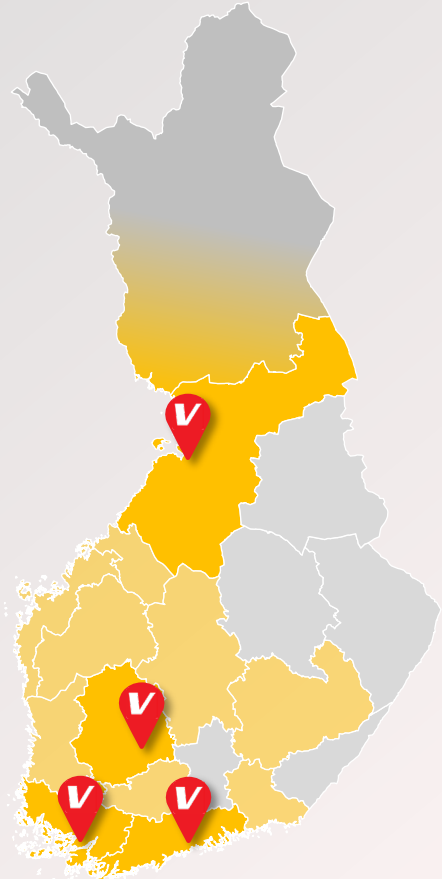


2025



Towards 2028: 1-hour deliveries across Finland in largest cities using cost efficient micro fulfilment centers

2028



Illustrative



Store as delivery hub and click & collect



1-hour deliveries in major urban areas



Fast deliveries for smaller cities/areas



Next day deliveries



Micro fulfilment delivery hubs (location approx.)

UNDERSTANDING THE CUSTOMER'S DESIRES AND ACTING ON THEM

Holistic demand picture

- Predictive analytics & data science
- Social media trends
- Economic indicators

Optimized fulfilment

- Decentralized distribution
- AI/ML assisted operations management solution, digital twin

WE ARE PRESENT WHERE THE CUSTOMERS NEED US



Decentralize the relevant offering across the country



We do this in a smart way- the pooling effect



Possibility to establish Micro Fulfilment Centers (MFC)

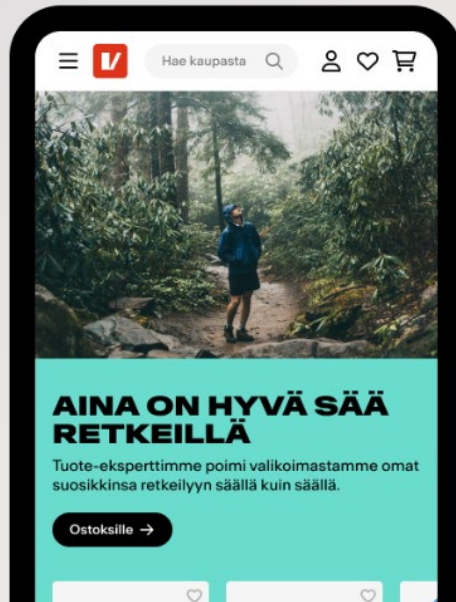


Create algorithms for dynamic assortment management and supply network structure with leading partners like MIT



Utilize AI and machine learning (ML) in optimizing the material flows

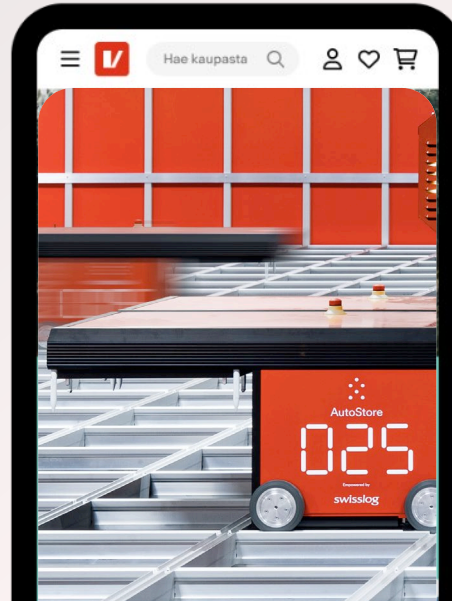
JOURNEY SO FAR



**Online experience
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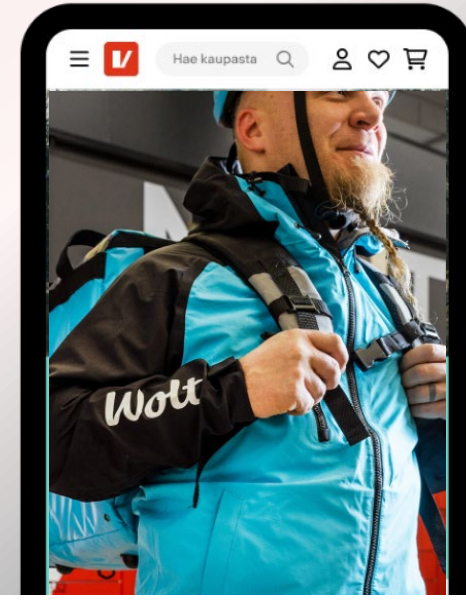
PRESENT



**Extension of fast
deliveries to all own
stores**



FUTURE



**Potential to extend
coverage by
Micro Fulfilment Centers**

KEY TAKE-AWAYS

We provide superior customer experience and the most effortless shopping journey with our modern platform and delivery experience

We will make fast deliveries the new norm in Finland

→ 1-hour deliveries across Finland in the largest cities and keep on excelling in next day deliveries

We have an asset-light logistics network with fluid inventories

We are utilizing AI/ML assisted solutions and analytics to manage our supply network

Nina Anttila

Chief Supply Chain Officer

