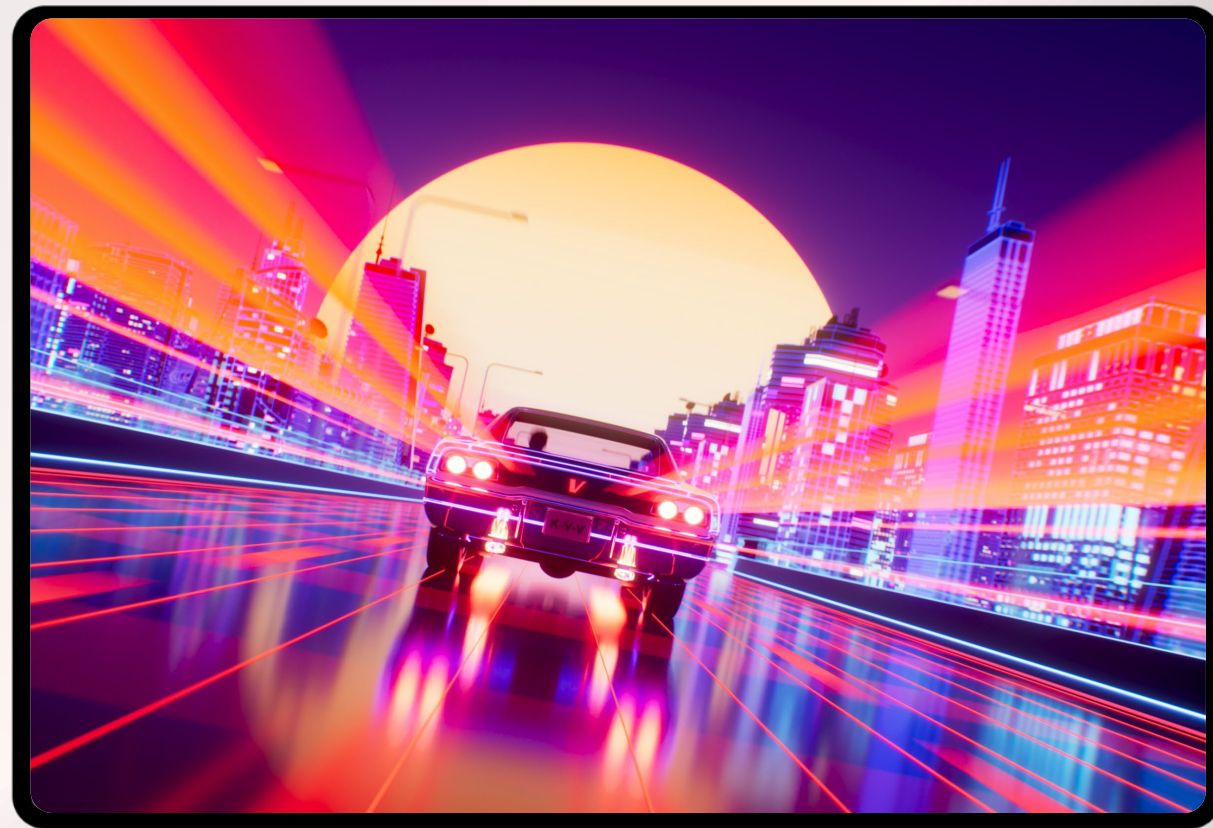


CAPITAL MARKETS DAY 2024

Verkkokauppa.com Oyj

30 May 2024





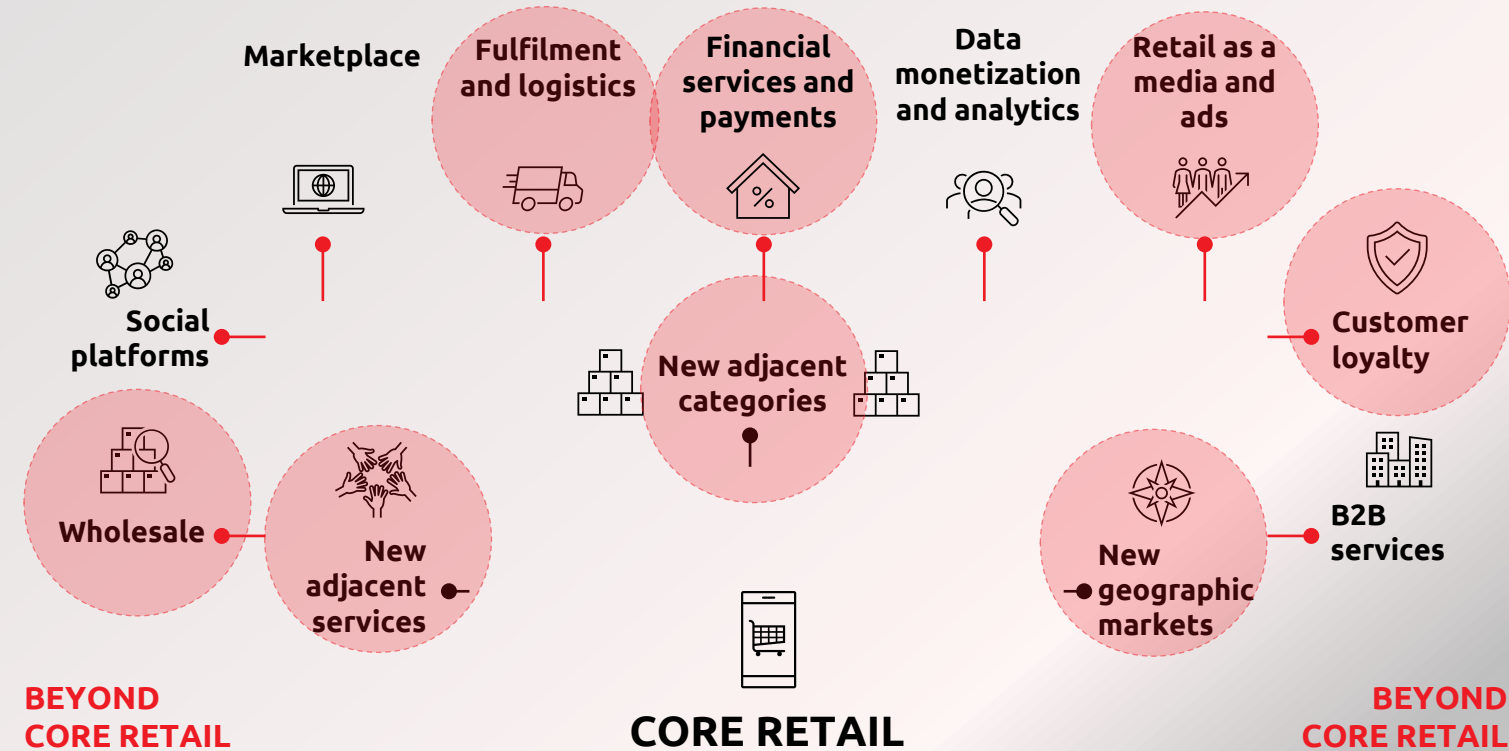
New business models and international expansion

Jyrki Tulokas

Chief Strategy and Technology Officer

In retail revenue growth, competitive advantage and especially profitability increasingly comes from adjacent services and business

New business solutions draw on existing capabilities and assets, targeting new and existing customers

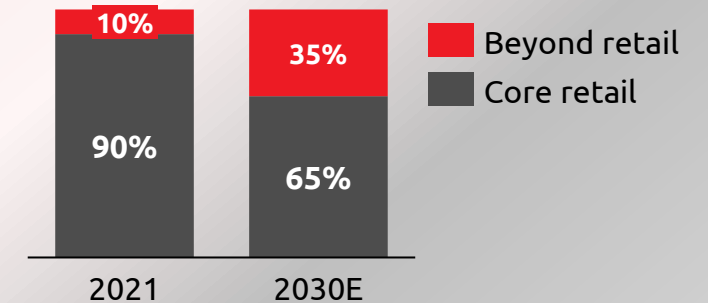


VERKKOKAUPPA.COM'S ASSETS

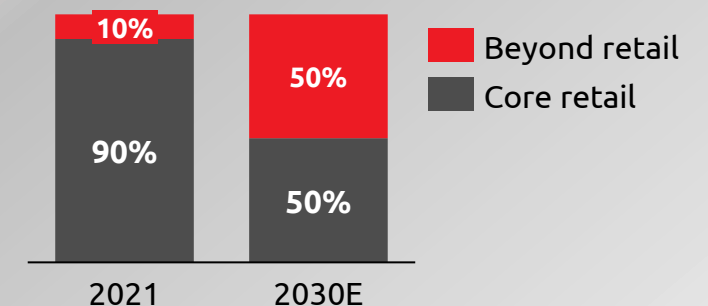
Preferred brand Tech capabilities and assets 1P Data and insights Suppliers and partners Loyal customers

Source: Bain & company, Verkkokauppa.com's management views

Revenue by source in typical Western market



Profit by source in typical Western market

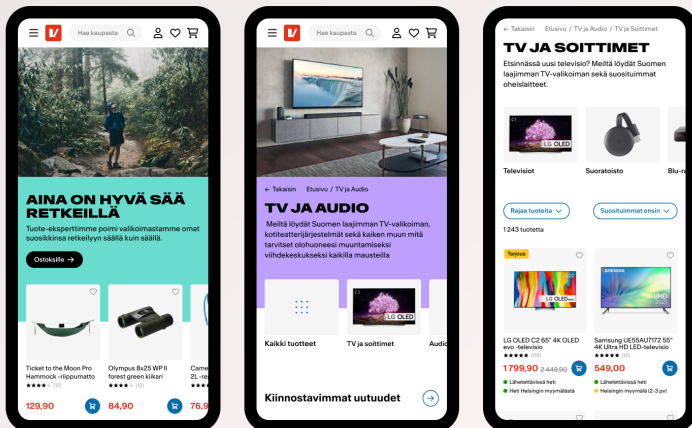
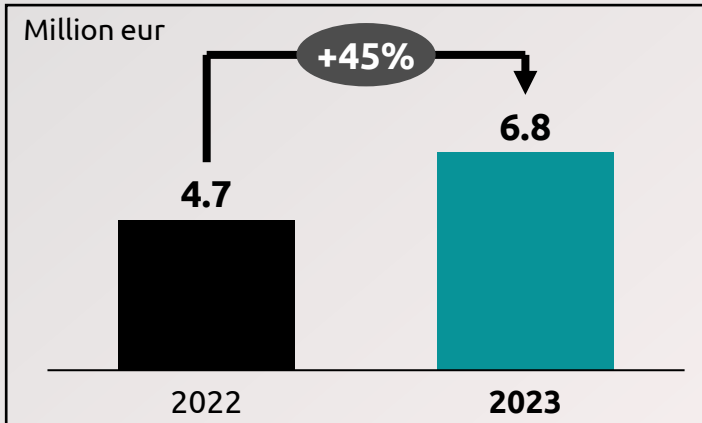


Source: Bain & company

Our own existing services and adjacent business validates the market assumptions

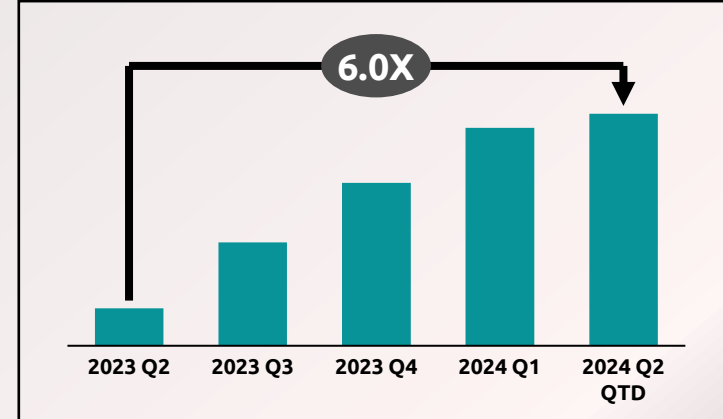
Services

Revenue from customer financing

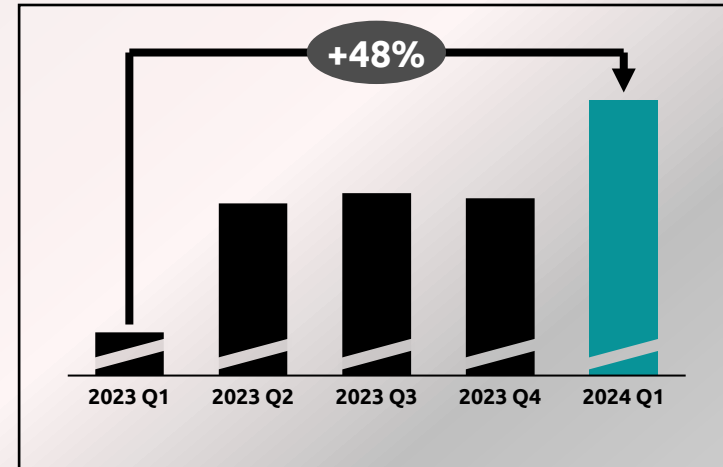


Differentiation

Trade-in service transactions, cumulative

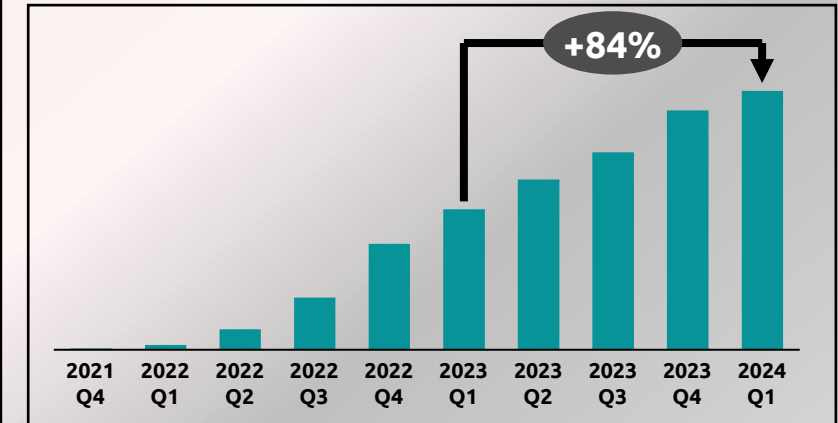


1-hour deliveries growth

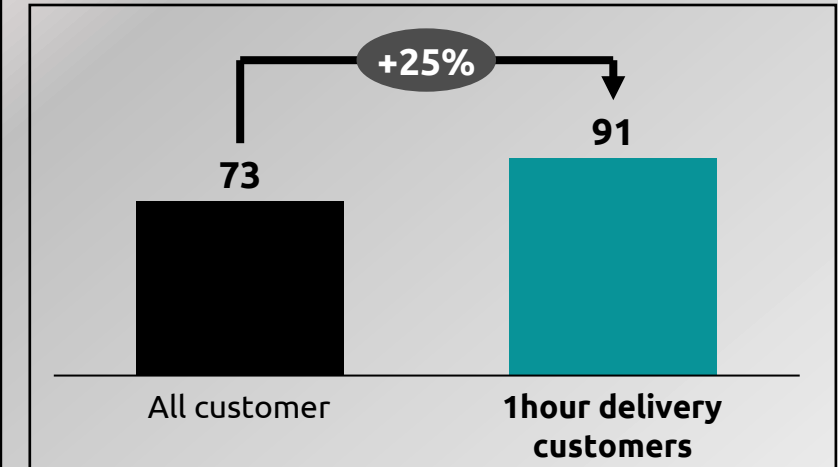


Customer loyalty

Tili customers, cumulative



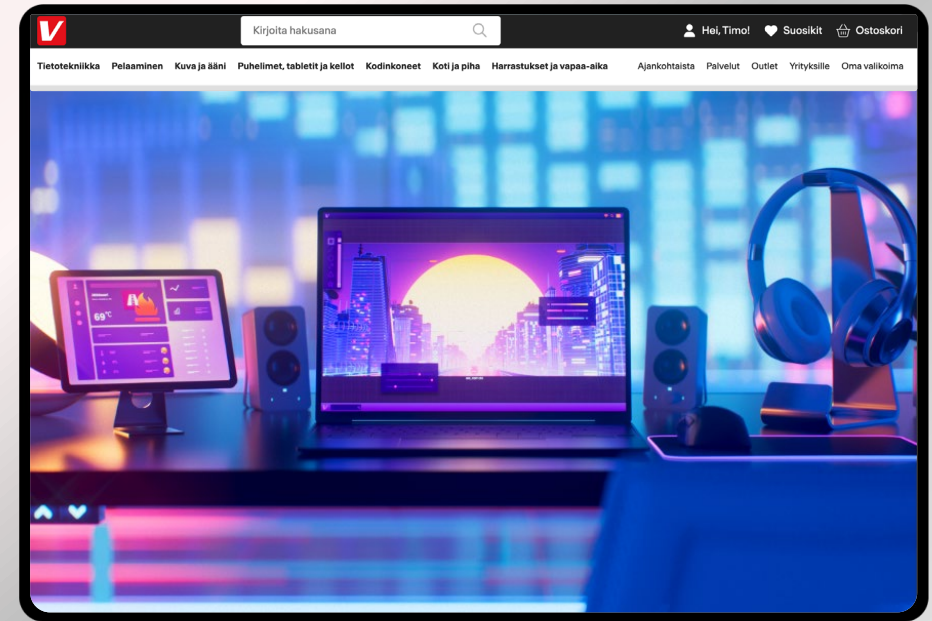
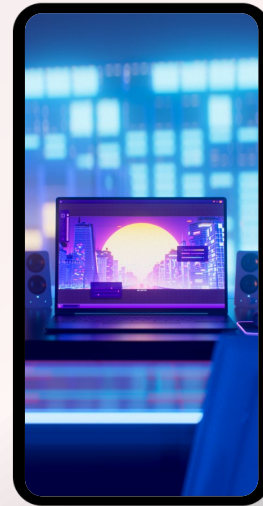
NPS for 1-hour delivery/all



INTERNATIONAL EXPANSION

Jyrki Tulokas

Chief Strategy and Technology Officer



International sales expansion by utilizing existing capabilities and assets. Fast growth in focus countries

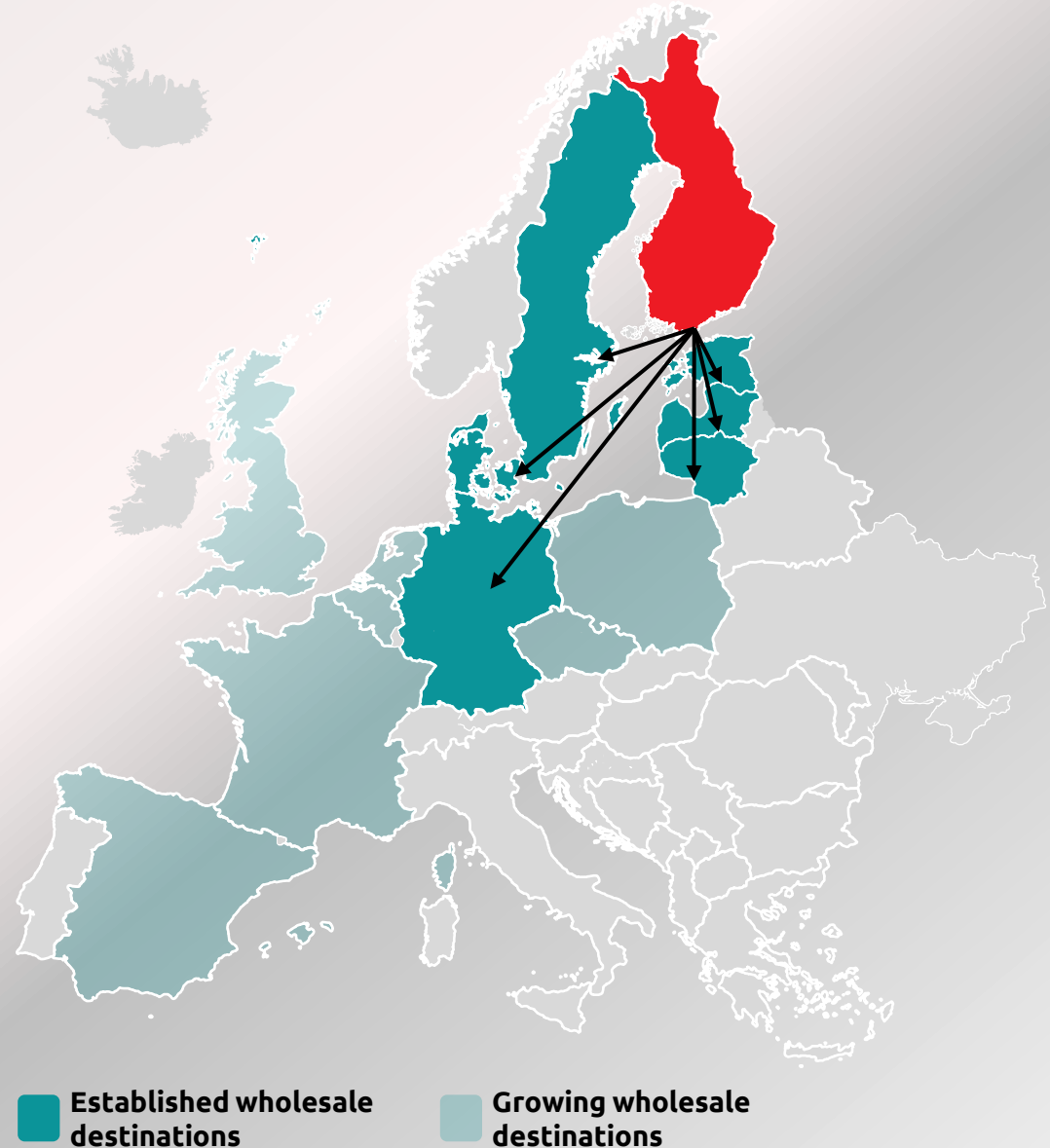
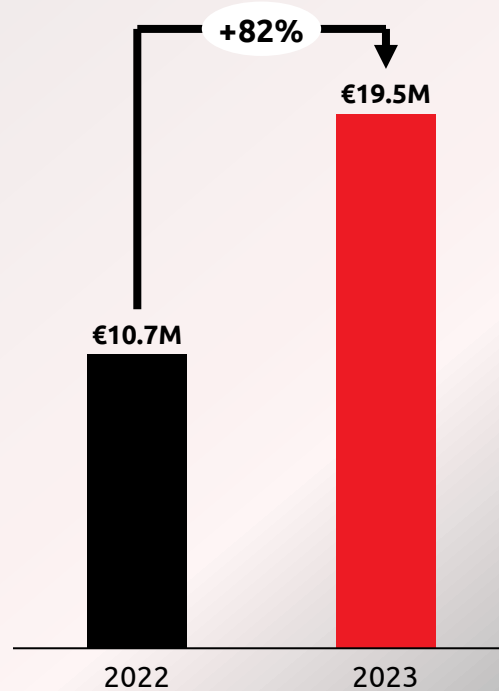
International sales to EU

Million eur



Top 3 EU countries 2023

Million eur



Several avenues to grow sales internationally

	Status	Operational model	Capabilities and assets
 EU wide large retailer partnerships	Working with several existing partnerships and new opportunities	Individual cases represent multimillion opportunities. Both our own brands as well as selected global brands	Direct relationships and integrations utilizing current logistic and warehousing capabilities
 Marketplaces in Nordics	We are already working in several marketplaces	We manage the offering and pricing in selected marketplaces	Opportunity in selling our own brands as well as selected global brands. Existing logistics models.
 Small retail merchants	Significant number of small retailers in EU area	Efficiently managed with an easy-to-use self-service partner platform	Utilizing wholesale specific customer ecommerce site

Jyrki Tulokas
Chief Strategy and Technology Officer

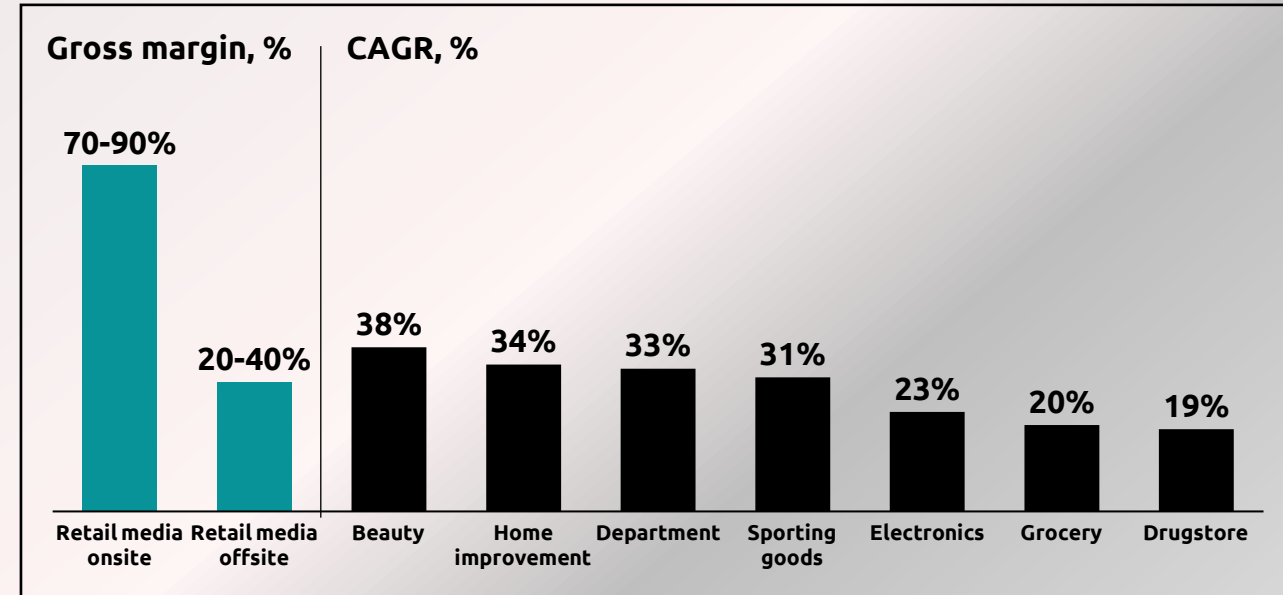


Retail media considered as the third disruption of marketing media

Retail media is expected to continue its rise with **estimated CAGR of 20% -45%¹**, depending on geographical market and type of media. Within category specialists' media CAGR could reach up to 30%. In Europe, retail media in total is expected to reach 26BN€ by 2026²

Expansion will continue to be driven by several structural drivers eg. shift to digital channels and closed-loop platforms plus gradual traditional mass media draw down and flight to quality inventory & audiences.

Retail media is a significant EBIT contributor with efficient operation and low sales OPEX, **generating 40-90% EBIT** depending on type of media placement and ad inventory. BCG estimates that advertising brings in up to 68% of Amazon and up to 12% of Walmart's global profits³.



“ By 2028, we believe that spending in retail and commerce media will be bigger than for all of global television and streaming advertising.

McKinsey

Retail media in Verkkokauppa.com

Verkkokauppa.com capabilities driving RM growth



Significant # brand partners **+2 800**



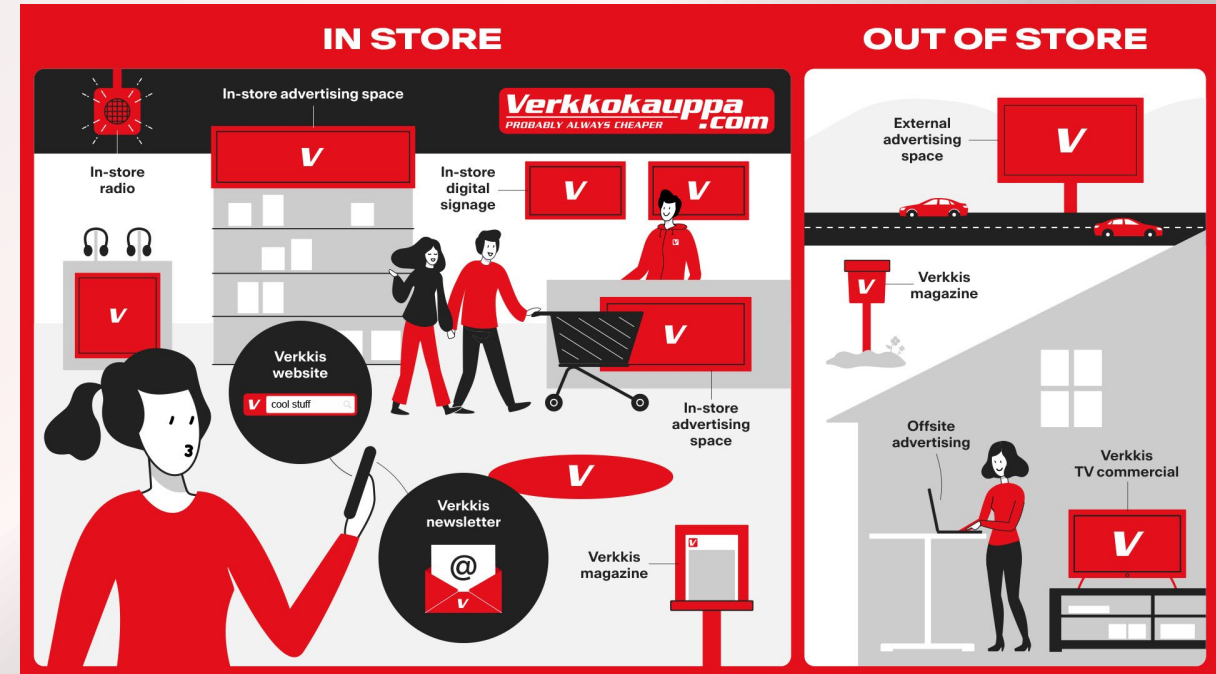
Online visits in 2023 **73M**



Strongest customer satisfaction (NPS) **73**

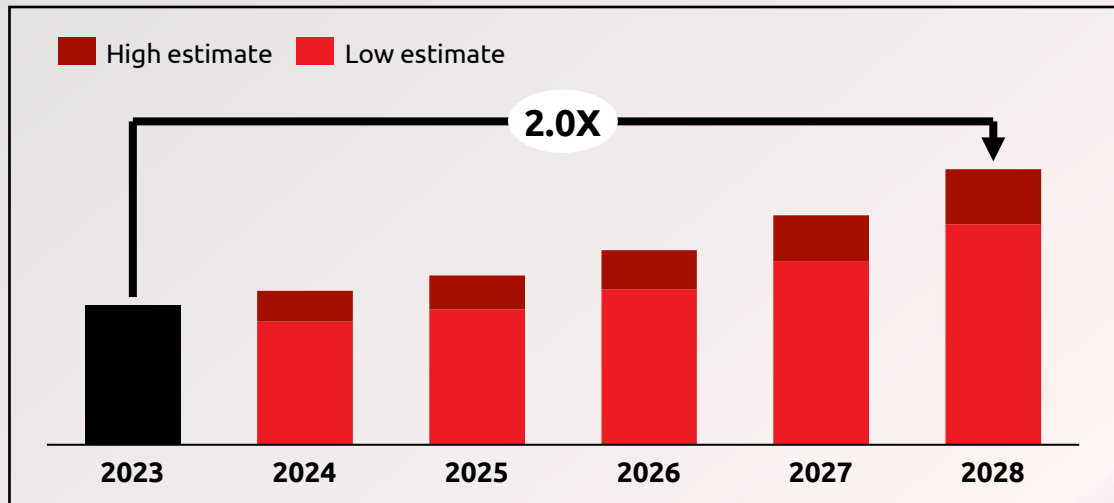


Finland's most preferred Consumer electronics brand *(Brand tracking Q1/2024, Kantar)*



Retail media possesses significant EBIT potential for Verkkokauppa.com as substantial active customer base with over 1M weekly visits

Profitability contribution, meur



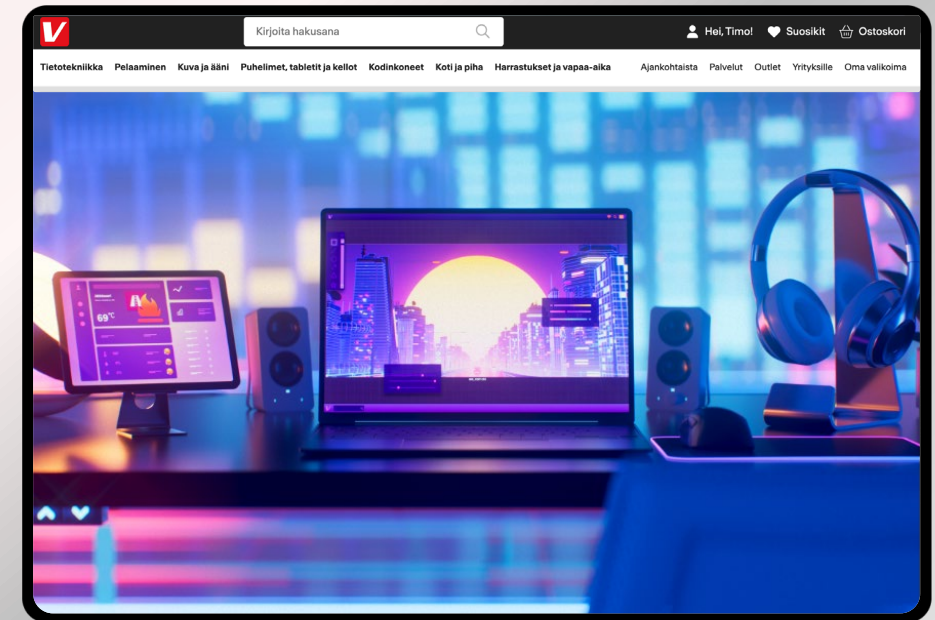
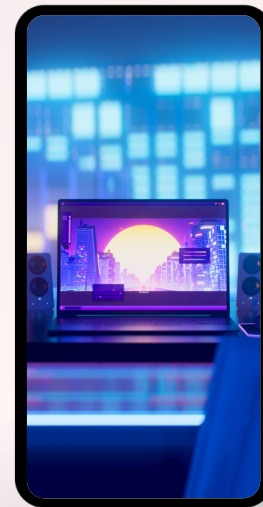
HOW DO WE GET THERE

- Media inventory expansion on-site and off-site
- Commercial development
- Data & reporting offered as a service
- Retail media system tech development

NEW SERVICES

Jyrki Tulokas

Chief Strategy and Technology Officer

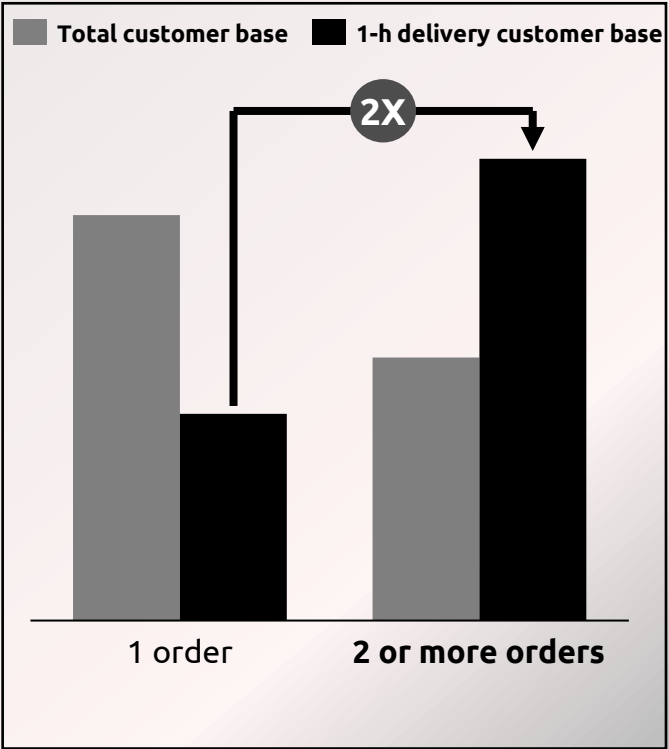


New service adopters are more likely to return and make new purchases. Customers adopt new services fast

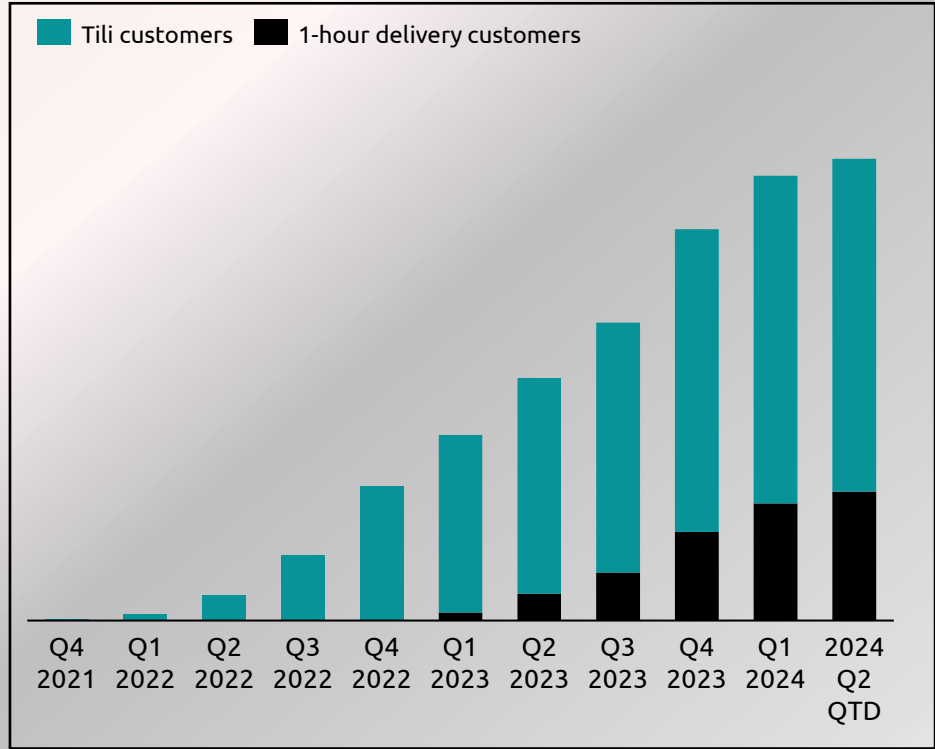
Tili user buy more frequently



Fast delivery user buy more frequently



Our customer are adopting new services fast



How do we create a new norm for buying and owning

1 Improving the core retail experience

Enhance the shopping experience by removing obstacles from the customer's journey. Building effortless shopping experience.



Blazing fast deliveries with installation services



Flexible payment options and enjoyable purchasing process



Easier options for digital maintenance and customer returns



2 Building new winning concepts – new ways of buying and owning. Extending product lifetime



Trade-in services



Pre-owned product line



New ways of owning with device as a service, rental



Extend life-time. Relevant insurance, warranties and maintenance services



KEY TAKE-AWAYS

- 1 Adjacent services drives retail profitability and differentiation
- 2 International expansion gathering speed
- 3 Retail as a media as a profitability driver
- 4 Adjacent and new services transform the ways of buying and owning

Jyrki Tulokas

Chief Strategy and Technology Officer

