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Komplett intends to apply for a listing on the Oslo Stock Exchange

Oslo/Sandefjord, 28 May 2021, Komplett AS¹ ("Komplett" or the "Company", and together with its consolidated subsidiaries the "Group") today announces its intention to launch an initial public offering of its shares and to apply for a listing on the Oslo Stock Exchange (the "IPO").

Komplett is the leading online-first electronics and IT products retailer in the Nordic area² with a total operating income of NOK 9.9bn and approximately 1.5 million customers in 2020. Serving consumers and businesses across the Nordics, the Group is deeply focused on delivering best in class customer experience, built through decades of knowhow, expertise and deep customer commitment within electronics and IT products. Komplett offers its products through online channels, operating an efficient and scalable business model that supports cost leadership and enables a competitive product offering. The Group is well-positioned to continue benefitting from a large structurally growing electronics and IT-products market with a growing online share.

The Group is present in Norway (representing approximately 61% of its operating income in 2020), Sweden (approximately 35%) and Denmark (approximately 4%), and operates within the three business segments: "B2C" under the brands Komplett and Webhallen (approximately 62% of its operating income in 2020), "B2B" under the Komplett brand (approximately 13%), and "Distribution" under the Itegra brand (approximately 25%). The Group has its B2C operations in Norway, Sweden and Denmark, while its B2B and Distribution operations are mainly in Norway, although with small scale operations in Sweden.

Group highlights

- Successful "back-to-core" strategy since 2018
 - Through 2018 and 2019, non-core businesses unrelated to consumer electronics and IT products were carved out from the Group's operations, resulting in the Group again becoming a focused online-first electronic goods and services and IT products business.
 - As part of the "back-to-core" strategy, and with a renewed management team, the Group has since 2018 focused on improving its customer journey and on leveraging a strong company culture driven by technology enthusiasts combined with commercial acumen to drive strong revenue growth and improved profitability.
- The leading online first electronics retailer in the Nordic area with a leading cost position³
 - The online-first electronics champion in the Nordics, with an estimated 8% market share within the overall Nordic consumer electronics market in 2019, and with a track record of gaining market share across all business segments and geographies during recent years.
 - With a leading cost position, the Group is well equipped to meet competition from both omni-channel players and new market entrants, while continue offering competitive prices to its customers.
- Positioned in large structurally growing markets with increasing online penetration

¹ The Company is currently a Norwegian private limited company ("AS") named Komplett Group AS and will be converted into a public limited company ("ASA") and renamed Komplett ASA prior to the IPO

² Based on revenue, company estimate

³ Company estimate

- The consumer electronics and IT products market in Norway, Sweden and Denmark is estimated by the Company to be NOK 136bn (2020), of which NOK 105bn is in the consumer segment and NOK 31bn is in the business segment. Structural market growth is driven among other by continued technology development and product innovation.
- The consumer market is experiencing rapid online migration, and the Company estimates that the online penetration has increased from around 26% in 2016 to 37% in 2020 on the back of, among other, increasing preference for online shopping and introduction of flexible and convenient delivery solutions.
- Strong brands, industry leading customer satisfaction and a loyal and growing customer base
 - The Group has brands with long heritage and high awareness among consumers and SMEs⁴, on the back of a unique company culture driven by tech enthusiasts.
 - The Group has an award-winning customer service⁵, and offers a unique community feeling coupled with a relevant product assortment, which has given Komplett a unique position and standing among consumers.
- Efficient, scalable and flexible logistics and delivery platform
 - Highly scalable logistics set-up with capacity to handle significantly greater volumes – optimised for e-commerce.
 - Efficient and central fulfilment serving all of Norway and Sweden with same or next day delivery for its most popular products.

Lars Olav Olaussen, Group CEO, commented:

“The Group and its employees truly share its customers’ passion for technology, gaming and ‘funtech’. Consumers love to shop at Komplett for simple reasons - we offer well-known and highly regarded brands, a relevant product assortment and best-in-class customer service and delivery options. We have strong momentum and are focusing on operational excellence to further strengthen our foundation for continued growth and development of our scalable platform. We also expect that the market for consumer electronics and IT products will continue to show attractive growth with Komplett further benefitting from continued online migration. We look forward to offering new shareholders the opportunity to take part in our continued growth journey in Komplett.”

Nils Selte, Chairman of Komplett and CEO of Canica Invest, commented:

“Canica is very impressed by the strong and positive development in Komplett in recent years, which also has continued in 2021. Lars Olav Olaussen and his team has successfully continued a revitalization of Komplett since 2018, refocusing back to consumer electronics and IT-products, a growth market where the Group has a long history, strong market positions and satisfied loyal customers. We believe that Komplett is very well positioned for continued profitable growth and a positive development as a listed company, and we look forward to inviting new investors to join us as shareholders.”

Financial highlights

Komplett has experienced solid growth in the period from 2018, with a growth in total operating income of 12.6% in 2019 and 30.8% in 2020. This growth has been realized through among other, improved sales and marketing campaigns in the B2C segment, new customer contracts in the B2B segment and new supplier contracts in the Distribution segment. During the same period, the Group has significantly increased its EBIT margin, from negative 1.1% in 2018 to 0.6% in 2019 and 2.8% in 2020. The improved EBIT margin has been accomplished through improved category management and

⁴ Small and medium sized enterprises

⁵ Based on i.a. Norsk Kundebarmeter for 2016-2020

purchasing terms, and through scale effects and cost efficiency measures contributing to a reduced operating expenses level.

The positive development and momentum across all three business segments has continued in 2021, with a growth in total operating income of 31.0% in first quarter 2021 and with an EBIT margin at 3.4% (approximately 3.5% when excluding NOK 2.5m in other operating expenses related among other to the IPO process⁹), up from 1.7% in same quarter in 2020.

The Group has continued to experience a positive development after the end of the first quarter, with a growth in total operation income in second quarter 2021 to date⁶ of approximately 19% compared to the same period in 2020 implying a year to date⁶ growth in total operating income of approximately 27%.

Second quarter 2021 to date⁶ and year to date⁶ growth in total operating income for the B2C segment is approximately 5% and 19%, respectively, for the B2B segment approximately 29% and 20%, respectively, and for the Distribution segment approximately 56% and 52%, respectively.

The growth experienced in 2020 and the first quarter 2021 has also been positively affected by effects relating to the coronavirus pandemic, in particular within the B2C segment due to inter alia restrictions affecting shopping in physical stores and favourable shifts in consumers spending. The Group estimates that around NOK 500-550 million, of a total NOK 2,323 million revenue growth in 2020, and around NOK 150 million, of a total NOK 622 million revenue growth in the first quarter of 2021, are linked to the coronavirus pandemic.

<i>NOK million</i>	Year ended 31 December			Three-month period ended 31 March	
	2018 ⁷	2019	2020	2020	2021
Total operating income	6,697	7,543	9,866	2,005	2,627
Total operating income growth	-	12.6%	30.8%	-	31.0%
Gross profit ⁸	837	960	1,318	275	363
Gross margin ⁹	12.5%	12.7%	13.4%	13.7%	13.8%
Operating result (EBIT)	(71)	48	276	33	90 ¹⁰
EBIT margin ¹¹	(1.1)%	0.6%	2.8%	1.7%	3.4% ⁹

Offering highlights

The IPO and listing of the Kompletts shares on the Oslo Stock Exchange will enable a diversification of its shareholder base and enable other investors to take part in its future growth and value creation, and are expected to allow for a liquid market for its shares, enhance the Group's profile with investors, business partners, suppliers and customers, and further improve the ability of the Group to attract and retain key management and employees.

The IPO is expected to comprise a public offering to institutional and retail investors in Norway and Sweden and a private placement to certain international institutional investors, as well an offering

⁶ As of 26 May 2021

⁷ Not derived from the audited 2018 financial statements. The 2018 numbers have been subject to certain adjustments to exclude divested and discontinued operations. IFRS16 has been implemented from 2019 in Group figures.

⁸ Gross profit is defined as total operating income less cost of goods sold.

⁹ Gross margin is defined as gross profit as a percentage of total operating income.

¹⁰ When excluding NOK 2.5m in other operating expenses related among other to the IPO process, this would amount to approximately NOK 93 million and an EBIT margin of approximately 3.5%.

¹¹ EBIT margin is defined as operating result as a percentage of total operating income. Q1 2021 excluding NOK 2.5m as noted above.

towards eligible employees of the Group. The IPO will comprise a sale of existing shares by Komplett's main shareholder Canica Invest AS ("Canica Invest") which currently owns approximately 96% of Komplett. Canica Invest is fully owned by Canica AS, a holding and investment company ultimately owned by Mr. Stein Erik Hagen and his family. Canica has been a shareholder in Komplett since 2005 and intends to remain a long-term shareholder also after the contemplated IPO.

Subject to receiving relevant approvals from the Oslo Stock Exchange and the Norwegian Financial Supervisory Authority as well as prevailing equity capital market conditions, Komplett is expected to have its first day of trading on the Oslo Stock Exchange in Q2 2021.

Further announcements relating to the IPO will be made in due course.

Advisors

ABG Sundal Collier ASA and Skandinaviska Enskilda Banken AB (publ) are acting as Joint Global Coordinators and Joint Bookrunners in the IPO (together the "Joint Global Coordinators"). DNB Markets (part of DNB Bank ASA) and Pareto Securities AS are acting as Joint Bookrunner (together with the Joint Global Coordinators; the "Managers"). Advokatfirmaet Thommessen is acting as legal advisor to Komplett. Advokatfirmaet Schjødt is acting as legal advisor to the Managers. Zynk is acting as communication advisors to Komplett.

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