

**We continue
to deliver
sustainable
growth and stable
profitability**

Mikko Forsell, CFO

Verkkokauppa.com Capital Markets Day
29 september 2021

Content

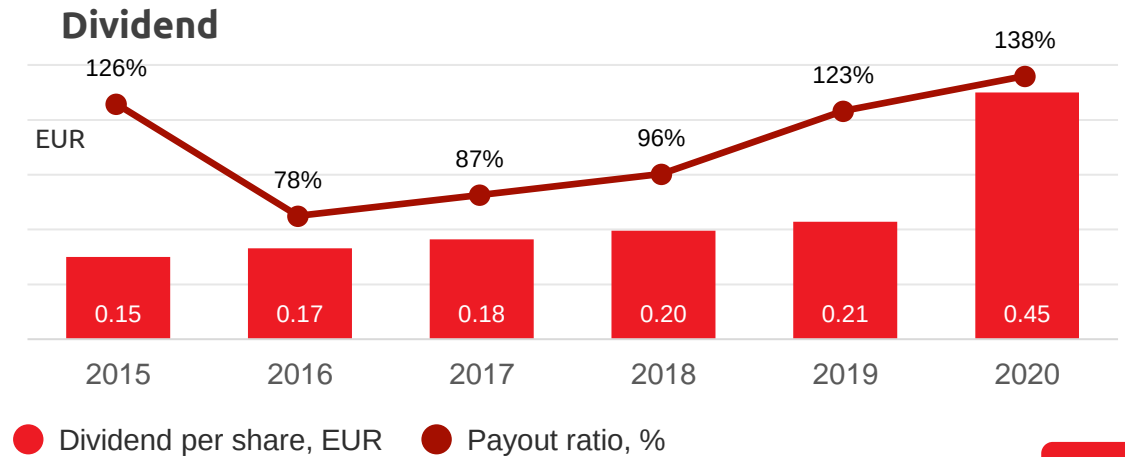
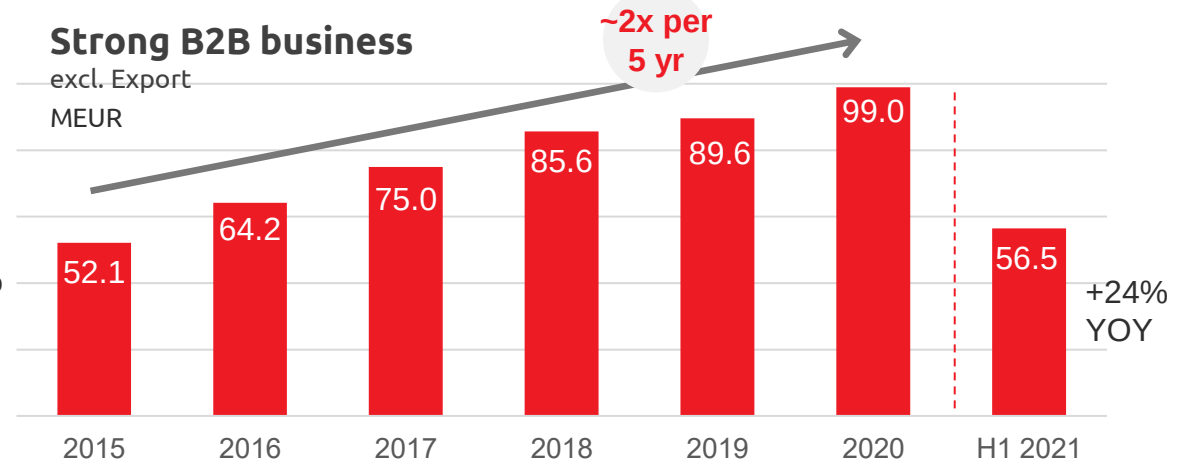
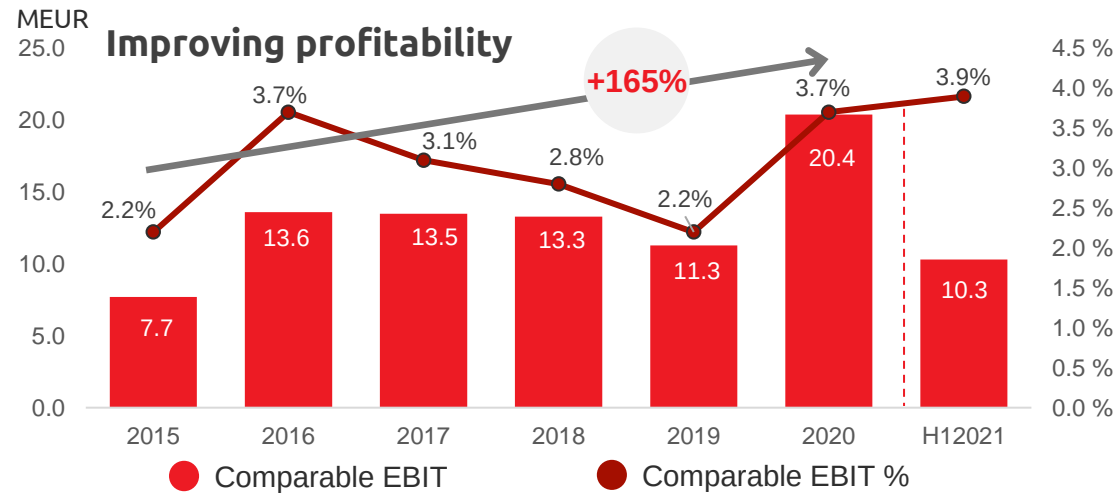
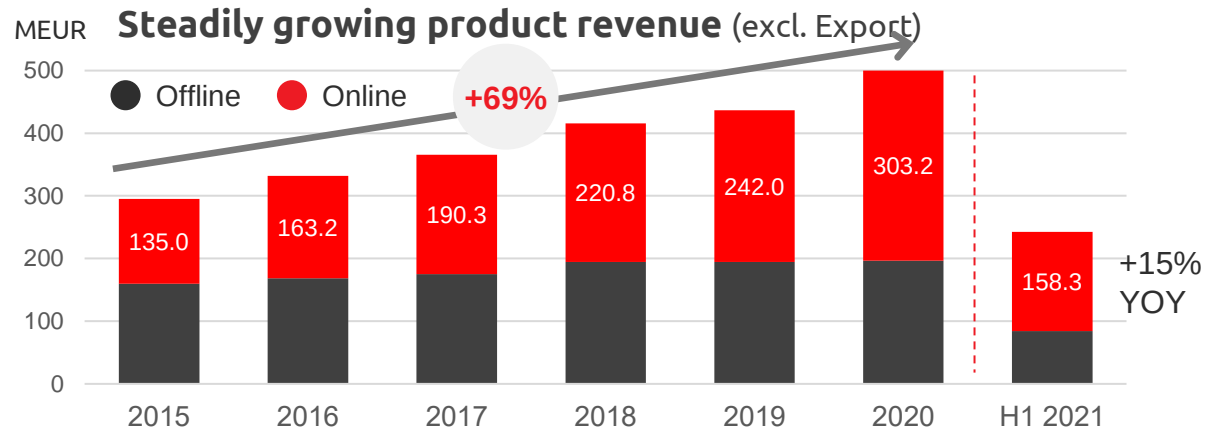
1. Solid growth & track record in financial kpi's
2. Our services portfolio
3. Growth that scales
4. Our commitment on ESG
5. Our ownership base
6. Key takeaways



Solid track record of growth

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Solid track record of growth and good profitability



Our Services portfolio

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Service expansion during our road towards a billion



Financial services

Expand financial service offering in all customers segments with new and creative financial services to drive revenue and profitability.



Near-product services

Utilize the existing broad product offering by introducing consumer demand driven near-product services both online and instore e.g. insurance, installation and extended warranties



Standalone services

As Finland's largest ecommerce operator discover and test relevant standalone services for growing customer base in consumer and business-to-business environment.



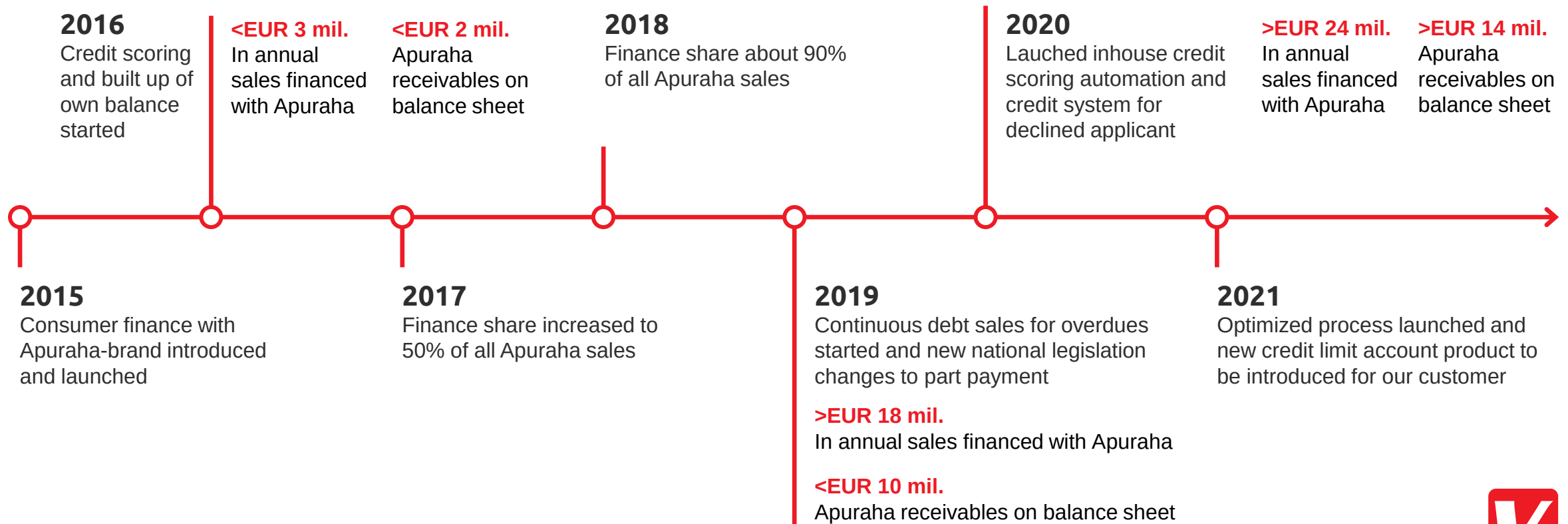
Consumer finance services strengthen customer loyalty

We have over 30,000 consumer finance services customers



Financial services

We are expanding offering in consumer finance to strengthen customer loyalty and payment flexibility



Growth that scales

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Growth that scales – targeting EUR 50 million EBIT

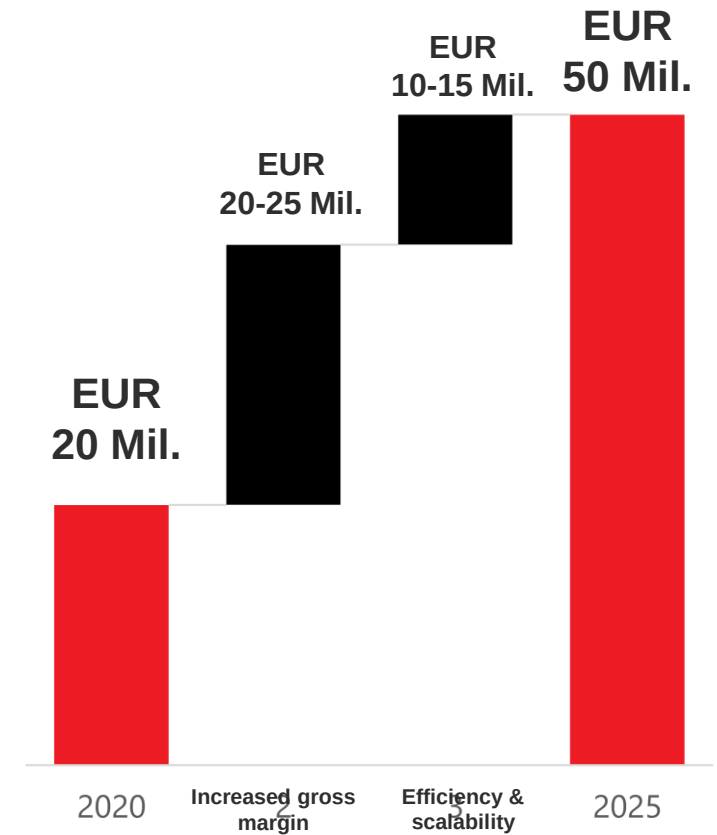
Profit growth areas

Increased Gross Margin

- Higher margin new categories
- Increased share of private label
- Growth of financing and other services
- New business contributes to increased profitability

Operational Efficiency & Scalability

- Best in class logistics solution
- Automated supply chain and product management
- Improved marketing performance and segmentation



Comparable EBIT



Move fixed costs below 10% of revenue through increased scale and automated operations

Our focus to optimize fixed cost base

Fixed costs, % of revenue¹

Fixed costs in FY20

11.5%

Logistics

Supply chain & product mgmt.

End-to-end processes

Marketing

Fixed costs in FY25

<10%

Our first priorities

Starting point of fixed costs at 11.5% already below key peers

Apply best-in-class logistics by automatization of Jätkäsaari warehouse

Optimize efficiency in direct to customer shipping and automated optimizing replenishment cycles

Rethink our internal processes end-to-end and capture efficiencies with world-class automation

Increase ROMI by focusing spend on more 1:1 marketing (social media, personalized campaigns, SEO, analytics)

Reaching fixed costs of <10% of sales are achievable with limited investment needs

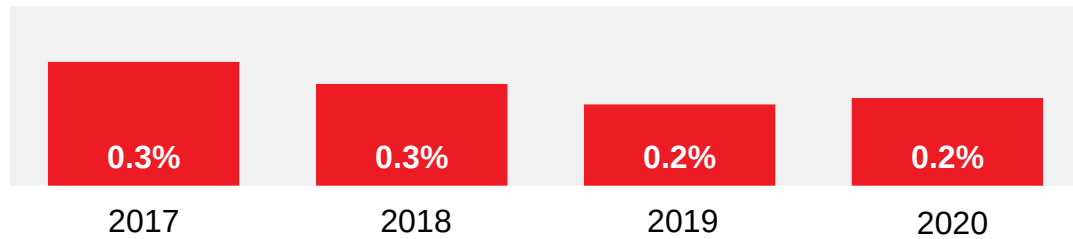
1. Includes scale effect from Verkkokauppa.com targeting €1bn in revenue



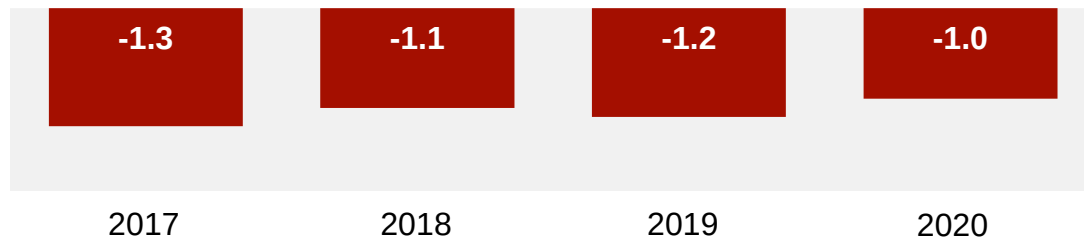
Investments required to achieve our road towards a billion-enabling a growing dividend payout

Our growth has been investment light and with healthy leverage

Capex, % of revenue

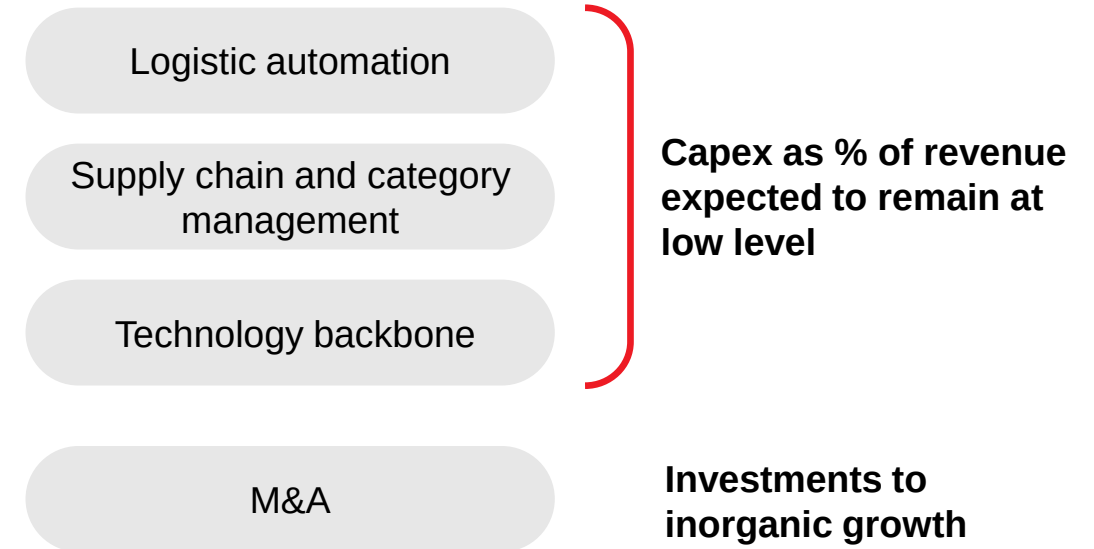


Net debt / EBITDA *



Our investment needs for coming 5 years to accelerate further growth

Identified focus areas for investments during 2021-25



We are able to execute required investments to grow rapidly due to healthy balance sheet – while continuing with an annual growing dividend payout

* Net debt/ EBITDA is not comparable before 2017 after IFRS transition

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Our commitment to ESG

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Verkkokauppa.com's commitment to ESG

We have set four sustainability focus areas based on environmental and social impacts, stakeholder engagement and materiality analysis

2021 actions

At the customers' service and on their side

Decision to join amfori BSCI to develop supply chain practices for private labels

New charitable activities with product donations

Verkkokauppa.com voted as a most sustainable ecommerce brand by Finnish consumers in Sustainable Brand Index 3/2021

Smaller environmental impact

100% renewable electricity in own operations

Locally produced solar energy

Transition to renewable heating in Helsinki

Energy efficient led-lighting

Renewable shopping bags

Verkkokauppa.com as a community

Ensuring the safety of employees and customers during covid pandemic

Remote work made fully flexible in expert positions

Active engagement by our employees around strategy, wellbeing and more.

Profitable business and good governance

Broader ESG reporting

ESG topics in interim financial reporting

Renewed Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Personnel policy

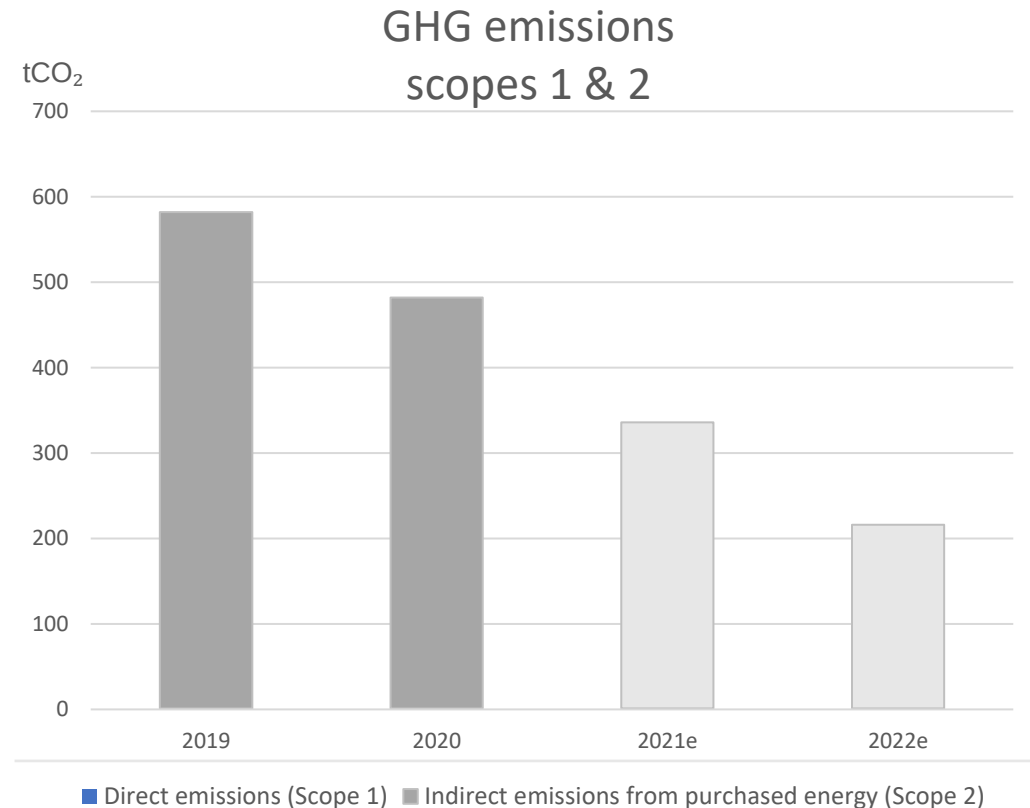
Code of Conduct made part of new employee induction



We have a notable downward trend in climate impact of our own operations

- Scope 1 is not relevant for us (nonexistent)
- Scope 2 emissions has been minimized through investments in renewable energy and energy efficiency
 - By 100% renewable electricity
 - By locally produced solar energy, renewable heating, eco-friendly district cooling, geothermal heat
 - By led-lighting
 - By real estate efficient business model
- Indirect emissions (scope 3) cause major part of our climate impact and its mapping is ongoing
 - Identified sources e.g manufacture and use of sold products, upstream / downstream transportation and distribution, waste generated in operations, purchased goods and services, business travel and employee commuting

We have ongoing preparations to publish total GHG emissions calculation (scopes 1, 2 & 3) and sustainability program, including targets and KPI's



Our GHG emissions (scopes 1 & 2) intensity is very low comparing to peer group: **0.87 tonne CO₂/ million euros** in 2020



Our ownership base

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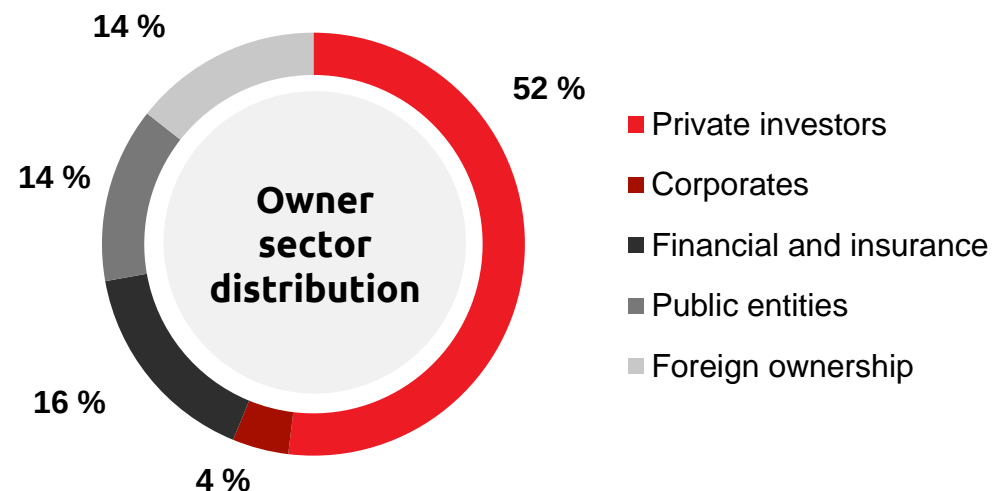
VERK has been trading for 15 months in the Nasdaq Helsinki

In 2014, company was listed in Nasdaq First North, and moved in the main list of Nasdaq Helsinki Stock Exchange in June 2020.

Market Cap is EUR 375 million (23 Sep 2021).

We have more than 17,000 shareholders.

Largest shareholders		% of shares
1	Samuli Seppälä (FI)	35.4%
2	Varma Mutual Insurance Company (FI)	8.6%
3	Mandatum Life Insurance Company (FI)	4.9%
4	Ilmarinen Mutual Insurance Company (FI)	4.8%
5	Rite Ventures (SE)	3.6%



VERK share trading, LTM

Average daily turnover	EUR 966,499	VWAP	EUR 6.9
High	EUR 10.3	Number of shares traded	34,433,946
Low	EUR 4.6	Average quantity per day	137,737



Key takeaways

1.

**Improving
profitability
driven
by a more
favorable
revenue mix**

2.

**Well scalable
business
model**

3.

**Low cost base /
optimization
of fixed cost
base**

4.

**Attractive
shareholder
distribution
policy**



