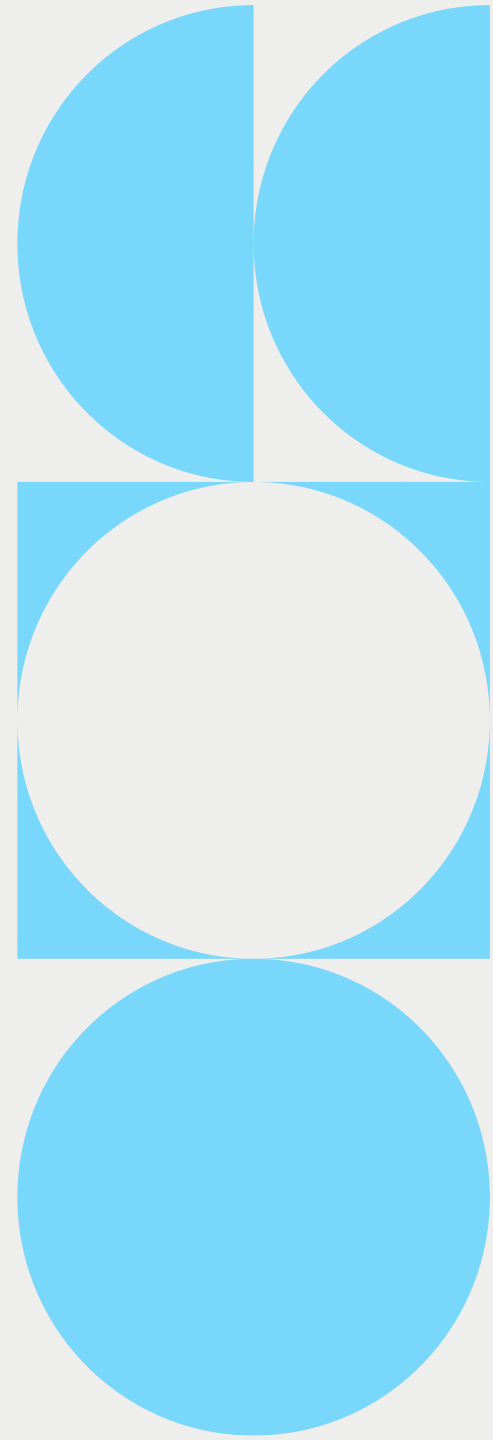


Clas Ohlson acquires Spares

Accelerates presence in accessories and spare parts for electronic products

2 October 2023



Important notice

Certain information contained in this presentation, including any information on the Group's plans or future financial or operating performance and other statements that express Clas Ohlson's management's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to Clas Ohlson or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. Clas Ohlson cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Clas Ohlson to be materially different from Clas Ohlson's estimated future results, performance or achievements expressed or implied by those forward-looking statements.



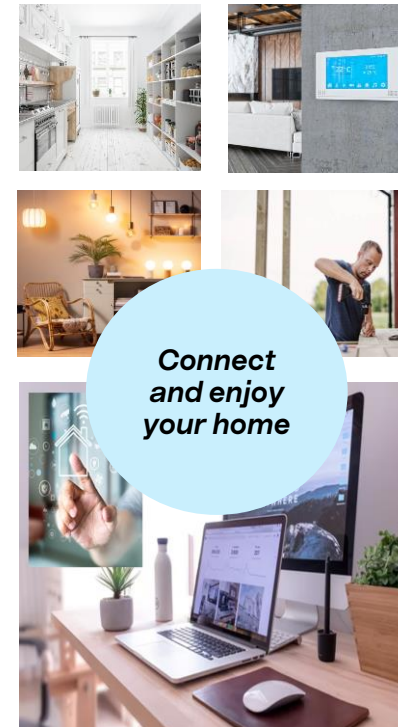
Introduction

- ✓ **Strategic acquisition complementing existing Clas Ohlson core business**
- ✓ **Enabler to deliver long term profitable growth and EPS accretive day 1**
- ✓ **Spares will be operated as stand alone subsidiary with longer term synergy potential – retaining strong founding team with track record of profitable growth for 10+ years**
- ✓ **Further strengthening business model promoting circularity**
- ✓ **Transaction will not impact Clas Ohlson's financial targets**



Strengthening core offering – adding future growth opportunities

- Clas Ohlson's offering is focused around five 'consumer missions' which drives relevance as home fixing destination
 - 'Connect and enjoy your home' one of five consumer missions
 - Sustainability and spare parts integrated parts of the existing offering
 - Batteries one of Clas Ohlson's key product categories in consumables
- Spares is well positioned as online category expert in accessories and spare parts for electronic products as well as batteries
- Spares has a track record of profitable growth



Sustainability

Spare parts

Consumables

teknikdelar
ALLT FÖR MOBILEN

BATTERIEXPERTEN

SPARES

ZANDPARTS

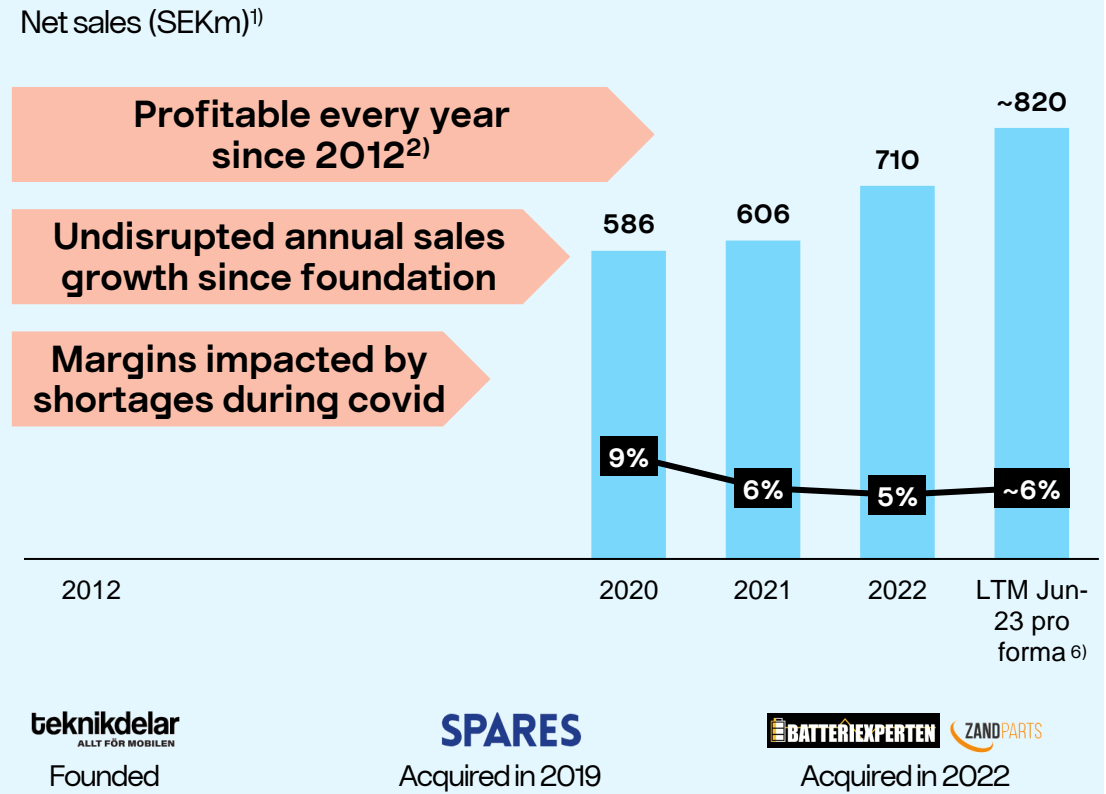


Spares is a category expert in accessories, spare parts and batteries

Spares at a glance

- Competitive customer offering founded on **good value, relevance and trust**
- **Broad assortment** of >200,000 products
- **Own brands SiGN and NextBatt** represent ~20% of LTM sales
- **Well positioned in a growing market** that is fuelled by circularity trends and the "right to repair" movement
- **Entrepreneurial and founder-led business**
CEO Talal Alshammari, HQ in Malmö and with around 75 employees

Track record of profitable growth



Extending the life of electronic devices

The image displays three panels for the 'teknikdelar' brand, each with a 3.8 star rating and the tagline 'ALLT FÖR MOBILEN'. The first panel features the 'BATTERIEXPERTEN' logo and describes products for electrification and digitalisation. The second panel features the 'SPARES' and 'ZANDPARTS' logos and describes spare parts for mobile phones and computers. The third panel features the 'BATTERIEXPERTEN' logo and describes batteries for over 200,000 electronic devices. Below the panels, two blue arrows indicate local destinations and total orders.

teknikdelar
ALLT FÖR MOBILEN

BATTERIEXPERTEN

Products for electrification and digitalisation of everyday life

teknikdelar
ALLT FÖR MOBILEN

SPARES

ZANDPARTS

Spare parts and accessories for mobile phones and computers

teknikdelar
ALLT FÖR MOBILEN

BATTERIEXPERTEN

Batteries for >200,000 electronic devices

Local destinations in Sweden, Norway, Finland, Denmark, Germany and Netherlands¹⁾

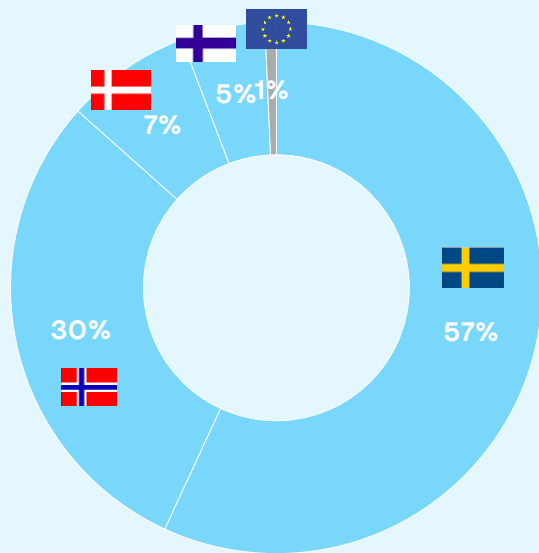
1.3 million customer orders delivered in 2022



Spares attracts a broad range of customers

Nordic foothold

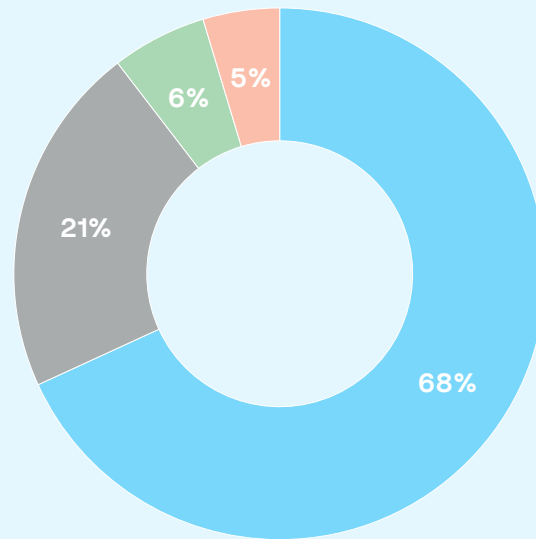
LTM net sales split^{1,2)}



■ Nordic ■ Rest of Europe

Diversified offering

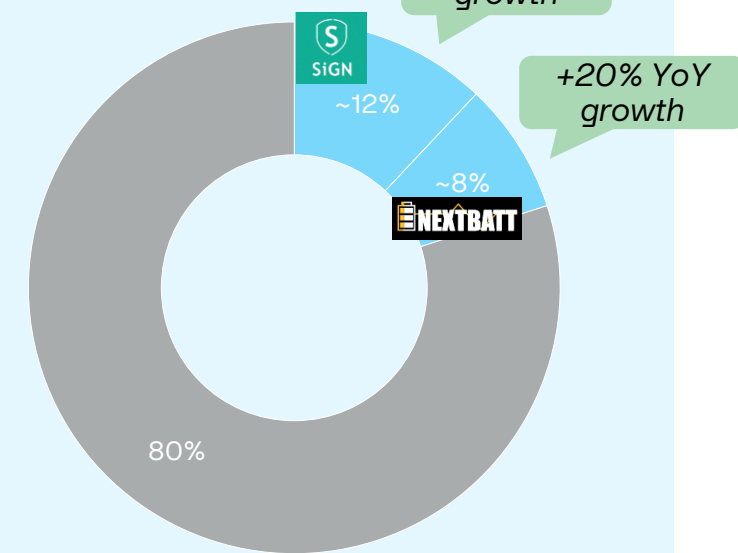
LTM net sales split¹⁾



■ Spare parts ■ Accessories ■ Devices ■ Other

Growing own brands

LTM net sales split own brands¹⁾



■ Private labels ■ External brands



Transaction structure

Key transaction information

Enterprise value ¹⁾	SEK 500m
Initial purchase price	SEK 430m
LTM EV/EBITA ²⁾	10.1x
EV/EBITA at full earn-out ³⁾	10.5x
Illustrative leverage, combined net debt / EBITDA excluding IFRS 16 ⁴⁾	~0.6x

Key highlights

The initial purchase price will be financed by bank facilities and Clas Ohlson's balance sheet

Additional purchase price of up to SEK 225 million subject to the fulfilment of certain growth and profitability targets during a period that ends in Q1 2024/25

Expected closing November 2023

The transaction is subject to customary closing conditions and regulatory approvals



Key transaction rationale



1

Complementing and attractive product categories

2

Well positioned in a growing market supported by structural trends

3

Business model promoting circularity

4

Track record of profitable growth

5

Growth platform with synergy potential

1

Complementing and attractive product categories

Accessories




Illustrative current presence
Illustrative current depth



Spare parts




Batteries




Spares online destinations

teknikdelar
ALLT FÖR MOBILEN

 **BATTERIEKPERTEN**

SPARES





1

Complementing and attractive product categories

Attractive category characteristics

- ✓ Discretionary customer need
- ✓ Relatively low average product price
- ✓ Limited discount focus / high share of full price sales
- ✓ Small packages that are easy to ship
- ✓ Profitability on first order
- ✓ Low level of returns

LTM Spares Group gross margin¹⁾

B2C has ~50% gross margin

32%



2

Well positioned in a growing market supported by structural trends

Circularity



Right-to-repair / 'Green Deal'

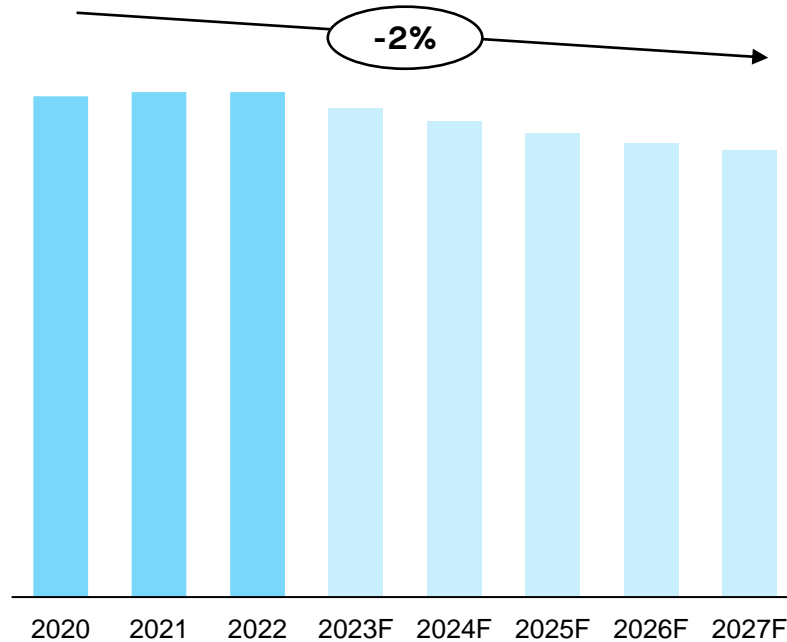


Price increases of new devices



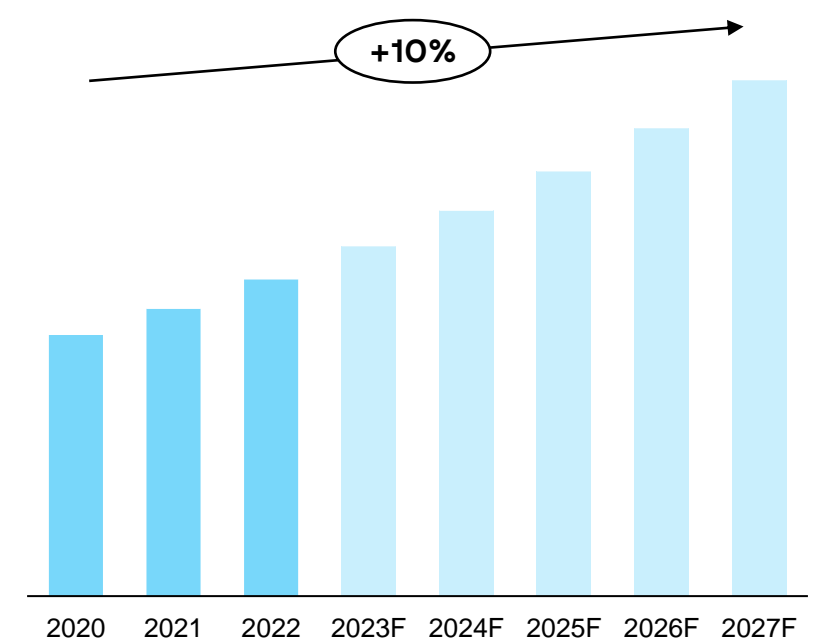
Longer lifetime of devices

Sold mobile phones in Sweden (000's of units)



Emerging repair/used market

Global repaired/used mobile phone market (SEKbn)



3

Business model promoting circularity

Circularity



Right-to-repair /
'Green Deal'



Price increases
of new devices

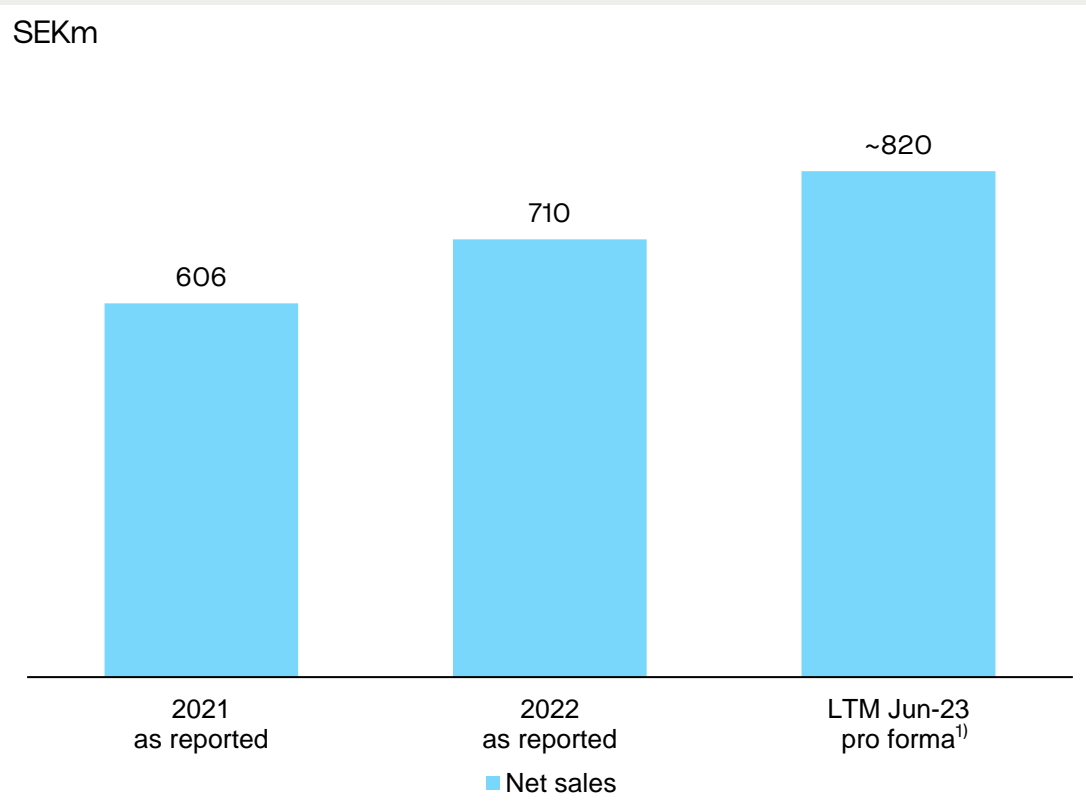


- Extending life of electronic devices core business
- Sales of approximately 2 million spare parts/year
 - Extending the life of approximately 1.6 million electronic devices
 - Access to more than 5 million spare parts

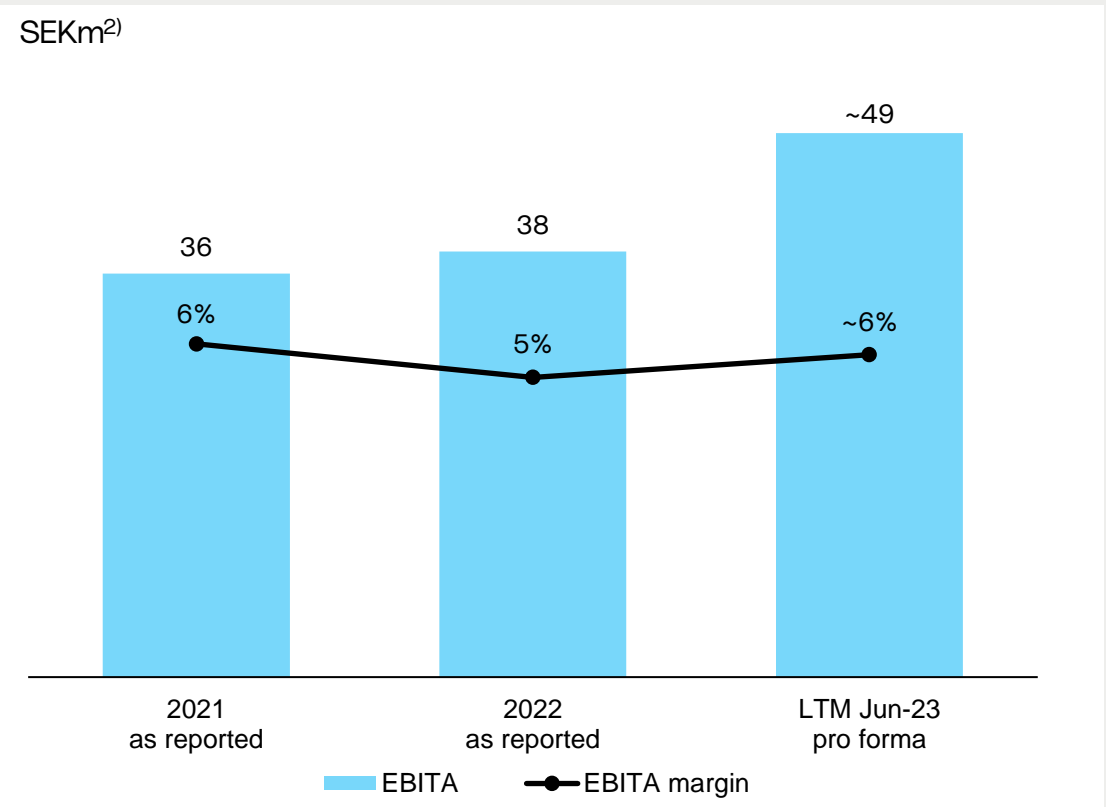
4

Track record of profitable growth

Net sales development since 2021

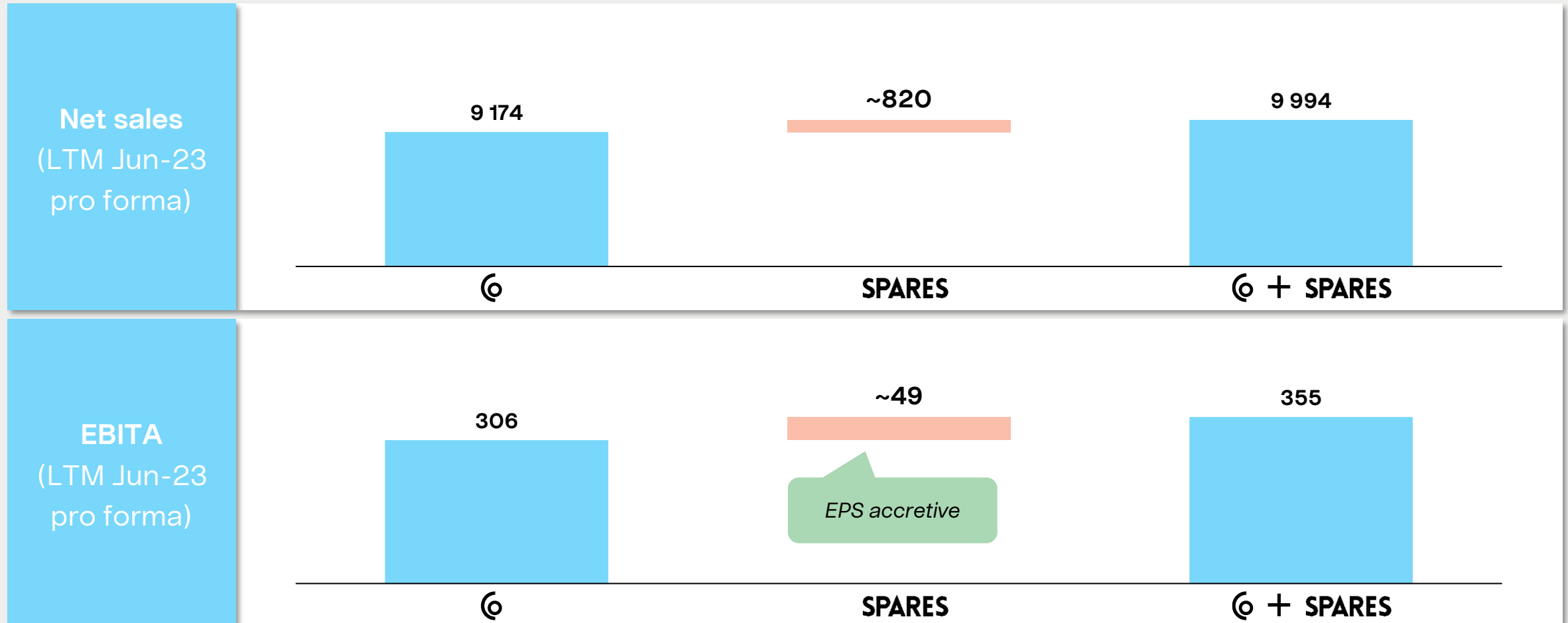


Stable bottom-line EBITA profitability



4

Acquisition of Spares EPS accretive from day 1



5

Growth platform with synergy potential



Entrepreneurial culture



Category expertise



Platform for growth

Several areas of value creating synergies identified

Cross-selling

Sourcing

Online capabilities



In summary

Transaction highlights

- **Clas Ohlson to acquire 91% of Spares Europe AB ("Spares") from Verdane and management**
 - Spares management re-invests a significant part of their ownership to participate in joint value creation
- **The acquisition accelerates Clas Ohlson's presence in accessories and spare parts for electronic products and reinforces the position as battery destination**
 - Ever-growing demand for circularity and "the right to repair" is expected to be a strong and enduring driver going forward
 - Spares had net sales of SEK ~820 million and an EBITA-margin of ~6% in the last twelve months ending June 2023 (pro forma)
- **The transaction values Spares at SEK 500 million¹⁾**
 - The implied EV/EBITA multiple corresponds to 10.1x based on the last twelve months as of June 2023 (pro forma)
- **Furthermore, there is an additional purchase price of up to SEK 225 million subject to the fulfilment of certain growth and profitability targets during a period that ends at the latest on July 31, 2024**
 - Assuming full additional purchase price, the multiple can amount to a maximum of 10.5x Spares' EBITA

Transaction financing

- **The purchase price will be financed by additional bank facilities and Clas Ohlson's balance sheet**
- **The transaction is expected to be earnings accretive immediately post closing**

Governance

- **Spares to be run decentralised under the leadership of co-founder and CEO Talal Alshammari in Malmö**

Timeline

- **Transaction subject to customary regulatory and closing conditions**
- **Closing is expected in November 2023**





Q&A

