SOLAR EQUITY STORY

We believe in productivity improvement, digitalisation, the green transition and networked development
AGENDA

1. Future perspectives and business trends
2. Our strategic sourcing and services approach
3. Investment proposition
4. Financial targets and strategic focus areas
5. Business update
6. The results we achieved in Q4 and FY 2019
7. Outlook 2020
8. Appendix – facts about Solar
Digitalisation, the green transition and urbanisation play essential roles

- Solar believes in productivity improvement, digitalisation, the green transition and networked development.

- We support our customers in developing energy-efficient solutions, reducing waste and optimising logistics based on strong digital platforms.

- More than DKK 6bn of our approx. DKK 11bn revenue come from digital sales. Consequently, e-business and digitalisation are central elements in our business.

- Our energy-efficient solutions match the green transition. Especially the process of electrification will play an important role in the future.

- Our productivity agenda and our well-established Fastbox concept match the ongoing urbanisation.
We drive customer productivity to enable a responsible use of resources

- In our view, common sense lies in the intersection between green transition, digitalisation and Total Cost of Ownership.
- We see a growing demand for Fastbox, which is designed to improve customer productivity. At our customer centre in Copenhagen, we use bicycles for delivery and paper bags instead of cardboard boxes for our fast green deliveries.
- With our strong positions in infrastructure and digitalisation, we see great opportunities in the future 5G network. This will enable consumers, industries and IoT devices to be connected on an unprecedented scale, which is fully in line with our smart home solutions.
HOW WE CREATE VALUE
OUR STRATEGIC SOURCING AND SERVICES APPROACH

Our business model

<table>
<thead>
<tr>
<th>KEY RESOURCES</th>
<th>CORE ACTIVITIES</th>
<th>VALUE CREATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HUMAN RESOURCES</strong></td>
<td><strong>SOURCING EXCELLENCE</strong></td>
<td><strong>CUSTOMER VALUE</strong></td>
</tr>
<tr>
<td>Our 3,000 ‘can-do’ people use market insight to develop new business areas and move our business forward.</td>
<td>We build on long-term cooperation with our strategic suppliers, and by consolidating our customers’ sourcing needs, we aim to increase efficiency throughout the supply chain.</td>
<td>We create customer productivity by helping our customers run their businesses more efficiently and reduce energy consumption and waste.</td>
</tr>
<tr>
<td><strong>TECHNOLOGICAL KNOWHOW</strong></td>
<td><strong>SERVICES EXCELLENCE</strong></td>
<td><strong>SHAREHOLDER VALUE</strong></td>
</tr>
<tr>
<td>Our people have thorough knowledge about products and technologies.</td>
<td>We work closely with our customers to offer tailored, value-adding services that optimise their businesses and make them more productive.</td>
<td>We strive to create value for our shareholders by constantly optimising our business to increase the value of the company.</td>
</tr>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td><strong>OPERATIONAL EXCELLENCE</strong></td>
<td><strong>EMPLOYEE VALUE</strong></td>
</tr>
<tr>
<td>We engage with a number of different stakeholders to keep developing our business and create an understanding of our productivity agenda.</td>
<td>Central and regional warehousing, common lean processes, integrated IT systems and shared services across our local operating companies help support our business.</td>
<td>We create value for our employees by giving them responsibility, trust, exciting jobs and career opportunities.</td>
</tr>
<tr>
<td><strong>FINANCIAL CAPITAL</strong></td>
<td><strong>DIGITAL LEADERSHIP</strong></td>
<td></td>
</tr>
<tr>
<td>Our financial situation is sound and our collaboration with the capital market helps to ensure the continuous development of our business.</td>
<td>With an e-business share above 50%, we are a true digital company and use our platform, including webshop, website and digital marketing, to support a personalised customer experience.</td>
<td></td>
</tr>
</tbody>
</table>

Based on our understanding of our customers’ needs we work both with brand manufacturers and proactively seek alternatives.

Our services range from product engineering, advisory services and technical support to customer logistics and fanbox.

We offer a number of Solar concepts that meet different customer needs. We have concepts suitable for both installation and industry customers.

Our broad range of services are suitable for both installation and industry customers.

We strive to keep our costs low to protect our margins in a market with increasing price transparency. We exercise strict management over our cost base.

We use the digital transformation of the construction industry to develop new services to drive productivity and cost savings in collaboration with our customers.
INVESTMENT CASE
OUR INVESTMENT PROPOSITION

Green business opportunities

Today, climate and energy make up more than 10% of our revenue, corresponding to more than DKK 1bn and we are experiencing continuous growth within this business area. Our energy-efficient solutions match the green transition. Especially the process of electrification will play an important role going forward and provide us with new business opportunities. Solar provides several products and solutions within renewable energy and energy efficiency such as heat pumps, solar cell panels, electric vehicle charging stations, LED lighting and ventilation.

Strong cash flow generation

Historically, Solar has succeeded in generating a strong and stable cash flow. We aim to increase our profitability and thereby strengthen our margin. At the same time, we do not foresee the same need for investments as was the case in 2017-2019. All things being equal, this will generate capital. On average for 2015-2019, our cash conversion rate was approx. 50% despite investments in digitalisation and automation.

A true digital company

With an e-business share above 50% – in Denmark up to 80% – more than DKK 6bn of our approx. DKK 11bn revenue comes from digital sales. We use our strong digital platforms, including our webshop, websites and digital communication and marketing, to support a personalised customer experience. Our installation and industry customers are making increasing use of mobile apps and digital tools in their work. Together with the digital transformation of the construction industry, this provides us with opportunities for new services to drive productivity and cost savings in collaboration with our customers. In addition, we hold a dual track investment in four digital startups. This is partly a financial investment and partly a way to strengthen our core business via collaborations, not necessarily as a long-term owner.

Dividends and share buy-back

The Board of Directors regularly assesses the company’s capital and share structure to ensure that these are appropriate for both our shareholders and the company. We use dividends and share buy-back programmes as instruments to adjust our financial capital. In 2019, Solar was ranked number 6 among Danish listed companies with the highest dividend yield. Between 2015-2019, we paid out DKK 395m in dividends and spent DKK 256m on share buy-back, meaning DKK 611m in total was paid back to our shareholders.

>1bn DKK

>6bn DKK

50%

611m DKK
We work dedicatedly on our three strategic focus areas in order to achieve our 2020 financial targets

<table>
<thead>
<tr>
<th>Financial ratios</th>
<th>2020 financial targets*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth, core business</td>
<td>Profitable growth above market level</td>
</tr>
<tr>
<td>Growth, related business</td>
<td>Organic growth of at least 15% per year</td>
</tr>
<tr>
<td>EBITA margin, core business</td>
<td>At least 4% in 2020 at the latest, corresponding to ROIC of at least 12% after tax</td>
</tr>
<tr>
<td>Equity interest</td>
<td></td>
</tr>
<tr>
<td>Gearing (NIBD/EBITDA)</td>
<td>1.5**-3.0</td>
</tr>
<tr>
<td>Pay-out ratio</td>
<td>At least 35%***</td>
</tr>
</tbody>
</table>

Our three strategic focus areas

**Strategic suppliers:**
We pursue opportunities for growth within concept sales.

**Industry focus:**
As industry sales is the most profitable of our key segments we will continue to focus on this business area.

**Operational excellence:**
We will continue to invest in improved productivity in order to continuously grow the company and expand the services we offer to our customers.

* Technical recalculation due to implementation of IFRS 16, Leases.
** We maintain the lower part of the range as we want a higher degree of freedom in order to have sufficient capital in the company for continued development of the business.
*** Changed due to our historical pay-out ratios.
Our three strategic focus areas have enabled us to offer our customers more value

Strategic suppliers
• We increased our share of concept sales in all our markets and within our seven concepts: Solar Plus, Solar Netto, Solar Project, Solar Light, Solar Cable, Solar Heat and Solar Tools.

Industry focus
• Our Scandinavian industry business made good progress. Our growth rate within Industry in our core business was around 7% in 2019.
• Strategic review of MAG45 is ongoing.

Operational excellence
• After successful implementations of SAP eWM in Sweden, implementations at our central warehouses in Denmark, Norway and the Netherlands will follow.
• AutoStore was implemented successfully in Norway in 2019.
• We have embarked on the implementation of AutoStore in the Netherlands.
BUSINESS UPDATE ON SUSTAINABLE BUSINESS

We focus on energy-efficient solutions to drive the green transition

• We deploy many advanced technologies to support energy efficiency, including ventilation, LED lighting, EV chargers, heat pumps and solar power, and we are experiencing growth in our climate and energy initiatives.

• We see obvious green business opportunities ahead of us. Our energy-efficient solutions go hand in hand with the green transition where the process of electrification, in particular, will play an important role in the future.

• Solar Nederland has developed Solar Zero, a total product and services concept, to respond to the energy transition needs.
IN Q4, SOLAR SAW ORGANIC GROWTH OF 2.6%

Adjusted organic growth amounted to 2.6%

- We saw positive adjusted organic growth in Solar Danmark, Solar Norge and Solar Nederland.
- The industry segment continued to see growth in all our markets in Q4.
- Solar’s overall adjusted organic growth for both Installation and Industry was around 5%.
IN Q4, EBITA WAS UP BY DKK 6M

Q4 EBITA margin increased to 3.7%

- The EBITA increase was driven by improvements in Solar Nederland.
- Solar Nederland saw two-digit adjusted organic growth in Q4. However, a significant part of the growth related to low margin products and customers.
- Implementation of IFRS 16, Leases had insignificant impact on EBITA level but impacted development in EOC and depreciation compared to Q4 2018.

<table>
<thead>
<tr>
<th>Solar Group</th>
<th>Q4 2019</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, DKK m</td>
<td>3,077</td>
<td>3,009</td>
</tr>
<tr>
<td>Revenue growth, %</td>
<td>2.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Adj. organic growth, %</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Gross profit, DKK m</td>
<td>632</td>
<td>602</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>20.5</td>
<td>20.0</td>
</tr>
<tr>
<td>EBITA, DKK m</td>
<td>115</td>
<td>109</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>3.7</td>
<td>3.6</td>
</tr>
</tbody>
</table>

**Q4 EBITA margin development**

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>COGS</td>
<td>0.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>EOC</td>
<td>-0.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Staff</td>
<td>1.1%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depr.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3.6%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

- **Q4 EBITA increase** was driven by improvements in Solar Nederland.
- Solar Nederland saw two-digit adjusted organic growth in Q4. However, a significant part of the growth related to low margin products and customers.
- Implementation of IFRS 16, Leases had insignificant impact on EBITA level but impacted development in EOC and depreciation compared to Q4 2018.
IN Q4, TOTAL CASH FLOW AT DKK -7M

Cash flow, total

<table>
<thead>
<tr>
<th>DKK million</th>
<th>Q3 2019</th>
<th>Oper. act.</th>
<th>Inv. act.</th>
<th>Fin. act.</th>
<th>FX</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61</td>
<td>305</td>
<td>-48</td>
<td>-264</td>
<td>2</td>
<td>56</td>
</tr>
</tbody>
</table>

Cash flow, operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58</td>
<td>74</td>
<td>-29</td>
<td>-33</td>
<td>269</td>
<td>-34</td>
<td>305</td>
</tr>
</tbody>
</table>
IN 2019, CORE BUSINESS POSTED BEST RESULT IN A DECADE

Our group results were largely on par with guidance

**Stronger than expected**
- Sales development in Solar Norge - Strong organic growth of 10%. All segments performed better especially within Industry.

**As expected**
- Industry - We are gaining new customers and we closed some significant contracts in 2019.
- SAP eWM and AutoStore implementation - We implemented SAP eWM in Solar Sverige, AutoStore in Solar Norge and embarked on AutoStore in Solar Nederland.
- Strategic suppliers and concept sales - We have now established all the concepts in our markets, and revenue from concept sales is picking up.

**Weaker than expected**
- Sales development in MAG45 - We saw negative organic growth in H2 and have embarked on restructuring initiatives.

### Solar Group

<table>
<thead>
<tr>
<th></th>
<th>Core business</th>
<th>Related business</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2019</td>
<td>FY 2018</td>
</tr>
<tr>
<td>Revenue, DKK m</td>
<td>11,116</td>
<td>10,538</td>
</tr>
<tr>
<td>EBITA, DKK m</td>
<td>379</td>
<td>348</td>
</tr>
<tr>
<td>Adj. organic growth, %</td>
<td>5.2</td>
<td>1.1</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>3.4</td>
<td>3.3</td>
</tr>
</tbody>
</table>
CASH FLOW 2019
OPERATING ACTIVITIES CONTRIBUTED WITH DKK 300M

Cash flow, total

<table>
<thead>
<tr>
<th>DKK million</th>
<th>FY 2018</th>
<th>Oper. act.</th>
<th>Inv. act.</th>
<th>Fin. act.</th>
<th>Other</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>65</td>
<td>298</td>
<td>-194</td>
<td>-110</td>
<td>-3</td>
<td>56</td>
</tr>
</tbody>
</table>

Cash flow, operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>66</td>
<td>346</td>
<td>7</td>
<td>-92</td>
<td>21</td>
<td>-48</td>
<td>300</td>
</tr>
</tbody>
</table>
One of our focus areas in 2020 is to reduce the inventory level and net interest-bearing debt (NIBD) impacted by the implementation of IFRS 16, Leases.
GUIDANCE 2020
REVENUE OF APPROX. DKK 11.8BN AND EBITA OF APPROX. DKK 400M

EBITA of DKK 400m includes one-off costs of DKK 30m related to SAP eWM implementations

Solar Group

• We do not expect any major changes in the 2020 market outlook compared to 2019.

Core business

• We expect revenue at approx. DKK 11.2bn corresponding to an organic growth of approx. 1%. As part of our project Better Business, we are pruning products. This is expected to reduce revenue by approx. DKK 200m compared to 2019. Adjusted for this, we expect an underlying growth of approx. 3%.
• We expect EBITA of approx. DKK 400m including total one-off costs of DKK 30m related to our SAP eWM implementations in DK, NO & NL.
• Consequently, we expect core business to deliver an operating EBITA of approx. DKK 430m.

Related business

• We expect revenue of around DKK 600m, organic growth in the region of 3% and an EBITA of approx. DKK 0m.

Solar Group

<table>
<thead>
<tr>
<th>DKK million</th>
<th>Core</th>
<th>Related</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017, publ. 12.01.2018</td>
<td>309</td>
<td>-45</td>
<td>264</td>
</tr>
<tr>
<td>Divestments AT, BE &amp; NO</td>
<td>21</td>
<td>12</td>
<td>33</td>
</tr>
<tr>
<td>Improvements, net</td>
<td>18</td>
<td>12</td>
<td>30</td>
</tr>
<tr>
<td>2018, actual continuing act.</td>
<td>348</td>
<td>-21</td>
<td>327</td>
</tr>
<tr>
<td>eWM implement. costs</td>
<td>-10</td>
<td>-</td>
<td>-10</td>
</tr>
<tr>
<td>Acquisition SE, net</td>
<td>-10</td>
<td>-</td>
<td>-10</td>
</tr>
<tr>
<td>Improvements, net</td>
<td>51</td>
<td>2</td>
<td>53</td>
</tr>
<tr>
<td>2019, actual</td>
<td>379</td>
<td>-19</td>
<td>360</td>
</tr>
<tr>
<td>eWM/business act./other 2019</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Expected improvements low. net</td>
<td>40</td>
<td>19</td>
<td>59</td>
</tr>
<tr>
<td>2020, operating EBITA</td>
<td>430</td>
<td>0</td>
<td>430</td>
</tr>
<tr>
<td>eWM impl. costs DK, NO &amp; NL</td>
<td>-30</td>
<td>-</td>
<td>-30</td>
</tr>
<tr>
<td>2020, guidance</td>
<td>400</td>
<td>0</td>
<td>400</td>
</tr>
</tbody>
</table>
APPENDIX – FACTS ABOUT SOLAR

Solar is a leading sourcing and services company

Our core business centres on product sourcing, value-adding services and optimisation of our customers’ businesses
SOLAR GROUP AT A GLANCE
WE DRAW ON 100 YEARS OF EXPERIENCE AND KNOWHOW

1919
Founded in 1919

1953
Listed on the stock exchange since 1953

DKK 11.7bn
Approx. DKK 11.7bn in revenue and EBITA of DKK 360m in 2019

Customers
A lot of close customer relationships in our markets

>50%
E-business share

Warehouses
Strategically placed central warehouses

500,000
Without increasing the number of stock-keeping units, we are expanding the number of available products from 215,000 to an anticipated 500,000

3,000
Approx. 3,000 people
SOLAR’S CORE BUSINESS AREAS
ELECTRICAL, HEATING AND PLUMBING, AND VENTILATION TECHNOLOGIES

Installation  Cables  Marine & Offshore  Lighting  Industry

Communication  Security  Ventilation  Heating, Water & Sanitation  Renewable energy
SOLAR’S CORE BUSINESS
OPTIMAL SUPPLY TO OUR CUSTOMERS

We offer a flexible distribution setup

- Day delivery
- Night delivery
- Delivery on worksite
- Delivery at company address
- Pick-up
- Fastbox*

We work while you sleep

- Order via e-business before 6 PM and receive before 7 AM*
- We have a 97% delivery success rate
- We perform extensive quality control in our operation

* Electrical, heating and plumbing components
With Solar Fastbox
- We make life easier for our customers
- Increase productivity
- Save time and transportation costs
- Make materials available at customer work site within an hour
HOW WE SERVE OUR CUSTOMERS
EVERYTHING STARTS WITH THE CUSTOMER

Customer channels
- Webshop
- Mobile
- Direct online connection (EDI)
- Direct sales
- Drive-ins
- Competence centres

Sales concepts
- Solar Plus
- Solar Netto
- Solar Light
- Solar Cable
- Solar Project
- Solar Tools
- Solar Heat

Solar services
- Inventory management
- Logistics solutions
- Delivery services
- Equipment rental
- Special handling
- Technical support
- Education and competence training
- Financing services
Distribution of share capital and votes based on the latest public information

<table>
<thead>
<tr>
<th>Holdings of 5% or more of share capital</th>
<th>Share capital</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Fund of 20 December, Vejen, Denmark</td>
<td>16.9%</td>
<td>60.0%</td>
</tr>
<tr>
<td>RWC Asset Management LLP, London, England</td>
<td>15.8%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Nordea Funds Ltd, Helsinki, Finland</td>
<td>10.4%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>