

Company presentation

February 2024

CEO Espen Eldal

Norway's discount variety retailer



Strong brand and loyal customer base



Low prices and powerful marketing and campaign engine



Proven category management model

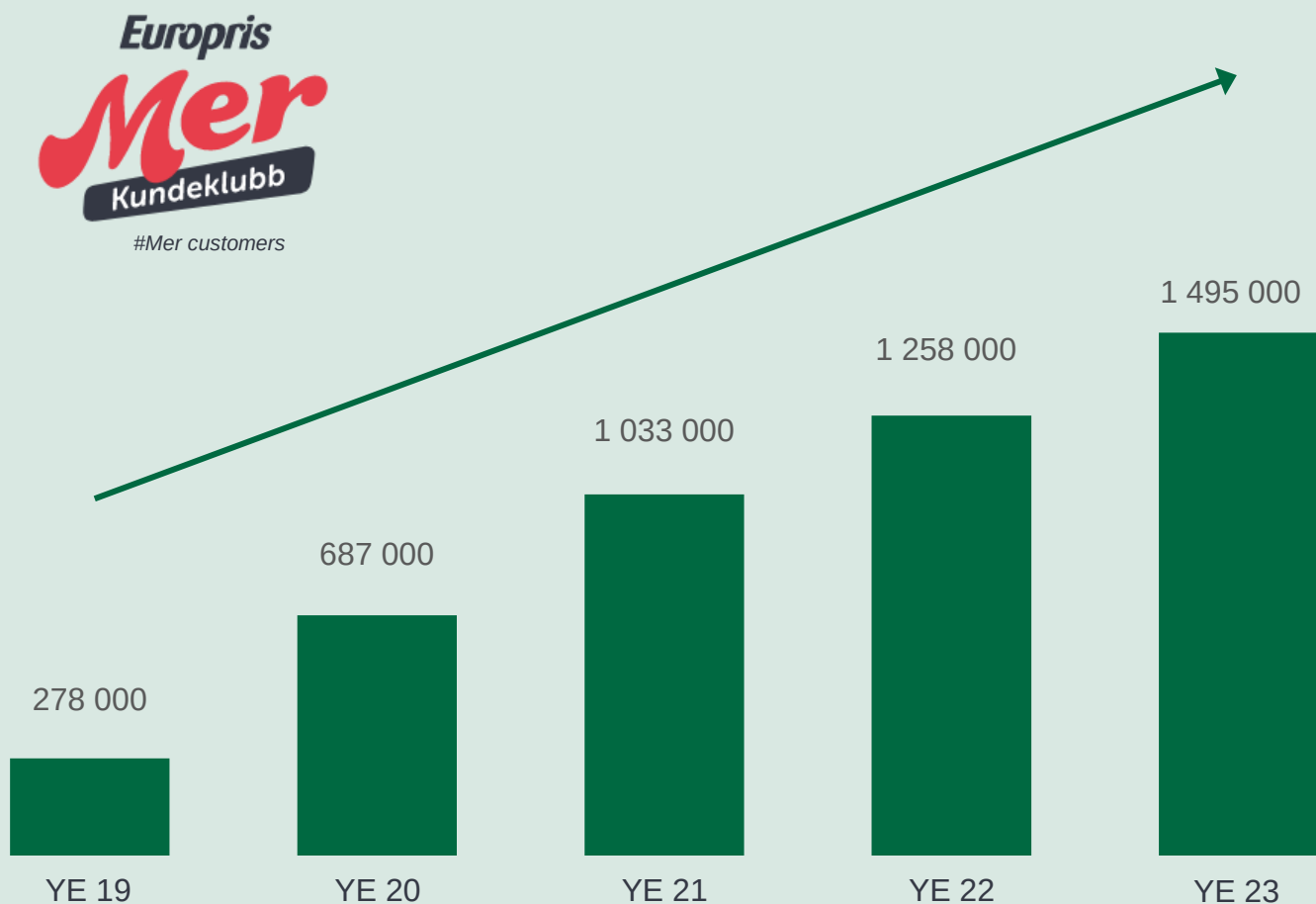


Expanding store network and e-commerce operation



282
stores

A growing loyal customer base



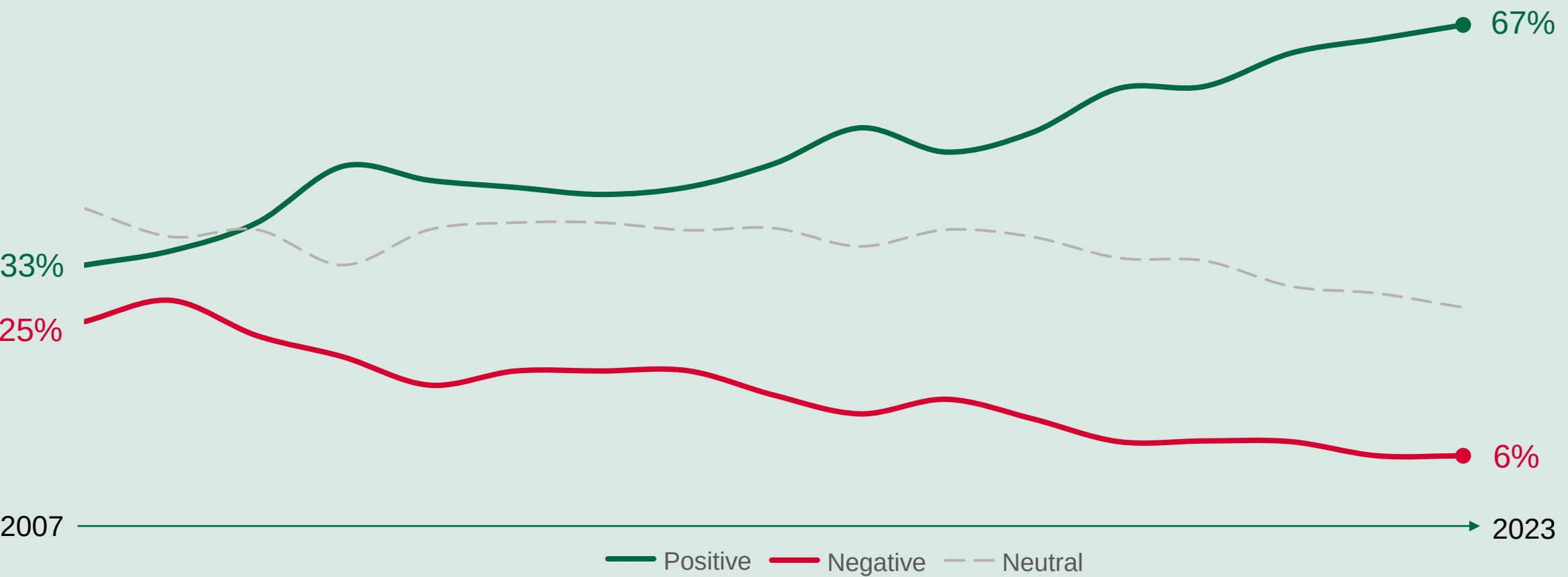
1.5 million
customer club members

36 million
transactions in total

Strong and improving customer impression



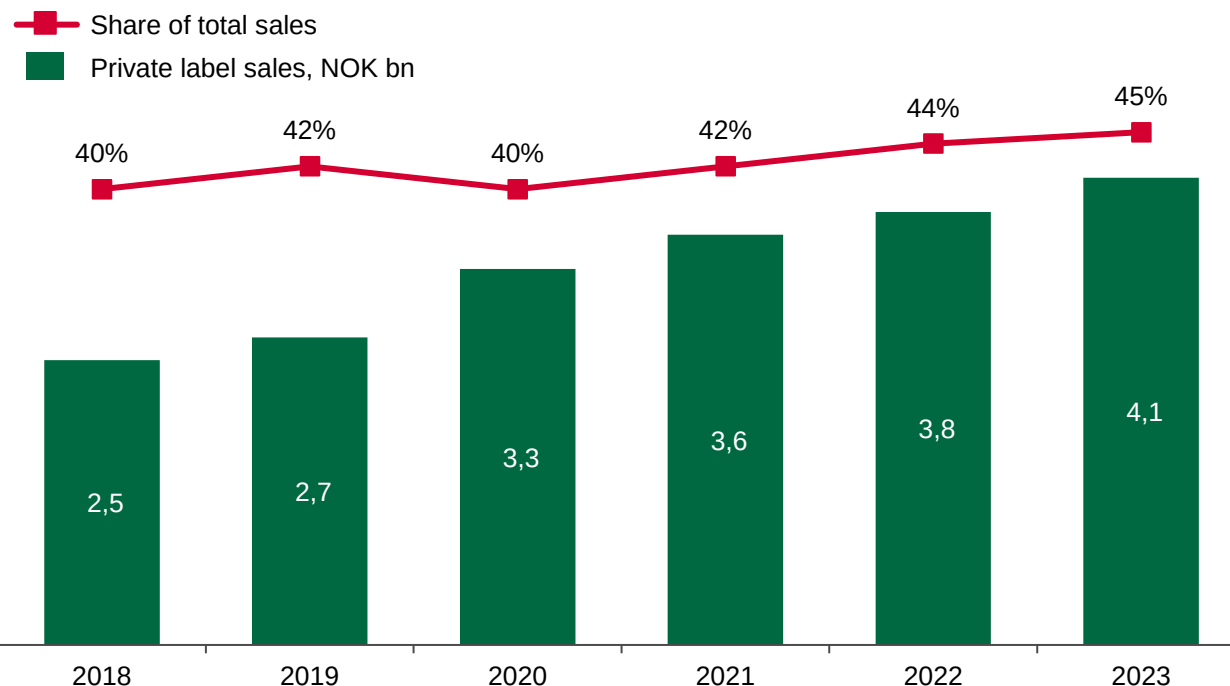
Overall impression of Europris¹



¹ EssenceMediacom Brand Tracker from 2007 to 2023

Private labels support growth

Private label revenue and share of total sales



Private labels add variety, new price points and sustainable alternatives
→ **increasing growth and improving gross margins**

Note: Euopris chain (directly operated and franchise stores)

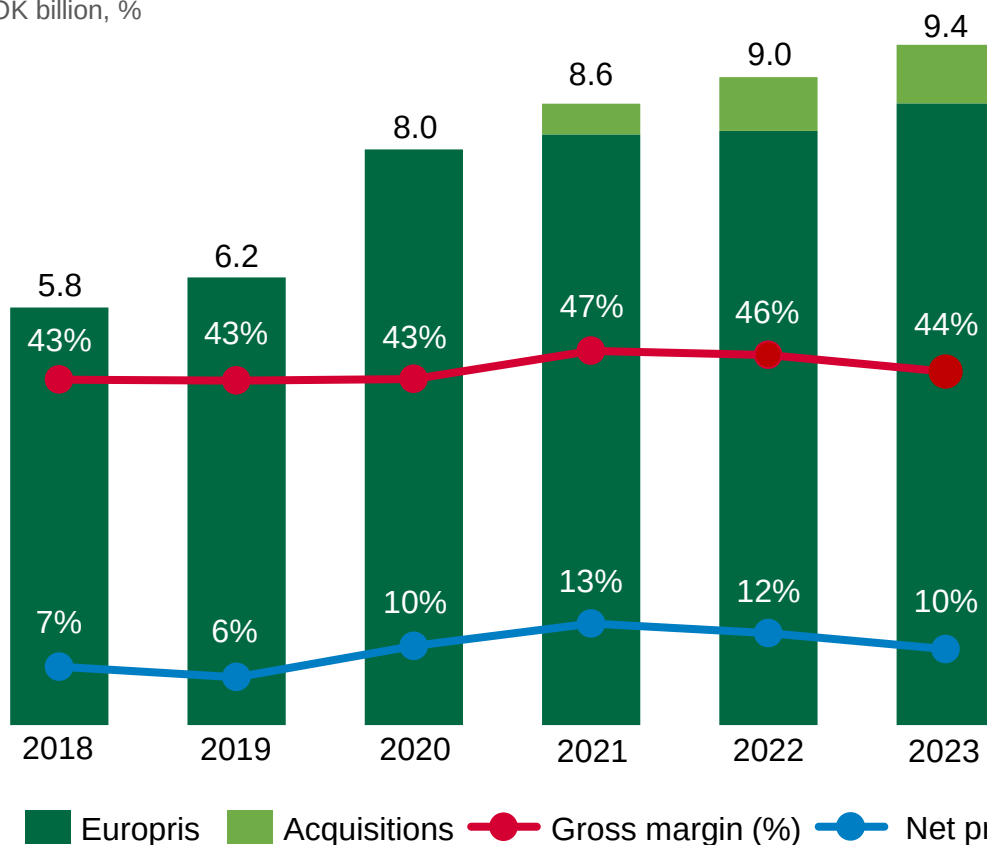
Note: The private label product range has been updated, increasing revenue and share of sales from private labels



Track record of profitable growth

Revenue, gross margin and net profit margin

NOK billion, %



- More customers and higher basket values
- Category upgrades driving growth
- New stores and store upgrades
- Acquisitions adding to the total
- Scale benefits and operational improvements lifting margins

Note: Acquisitions consist of 100% consolidated figures from the subsidiaries Lunehjem (consolidated as of March 2021), Lekekassen (consolidated as of August 2021) and the Strikkemekka group (consolidated as of July 2022)

Europris exercises option to acquire remaining 80% of Swedish retailer ÖoB



- Europris acquired a 20% stake in ÖoB (Runsvengruppen AB) in 2018
- Decided to exercise option to acquire remaining 80% and is initiating process to finalise the acquisition
- Option strike price of NOK 211m, to be settled in Europris shares
 - Final purchase price to be based on average EBITDA for 2019 and 2020 - 2020 still not agreed (no major changes to the option strike price expected)
- Europris' assessment is that ÖoB is in need of a turnaround, after several years with low sales growth and weak profitability
- More information on closing of the acquisition and operational plans will be shared at a later stage



Around 90 stores

Similar concept to Europris

Revenues of approximately SEK 4bn

A leading discount variety retailer in Sweden

Current market presents opportunities for a concept like Europris

- Household finances continue to be strained – expect cautious consumer spending
- Market conditions support the Europris concept, with attractive campaigns and relevant products at low prices
- Europris is well set with healthy inventory and solid financial position
- Note that diversion of shipping routes from Asia to Europe increase delivery lead times
 - No critical delays at present – closely monitoring developments in the Red Sea
 - Exposed to higher shipping rates



Investment highlights

1

Clear market leader in a growing market segment

2

Strong track record with over 30 years of consecutive growth

3

Well managed with proven ability to adapt to changing market conditions

4

Clear operational and financial strategy

5

Committed to profitable growth and cash distribution

Alternative performance measures (APMs)

APMs are used by Europris for annual and periodic financial reporting in order to provide a better understanding of the group's financial performance. APMs are considered as well-known and frequently used by users of the financial statements and are also used in internal reporting and by management to measure operating performance.

Gross profit / gross margin

Gross profit is defined as Total operating income minus the cost of goods sold (COGS). The gross profit represents revenue that the group retains after incurring the direct costs associated with the purchase of the goods. Gross margin is defined as gross profit divided by total revenue and is useful for benchmarking direct costs associated with the purchase of the goods vs total revenues.

Opex

Operating expenses (Opex) is the sum of employee benefits expense and other operating expenses. It is useful to look at cost of these two components combined, as they compose a large part of the fixed operating costs. The Opex-to-sales ratio divides the Opex by Total operating income and is useful for benchmarking this cost base vs the development in sales.

EBITDA / EBITDA margin

EBITDA is earnings before interests, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangibles. EBITDA is a well-known and widely used term among users of the financial statements and is useful when evaluating operational efficiency on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure. EBITDA margin is EBITDA divided by Total operating income and is useful for benchmarking this profitability parameter vs the development in sales.

EBIT

EBIT is earnings before interest and taxes and is the same as the IFRS definition of operating profit. EBIT is a well-known and widely used term among the users of the financial statements and is useful when evaluating operational profitability. EBIT margin is EBIT divided by Total operating income, and thus the same as Operating profit divided by Total operating income.

Working capital

Net change in working capital is the sum of change in inventories and trade receivables and change in other receivables less the sum of change in accounts payable and other current liabilities. Net change in working capital is a well-known and widely used term among the users of the financial statements and is useful for measuring the group's liquidity, operational efficiency and short-term financial conditions.

Capital expenditure

Capital expenditure (Capex) is the sum of purchases of fixed assets and intangible assets as used in the cash flow. Capex is a well-known and widely used term among the users of the financial statements and is a useful measure of investments made in the operations when evaluating the capital intensity.

Financial debt

Financial debt is the sum of borrowings and lease liabilities. From the first quarter of 2023 lease liabilities include both non-current and current lease liabilities, and last year figures are restated to also include current lease liabilities. Financial debt is useful to see total debt as defined by IFRS.

Cash and liquidity reserves

Cash and liquidity reserves is defined as available cash plus available liquidity through overdraft and credit facilities. This measure is useful to see total funds available short term.

Total chain sales

Total chain sales are sales from all chain stores, that is both directly operated and franchise stores. This KPI is an important measure of the performance of the total Europris chain and considered useful in order to understand the development of the entire chain, regardless of ownership structure of stores.

Directly operated store

Directly operated store means a store owned and directly operated by the group.

Franchise store

Franchise store means a store operated by a franchisee under a franchise agreement with the group.

Chain

Chain means the sum of directly operated stores and franchise stores.

Like-for-like sales growth

Like-for-like growth is defined as the growth in total chain sales for stores that have been open for every month of both the previous and the current calendar year.