

Company presentation

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Europpris

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The Europris group

Europris

A Nordic retail champion in the making...

Annual sales
~13.5
NOK billion

Annual EBIT
~1,150
NOK billion

Customer club
3.8
million members

Annual footfall
57
million transactions

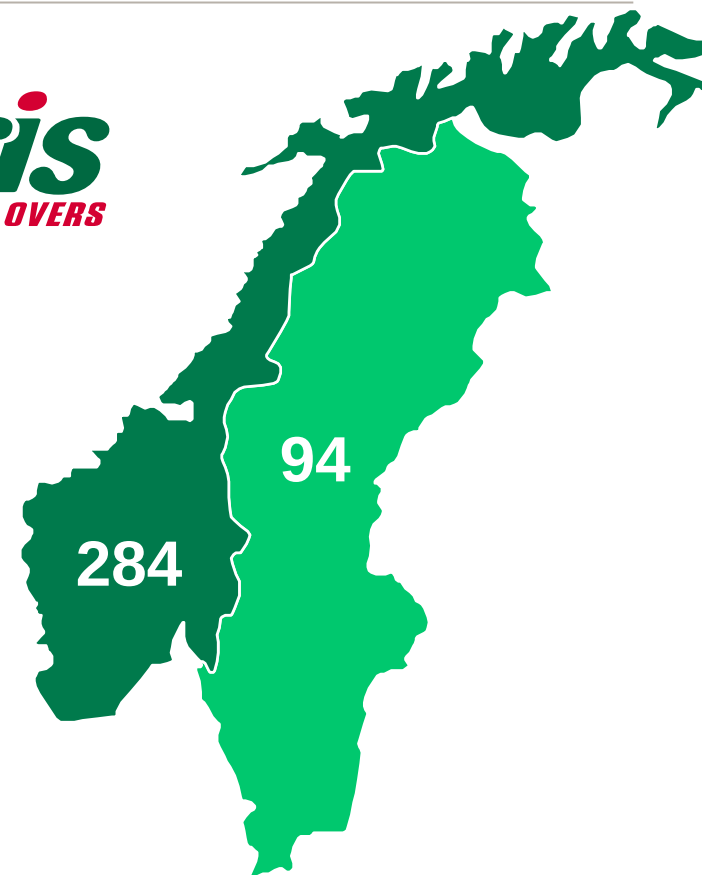
...with strong concepts across 378 stores

Europris
MER TIL OVERS



 **Lekekassen**

Strikkemekka
DIN GARNBUTIKK PÅ NETTET



Our growth story

Sales of NOK ~10.5bn*



* Sales includes the Europris chain (directly operated and franchise stores), Lunehjem (consolidated as of March 2021), the Lekekassen group (consolidated as of August 2021), the Strikkemekka group (consolidated as of July 2022) and ÖoB (Runsvengruppen; consolidated as of May 2024)

Creating a Nordic champion in discount variety retail

Euoppris
MER TIL OVERS

#1

Leading brands and similar concepts with potential to establish a strong Nordic position

#2

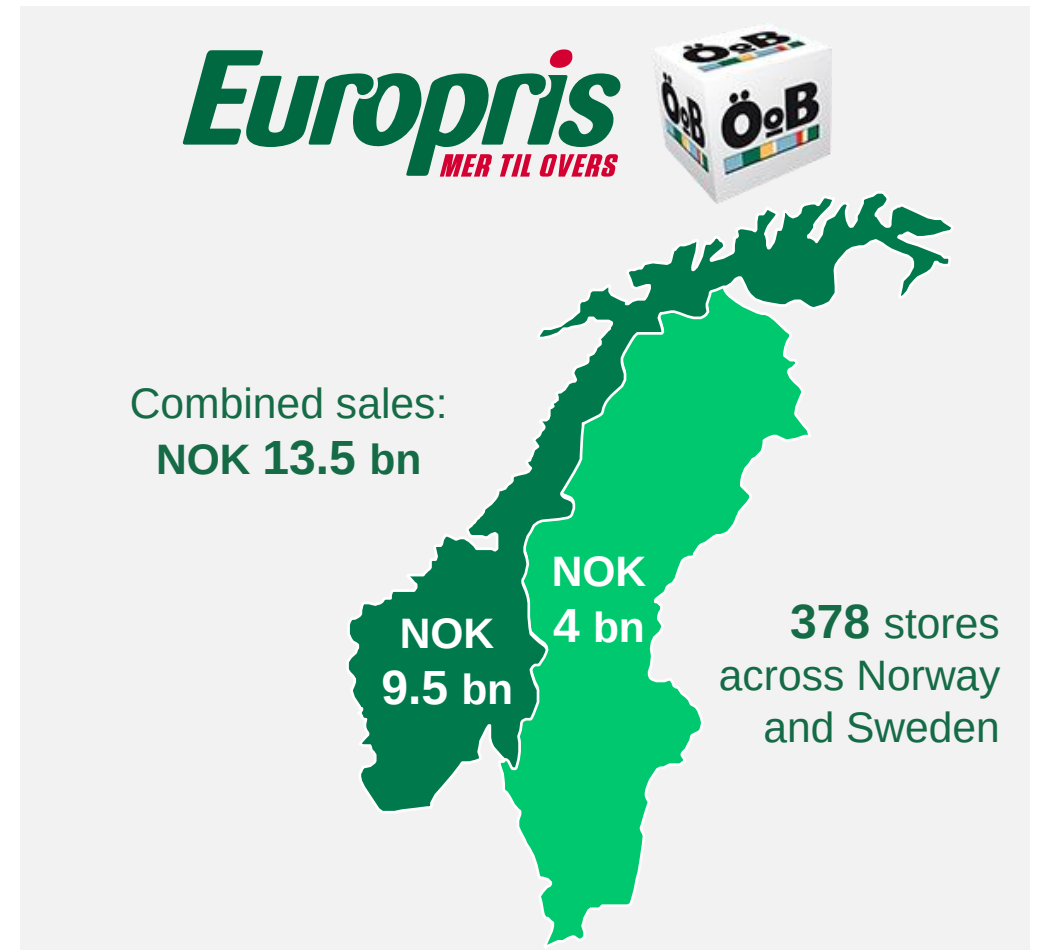
Shared values and similar business cultures

#3

Operational synergies across concepts
→ sharing “best practice”

#4

Significant synergies throughout the value chain



ÖoB strengths



Profound expertise in wholesale and retail, coupled with a long and rich history



A leading concept in discount variety retail, recognised by customers for low prices and broad assortment



Store network with 94 stores across all of Sweden



2 million members in the “Lågprisklubben” customer club

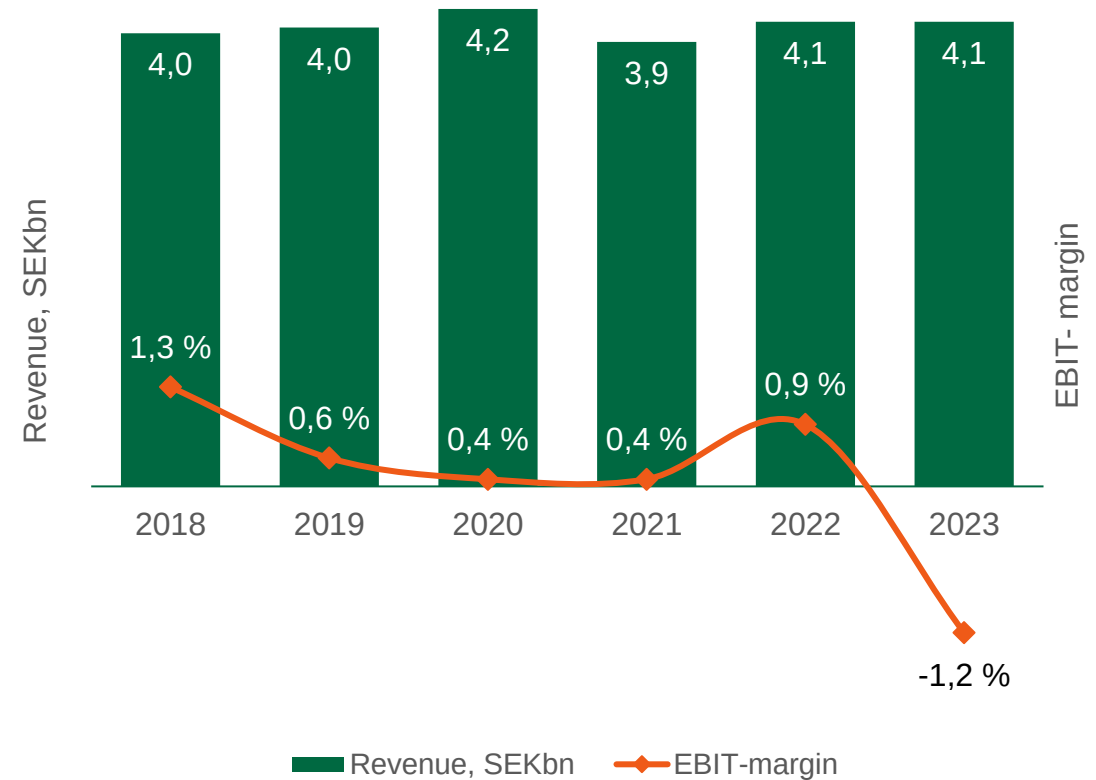


Strong retail culture built on solid values

ÖoB challenges

- No revenue increase since 2015 in contrast to other players in Swedish variety retail with double-digit top line growth
- Declining footfall, especially post-Covid
- Increasing share of sales from consumables, putting pressure on the gross margin and a more challenging pricing environment
- Lost "ownership" of seasonal sales and higher margin non-food categories
- Underinvested due to weak profitability, liquidity strains, and uncertain ownership situation

Revenue and EBIT-margin



Our ambition is to grow ÖoB revenues by
SEK 1bn by 2028

+1bn
SEK



Category harmonisation and
joint sourcing



Improve customer experience



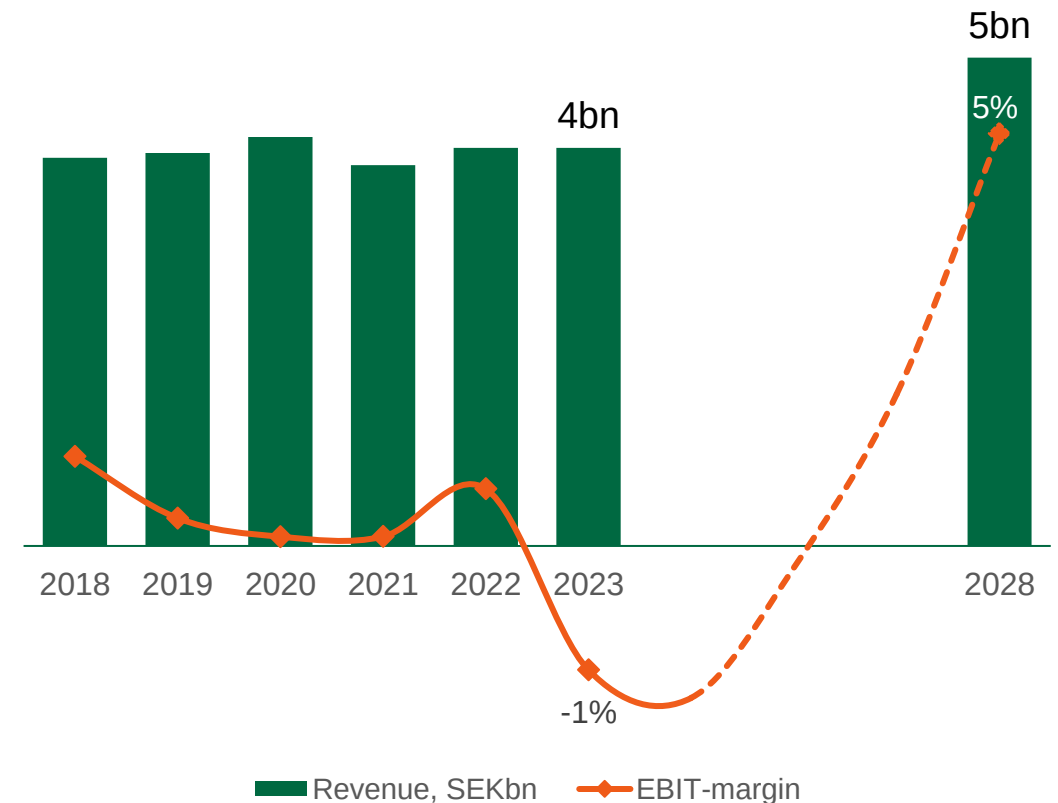
Strengthen execution across the
value chain

The ÖoB opportunity

Designing a five-year plan to revive growth and restore profitability in ÖoB

- Add sales of **SEK 1 billion**
- Strengthen **gross margins**
- Maintain **cost efficiency**
- Turnaround designed to generate **ÖoB EBIT-margin of 5% by 2028**
- Improvement plan supported by **investment programme of SEK >300 million**
- Additional positive **purchase synergies for Euopris** in the range of **NOK ~20-40 millions**

ÖoB - Revenue and margin development and ambition



Further long-term upside in adding more stores

- First priority is to create like-for-like growth and improve profitability in the existing store network
- Current store network in Sweden is smaller than for the most relevant competitors
- Long-term opportunity to expand store network by 30-50 stores to 125-145 stores



Becoming a champion in the Nordic discount variety retail market

Europpris

- Current market offers opportunities for concepts like Europris and ÖoB
- Taking measures to mitigate negative effects of shipping capacity constraints and higher war surcharges
- Building on a solid brand and price position in the upcoming turnaround of ÖoB
- Considerable potential to increase sales and profitability in Sweden
 - Category harmonisation and joint sourcing
 - Improve customer experience
 - Strengthen execution across the value chain
- Ambition to lift ÖoB sales to SEK 5bn with 5% EBIT-margin in 2028



Q&A

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.

Sales

Sales is the same as the IFRS definition of total operating income.

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 / Opex-to-sales ration

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 margin

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. 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.

Europris: 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.

Constant currency

Constant currency is the exchange rate which the group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

Segment Norway

The Norway segment includes Europris and the pure play companies Lekekassen, Strikkemekka and Lunehjem.

Segment Sweden

The Sweden segment includes the ÖoB chain.

Pure play

Pure play includes the Lekekassen group, the Strikkemekka group and Lunehjem.

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 all stores under the brand name Europris and ÖoB. Europris has both directly operated stores and franchise stores while ÖoB only has directly operated stores.

Like-for-like (LFL) sales growth

LFL 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. LFL is calculated in constant currency.

Organic growth

Organic growth is defined as the growth excluding any structural changes (acquisitions or sale of companies). Segment Sweden has been excluded in organic growth for the group.