Fredrikstad, 16 June 2022: Europris is acquiring 67 per cent of Strikkemekka Holding AS for NOK 88.4 million. The purchase price is final, and the acquisition will be settled in cash.

The main revenue contributor in the Strikkemekka group is the Strikkemekka.no online store. This was launched in 2017 and quickly became Norway's second -largest online store in its category, offering an extensive portfolio of both private label and branded yarn, yarn accessories and patterns developed in-house for popular knitting products. It achieved total revenues of NOK 153 million in 2021, and revenue development for the year to 31 May 2022 has been positive. Designhandel.no, an online store for kitchenware and smaller home interior products, was launched in Norway in the summer of 2019 and in Sweden in November 2020. It achieved total revenues of NOK 27 million in 2021.

Through this acquisition, Europris will strengthen its position online and continue to develop its e-commerce expertise, in addition to achieving synergies.

Espen Eldal, CEO of Europris, comments:

"We're pleased to announce the acquisition of Strikkemekka, which adds to our portfolio of purely online players. Strikkemekka is a well-run company, with an ambitious and inspiring founder who we're excited to get onboard. The knitting category is a good match with our existing business, and we see a potential for synergies through both joint purchasing of goods and services and the development of e-commerce solutions. While we sell yarn as a product, Strikkemekka offers customers a different experience by providing them with both inspiring patterns and the corresponding yarn needed to create these designs."

Eirik Fuglestad, founder and CEO of Strikkemekka, comments:

"We're looking forward to joining the Europris family. We find its culture, the way it works and its move towards investing in category winners in different segments online incredibly exciting. We feel certain that this is the right partner for us in a long-term perspective, and are looking forward to continuing the journey we have started on together and to creating further growth both in Norway and abroad."

Fuglestad will remain CEO of Strikkemekka and continue to own of 33 per cent of the company. Europris has a pre-emptive right to acquire the remaining shares.

The Strikkemekka group is in a process of restructuring, with Motehus.no - a platform which sold fashion clothing for NOK 8 million in 2021 - to be discontinued. Sales from the Strikkemekka and Designhandel online stores were NOK 180 million in 2021, with EBITDA for the business to be continued of NOK 16.5 million.

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About Europris

Europris is Norway's largest discount variety retailer by sales. The group offers its customers a broad range of quality own brands and brand-name merchandise. Its merchandise is sold through the Europris chain, which consists of a network of 272 stores throughout Norway. Of these, 245 are directly operated by the group and 27 operate as franchise stores. In addition, Europris has a 67 per cent stake in the e-commerce companies Lekekassen and Lunehjem. The group's headquarters are located in Fredrikstad, Norway.

About Strikkemekka Holding AS

Eirik Fuglestad, founder, owner and CEO of Strikkemekka, has extensive experience from e-commerce, logistics and digital marketing. Located at Orstad in Rogaland county, the company owns 100 per cent of Motehus.no AS (Strikkemekka.no and Motehus.no), 100 per cent of E-commerce & Logistics AS (Designhandel.no and Designhandel.se), 46 per cent of Logistikksentralen AS and 51 per cent of Logistikcentralen Nordic AB. The main revenue contributor in the group is Strikkemekka, launched in 2017. Strikkemekka was an immediate success,

with NOK 25 million in revenues for the first year. The company has an in-house design department, producing 25 new patterns every month. In 2018, Logistikksentralen was established to handle logistics for the group and the company is also rigged for third-party logistics. Designhandel was launched in 2019, selling kitchenware and smaller home interior products such as cups and ceramics, where parts of the portfolio are based on designs developed in-house. Both Designhandel and Logistikksentralen have entered the Swedish market, and the group is planning further geographical expansion.

About the transaction

SpareBank 1 SR-Bank Markets has been the financial adviser for the seller, while CMS Kluge was retained as the legal adviser. For Europris, EY has carried out financial due diligence, while Selmer has conducted legal due diligence. The transaction is subject to approval by the Norwegian Competition Authority.

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