

Europpris
MER TIL OVERS

Q2 2024



EUROPRIAS ASA

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Highlights

Second quarter 2024

- Closed the ÖoB transaction on 2 May, acquiring remaining 80 per cent for a final purchase price of NOK 200.5 million
 - » ÖoB included with revenue of NOK 728 million, gross margin of 32.4 per cent and negative EBIT of NOK 16 million
- Group sales of NOK 3,109 million, up 34.6 per cent
 - » Organic (excluding the acquisition of Runsvengruppen (ÖoB)) sales growth of 3 per cent
 - » Overall good sales development in Norway but negative impact from timing of Easter and lower sales of high-ticket seasonal items
- Gross margin of 41.9 per cent (44.5 per cent)
 - » Organic gross margin of 44.7 per cent, up 0.2 percentage points
- Opex-to-sales ratio of 23.6 per cent (21.5 per cent)
 - » Organic opex-to-sales ratio of 22.7 per cent, up 1.2 percentage points
- EBIT of NOK 339 million (NOK 362 million) and EBIT margin of 10.9 per cent (15.7 per cent)
 - » Organic EBIT of NOK 354 million and organic EBIT margin of 14.9 per cent
- Net profit of NOK 266 million (NOK 260 million) attributable to parent
 - » Positive impact from fair value adjustment of the ÖoB option of NOK 32 million and remeasurement of the initial 20 per cent stake of NOK 17 million
 - » Negative impact from interest rate swaps of NOK 1 million this year vs positive at NOK 22 million last year

First half 2024

- Group sales of NOK 5,135 million, up 21 per cent
 - » Organic sales growth of 3.9 per cent
- Gross margin of 42.4 per cent (44 per cent)
 - » Organic gross margin of 44.1 per cent, up 0.1 percentage points
- Opex-to-sales ratio of 25.9 per cent (24.2 per cent)
 - » Organic opex-to-sales ratio of 25.8 per cent, up 1.6 percentage points
- EBIT of NOK 445 million (NOK 507 million) and EBIT margin of 8.7 per cent (12 per cent)
 - » Organic EBIT of NOK 461 million and organic EBIT margin of 10.5 per cent
- Net profit of NOK 313 million (NOK 331 million) attributable to parent
 - » Positive impact from fair value adjustment of the ÖoB option of NOK 32 million
 - » Positive impact from interest rate swaps of NOK 6 million this year vs positive at NOK 17 million last year
- Solid financial position with net debt of NOK 1,520 million (NOK 1,617 million)

Figures for the corresponding period of the year before in brackets. The figures are unaudited.

See page 22 for definition of APMs.

Key figures

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|--|--------------|--------------|--------------|--------------|--------------|
| GROUP KEY INCOME STATEMENT FIGURES | | | | | |
| Retail sales | 2,926 | 2,142 | 4,791 | 3,908 | 8,745 |
| Wholesale sales | 158 | 145 | 297 | 290 | 634 |
| Other | 25 | 23 | 47 | 44 | 88 |
| Total operating income | 3,109 | 2,310 | 5,135 | 4,243 | 9,467 |
| % growth in total operating income | 34.6% | 4.3% | 21.0% | 7.9% | 5.0% |
| Cost of goods sold | 1,807 | 1,282 | 2,955 | 2,375 | 5,276 |
| Gross profit | 1,302 | 1,028 | 2,180 | 1,869 | 4,191 |
| Gross margin | 41.9% | 44.5% | 42.4% | 44.0% | 44.3% |
| Opex | 735 | 497 | 1,332 | 1,026 | 2,222 |
| Opex-to-sales ratio | 23.6% | 21.5% | 25.9% | 24.2% | 23.5% |
| EBITDA | 567 | 531 | 847 | 842 | 1,970 |
| EBITDA margin | 18.2% | 23.0% | 16.5% | 19.9% | 20.8% |
| EBIT (Operating profit) | 339 | 362 | 445 | 507 | 1,295 |
| EBIT margin (Operating profit margin) | 10.9% | 15.7% | 8.7% | 12.0% | 13.7% |
| Net profit | 266 | 259 | 313 | 330 | 909 |
| Profit attributable to owners of the parent | 266 | 260 | 313 | 331 | 909 |
| Earnings per share (in NOK) | 1.65 | 1.61 | 1.94 | 2.05 | 5.64 |
| GROUP KEY CASH FLOW AND BALANCE SHEET FIGURES | | | | | |
| Net change in working capital | 94 | 195 | (297) | (267) | 281 |
| Capital expenditure | 37 | 23 | 86 | 94 | 142 |
| Financial debt | 5,226 | 4,251 | 5,226 | 4,251 | 3,715 |
| Cash | 129 | - | 129 | - | 676 |
| Net debt | 5,097 | 4,251 | 5,097 | 4,251 | 3,039 |
| - Lease liabilities | 3,577 | 2,634 | 3,577 | 2,634 | 2,669 |
| Net debt ex lease liabilities | 1,520 | 1,617 | 1,520 | 1,617 | 371 |
| Cash and liquidity reserves | 1,441 | 1,005 | 1,441 | 1,005 | 2,205 |

Period review

The group finalised the acquisition of Runsvengruppen (ÖoB) in the second quarter of 2024, an important strategic milestone on the path to creating a Nordic champion in discount variety retail, with Europris and ÖoB as leading brands with similar concepts in Norway and Sweden. This brings the combined last twelve months group turnover to NOK 13.5 billion. The work to integrate ÖoB has gotten off to a good start and the cooperation will continue with full speed after the summer holidays.

Many consumers in both Norway and Sweden have faced a tougher financial situation for some time, due to high inflation and higher interest rates, creating a retail landscape where consumers are even more price conscious. This might hold especially true for lower and medium income households, which are the most frequent shoppers in concepts like Europris and ÖoB. On the one hand, the concepts prove their relevance in the prevailing market conditions, as exemplified by higher sales growth for campaign sales and for consumables. On the other hand, the trend with lower sales of higher-value items such as garden furniture continued also this year. The group is continuously taking measures to stay relevant and to be a preferred shopping destination regardless of market conditions.

Entering discount variety retail in Sweden

On 2 May 2024 the group announced that it had closed and settled the acquisition of the remaining 80 per cent of Runsvengruppen AB (ÖoB). The final purchase price of NOK 200.5 million comprised 2,579,678 Europris shares in addition to a cash component of NOK 13 million. Europris had sufficient treasury shares to cover the transaction and the cash payment was almost in full netted by costs reimbursed from the arbitration. The shares transferred on 2 May are subject to a 12-month lock-up period, while shares issued in connection with the acquisition of the first 20 per cent stake in 2019 no longer are under lock-up.

ÖoB is regarded as a turnaround case. The company has had flat sales development and declining profitability since 2018 – in contrast to double-digit top line growth for several other players in the Swedish variety retail market. After closing the acquisition, Europris has mobilised a transformation and integration programme to realise synergies across the value chain and to unlock the inherent potential in ÖoB. This programme is led by VP Strategic Projects André Sjøset in close collaboration with management and other key stakeholders from the organisations in both Sweden and Norway.

Europris believes the main value drivers for ÖoB will be a revival of top-line growth and an improvement of the gross margin for the existing store portfolio. The ambition is to grow annual sales by SEK 1 billion to SEK 5 billion by the end of 2028, and to restore profitability to an EBIT-margin level of 5 per cent. Within the same time frame, Europris also expects to realise purchasing synergies in the range of NOK 20-40 million benefiting the Norwegian operations.

The sales and margin targets for ÖoB are based on the current store portfolio, and given a successful turnaround, Europris sees a long-term opportunity to expand the store network by 30-50 stores to some 125-145 stores.

Although the board and management of Europris are confident in their ambitions and plans for ÖoB, it will take time to implement and execute the turnaround. Lead times are long in retail – with respect to procurement cycles, customer perceptions and shopping patterns. The planned turnaround of ÖoB is therefore not a quick fix and patience will be required before results from the work to be done can be expected.

The profitable growth journey ahead will be based on three main levers:

- category harmonisation and joint sourcing,
- improving the customer experience, and
- strengthening execution across the value chain.

The transformation will be supported by an investment programme of more than SEK 300 million over the years 2024-2028, including upgrading and modernising the store concept, an upgrade of the IT platform, and various maintenance investments.

Certain one-off charges were made to the ÖoB accounts before Europris took full ownership, to align accounting principles with those of the Europris group. The gross margin was negatively impacted by SEK 23 million and impacts on the opex and some write-downs totalled SEK 26 million. The total EBIT impact of these one-offs hence totalled close to SEK 50 million.

On an operational level, ÖoB developed somewhat weaker than expected in the first half of the year, with lower sales for non-food categories, including seasonal items. Sales for the first half fell by 2.1 per cent. The gross margin was 31.2 per cent for the first half year, down 3.2 percentage points vs last year. Of this, 1.2 percentage points reflected one-off effects. Product mix also had a negative impact, due to a higher share of sales from consumables which on average holds lower margins. Cost control has remained solid, and opex grew by only 0.9 per cent excluding one-offs. EBIT for the first half year was negative with SEK 155 million, or negative with SEK 105 million excluding the one-offs, compared to negative at SEK 45 million in the first half last year.

Recognised for climate efforts

Europris has been included in the fourth edition of 'Europe's Climate Leaders', a list compiled by Financial Times and Statista over 600 European companies which contribute to the green transition. Europris is proud to have been recognised as one of two retailers in Norway and among the top 12 retailers in Europe. The ranking is based on several factors, including total GHG emission reductions and core emissions intensity in scope 1 and 2 over a five-year period. Transparency on scope 3 emissions and disclosure efforts such as CDP, as well as climate goals anchored in the Science-Based Targets initiative (SBTi), were also included in the evaluation.



Financial review - group

Please note that financials for the new segment Sweden have been included from 1 May 2024. Comparisons on an organic level exclude the acquisition of ÖoB in Sweden.

Profit and loss – second quarter

Total operating income amounted to NOK 3,109 million in the second quarter (NOK 2,310 million), up 34.6 per cent year-on-year. Organic sales, excluding the acquisition of ÖoB, increased by 3 per cent, and the Europris chain had like-for-like growth of 1.1 per cent. The quarter had two more sales days than the same period of last year, but the timing of Easter and lower sales of higher-ticket seasonal items affected sales negatively compared to the same period last year.

Gross profit amounted to NOK 1,302 million (NOK 1,028 million), with a gross margin of 41.9 per cent (44.5 per cent). Organic gross margin was 44.7 per cent, up by 0.2 percentage points. The group recognised a net unrealised loss of NOK 17 million on hedging contracts and accounts payable, compared to a loss of NOK 8 million in the same period last year – impacting the gross margin change negatively by 0.2 percentage points.

Operating expenditure (Opex) was NOK 735 million (NOK 497 million). Organic opex was NOK 540 million, up 8.6 per cent, reflecting an increase from 255 to 259 directly operated stores and an overall negative impact from inflation and wage growth. The opex ratio increased to 23.6 per cent (21.5 per cent), with the organic opex ratio at 22.7 per cent.

EBITDA was NOK 567 million (NOK 531 million). The organic EBITDA was NOK 525 million, a decline of NOK 6 million or 1.1 per cent. The EBITDA margin was 18.2 per cent (23.0 per cent), while the organic EBITDA margin was 22.1 per cent.

EBIT amounted to NOK 339 million (NOK 362 million). The organic EBIT was NOK 354 million, a decline of NOK 8 million or 2.2 per cent. The EBIT margin was 10.9 per cent (15.7 per cent), while the organic EBIT margin was 14.9 per cent.

The group closed the acquisition of the remaining 80 per cent of Runsvengruppen (ÖoB) on 2 May 2024, and thereby became the full owner of the company. According to IFRS 3, a step acquisition shall be re-measured to fair value at the acquisition date, including a fair value measurement of the option to acquire the remaining shares. In total, a gain of NOK 32 million has been recognised in the profit and loss as a result of the

fair value assessment of the option. The remeasurement of the initial 20 per cent stake resulted in a gain amounting to NOK 17 million. See more information in note 7.

The group recognised a net unrealised loss on interest-rate swaps amounting to NOK 1 million for the quarter, compared to an unrealised profit of NOK 22 million in the same quarter last year.

Net profit for the second quarter of 2024 was NOK 266 million (NOK 259 million). Net profit attributable to owners of the parent company was also NOK 266 million (NOK 260 million).

Earnings per share was NOK 1.65 (NOK 1.61).

Profit and loss – first half

Total operating income amounted to NOK 5,135 million in the first half 2024 (NOK 4,243 million), an increase of 21 per cent. Organic sales increased by 3.9 per cent, and the Europris chain saw a like-for-like sales increase of 2.9 per cent.

Gross profit for the group was NOK 2,180 million (NOK 1,869 million), with a gross margin of 42.4 per cent (44.0 per cent). Organic gross margin was 44.1 per cent. The group recognised a net unrealised currency gain of NOK 2 million on hedging contracts and accounts payable (loss of NOK 3 million).

Opex amounted to NOK 1,332 million (NOK 1,026 million). Organic opex was NOK 1,137 million, up 10.8 per cent. This reflected an increase from 255 to 259 directly operated stores and the overall impact of inflation and wage growth. The opex ratio increased to 25.9 per cent (24.2 per cent), with an organic opex ratio of 25.8 per cent.

EBITDA was NOK 847 million (NOK 842 million). The organic EBITDA was NOK 806 million, a decline of NOK 36 million or 4.3 per cent. The EBITDA margin was 16.5 per cent (19.9 per cent), while the organic EBITDA margin was 18.3 per cent.

EBIT was NOK 445 million (NOK 507 million). The organic EBIT was NOK 461 million, a decline of NOK 46 million or 9.2 per cent. The EBIT margin was 8.7 per cent (12 per cent), while the organic EBIT margin was 10.5 per cent.

The group recorded an estimated loss of NOK 16 million on its 20 per cent stake in ÖoB up until the point of control on 2 May, partly offsetting gain from the fair

value adjustments of the option of NOK 32 million and the NOK 17 million gain from the remeasurement of the initial 20 per cent stake. See more information in note 7.

The group recognised a net unrealised profit on interest-rate swaps, amounting to NOK 6 million (unrealised profit of NOK 17 million).

Net profit for the first half of 2024 was NOK 313 million (NOK 330 million). Net profit attributable to owners of the parent company was NOK 313 million (NOK 331 million).

Earnings per share was NOK 1.94 (NOK 2.05).

Cash flow

Cash from operating activities for the first half year was positive at NOK 208 million (same as last year, positive at NOK 208 million).

The change in net working capital for the first half year was negative at NOK 297 million (negative at NOK 267 million), which is related to normal seasonal fluctuations.

The net change in cash was negative at NOK 547 million (negative at NOK 593 million). A dividend of NOK 523 million was paid in the second quarter (NOK 604 million).

Capital expenditure for the first half year was NOK 86 million (NOK 94 million). The decrease mainly related to fewer store projects and IT projects compared to last year.

Financial position and liquidity

Financial debt was NOK 5,226 million at 30 June 2024 (NOK 4,251 million). Adjusted for lease liabilities, financial debt amounted to NOK 1,649 million (NOK 1,617 million).

Net debt amounted to NOK 5,097 million at 30 June 2024 (NOK 4,251 million). Adjusted for lease liabilities, net debt was NOK 1,520 million (NOK 1,617 million).

Cash and liquidity reserves for the group amounted to NOK 1,441 million at 30 June 2024 (NOK 1,005 million).

Financing

The first of the two options in the group's current 3+1+1 year financing agreement from June 2023 has been exercised. The group has also refinanced a SEK 400 million overdraft facility for the Swedish operations.



Segment Norway

Key figures

(Amounts in NOK million)

| | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---|--------------|--------------|--------------|--------------|--------------|
| Total operating income | 2,381 | 2,310 | 4,407 | 4,243 | 9,467 |
| % growth in total operating income | 3,0% | 4,3% | 3,9% | 7,9% | 5,0% |
| Cost of goods sold | 1,315 | 1,282 | 2,463 | 2,375 | 5,276 |
| Gross profit | 1,065 | 1,028 | 1,943 | 1,869 | 4,191 |
| Gross margin | 44.7% | 44.5% | 44.1% | 44.0% | 44.3% |
| Opex | 540 | 497 | 1,137 | 1,026 | 2,222 |
| Opex-to-sales ratio | 22.7% | 21.5% | 25.8% | 24.2% | 23.5% |
| EBITDA | 525 | 531 | 806 | 842 | 1,970 |
| EBITDA margin | 22.1% | 23.0% | 18.3% | 19.9% | 20.8% |
| EBIT (Operating profit) | 354 | 362 | 461 | 507 | 1,295 |
| EBIT margin (Operating profit margin) | 14.9% | 15.7% | 10.5% | 12.0% | 13.7% |
| EUOPRIS CHAIN KEY FIGURES | | | | | |
| Total chain sales | 2,325 | 2,277 | 4,254 | 4,092 | 8,945 |
| % growth in total chain sales | 2.1% | 2.7% | 4.0% | 5.2% | 4.2% |
| % growth in like-for-like chain sales | 1.1% | 1.1% | 2.9% | 3.5% | 2.6% |
| Total number of chain stores at end of period | 282 | 280 | 282 | 280 | 282 |
| - Directly operated stores | 259 | 255 | 259 | 255 | 257 |
| - Franchise stores | 23 | 25 | 23 | 25 | 25 |
| PURE PLAY | | | | | |
| Sales | 131 | 133 | 276 | 290 | 823 |

Sales for segment Norway totalled NOK 2,381 million in the second quarter, up by 3 per cent. The gross margin of 44.7 per cent was up 0.2 percentage points, and up 0.4 percentage points excluding effects from unrealised currency losses. Opex increased by 8.6 per cent and the opex-to-sales ratio of 22.7 per cent was up 1.1 percentage points. EBIT was NOK 354 million, down by 2.2 per cent.

The Europris chain showed total growth of 2.1 per cent and like-for-like growth of 1.1 per cent. The quarter had two more sales days than last year, although this was offset by the negative timing effect from an earlier Easter this year. Campaign sales continued to perform well and the recently upgraded kitchen category showed strong development.

Europris remains a relevant seasonal destination, as demonstrated by strong sales of seasonal items during a warm spring in May. A wetter and colder June led to lower sales of seasonal items going into the summer. Overall in the second quarter, seasonal items sold well, with the exception for garden furniture. Items with a price

point above NOK 1,000 showed a sales decline of 23 per cent, while items with a price point below NOK 1,000 achieved a sales increase of 4 per cent. Items with a price point above NOK 1,000 accounted for 5 per cent of sales in the second quarter, down from 6.6 per cent last year.

The like-for-like footfall to stores increased, and the customer club continued to grow and reached almost 1.6 million members at 30 June 2024.

Europris relocated two stores, expanded four stores, and modernised two stores in the second quarter. The total number of stores was 282 at 30 June 2024, of which 259 were directly operated and 23 were franchises. The board has approved an additional eight stores for 2024 and beyond, of which four are subject to a planning permission process.

Sales from the pure play companies amounted to NOK 131 million in the second quarter, 1.3 per cent below the same quarter last year. This reflected lower sales in Lekekassen, while Strikkemekka continued to show sales growth.

Segment Sweden

Key figures

(Amounts in NOK million)

| | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---|-------------|---------|-------------|----------|---------|
| Total operating income | 728 | - | 728 | - | - |
| % growth in total operating income | 1.2% | - | 1.2% | - | - |
| Cost of goods sold | 492 | - | 492 | - | - |
| Gross profit | 236 | - | 236 | - | - |
| Gross margin | 32.4% | - | 32.4% | - | - |
| Opex | 195 | - | 195 | - | - |
| Opex-to-sales ratio | 26.7% | - | 26.7% | - | - |
| EBITDA | 42 | - | 42 | - | - |
| EBITDA margin | 5.7% | - | 5.7% | - | - |
| EBIT (Operating profit) | (16) | - | (16) | - | - |
| EBIT margin (Operating profit margin) | (2.1%) | - | (2.1%) | - | - |
| ÖoB CHAIN KEY FIGURES | | | | | |
| Total chain sales | 721 | - | 721 | - | - |
| Total number of chain stores at end of period | 94 | - | 94 | - | - |

The Swedish operations in ÖoB have been included in the financials with effect from 1 May 2024, and sales for May and June combined amounted to NOK 728 million. Gross margin in the same period was 32.4 per cent, and the opex-to-sales ratio 26.7 per cent. EBIT was negative at NOK 16 million.

For the full second quarter, the ÖoB chain had a total sales decline of 4.0 per cent and a like-for-like sales decline of 3.5 per cent. As previously mentioned, the lower sales were related to weaker development for the non-food categories, including seasonal items.

The customer club had just above 2 million members at the end of the first half 2024 and the total number of stores was 94 at 30 June 2024 (all directly operated).



Risk factors

The Europris group is exposed to a variety of risks, as described in the directors' report and note 2 of the consolidated financial statements in the annual report for 2023 – there have been no material changes since this.

Related parties

Related parties of the Europris group include its associates, key management personnel, directors, and major shareholders. No significant transactions were conducted with related parties.

Outlook

Europris is well positioned as a recognised market leader in Norway, and with the acquisition of ÖoB the group has taken an important step towards becoming a leading player in the Nordic discount variety retail market.

ÖoB has built a solid brand and a strong price position with Swedish consumers over many years. However, the company has shown a flat revenue development

and declining margins over the past five years, and a turnaround is required to gradually unlock the value potential over the years to come.

Europris has identified considerable potential to increase both sales and profitability, by harmonising concepts and product ranges and improving the customer experience, through joint sourcing, and by sharing best practise for operations and business development. The ambition is to grow annual sales for the existing store portfolio in ÖoB by SEK 1 billion to SEK 5 billion by the end of 2028, and to restore profitability to an ÖoB EBIT-margin level of 5 per cent. Within the same time frame, Europris also expects to realise purchasing synergies in the range of NOK 20-40 million benefiting the Norwegian operations.

Shipping transport from Asia is still being routed around the Cape of Good Hope due to the situation in the Red Sea. This is creating capacity constraints due to a lack of containers and higher war surcharges. The group is taking measures to mitigate negative effects to the extent possible.

Statement by the board of directors

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with current applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the group. We also confirm that the directors' report contains a true and fair review of the development and performance of the group, together with the risks and uncertainties facing the group.

Fredrikstad, 10 July 2024

THE BOARD OF DIRECTORS OF EUROPRIS ASA

Tom Vidar Rygh
Chair

Hege Bømark

Claus Juel-Jensen

Bente Sollid

Susanne Holmström

Jon Martin Klafstad

Pål Wibe

Espen Eldal
CEO

EUROPRIS ASA

Q2 and first half 2024

Interim condensed consolidated statement of profit and loss

| Figures are stated in NOK 1,000 | | Notes | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---|-----|-------|------------------|------------------|------------------|------------------|------------------|
| | | | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Total operating income | | | 3,108,896 | 2,310,467 | 5,135,097 | 4,243,158 | 9,466,921 |
| Cost of goods sold | | | 1,807,375 | 1,282,041 | 2,955,474 | 2,374,623 | 5,275,676 |
| Employee benefit expenses | | | 415,260 | 290,549 | 778,350 | 625,550 | 1,373,081 |
| Depreciation | 5 | | 227,892 | 168,807 | 402,232 | 335,079 | 674,608 |
| Other operating expenses | | | 319,689 | 206,920 | 553,797 | 400,575 | 848,426 |
| Operating profit | | | 338,680 | 362,150 | 445,243 | 507,331 | 1,295,130 |
| Net financial income (expense) | | | (53,645) | (29,715) | (86,457) | (73,465) | (190,517) |
| Profit/(loss) from associated companies | 7 | | 12,540 | (158) | 1,564 | (8,072) | (54,489) |
| Change in fair value of option | 6,7 | | 32,309 | - | 32,309 | - | 101,789 |
| Profit before tax | | | 329,884 | 332,277 | 392,659 | 425,793 | 1,151,912 |
| Income tax expense | | | 63,924 | 73,136 | 80,149 | 95,450 | 243,060 |
| Profit for the period | | | 265,960 | 259,142 | 312,510 | 330,343 | 908,852 |
| Profit attributable to non-controlling interests | | | (248) | (662) | (259) | (473) | 218 |
| Profit attributable to owners of the parent | | | 266,208 | 259,803 | 312,769 | 330,815 | 908,634 |
| Interim condensed consolidated statement of comprehensive income | | | | | | | |
| Profit for the period | | | 265,960 | 259,142 | 312,510 | 330,343 | 908,852 |
| <i>Items that subsequently may be reclassified to profit or loss</i> | | | | - | | | |
| Exchange differences on translation of foreign operations | | | 834 | (27) | 1,087 | 912 | 1,878 |
| Total comprehensive income | | | 266,794 | 259,115 | 313,597 | 331,255 | 910,730 |
| Comprehensive income attributable to non-controlling interests | | | (248) | (662) | (259) | (473) | 582 |
| Comprehensive income attributable to owners of the parent | | | 267,042 | 259,776 | 313,856 | 331,727 | 910,149 |
| Earnings per share (basic and diluted - in NOK) | | | 1.65 | 1.61 | 1.94 | 2.05 | 5.64 |

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

| Figures are stated in NOK 1,000 | Notes | 30 June 2024 | 30 June 2023 | 31 Dec 2023 |
|---|-------|-------------------|------------------|------------------|
| | | Unaudited | Unaudited | Audited |
| ASSETS | | | | |
| Total intangible assets | 5 | 3,028,822 | 2,873,901 | 2,861,038 |
| Total fixed assets | 5 | 4,043,876 | 3,029,143 | 3,050,724 |
| Total financial assets | 6 | 79,963 | 257,449 | 152,121 |
| Total non-current assets | | 7,152,661 | 6,160,493 | 6,063,883 |
| Inventories | | 3,133,408 | 2,254,313 | 2,142,699 |
| Trade receivables | | 218,931 | 148,090 | 217,671 |
| Other receivables | 6 | 149,893 | 98,128 | 109,848 |
| Option at fair value through profit or loss | 6,7 | - | - | 101,789 |
| Cash | | 129,306 | - | 676,323 |
| Total current assets | | 3,631,537 | 2,500,531 | 3,248,329 |
| Total assets | | 10,784,198 | 8,661,024 | 9,312,212 |
| EQUITY AND LIABILITIES | | | | |
| Total paid-in capital | 8 | 308,341 | 234,738 | 235,172 |
| Total retained equity | | 3,216,743 | 2,731,438 | 3,326,044 |
| Total shareholders' equity | | 3,525,085 | 2,966,176 | 3,561,216 |
| Non-controlling interests | | 50,316 | 49,962 | 50,575 |
| Total equity | | 3,575,400 | 3,016,138 | 3,611,791 |
| Provisions | | 77,003 | 152,921 | 46,301 |
| Borrowings | 6 | 1,020,455 | 1,083,448 | 1,041,843 |
| Lease liabilities | | 2,671,314 | 2,050,060 | 2,079,997 |
| Total non-current liabilities | | 3,768,772 | 3,286,430 | 3,168,141 |
| Borrowings | 6 | 628,679 | 533,141 | 5,000 |
| Current lease liabilities | | 905,757 | 584,212 | 588,626 |
| Accounts payable | | 1,098,578 | 648,136 | 879,881 |
| Tax payable | | (478) | (1,383) | 254,847 |
| Public duties payable | | 303,610 | 305,968 | 396,593 |
| Put option liability | | 27,980 | 43,541 | 27,980 |
| Other current liabilities | 6 | 475,899 | 244,842 | 379,353 |
| Total current liabilities | | 3,440,026 | 2,358,456 | 2,532,280 |
| Total liabilities | | 7,208,798 | 5,644,886 | 5,700,421 |
| Total equity and liabilities | | 10,784,198 | 8,661,024 | 9,312,212 |

Fredrikstad, 10 July 2024

THE BOARD OF DIRECTORS OF EUROPRIS ASA

Interim condensed consolidated statement of changes in equity

Figures are stated in NOK 1,000

| | Share capital | Treasury shares | Share premium | Other paid-in capital | Retained earnings | Total | Non-controlling interests | Total equity |
|-----------------------------|----------------|-----------------|---------------|-----------------------|-------------------|------------------|---------------------------|------------------|
| At 1 January 2024 | 166,969 | (5,922) | 51,652 | 22,472 | 3,326,045 | 3,561,216 | 50,575 | 3,611,791 |
| Profit for the period | - | - | - | - | 312,769 | 312,769 | (259) | 312,510 |
| Other comprehensive income | - | - | - | - | 1,087 | 1,087 | - | 1,087 |
| Dividend | - | - | - | - | (523,403) | (523,403) | - | (523,403) |
| Net sale of treasury shares | - | 2,602 | - | 70,567 | 100,245 | 173,415 | - | 173,415 |
| At 30 June 2024 | 166,969 | (3,320) | 51,652 | 93,039 | 3,216,743 | 3,525,084 | 50,316 | 3,575,400 |

(unaudited)

| | Share capital | Treasury shares | Share premium | Other paid-in capital | Retained earnings | Total | Non-controlling interests | Total equity |
|--|----------------|-----------------|---------------|-----------------------|-------------------|------------------|---------------------------|------------------|
| At 1 January 2023 | 166,969 | (5,938) | 51,652 | 22,054 | 2,725,784 | 2,960,521 | 322,082 | 3,282,603 |
| Profit for the period | - | - | - | - | 330,815 | 330,815 | (473) | 330,343 |
| Other comprehensive income | - | - | - | - | 705 | 705 | 207 | 912 |
| Dividend | - | - | - | - | (603,865) | (603,865) | (19,800) | (623,665) |
| Non-controlling interests on acquisition of subsidiary | - | - | - | - | 278,000 | 278,000 | (252,054) | 25,946 |
| At 30 June 2023 | 166,969 | (5,938) | 51,652 | 22,054 | 2,731,439 | 2,966,176 | 49,962 | 3,016,138 |

(unaudited)

Interim condensed consolidated statement of cash flows

| Figures are stated in NOK 1,000 | Notes | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---|-------|------------------|------------------|------------------|------------------|--------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Cash flows from operating activities | | | | | | |
| Profit before income tax | | 329,884 | 332,277 | 392,659 | 425,793 | 1,151,912 |
| Adjusted for: | | | | | | |
| Depreciation of fixed and intangible assets | | 227,801 | 168,807 | 402,141 | 335,079 | 674,608 |
| Change in fair value of option | | (32,309) | - | (32,309) | - | (101,789) |
| Share of profit/loss from associates | | (12,540) | 158 | (1,564) | 8,072 | 54,489 |
| Changes in net working capital | | 94,010 | 194,880 | (297,450) | (267,383) | 280,977 |
| Income tax paid | | (118,491) | (121,764) | (255,365) | (293,171) | (291,189) |
| Net cash generated from operating activities | | 488,356 | 574,358 | 208,112 | 208,390 | 1,769,007 |
| Cash flows from investing activities | | | | | | |
| Proceeds from sale of fixed assets | | - | - | - | - | 84 |
| Purchases of fixed and intangible assets | 5 | (36,826) | (23,296) | (86,105) | (93,745) | (141,700) |
| Acquisition | | 18,307 | - | 19,047 | (216,598) | (216,598) |
| Net cash used in investing activities | | (18,519) | (23,296) | (67,058) | (310,343) | (358,214) |
| Cash flows from financing activities | | | | | | |
| Net change overdraft and RCF (Revolving Credit Facility) | | 193,346 | 90,000 | 193,346 | 400,000 | - |
| Repayment of debt to financial institutions | | (9,640) | (1,250) | (29,582) | (2,500) | (45,738) |
| Principal paid on lease liabilities | | (188,514) | (133,176) | (329,782) | (264,512) | (530,172) |
| Dividend | | (523,403) | (603,865) | (523,403) | (603,865) | (603,865) |
| Sale of treasury shares | | 1,350 | - | 1,350 | - | 850 |
| Dividends paid to non-controlling interests in subsidiaries | | - | - | - | (19,800) | (20,034) |
| Net cash from financing activities | | (526,861) | (648,291) | (688,071) | (490,676) | (1,198,960) |
| Net increase (decrease) in cash | | (57,024) | (97,230) | (547,017) | (592,629) | 211,834 |
| Cash at beginning of period | | 186,330 | (30,911) | 676,323 | 464,488 | 464,488 |
| Cash at end of period | | 129,306 | (128,141) | 129,306 | (128,141) | 676,323 |

Previously, the group's cash pool and all cash were netted in the condensed consolidated statement of cash flows. From the second quarter of 2024, cash outside of the group's cash pool is not netted, but presented separately.

NOTES

Note 1 Corporate information

The interim condensed consolidated financial statements of Europris ASA and its subsidiaries (collectively, the group) for the second quarter and the six months ended 30 June 2024 were authorised for issue by the board on 10 July 2024.

Europris ASA is domiciled in Norway and is a discount variety retailer. In May 2024, the group took full ownership of the Swedish discount variety retailer ÖoB. With this, the group is present with a store network across Norway and Sweden. The group also offers online shopping.

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation and changes to the group's accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the second quarter and six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements at 31 December 2023.

New standards, interpretations and amendments adopted by the group

The accounting policies adopted in preparing the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 31 December 2023. New standards and interpretations effective at 1 January 2024 do not impact the annual consolidated financial statements of the group or the interim condensed financial statements of the group.

The group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Note 3 Critical accounting estimates and judgements

The preparation of interim condensed financial statements requires management to make accounting judgements and estimates that impact how accounting policies are applied and the reported amounts for assets, liabilities, income and expenses. Actual results may differ from these estimates. The critical accounting estimates and judgements are consistent with those in the consolidated financial statements for 2023, see note 3 for more details.

Note 4 Segment information

The group management is the group's chief operating decision-maker. The segments are reported in accordance with how the chief operating decision-maker evaluates profitability and achievements. The Norway segment relates to Europris and the Sweden segment relates to ÖoB. The pure play companies Lekekassen, Strikkemekka and Lunehjem, are all individually below the threshold for being reportable and are integrated into the Norway segment.

Q2 2024

Figures are stated in NOK 1,000

| | Norway | Sweden | Total |
|---|--------|--------|--------|
| Total operating income | 2,381 | 728 | 3,109 |
| Cost of goods sold | 1,315 | 492 | 1,807 |
| Gross profit | 1,065 | 236 | 1,302 |
| Opex | 540 | 195 | 735 |
| EBITDA | 525 | 42 | 567 |
| EBIT (Operating profit) | 354 | (16) | 339 |
| Gross margin (%) | 44.7% | 32.4% | 41.9% |
| Opex-to-sales ratio (%) | 22.7% | 26.7% | 23.6% |
| EBITDA margin (%) | 22.1% | 5.7% | 18.2% |
| EBIT margin (%) (Operating profit margin) | 14.9% | (2.1%) | 10.9% |
| Inventory | 2,332 | 801 | 3,133 |
| Total assets | 8,578 | 2,206 | 10,784 |

Note 5 Fixed and intangible assets

Figures are stated in NOK 1,000

| | Fixtures and fittings | Land | Buildings | Right-of-use asset | Software | Trademarks | Goodwill | Total |
|-------------------------------------|-----------------------|---------------|----------------|--------------------|---------------|----------------|------------------|------------------|
| Carrying amount 1 January 2024 | 380,532 | 21,225 | 107,730 | 2,541,237 | 78,394 | 591,267 | 2,191,378 | 5,911,762 |
| Acquisition of subsidiaries | 72,366 | - | 12,984 | 772,647 | 21,832 | 223 | 153,153 | 1,033,204 |
| Exchange differences | (495) | - | (24) | (1,100) | (26) | - | (303) | (1,949) |
| Additions | 75,789 | - | 513 | 452,189 | 9,803 | - | - | 538,294 |
| Disposals | - | - | - | (6,381) | - | - | - | (6,381) |
| Depreciation | (42,351) | - | (3,349) | (339,633) | (16,870) | (28) | - | (402,232) |
| Carrying amount 30 June 2024 | 485,841 | 21,225 | 117,854 | 3,418,957 | 93,132 | 591,461 | 2,344,228 | 7,072,698 |

| | Fixtures and fittings | Land | Buildings | Right-of-use asset | Software | Trademarks | Goodwill | Total |
|-------------------------------------|-----------------------|---------------|----------------|--------------------|---------------|----------------|------------------|------------------|
| Carrying amount 1 January 2023 | 338,070 | 21,225 | 113,230 | 2,434,465 | 92,967 | 591,267 | 2,191,053 | 5,782,277 |
| Acquisition of subsidiaries | 348 | - | - | - | - | - | 323 | 671 |
| Additions | 76,922 | - | 701 | 361,429 | 16,122 | - | - | 455,173 |
| Disposals | - | - | - | - | - | - | - | - |
| Depreciation | (39,085) | - | (3,112) | (275,048) | (17,833) | - | - | (335,079) |
| Carrying amount 30 June 2023 | 376,255 | 21,225 | 110,819 | 2,520,845 | 91,256 | 591,267 | 2,191,378 | 5,903,044 |

Note 6 Bank borrowings and financial instruments at fair value

On 30 June 2023 the group entered into a financing agreement with DNB, Nordea and Danske Bank. The agreement has a 3 + 1 + 1-year structure. The first 1-year option has been exercised.

Figures are stated in NOK 1,000

| | 30 June 2024 | | 31 December 2023 | |
|--|------------------|------------------|------------------|------------------|
| | Amortised cost | Nominal value | Amortised cost | Nominal value |
| Debt to financial institutions | 1,020,455 | 1,022,883 | 1,041,843 | 1,044,271 |
| First-year instalment non-current debt | 5,000 | 5,000 | 5,000 | 5,000 |
| Total | 1,025,455 | 1,027,883 | 1,046,843 | 1,049,271 |

The amortised cost of the bank debt is assessed as not differing materially from fair value.

| Overdraft facilities – off-balance sheet | 30 June 2024 | 31 December 2023 |
|--|------------------|------------------|
| Overdraft and multi-currency group account | 726,800 | 325,500 |
| Revolving facility loan | 1,200,000 | 1,200,000 |
| Guarantees | 10,000 | 10,000 |
| Total | 1,936,800 | 1,535,500 |
| Drawn guarantees | 625,100 | 7,145 |
| Undrawn overdraft facilities | 1,311,700 | 1,528,355 |

Covenants are measured and reported quarterly. In the bank agreement, the covenant (leverage ratio - net debt/adjusted EBITDA) will be at 3.5 for any test date in the remainder of the agreement period. The group was in compliance with financial covenants.

| Assets/liabilities measured at fair value through profit and loss | 30 June 2024 | 31 December 2023 |
|---|---------------|------------------|
| Interest rate swaps | 77,046 | 71,322 |
| Foreign exchange contracts | 4,904 | 446 |
| Option at fair value through profit or loss | - | 101,789 |
| Foreign exchange contracts | (14,155) | (31,274) |
| Total | 67,795 | 142,282 |

Interest rate swaps

The group has entered into interest-rate swap agreements of a total of NOK 600 million to hedge part of its interest-rate risk fluctuations. Of these contracts, NOK 300 million expires in July 2027 and NOK 300 million in July 2030. With these contracts 60 per cent of the principal of the group's bank loans is presently hedged.

Forward exchange contracts

The group is exposed to currency exchange risk arising from the import of goods for sale. These transactions are mainly settled in USD and EUR. The group aims to achieve predictable cash outflows in NOK by using forward contracts as a hedging strategy for its exposure to USD and EUR.

Note 7 Business combination

In June 2018, the group acquired 20 per cent of Runsvengruppen AB (ÖoB), a Swedish discount variety retailer. In addition to the 20 per cent holding of shares, Europris held an option to acquire the remaining 80 per cent of the shares.

On 2 May 2024, the group closed the acquisition of the remaining 80 per cent of ÖoB and became full owner of the company. The final purchase price was NOK 200.5 million, of which NOK 187.5 million was paid with Europris treasury shares and NOK 13 million was paid in cash (netted towards outstanding payments from the seller of awarded costs under the arbitration award of 19 December 2023). Europris transferred 2,579,678 treasury shares to the seller, RuNor AS, and these shares are subject to a customary 12-month lock-up. The lock-up for the initial consideration shares delivered in 2019 is no longer in force (the remaining balance of the initial consideration shares is 1,449,898 shares). In total RuNor AS holds 4,029,576 shares, corresponding to 2.41 per cent of the share capital in Europris ASA.

ÖoB has its head office in Skänninge and runs 94 stores across Sweden. The acquisition of ÖoB is an important strategic milestone on the path of creating a Nordic champion in discount variety retail. With this, the group has a combined annualised turnover of around NOK 13.5 billion (estimated based on historic figures). Europris and ÖoB are similar concepts and leading brands in their segment. ÖoB had total revenues of SEK 1,226 million (loss of SEK 126 million) in the period up to 2 May and total revenues of SEK 725 million (loss of SEK 20 million) in the period from 2 May to 30 June 2024.

Operationally, ÖoB has lost market share over time, has seen declining profitability and will need a turnaround to operate profitably in the future. The turnaround will be based on category harmonisation and joint sourcing with Europris, improving the customer experience in addition to strengthening the execution across the value chain.

ÖoB was consolidated into the Europris group's financial statements as of 1 May 2024, at which point Europris obtained control.

Due to the short time between 2 May 2024 and date of the Q2 report, the purchase price allocation is not

completed. The preliminary fair value calculation of ÖoB is estimated to NOK 399 million based on NOK/SEK exchange rate as of acquisition date. An excess value of NOK 157 million is identified in the preliminary purchase price allocation, which is mainly related to buildings, trademark and goodwill. Allocation between the various items remains to be concluded. For the interim financial statements NOK 153 is allocated to goodwill.

According to IFRS 3 Business combinations, a step acquisition shall be remeasured to fair value at the acquisition date. This includes a fair value measurement of the option to acquire the remaining shares. In total, a gain of NOK 32 million is recognised in profit and loss as a result of the fair value assessment of the option. The remeasurement of the initial 20 per cent stake has resulted in a gain amounting to NOK 17 million.

The group recorded an estimated loss of NOK 16 million on its 20 per cent stake up until the point of control.

The preliminary amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Figures are stated in NOK 1,000

| | |
|---|--------------|
| Total fixed assets | 873 |
| Inventories | 860 |
| Receivables | 138 |
| Cash | 38 |
| Total assets | 1,910 |
| Non-current liabilities | 628 |
| Current liabilities | 1,035 |
| Net assets | 246 |
| Goodwill | 153 |
| Net asset acquired | 399 |
| Consideration | |
| Cash | 13 |
| Strike option (value of shares 2 May 2024) | 172 |
| Fair value of option to acquire 80 per cent | 134 |
| Fair value of initial 20 per cent share | 80 |
| Total consideration | 399 |

Note 8 Treasury shares

The number of treasury shares held by Europris ASA changed as follows in the period from 1 January to 30 June 2024.

Change in number of treasury shares

| | |
|---|------------------|
| Treasury shares 1 January 2024 | 5,921,935 |
| Payment for 80 per cent of Runsvengruppen AB with treasury shares | (2,579,678) |
| Sale of treasury shares to senior executives | (22,621) |
| Treasury shares 30 June 2024 | 3,319,636 |

Average cost price for treasury shares are NOK 48.86.

Forward looking statements

The condensed interim report contains forward-looking statements, based on various assumptions. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Europris believes that these assumptions were reasonable when made, it cannot provide assurances that its future results, level of activity or performances will meet these expectations.

Alternative performance measures

APMs are used by the group 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 operating income and is useful for benchmarking direct costs associated with the purchase of the goods vs total operating income.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Total operating income | 3,109 | 2,310 | 5,135 | 4,243 | 9,467 |
| - Cost of goods sold | 1,807 | 1,282 | 2,955 | 2,375 | 5,276 |
| = Gross profit | 1,302 | 1,028 | 2,180 | 1,869 | 4,191 |
| Gross margin | 41.9% | 44.5% | 42.4% | 44.0% | 44.3% |

Opex / Opex-to-sales ratio

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---------------------------|------------|------------|--------------|--------------|--------------|
| Employee benefits expense | 415 | 291 | 778 | 626 | 1,373 |
| + Other operating expense | 320 | 207 | 554 | 401 | 848 |
| = OPEX | 735 | 497 | 1,332 | 1,026 | 2,222 |
| Opex-to-sales ratio | 23.6% | 21.5% | 25.9% | 24.2% | 23.5% |

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|--------------------------|------------|------------|-------------|-------------|--------------|
| Operating profit | 339 | 362 | 445 | 507 | 1,295 |
| + Depreciation | 228 | 169 | 402 | 335 | 675 |
| = EBITDA | 567 | 531 | 847 | 842 | 1,970 |
| EBITDA margin | 18.2% | 23.0% | 16.5% | 19.9% | 20.8% |

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 is useful for benchmarking this profitability parameter vs the development in sales.

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---|------------|------------|--------------|--------------|------------|
| Change in Inventory | 17 | 245 | (134) | 143 | 254 |
| Change in accounts receivable and other current receivables | 29 | (10) | 79 | 84 | 62 |
| Change in accounts payable and other current debt | 48 | (40) | (242) | (494) | (35) |
| = Net change in working capital | 94 | 195 | (297) | (267) | 281 |

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|--------------------------------|------------|------------|-------------|-------------|------------|
| Purchases of fixed assets | 29 | 18 | 76 | 78 | 120 |
| Purchases of intangible assets | 8 | 5 | 10 | 16 | 22 |
| = Capital expenditure | 37 | 23 | 86 | 94 | 142 |

Financial debt

Financial debt is the sum of borrowings and lease liabilities. Financial debt is useful to see total debt as defined by IFRS.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Borrowings | 1,020 | 1,083 | 1,020 | 1,083 | 1,042 |
| Current borrowings | 629 | 533 | 629 | 533 | 5 |
| Lease liabilities | 2,671 | 2,050 | 2,671 | 2,050 | 2,080 |
| Current lease liabilities | 906 | 584 | 906 | 584 | 589 |
| = Financial debt | 5,226 | 4,251 | 5,226 | 4,251 | 3,715 |

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2023 | FY 2023 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Cash | 129 | - | 129 | - | 676 |
| + Total facilities | 1,937 | 1,536 | 1,937 | 1,536 | 1,536 |
| - Total drawn | (625) | (530) | (625) | (530) | (7) |
| = Cash and liquidity reserves | 1,441 | 1,005 | 1,441 | 1,005 | 2,205 |

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.

| (Amounts in NOK million) | Q2 2024 | Q2 2023 | YTD 2024 | YTD 2024 | FY 2023 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Sales directly operated stores | 2,066 | 2,012 | 3,788 | 3,623 | 7,932 |
| Sales franchise stores | 259 | 266 | 466 | 468 | 1,013 |
| = Total chain sales | 2,325 | 2,277 | 4,254 | 4,092 | 8,945 |

Definition of other terms used

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 sales growth

Like-for-like (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 local 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.

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