

Europpris
MER TIL OVERS

Q4 2024



EUROPRIAS ASA

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Highlights

Please note that financials for the new segment Sweden have been included with effect from 1 May 2024. Comparisons on an organic level exclude the acquisition of ÖoB, meaning that organic figures this year are comparable to last year's group figures.

Fourth quarter 2024

- Group sales of NOK 4,378 million, up 42.5 per cent
 - » Organic sales growth of 4.9 per cent
- Gross margin of 42.5 per cent (43.9)
 - » Organic gross margin of 46.1 per cent (43.9). Improvement excluding unrealised currency effects of 1.4 percentage points
- Opex-to-sales ratio of 22.3 per cent (20.3)
 - » Organic opex-to-sales ratio of 20.0 per cent (20.3)
- EBIT of NOK 624 million (554) and EBIT margin of 14.3 per cent (18.0)
 - » Organic EBIT of NOK 665 million (554) and organic EBIT margin of 20.6 per cent (18.0)
 - » Negative EBIT from ÖoB of NOK 41 million
- Net profit of NOK 443 million (434) attributable to parent
 - » Net positive impact of NOK 60 million last year from the 20 per cent stake in ÖoB and the remeasurement of the option to acquire the remaining 80 per cent
 - » Unrealised gain on interest rate swaps of NOK 8 million this year compared to an unrealised loss of NOK 24 million last year

Full year 2024

- Group sales of NOK 12,750 million, up 34.7 per cent
 - » Organic sales growth of 4.3 per cent
- Gross margin of 41.7 per cent (44.3)
 - » Organic gross margin of 44.7 per cent (44.3). Improvement excluding unrealised currency effects of 0.1 percentage points
- Opex-to-sales ratio of 24.7 per cent (23.5)
 - » Organic opex-to-sales ratio of 24.1 per cent (23.5)
- EBIT of NOK 1,237 million (1,295) and EBIT margin of 9.7 per cent (13.7)
 - » Organic EBIT of NOK 1,339 million (1,295) and organic EBIT margin of 13.6 per cent (13.7)
 - » Negative EBIT from ÖoB of NOK 102 million
- Net profit attributable to parent of NOK 839 million (908)
- Net debt excluding lease liabilities increased to NOK 720 million (371)
- The board of directors proposes a dividend per share of NOK 3.50 (3.25)

Key figures

(Amounts in NOK million)

	Q4 2024	Q4 2023	FY 2024	FY 2023
GROUP KEY INCOME STATEMENT FIGURES				
Retail sales	4,158	2,852	12,002	8,745
Wholesale sales	187	194	630	634
Other	33	26	118	88
Total operating income	4,378	3,072	12,750	9,467
% growth in total operating income	42.5%	5.0%	34.7%	5.0%
Cost of goods sold	2,516	1,724	7,437	5,276
Gross profit	1,862	1,348	5,313	4,191
Gross margin	42.5%	43.9%	41.7%	44.3%
Opex	978	625	3,153	2,222
Opex-to-sales ratio	22.3%	20.3%	24.7%	23.5%
EBITDA	884	723	2,160	1,970
EBITDA margin	20.2%	23.5%	16.9%	20.8%
EBIT (Operating profit)	624	554	1,237	1,295
EBIT margin (Operating profit margin)	14.3%	18.0 %	9.7%	13.7%
Net profit	444	435	840	909
Profit attributable to owners of the parent	443	434	839	909
Earnings per share (in NOK)	2.72	2.69	5.16	5.64
Dividend per share (in NOK)			3.50	3.25
GROUP KEY CASH FLOW AND BALANCE SHEET FIGURES				
Net change in working capital	297	385	(211)	281
Capital expenditure	28	15	138	142
Financial debt	4,784	3,715	4,784	3,715
Cash	603	676	603	676
Net debt	4,181	3,039	4,181	3,039
- Lease liabilities	3,461	2,669	3,461	2,669
Net debt ex lease liabilities	720	371	720	371
Cash and liquidity reserves	2,244	2,205	2,244	2,205

Period review

Europris saw a strong finish to the year in Norway, with sales growth exceeding the retail market growth and with an improved gross margin both year-on-year and compared to the preceding quarters. The organisation was well prepared for the important Christmas season this year, having secured sufficient supply of goods and timing its campaigns and marketing efforts well in a market where the customers are carrying out their Christmas shopping earlier than before.

The trend with sales moving from December to November has been evident for some years, partly due to an increasing focus on Black Week campaigns. This strengthened further this year, both for Europris and for the overall physical retail market. The chain had a total growth of 5.2 per cent in the fourth quarter, compared to a 4.1 per cent growth for shopping centres (Kvarud Analyse, Shopping centre index) and a growth of 5.0 per cent for broad variety retail (Statistics Norway). Market data for online retailers are on the other hand showing a relatively strong development in December, as improved logistics and delivery capabilities means that online retailers can guarantee deliveries closer to Christmas. Europris saw the same development in its pure players Lekekassen and Strikkemekka.

Inflation and higher interest rates have posed challenges for many consumers over the past years, and Europris and ÖoB are both relevant concepts in this market with their broad and relevant product offering and attractive prices. Consumers are price conscious, and campaigns continued to be a driver of footfall and sales in the fourth quarter as well.

Europris delivered solid execution throughout the quarter, by balancing sales and margins both for the important campaigns during Black November and Black Week and through the Christmas sales period. Good seasonal performance supported sales of non-food items, while consumables were negatively impacted by intense price competition from grocery stores. In Sweden, ÖoB carried out a clearance sale ahead of planned category upgrades in 2025. With many consumers on tight budgets, this cannibalised other sales and had a negative impact on the gross margin.

Full year summary

Total sales growth of 4.2 per cent, higher like-for-like footfall, and 13 per cent membership growth in the Mer customer club serves as a testament to the relevance of the Europris concept. The Europris chain outperformed the Norwegian retail market in 2024, as shopping centres delivered a total growth of 3.5 per cent (Kvarud Analyse, Shopping centre index) and broad variety retail grew by 3.9 per cent (Statistics Norway).

The increasing margin pressure seen in 2023 remained in place through 2024. Customers have become more price conscious and are buying more promotional items and consumables at the expense of higher-margin goods. Price competition in the grocery segment has intensified, which was especially evident for the seasonal range in the fourth quarter. The NOK continued to depreciate against the main purchasing currencies USD and EUR, and cost for inbound freight from Asia was negatively impacted by surcharges due to the conflict in the Red Sea. On the positive side, Europris saw lower purchasing prices in local currency in Asia, and a somewhat higher share of sales from private labels. Considering the headwinds, the group is pleased to have delivered a slightly higher gross margin for the full year in Norway.

In Sweden, the group took full ownership of ÖoB in May 2024. Since then, the main focus has been on executing the integration plan, and on creating a foundation for renewed growth and margin improvement. Footfall stabilised in the second half of the year, but it will take time and patience to renew categories and the product range and attract a broader customer base.

Status on the ÖoB integration process

The integration team made strong progress on the integration activities between ÖoB and Europris during the fourth quarter, working towards a holistic transformation of ÖoB and a more robust governance model. The new management has taken actions to strengthen the running business and accelerated measures to improve planning and execution of campaigns, supply chain management and inventory management. The collaboration between the ÖoB and Europris teams is positive.

Actions taken to improve sales and margins from campaigns and sales of non-food items have been successful. However, the current customer base is keeping their total basket values unchanged, meaning that the campaigns are cannibalising on other sales rather than adding to total revenue. The planned

category upgrades and renewal of the product range will be important steps to attract new customer groups and support growth going forward.

Highlights from the transformation and integration programme:

- Clearance sale to prepare for upcoming category upgrades
- Converting ÖoB to Europris' campaign methodology from planning to in-store execution
- 65 stores have taken first steps in upgrading to the same in-store visual profile as Europris
- Carpets and rugs launched as a new product group across 70 stores
- Upgraded system and toolbox for business intelligence to support improved operational reporting and analysis
- ERP project progressing according to plan with planned go-live during the first half of 2025

As previously communicated, it will take time to reap the full effects and benefits of the work and energy now being invested to lay the cornerstones for the future ÖoB concept. The group remains confident in the transformation programme resting on the three pillars: i) category harmonisation, ii) improving customer experience, and iii) strengthening execution across the value chain.

Strong price and product offering recognised in the market

Europris was the clear price winner in price tests carried out by Nettavisen in October and November, comparing prices on several everyday consumables with six other variety discount retailers.

The group is pleased to see its high-quality private label seasonal products receiving good reviews from recognised external third parties. One example is Tek.no rating the "Hafjell" outdoor string lights as "best in test". Tek.no is the largest website for consumer technology in Norway, with more than 1.4 million readers on a weekly basis. Another example is the "Snøhetta" artificial Christmas tree, receiving a five out of six score in the national Norwegian newspaper Dagbladet.

Lekekassen was awarded first place for "online store of the year for children and family" and second place for "online store of the year" from Prisjakt.no, based on customer reviews. This widely used site provides an overview of the best deals on different products, allowing customers to compare prices across different suppliers.

Europris er BILLIGST

Vi ble **BEST** blant syv
lavpris-butikker!

VINNER
Nettavisens
pristest
okt. 2024

VINNER
Nettavisens
pristest
nov. 2024

Pristestere: Europris, Normal, Jula, Rusta, Biltema, Clas Ohlson og Oda

Europris
MER TIL OVERS

Financial review - group

Please note that financials for segment Sweden have been included with effect from 1 May 2024. Comparisons on an organic level exclude the acquisition of ÖoB, which means that organic figures are comparable to last year's group figures.

Profit and loss – fourth quarter

Total operating income amounted to NOK 4,378 million in the fourth quarter (3,072), up 42.5 per cent. Organic sales amounted to NOK 3,223 million, an increase of 4.9 per cent. There was one extra sales day in Norway in the fourth quarter compared to last year.

Gross profit amounted to NOK 1,862 million (1,348), with a gross margin of 42.5 per cent (43.9). The group recognised a net unrealised gain of NOK 15 million on hedging contracts and accounts payable, compared to a net unrealised loss of NOK 14 million in the same period last year. This impacted the gross margin change positively by 0.8 percentage points. The margin decline reflected the inclusion of ÖoB that has a lower gross margin than Europris. The gross margin in ÖoB was also negatively impacted by clearance sales ahead of category upgrades in 2025. The organic gross margin was 46.1 per cent (43.9). Good seasonal execution and a higher share of sales of non-food items and private labels contributed positively to the margin increase in Norway.

Operating expenditure (Opex) was NOK 978 million (625), with organic opex increasing 3.4 per cent to NOK 646 million. The number of directly operated stores increased from 257 to 260. Opex was positively impacted by timing of costs and accruals, with NOK 20 million lower costs in the fourth quarter this year compared to last year. The opex-to-sales ratio was 22.3 per cent (20.3), with the organic opex-to-sales ratio improving to 20.0 per cent (20.3).

EBITDA was NOK 884 million (723), corresponding to an EBITDA margin of 20.2 per cent (23.5). Organic EBITDA was NOK 840 million, an increase of NOK 117 million or 16.2 per cent. The organic EBITDA margin was 26.1 per cent (23.5).

EBIT amounted to NOK 624 million (554), corresponding to an EBIT margin of 14.3 per cent (18.0). Organic EBIT was NOK 665 million, an increase of NOK 112 million or 20.2 per cent. The organic EBIT margin was 20.6 per cent (18.0).

The group recognised a net unrealised gain on interest rate swaps amounting to NOK 8 million for the quarter (loss of 24).

In the fourth quarter of 2023, the group recognised a net positive impact of NOK 60 million from its 20 per cent stake in ÖoB and remeasurement of the option to acquire the remaining 80 per cent. See more information in note 7.

Net profit for the fourth quarter was NOK 444 million (435). Net profit attributable to owners of the parent company amounted to NOK 443 million (434).

Earnings per share were NOK 2.72 (2.69).

Profit and loss – full year (1 January – 31 December)

Total operating income amounted to NOK 12,750 million in 2024 (9,467), an increase of 34.7 per cent. Organic sales amounted to NOK 9,878 million, an increase of 4.3 per cent. There was one extra sales day in 2024 compared to 2023.

Gross profit for the group was NOK 5,313 million (4,191), with a gross margin of 41.7 per cent (44.3). A lower gross margin reflected the inclusion of ÖoB from May. The group recognised a net unrealised currency gain of NOK 18 million on hedging contracts and accounts payable (loss of 14). This impacted the gross margin change positively by 0.3 percentage points. The organic gross margin was 44.7 per cent (44.3).

Opex amounted to NOK 3,153 million (2,222), corresponding to an opex-to-sales ratio of 24.7 per cent (23.5). Organic opex was NOK 2,379 million, up 7.1 per cent. This reflected an increase from 257 to 260 directly operated stores and the overall impact of inflation and wage growth. The organic opex-to-sales ratio was 24.1 per cent (23.5).

EBITDA was NOK 2,160 million (1,970), corresponding to an EBITDA margin of 16.9 per cent (20.8). The organic EBITDA was NOK 2,032 million, an increase of NOK 62 million or 3.1 per cent. The organic EBITDA margin was 20.6 per cent (20.8).

EBIT was NOK 1,237 million (1,295), corresponding to an EBIT margin of 9.7 per cent (13.7). The organic EBIT was NOK 1,339 million, an increase of NOK 44

million or 3.4 per cent. The organic EBIT margin was 13.6 per cent (13.7).

The group closed the acquisition of the remaining 80 per cent of Runsvengruppen (ÖoB) and became full owner of the company on 2 May 2024. According to IFRS 3, a step acquisition shall be remeasured to fair value at the acquisition date, including a fair value measurement of the option to acquire the remaining shares. The fair value assessment of the option generated a gain of NOK 32 million which has been recognised in the profit and loss account (gain of 102 in the previous year). The remeasurement of the initial 20 per cent stake resulted in a gain of NOK 17 million (loss of 43 in the previous year). 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 (loss of 11 in 2023). See more information in note 7.

The group recognised a net unrealised gain on interest rate swaps amounting to NOK 2 million (unrealised loss of 5).

Net profit for 2024 was NOK 840 million (909). Net profit attributable to owners of the parent company amounted to NOK 839 million (909).

Earnings per share were NOK 5.16 (5.64).

Cash flow

Cash flow from operating activities for 2024 was positive at NOK 1,496 million (positive at 1,769). The decrease from the same period last year reflected net changes in working capital.

The net change in working capital for 2024 was negative at NOK 211 million (positive at 281). The net working capital was negatively impacted by earlier shipments and arrivals of goods for the spring season and a planned inventory build-up to improve the service level in the stores.

A less negative **change in cash flow from investing activities** in 2024 than in 2023 was related to the acquisition of the remaining 33 per cent of Lekekassen for NOK 212 million in 2023.

The net change in cash was negative at NOK 73 million (positive at 212).

Capital expenditure was NOK 138 million (142).

Financial position and liquidity

Financial debt was NOK 4,784 million at 31 December 2024 (3,715). Adjusted for lease liabilities, financial debt amounted to NOK 1,323 million (1,047).

Net debt amounted to NOK 4,181 million at 31 December 2024 (3,039). Adjusted for lease liabilities, net debt was NOK 720 million (371).

Cash and liquidity reserves for the group amounted to NOK 2,244 million at 31 December 2024 (2,205).

Segment Norway

Key figures

(Amounts in NOK million)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Total operating income	3,223	3,072	9,878	9,467
% growth in total operating income	4.9%	5.0%	4.3%	5.0%
Cost of goods sold	1,737	1,724	5,467	5,276
Gross profit	1,486	1,348	4,411	4,191
Gross margin	46.1%	43.9%	44.7%	44.3%
Opex	646	625	2,379	2,222
Opex-to-sales ratio	20.0%	20.3%	24.1%	23.5%
EBITDA	840	723	2,032	1,970
EBITDA margin	26.1%	23.5%	20.6%	20.8%
EBIT (Operating profit)	665	554	1,339	1,295
EBIT margin (Operating profit margin)	20.6%	18.0%	13.6%	13.7%
EUROPRIS CHAIN KEY FIGURES				
Total chain sales	2,916	2,774	9,323	8,945
% growth in total chain sales	5.2%	1.8%	4.2%	4.2%
% growth in like-for-like chain sales	4.8%	0.4%	3.5%	2.6%
Total number of chain stores at end of period	283	282	283	282
- Directly operated stores	260	257	260	257
- Franchise stores	23	25	23	25
PURE PLAY				
Sales	400	394	831	823

Profit and loss summary

Sales for segment Norway totalled NOK 3,223 million in the fourth quarter, up 4.9 per cent year-on-year. The gross margin of 46.1 per cent was up 2.2 percentage points, or up 1.4 percentage points excluding the net effects of an unrealised currency gain this year versus a loss last year. Good seasonal execution and higher share of sales of non-food items and private label products contributed positively to the margin development. Opex increased by 3.3 per cent and the opex-to-sales ratio declined to 20.0 per cent compared to 20.3 per cent last year. EBIT was NOK 665 million, up by 20.2 per cent.

For the full year, sales for the segment totalled NOK 9,878 million, an increase of 4.3 per cent. The gross margin was 44.7 per cent, up 0.4 percentage points, or up 0.1 percentage points excluding unrealised currency effects – a satisfactory development considering the previously mentioned headwinds. The group has worked hard to mitigate opex increases and with a full-year opex increase of 7.1 per cent, it managed to deliver a lower cost increase than the 10 per cent anticipated at the beginning of the year. The full-year opex-to-sales ratio was 24.1 per cent, compared to 23.5 per cent in 2023. EBIT was NOK 1,339 million, up 3.4 per cent from the previous year.

The Europris chain

The Europris chain delivered like-for-like sales growth of 4.8 per cent in the fourth quarter and 3.5 per cent for the full year. There was one extra sales day in both the fourth quarter and the full year. The sales development was positively impacted by strong seasonal execution and successful campaigns.

The chain showed growth in like-for-like footfall and higher volumes both in the fourth quarter and for the full year, with a slight increase in the basket value driven by price per item. The chain outperformed the market both in the fourth quarter and for the full year, comparing with the development for shopping centres (Kvarud) and the broad variety retail index (SSB).

Category upgrades continue to play an important role in keeping the Europris concept up to date and attractive to customers. The kitchen category was upgraded in March and delivered growth well above the total growth for the chain. The grocery category was upgraded in the beginning of September and got off to a good start. However, growth slowed towards the end of the year due to intensifying price competition among grocery stores.

Europris opened its only new store in 2024 in the fourth quarter, at Gulsbogen shopping centre in Drammen. This location delivered on the strategy to increase the number of stores in densely populated areas. One store was relocated and one store expanded in the quarter. The total number of stores was 283 at 31 December 2024, of which 260 directly operated and 23 franchises. The board has approved an additional twelve stores for 2025 and beyond, of which five are subject to a planning permission process.

Pure play companies

Sales in pure play companies amounted to NOK 400 million in the fourth quarter, up 1.4 per cent. For the full year sales were NOK 831 million, up 0.9 per cent. Strikkemekka had solid sales growth in both the fourth quarter and the full year. The fourth quarter is the most important quarter for Lekekassen, and it was pleasing to see improved development in this quarter compared to the first three quarters.

Lunehjem was divested on 2 January 2025. The divestment reflects that the concept was not a strategic match to the group, offered limited synergy potential, and represented a relatively small contribution to overall sales.

Segment Sweden

Key figures

(Amounts in NOK million)

	Q4 2024	Q4 2023	FY 2024	FY 2023
Total operating income	1,155	-	2,873	-
Cost of goods sold	778	-	1,971	-
Gross profit	376		902	-
Gross margin	32.6%	-	31.4%	-
Opex	332	-	774	-
Opex-to-sales ratio	28.7%	-	26.9%	-
EBITDA	45	-	128	-
EBITDA margin	3.9%	-	4.5%	-
EBIT (Operating profit)	(41)	-	(102)	-
EBIT margin (Operating profit margin)	(3.6%)	-	(3.6%)	-
ÖoB CHAIN KEY FIGURES				
Total chain sales	1,153	-	2,868	-
Total number of chain stores at end of period	93	-	93	-

Sales for segment Sweden totalled NOK 1,155 million in the fourth quarter, with a gross margin of 32.6 per cent. The gross margin was negatively impacted by clearance sales ahead of category upgrades in 2025. The opex-to-sales ratio was 28.7 per cent. EBIT showed a loss of NOK 41 million.

Sales in the Europris ownership period (May-December) totalled NOK 2,873 million. The gross margin was 31.4 per cent. The opex-to-sales ratio in this period was 26.9 per cent. EBIT showed a loss of NOK 102 million in this period.

In local currency, the ÖoB chain had a total sales decline of 0.2 per cent and a like-for-like sales decline of 1.6 per cent in the fourth quarter. For the full year,

the chain had a total sales decline of 0.8 per cent and a like-for-like decline of 1.2 per cent. There was one extra sales day for the full year. Footfall declined during the first half of the year and stabilised during the second half.

ÖoB closed the Askim store (Gothenburg) in the fourth quarter, as this store was considered to have an unbeneficial location with a too large size and thereby unlikely to turn profitable. The total number of stores was 93 at 31 December 2024, all directly operated.

Dividend

The board of Europris ASA proposes a dividend of NOK 3.50 per share for 2024, representing an increase of 7.7 per cent from the dividend of NOK 3.25 for 2023. The dividend amounts to NOK 573 million excluding treasury shares (523) and represents a pay-out ratio of 68.2 per cent of the majority's share of the profit (57.6).

Outlook

The economic outlook is becoming more attractive as inflation is coming down in both Sweden and Norway, and the average consumer is seeing improving real wages. Interest rates have already been lowered in Sweden, and the Norwegian central bank has signalled

interest rate reductions during 2025. This offers an improving outlook for consumer sentiment in both countries.

In Sweden, the integration of ÖoB is progressing according to plan. Several non-food categories will be upgraded in 2025 and the efforts to upgrade the concept and categories will continue through 2025 and 2026 to improve the customer experience and attract new customer segments. The group remains confident in its long-term ambitions to grow ÖoB to SEK 5 billion in revenue by the end of 2028, with an EBIT margin of 5 per cent for the existing store portfolio.

Fredrikstad, 28 January 2025

THE BOARD OF DIRECTORS OF EUROPRIS ASA

Tom Vidar Rygh
Chair

Hege Bømark

Pål Wibe

Bente Sollid

Susanne Holmström

Jon Martin Klafstad

Espen Eldal
CEO

EUROPRIS ASA

Q4 2024

Interim condensed consolidated statement of profit and loss

Figures are stated in NOK 1,000

	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
		Unaudited	Unaudited	Unaudited	Audited
Total operating income		4,377,657	3,071,806	12,750,259	9,466,921
Cost of goods sold		2,515,614	1,724,058	7,437,455	5,275,676
Employee benefit expenses		548,423	389,180	1,865,036	1,373,081
Depreciation	5	260,468	169,268	922,927	674,608
Other operating expenses		429,201	235,695	1,288,062	848,426
Operating profit		623,952	553,604	1,236,780	1,295,130
Net financial income (expense)		(54,763)	(72,325)	(201,704)	(190,517)
Profit/(loss) from associated companies	7	29	(41,902)	1,592	(54,489)
Change in fair value of option	6,7	-	101,789	32,309	101,789
Profit before tax		569,218	541,165	1,068,978	1,151,912
Income tax expense		125,594	106,323	229,218	243,060
Profit for the period		443,623	434,842	839,759	908,852
Profit attributable to non-controlling interests		1,055	1,065	802	218
Profit attributable to owners of the parent		442,569	433,777	838,957	908,634
Interim condensed consolidated statement of comprehensive income					
Profit for the period		443,623	434,842	839,759	908,852
<i>Items that subsequently may be reclassified to profit or loss</i>			-		
Exchange differences on translation of foreign operations		(3,471)	1,263	11,670	1,878
Total comprehensive income		440,153	436,105	851,429	910,730
Comprehensive income attributable to non-controlling interests		1,055	1,065	802	(582)
Comprehensive income attributable to owners of the parent		439,098	435,040	850,627	910,149
Earnings per share (basic and diluted - in NOK)		2.72	2.69	5.16	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	31 Dec 2024	31 Dec 2023
		Unaudited	Audited
ASSETS			
Total intangible assets	5	3,131,075	2,861,038
Total fixed assets	5	3,906,721	3,050,724
Total financial assets	6,7	75,560	152,121
Deferred tax asset		93,742	-
Total non-current assets		7,207,097	6,063,883
Inventories		3,262,342	2,142,699
Trade receivables		226,921	217,671
Other receivables	6	211,320	109,848
Option at fair value through profit or loss	6,7	-	101,789
Cash		603,362	676,323
Total current assets		4,303,946	3,248,329
Total assets		11,511,043	9,312,212
EQUITY AND LIABILITIES			
Total paid-in capital	8	308,341	235,172
Total retained equity		3,750,947	3,326,044
Total shareholders' equity		4,059,288	3,561,216
Non-controlling interests		51,299	50,575
Total equity		4,110,587	3,611,791
Provisions		54,004	46,301
Borrowings	6	1,018,516	1,041,843
Lease liabilities		2,566,863	2,079,997
Total non-current liabilities		3,639,382	3,168,141
Short-term liabilities			
Borrowings	6	304,480	5,000
Current lease liabilities		894,019	588,626
Accounts payable		1,225,016	879,881
Tax payable		248,239	254,847
Public duties payable		417,655	396,593
Put option liability		30,390	27,980
Other current liabilities	6	641,275	379,353
Total current liabilities		3,761,074	2,532,280
Total liabilities		7,400,456	5,700,421
Total equity and liabilities		11,511,043	9,312,212

Fredrikstad, 28 January 2025
THE BOARD OF DIRECTORS OF EUROPRIS ASA

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

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	-	-	-	-	838,957	838,957	802	839,759
Other comprehensive income	-	-	-	-	11,670	11,670	-	11,670
Dividend	-	-	-	-	(523,560)	(523,560)	(78)	(523,638)
Net sale of treasury shares	-	2 602	-	70 567	100,245	173,415	-	173,415
Put option liability	-	-	-	-	(2,410)	(2,410)	-	(2,410)
At 31 December 2024	166,969	(3,320)	51,652	93,039	3,750,947	4,059,288	51,299	4,110,587

(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	-	-	-	-	908,634	908,634	218	908,852
Other comprehensive income	-	-	-	-	1,515	1,515	364	1,878
Dividend	-	-	-	-	(603,865)	(603,865)	(20,034)	(623,899)
Net sale of treasury shares	-	16	-	418	416	850	-	850
Changes of non-controlling interests on acquisition of subsidiary	-	-	-	-	278,000	278,000	(252,054)	25,946
Put option liability	-	-	-	-	15,561	15,561	-	15,561
At 31 December 2023	166,969	(5,922)	51,652	22,472	3,326,045	3,561,216	50,575	3,611,791

(audited)

Interim condensed consolidated statement of cash flows

Figures are stated in NOK 1,000	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
		Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities					
Profit before income tax		569,218	541,165	1,068,978	1,151,912
Adjusted for:					
Depreciation of fixed and intangible assets	5	260,468	169,268	922,927	674,608
Change in fair value of option		-	(101,789)	(32,309)	(101,789)
Share of profit/loss from associates		(29)	41,902	(1,592)	54,489
Changes in net working capital		297,499	385,114	(210,548)	280,977
Income tax paid		3,720	(689)	(251,645)	(291,189)
Net cash generated from operating activities		1,130,876	1,034,972	1,495,810	1,769,007
Cash flows from investing activities					
Proceeds from sale of fixed assets		-	84	-	84
Purchases of fixed and intangible assets	5	(27,756)	(15,380)	(138,460)	(141,700)
Acquisition		-	-	19,047	(216,598)
Net cash used in investing activities		(27,756)	(15,296)	(119,413)	(358,214)
Cash flows from financing activities					
Net change overdraft and RCF (Revolving Credit Facility)		(379,846)	(250,000)	(142,005)	-
Repayment of debt to financial institutions		(544)	(41,988)	(24,405)	(45,738)
Principal paid on lease liabilities		(213,822)	(132,560)	(760,660)	(530,172)
Dividend		-	-	(523,637)	(603,865)
Sale of treasury shares		-	-	1,350	850
Dividends paid to non-controlling interests in subsidiaries		-	-	-	(20,034)
Net cash from financing activities		(594,212)	(424,548)	(1,449,357)	(1,198,960)
Net increase (decrease) in cash		508,908	595,127	(72,961)	211,834
Cash at beginning of period		94,454	81,196	676,323	464,488
Cash at end of period		603,362	676,323	603,362	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 fourth quarter and the period ended 31 December 2024 were authorised for issue by the board on 28 January 2025.

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 an extensive 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 fourth quarter and the period ended 31 December 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.

Q4 2024

Figures are stated in NOK 1,000

	Norway	Sweden	Total
Total operating income	3,223	1,155	4,378
Cost of goods sold	1,737	778	2,516
Gross profit	1,486	376	1,862
Opex	646	332	978
EBITDA	840	45	884
EBIT (Operating profit)	665	(41)	624
Gross margin (%)	46.1%	32.6%	42.5%
Opex-to-sales ratio (%)	20.0%	28.7%	22.3%
EBITDA margin (%)	26.1%	3.9%	20.2%
EBIT margin (%) (Operating profit margin)	20.6%	(3.6%)	14.3%
Inventory	2,485	777	3,262
Total assets	9,216	2,202	11,417

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	21,224	107,730	2,541,237	78,394	591,267	2,191,378	5,911,762
Acquisition of subsidiaries	70,225	-	12,984	774,787	21,832	223	267,411	1,147,462
Exchange differences	1,453	-	338	16,472	476	4	6,369	25,113
Additions	130,629	-	(2,174)	745,972	8,340	-	-	882,767
Disposals	-	-	-	(6,381)	-	-	-	(6,381)
Depreciation	(108,162)	-	(2,792)	(777,354)	(34,512)	(107)	-	(922,927)
Carrying amount 31 Dec 2024	474,677	21,224	116,087	3,294,733	74,529	591,387	2,465,159	7,037,796

	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	119,282	-	701	661,804	21,718	-	-	803,504
Disposals	(84)	-	-	-	-	-	-	(84)
Depreciation	(77,084)	-	(6,201)	(555,032)	(36,291)	-	-	(674,608)
Carrying amount 31 Dec 2023	380,532	21,225	107,730	2,541,237	78,394	591,267	2,191,378	5,911,762

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

	31 December 2024		31 December 2023	
	Amortised cost	Nominal value	Amortised cost	Nominal value
Debt to financial institutions	1,018,516	1,020,250	1,041,843	1,044,271
First-year instalment non-current debt	5,000	5,000	5,000	5,000
Total	1,023,516	1,025,250	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	31 December 2024	31 December 2023
Overdraft and multi-currency group account	737,200	325,500
Revolving facility loan	1,200,000	1,200,000
Guarantees	10,000	10,000
Total	1,947,200	1,535,500
Drawn guarantees and facilities	306,232	7,145
Undrawn overdraft facilities	1,640,968	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	31 December 2024	31 December 2023
Interest rate swaps	73,124	71,322
Foreign exchange contracts	16,516	446
Option at fair value through profit or loss	-	101,789
Foreign exchange contracts	(10,212)	(31,274)
Total	79,428	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 local currencies 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 853,648 shares). In total RuNor AS holds 3,433,326 shares, corresponding to 2.06 per cent of the share capital in Europris ASA.

ÖoB has its head office in Skänninge and runs 93 stores across Sweden. The acquisition of ÖoB is an important strategic milestone on the path of creating a Nordic champion in discount variety retail. Europris and ÖoB are similar concepts and leading brands in their segment. ÖoB had total revenues of SEK 1,227 million (loss of SEK 240 million) in the period up to 2 May and total revenues of SEK 2,818 million (loss of SEK 103 million) in the period from 2 May to 31 December 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 2 May 2024, at which point Europris obtained control.

The preliminary fair value calculation of ÖoB is estimated to NOK 399 million based on NOK/SEK exchange rate at the acquisition date. An excess value of

NOK 270 million is identified in the preliminary purchase price allocation, which is mainly related to buildings and goodwill. A final allocation between the various items remains to be concluded. For the interim financial statements NOK 267 million 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	776
Receivables	159
Cash	32
Total assets	1,840
Non-current liabilities	616
Current liabilities	1,092
Net assets	132
Goodwill	267
Net asset acquired	399
Consideration	
Amounts in NOK 1,000	
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 31 December 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 31 December 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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Total operating income	4,378	3,072	12,750	9,467
- Cost of goods sold	2,516	1,724	7,437	5,276
= Gross profit	1,862	1,348	5,313	4,191
Gross margin	42.5%	43.9%	41.7%	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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Employee benefits expense	548	389	1,865	1,373
+ Other operating expense	429	236	1,288	848
= OPEX	978	625	3,153	2,222
Opex-to-sales ratio	22.3%	20.3%	24.7%	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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit	624	554	1,237	1,295
+ Depreciation	260	169	923	675
= EBITDA	884	723	2,160	1,970
EBITDA margin	20.2%	23.5%	16.9%	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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Change in Inventory	187	221	(317)	254
Change in accounts receivable and other current receivables	(110)	(34)	9	62
Change in accounts payable and other current debt	220	198	98	(35)
= Net change in working capital	297	385	(211)	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.

Alternative performance measures

(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Purchases of fixed assets	34	13	130	120
Purchases of intangible assets	(6)	2	8	22
= Capital expenditure	28	15	138	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)	FY 2024	FY 2023
Borrowings	1,019	1,042
Current borrowings	304	5
Lease liabilities	2,567	2,080
Current lease liabilities	894	589
= Financial debt	4,784	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)	FY 2024	FY 2023
Cash	603	676
+ Total facilities	1,947	1,536
- Total drawn	(306)	(7)
= Cash and liquidity reserves	2,244	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)	Q4 2024	Q4 2023	FY 2024	FY 2023
Sales directly operated stores	2,606	2,461	8,319	7,932
Sales franchise stores	310	312	1,004	1,013
= Total chain sales	2,916	2,774	9,323	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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