



Europris remuneration report 2024

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1. Introduction

Introduction and directors' declaration

This report describes Europris' remuneration of senior executives for the 2024 financial year. The board has prepared the report in accordance with section 6-16b of the Norwegian Public Limited Companies Act, and will be presented to the AGM on 24 April 2025.

The board is responsible for outlining the remuneration guidelines and for following up compliance with them. The board has its own compensation committee which follows up, discusses and makes recommendations to the full board on specific matters concerning the various remuneration elements. The directors have reviewed remuneration in 2024 and hereby declare that it accorded with the approved guidelines.

Highlights of 2024

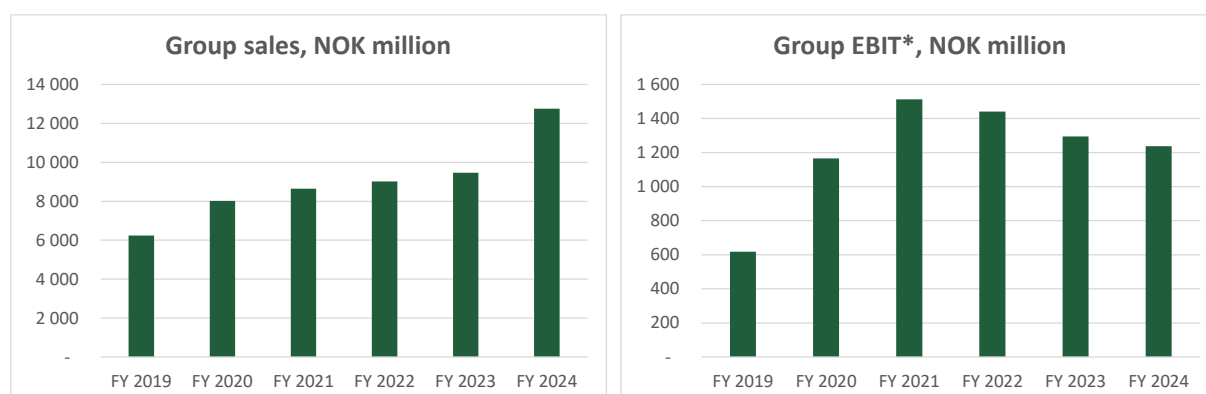
The group consists of Europris with 283 stores across Norway (including franchise), and ÖoB with 93 stores across Sweden, in addition to the pure players Lekekassen and Strikkemekka. The group has proved to be a relevant player in a demanding retail market, where customers expect even better value for money and where campaigns, consumables and private labels are constituting an increased share of sales.

Organic growth in 2024, i.e., excluding impact from the acquisition of ÖoB, showed higher sales of 4.3 per cent and an organic EBIT growth of 3.4 per cent. Several external factors contributed negatively to the gross margin development, but a higher share of sales from private labels and lower purchasing prices from Asia (measured in local currency) compensated. The group's profitability was negatively impacted by high opex growth, following high wage growth and inflation.

For more information on 2024 developments, please see the annual report on the company's investor website ([Europris ASA - AGM](#)).

Variable remuneration for senior executives is based on EBIT performance on an organic basis (i.e., excluding structural effects from acquisitions or divestments) and ESG targets. Short-term variable remuneration is based on EBIT performance compared with the budget and ESG targets while long-term variable remuneration is based on EBIT performance compared with the previous financial year adjusted for the consumer price index (CPI) development. See more details in chapter 2 describing awards for both short- and long-term bonus.

Table 1: Development in group sales and EBIT.



* Adjusted EBIT (as reported to the market) for 2019. IFRS-16 was implemented from 2019.

Remuneration guidelines

The company's remuneration guidelines were updated and adopted by the AGM on 20 April 2023 ([Europris ASA - AGM](#)). There were no deviations from these guidelines in 2024.

The guidelines are designed to ensure that the group can recruit, develop and retain senior executives with relevant expertise. Remuneration should be motivational and in line with market practices. It comprises fixed and variable components, with the latter consisting of a short-term (annual) bonus and a long-term bonus programme spanning multiple years.

The variable remuneration scheme aligns the interests of senior executives with those of shareholders, as the long-term bonus is the dominant part of this scheme. This incentivises senior executives to commit to the group for the long term, with 50 per cent of the award being paid out in the fourth year after the financial year on which the award was based. Additionally, future payouts will be adjusted in line with the development of the share price, further strengthening the alignment between senior executives and shareholders. This share price adjustment is also considered an important mechanism for future performance, as it effectively serves as a clawback mechanism should the share price decline due to lack of results.

Variable remuneration is not included in the basis for calculating holiday pay or pension. The payout of variable remuneration in any one year can not exceed the annual fixed salary base at the time of payment. No variable remuneration will be paid until after the AGM has approved the annual accounts and report for the relevant financial year.

Directors' fees are not covered by the remuneration policy. The nomination committee proposes these payments for adoption annually by the AGM. Fees consist of fixed and pre-determined amounts. The board of Europris ASA does not include employee representatives, but has observers from the Europris AS board. These employee observers are therefore not covered by this report. However, it may be noted that fees for employee directors of Europris AS are fixed and determined annually.

In accordance with the remuneration guidelines approved by the AGM on 20 April 2023, the board may annually approve a restricted share programme for senior executives. This programme has been implemented to strengthen an aligned ownership culture between shareholders and senior executives at limited cost to the company, and was run in 2024.

Information on shareholder voting

The remuneration report for 2023 was approved at the AGM on 30 April 2024, with 60.5 per cent of votes casting in favour.

Changes in group management

The group has established a new segment (segment Sweden); however, the current group management (group CEO and CFO) has been overall responsible during the transition period this segment is undergoing. There have been no changes to the group management in 2024.

Dismissal and severance scheme

The CEO can be asked to leave the company immediately if this is considered to be in the group's best interest. To compensate for the removal of protection against dismissal, the CEO has a severance scheme which entitles the right to receive 12 months' salary upon dismissal.

Exercise of the right to reclaim

When a senior executive resigns, they no longer have a right to receive any previously awarded variable remuneration which has not already been paid. Nor will any new awards of variable remuneration be made under such circumstances. Should the company dismiss a senior executive, awarded but not yet paid remuneration will be held back. No reclaims were made in 2024.

2. Total remuneration

Remuneration of directors

Directors' fees are determined annually by the AGM and consist only of fixed and pre-determined amounts. Fees paid during the financial year are included as remuneration of directors in the table below. In addition to this, directors are reimbursed for any expenses incurred on the group's behalf, such as travel costs. Since these reimbursements are confined to actual expenses incurred and are minor, they have not been included in the table below.

Table 2: Remuneration of directors.

Figures in NOK 1,000 Name of director, position(s)	Year	Annual fee	Remuneration committee	Audit Committee	Total fee	Comment
Tom Vidar Rygh, chair of the board, chair remuneration committee, member audit committee	2024	620,0	39,5	65,5	725,0	
	2023	590,0	37,5	57,0	684,5	
Hege Bømark, director, chair audit committee	2024	326,0		101,0	427,0	
	2023	310,0		88,0	398,0	
Bente Sollid, director, member remuneration committee	2024	326,0	27,5		353,5	
	2023	310,0	26,0		336,0	
Pål Wibe, director	2024	326,0			326,0	
	2023	310,0			310,0	
Jon Martin Klafstad, director	2024	326,0			326,0	
	2023				0,0	Appointed at the AGM in 2023
Susanne Holmström, director	2024				0,0	Appointed at the AGM in 2024
	2023				0,0	
Claus Juel-Jensen, director, member audit committee	2024	326,0		65,5	391,5	Left the board in October 2024
	2023	310,0		57,0	367,0	
Tone Fintland, director, member remuneration committee	2024	326,0	27,5		353,5	Left the board at the AGM in 2024
	2023	310,0	26,0		336,0	
Karl Svensson, director	2024				0,0	
	2023	310,0			310,0	Left the board at the AGM in 2023

Remuneration of senior executives

Remuneration of senior executives is presented in the table below. In addition, they have been reimbursed for any expenses incurred on the group's behalf, such as costs related to travel. Other minor expenses covered or benefits received, such as free phone, insurance coverage, home PC, tablet, free broadband and newspapers, have been limited and are therefore not included in the table below.

Table 3: Remuneration of senior executives.

Figures in NOK 1,000 Name, position	Year	Fixed remuneration			Variable remuneration		Extra-ordinary items	Pension expense	Total remun.	Proportion of remun.	
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable				Fixed	Variable
Espen Eldal, CEO	2024	4,376	0	0	0	1,582	0	150	6,108	74%	26%
	2023	4,175	0	0	1,575	1,094	0	132	6,976	62%	38%
Stina Byre, CFO	2024	2,300	0	147	0	305	0	150	2,902	89%	11%
	2023	2,016	0	148	513	111	0	132	2,920	79%	21%

Base salary: Base salary consists of fixed salary, in addition to holiday pay. The fixed annual salary is adjusted yearly at 1 April.

Fees: No fees have been paid during the financial year.

Fringe benefits: Fringe benefits include either a fixed car allowance paid during the financial year or the amount added to the salary from the benefit of having a car where the cost is covered by the group.

Extraordinary items: No extraordinary items have been paid during the financial year.

Pension expense: The group has established an occupational pension scheme in accordance with the Norwegian Occupational Pensions Act. In addition comes an individual pension scheme based on the annual base salary. All pensions paid during the financial year are included as pension expense.

One-year variable (short-term) bonus: The short-term bonus is a maximum amount of 4.5 months of gross pay for the CEO and three months of gross pay for other senior executives (note: gross pay means the annualised salary at 31 December in the reporting year). Where 2024 is concerned, 80 per cent of the short-term bonus was based on the development of EBIT. Fifty per cent of the bonus is to be awarded if the budget is met, with a linear increase to 100 per cent if the budget is exceeded by five per cent. The remaining 20 per cent of the short-term bonus was based on individual targets, and these were related KPIs from the ESG strategy.

In 2024, the actual EBIT was just below the budgeted EBIT, and thereby no award was made for this bonus criterion. When the EBIT target is not met, no reward will be made for other individual targets either, even if the target was met. Therefore, there were no rewards for any of the short-term bonus criteria in 2024. Short-term bonus included as remuneration in this report (see table 3) is the amount awarded for the relevant financial year. See table 4 for awards relating to EBIT performance and the individual ESG targets.

Table 4: Performance related to short-term bonus.

Short-term bonus, 2024	Bonus criteria	Relative weighting of the performance criteria	Award for performance criteria	Total award outcome for performance criteria
Espen Eldal, CEO	EBIT performance	80 %	0 %	0 %
	Social	10 %	0 %	0 %
	Environment	10 %	0 %	0 %
	Total	100 %		0 %
Stina Byre, CFO	EBIT performance	80 %	0 %	0 %
	Social	10 %	0 %	0 %
	Environment	10 %	0 %	0 %
	Total	100 %		0 %

Multi-year variable (long-term) bonus: This part of the bonus scheme has a maximum award of nine months of gross pay for the CEO and up to six months for other senior executives (note: gross pay means the annualised salary at 31 December in the reporting year). The only criterion for the long-term bonus is EBIT development by the group (based on an organic group structure). Bonus will be awarded if EBIT for the relevant financial year exceeds the previous year's EBIT after adjusting for the change in CPI, with a linear increase to 100 per cent award if EBIT reaches 105 per cent or more of the budgeted level. Organic EBIT in 2024 grew by 3.4 per cent compared with the year before, thereby exceeding the change in CPI, which rose by 2.2 per cent. The total award related to the long-term bonus in 2024 was 16.5 per cent.

To ensure alignment with shareholders, payment is split 25-25-50 per cent over the respective years. The final and largest payment (50 per cent) is made in the fourth year after the financial year of which the award was based upon. To strengthen alignment with shareholders even further, actual payments are adjusted in accordance with the development of the share price. This is measured as the volume-weighted average share price during the week after the AGM, adjusted for dividend paid. Based on this principle, the share price increased by 3.4 per cent from 2021 to 2022, increased by 49.1 per cent from 2022 to 2023 and decreased by 0.9 per cent from 2023 to 2024.

Long-term bonus included as remuneration in tables 3 and 5 is based on two elements: i) the amount awarded for the financial year and ii) any adjustments to previously awarded bonuses owing to changes in the share price (as described above) affecting the amount that was paid in the relevant financial year.

Table 5: Performance related to long-term bonus.

Long-term bonus for senior executives, 2024		NOK 1,000
Espen Eldal, CEO	Awarded long-term bonus for 2024 (payable 2026, 2027 and 2028)	543
	Adjusted pay-out in 2024 on previous awards from changes in share price	1,038
	Total	1,582
Stina Byre, CFO	Awarded long-term bonus for 2024 (payable 2026, 2027 and 2028)	197
	Adjusted pay-out in 2024 on previous awards from changes in share price	107
	Total	305

3. Restricted share programme

Senior executives have been offered participation in a restricted share programme with an annual investment ceiling of NOK 500,000. Financing is borne by the participants – in other words, the group provides no credit or financing. This programme is subject to annual approval by the board.

Shares acquired through this programme are subject to a three-year lock-up period. Lock-up applies also in the case that a senior executive should leave the company. Each restricted share will be issued

at a purchase price corresponding to the volume-weighted average price of the company's shares on the Oslo Stock Exchange during the 10 trading days before the award, adjusted for the reduction in value from the three-year transfer restriction. The reduced value applicable to the programme run in 2024 was calculated by an independent law firm using the Black & Scholes methodology and was set at 14 per cent. The number of restricted shares to be issued is calculated by dividing the amount being invested by the calculated purchase price, rounded down to the nearest whole share.

The programme for 2024 was completed on 21 May 2024. The market price for the shares – in other words, the volume-weighted average for the 10 trading days (2-16 May 2024) before the allocation date – was NOK 69.39. The purchase price, adjusted for the reduced value from the sales restrictions, was NOK 59.67.

Table 6: Investment in company shares.

Share program 2024 Name, position	Investment amount, NOK 1,000	Market value of shares, NOK 1,000	Number of shares acquired	Comment
Espen Eldal, CEO	500	581	8,378	Acquired through Knipen AS
Stina Byre, CFO	350	407	5,865	

4. Comparative information

Table 7 below illustrates change in remuneration historically. Larger elements that have affected variable remuneration to senior executives over the past years have been:

- long-term variable remuneration for senior executives was first introduced for the 2019 financial year, leading to an increase in variable remuneration compared to previous years
- strong results following the outbreak of the Covid-19 pandemic and a substantial increase in retail demand led to a growth in variable remuneration, with the long-term bonus awarded in full for 2020 and 2021, while there were no awards for 2022 and 2023, and a partial award in 2024
- the share price has risen substantially in recent years, thereby increasing the payout of long-term variable remuneration previously awarded

In table 7, the organic EBIT change has been included when comparing 2024 to 2023, as this forms the basis for variable remuneration. With regards to change in average remuneration of employees, the organic change has also been included to make comparison meaningful as the average remuneration for an employee is lower for the Swedish operations than the Norwegian.

Table 7: Comparative table for remuneration and group financial performance.

Annual change in remuneration paid, per cent	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	Comment
Directors						
Tom Vidar Rygh	2,9%	3,0%	3,6%	3,6%	5,9%	Began 2015
Hege Bømark	3,6%	2,9%	7,0%	4,2%	7,3%	Began 2015
Bente Sollid	3,8%	2,9%	5,2%	4,3%	5,2%	Began 2015
Pål Wibe	na	na	4,9%	4,4%	5,2%	Began 2020
Jon Martin Klafstad	na	na	na	na	na	Began 2023
Susanne Holmström	na	na	na	na	na	Began 2024
Claus Juel-Jensen	3,8%	2,9%	24,4%	4,3%	6,7%	Board member from 2017-2024, audit committee from July-21
Tone Fintland	3,8%	2,9%	5,2%	4,3%	5,2%	Board member from 2017 - 2024
Karl Svensson	na	2,9%	4,9%	4,4%	na	Board member from 2019 - 2023
Senior executives						
Espen Eldal, CEO	130,2%	16,1%	-29,8%	21,9%	-12,4%	CFO until 26.03.20, acting CEO as of 27.03.20 and CEO as of 29.04.20
Stina Charlene Byre, CFO	n/a	n/a	-15,6%	10,8%	-0,6%	Began 18.01.21
Company performance						
EBIT* - change vs year before	88,7%	29,8%	-4,7%	-10,1%	3,4%	Basis for short- and long-term bonus (short based on performance vs budget, long based on performance vs last year)
Share price development**	n/a	52,1%	3,4%	49,1%	-0,9%	Basis for adjustment of previously awarded long-term bonus (first award for 2019 after AGM in 2020, with first payment after AGM in 2021)
Full-time equivalent employee (FTE)						
Average remuneration FTE***	4,8%	1,8%	4,1%	5,0%	5,8%	

* Based on adjusted EBIT for 2019. IFRS-16 was implemented from 2019. Organic EBIT change in 2024.

** Volume-weighted average share price the week after the AGM compared with the same period of the year before, adjusted for dividend paid.

*** Pay and pension expenses divided by the average number of FTEs, compared with the year before. Organic change in 2024.

Fredrikstad, 20 March 2025
THE BOARD OF DIRECTORS OF EUROPRIS ASA

5. Independent auditor's assurance statement



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To the General Meeting of Europris ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Europris ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2025
Deloitte AS

Stian Jilg-Scherven
State Authorised Public Accountant
(This document is signed electronically)

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