

Europpris

MER TIL OVERS

Q1 2025



EUROPRIS ASA

Content

Highlights 2025	3
Key figures	4
Period review.....	5
Financial review - group	6
Segment Norway.....	7
Segment Sweden.....	9
Outlook	10
Financial statements	11
Alternative performance measures	21

Highlights

Financials for segment Sweden are included with effect from 1 May 2024, following completion of the acquisition of ÖoB. Comparisons on an organic level exclude the acquisition, and organic figures are hence comparable across the reporting periods.

First quarter 2025

The first quarter was adversely impacted by timing of Easter and unrealised impacts from currency hedges compared to last year. Adjusted for this, Norway continued to show solid performance with growth in sales and gross margin. The integration process in Sweden is progressing according to plan, but as previously communicated the turnaround will take time.

- Group sales of NOK 2,938 million, up 45.0 per cent
 - » Organic sales growth of 1.2 per cent - estimated negative effect of 4-5 percentage points from timing of Easter and one less calendar day compared to the leap year 2024
- Gross margin of 38.7 per cent (43.3), mainly reflecting ÖoB acquisition and unrealised currency effects
 - » Organic gross margin of 42.9 per cent (43.3) – growth of 1.7 percentage points excluding impact from currency hedging due to unrealised loss of NOK 24 million (gain of 19)
- Opex-to-sales ratio of 31.1 per cent (29.5)
 - » Organic opex-to-sales ratio of 30.5 per cent (29.5)
- EBIT of NOK -37 million (+107) and EBIT margin of -1.3 per cent (+5.3)
 - » EBIT-loss in ÖoB of NOK 115 million
 - » Organic EBIT of NOK 78 million (107) and EBIT margin of 3.8 per cent (5.3)
 - » Organic EBIT improvement of NOK 14 million excluding effect of unrealised currency hedging
- Net profit of NOK -80 million (+47)
 - » Includes unrealised loss on interest rate swaps of NOK 3 million (gain 7)
- Net debt excluding lease liabilities of NOK 1,521 million (841)



Key figures

(Amounts in NOK million)

	Q1 2025	Q1 2024	FY 2024
GROUP KEY INCOME STATEMENT FIGURES			
Retail sales	2,770	1,865	12,002
Wholesale sales	147	139	630
Other	22	22	118
Total operating income	2,938	2,026	12,750
% growth in total operating income	45.0%	4.8%	34.7%
Cost of goods sold	1,802	1,148	7,437
Gross profit	1,136	878	5,313
Gross margin	38.7%	43.3%	41.7%
Opex	913	597	3,153
Opex-to-sales ratio	31.1%	29.5%	24.7%
EBITDA	224	281	2,160
EBITDA margin	7.6%	13.9%	16.9%
EBIT (Operating profit)	(37)	107	1,237
EBIT margin (Operating profit margin)	(1.3%)	5.3%	9.7%
Net profit	(80)	47	838
Profit attributable to owners of the parent	(80)	47	837
Earnings per share (in NOK)	(0.49)	0.29	5.15
GROUP KEY CASH FLOW AND BALANCE SHEET FIGURES			
Net change in working capital	(581)	(391)	(211)
Capital expenditure	45	49	138
Financial debt	5,161	3,641	4,784
Cash	147	186	603
Net debt	5,014	3,455	4,181
- Lease liabilities	3,493	2,614	3,461
Net debt ex lease liabilities	1,521	841	720
Cash and liquidity reserves	1,430	1,719	2,244

Period review

Europris saw the solid performance in Norway towards the end of last year continue in the first quarter 2025, reporting organic sales growth of 1.2 per cent despite the later timing of Easter and one less calendar day compared to the leap year 2024. This affected sales growth negatively by an estimated 4-5 percentage points.

The underlying gross margin improved in Norway, although reported figures were negatively affected by unrealised currency losses on hedging contracts. Stronger local currencies will isolated have a positive effect on cost of goods sold and the gross margin. However, as the group practices a six-month hedging strategy it will take some time before this materialises.

Status on the ÖoB integration process

The transformation of ÖoB and the integration process with Europris is progressing according to plan and will form a stronger foundation for future performance. As previously communicated, it will take time to restore ÖoB as an attractive shopping destination and to turn the negative development in footfall. The group is confident in its plans to upgrade categories, renewing the product range, and remodelling concepts and stores.

The financials in the first quarter continued to be impacted by a clearance sale cannibalising on other sales, negatively impacting the gross margin. The clearance sale will be finalised in the second quarter, leaving ÖoB with a higher-quality inventory and well prepared for upcoming category upgrades. As in Norway, the sales development was also adversely impacted by a later Easter and one less calendar day compared to last year.

ÖoB has in the first quarter prepared for upgrades of the kitchen, home & interior and DIY categories, to be finalised in the second quarter including updated product ranges. Other categories will follow later in the year and into next year. A more complete remodelling of the stores will begin with a pilot this summer, followed by

more test stores in the fall. These changes are expected to have a gradual positive effect on footfall, sales and margins.

Europris and ÖoB arranged a joint kick-off in February, to prepare all store managers for the spring/summer season. This type of event is important to build a shared culture across the group and boost employee motivation. A culture and leadership programme has been launched for the extended management group in Sweden to strengthen management capabilities and execution power across the organisation.

The group has updated its IT platform significantly over the past years, with a new ERP system, business intelligence system and point-of-sales system in Norway. These projects have been completed on time and within budget. After the acquisition of ÖoB the group has successfully implemented the new ERP and business intelligence systems also in Sweden, at a total cost of NOK 27 million up to and including the first quarter 2025. The modernisation journey will continue, with supply chain systems next in line. With a new and modern retail IT platform the group expects to operate more efficiently as a single entity in the future.

Financial review - group

Financials for segment Sweden are included with effect from 1 May 2024, following completion of the acquisition of ÖoB. Comparisons on an organic level exclude the acquisition, and organic figures are hence comparable across the reporting periods.

Profit and loss – first quarter

Total operating income amounted to NOK 2,938 million (2,026), with the 45 per cent increase mainly reflecting the acquisition of ÖoB. Organic sales amounted to NOK 2,050 million, an increase of 1.2 per cent. Negative effect on organic sales growth from the timing of Easter and one less calendar day compared to the leap year last year is estimated to 4-5 percentage points.

Gross profit amounted to NOK 1,136 million (878), with a gross margin of 38.7 per cent (43.3). The gross margin decline reflects the inclusion of ÖoB, which had a dilutive margin effect of 4.2 percentage points. In addition, the group recognised a net unrealised loss of NOK 34 million on hedging contracts and accounts payable, compared to a net unrealised gain of NOK 19 million in the same period last year. This impacted the gross margin change negatively by 2.1 percentage points. The organic gross margin declined slightly to 42.9 per cent (43.3), but improved 1.7 percentage points excluding unrealised currency hedging effects.

Operating expenditure (Opex) was NOK 913 million (597), with organic opex increasing 4.8 per cent to NOK 626 million. The number of directly operated stores increased from 258 to 264. The opex-to-sales ratio was 31.1 per cent (29.5), whereas the organic opex-to-sales ratio was 30.5 per cent (29.5).

EBITDA was NOK 224 million (281), corresponding to an EBITDA margin of 7.6 per cent (13.9). Organic EBITDA was NOK 254 million, a decrease of NOK 27 million or 9.5 per cent, with an organic EBITDA margin of 12.4 per cent (13.9).

Negative **EBIT** of NOK 37 million (positive 107), corresponding to an EBIT margin of -1.3 per cent (+5.3), impacted by an EBIT loss of NOK 115 million in ÖoB. Organic EBIT was NOK 78 million, a decrease of NOK 29 million or 26.6 per cent, with an organic EBIT margin

of 3.8 per cent (5.3). Excluding impact from unrealised currency hedging, organic EBIT increased by NOK 14 million.

The group recognised a net unrealised loss on interest rate swaps amounting to NOK 3 million (gain 7).

Net profit was negative with NOK 80 million (positive 47).

Earnings per share was negative with NOK 0.49 (positive 0.29).

Cash flow

Cash flow from operating activities was negative at NOK 544 million (negative 280). The development mainly reflects net changes in working capital.

Net change in working capital in the first quarter was negative at NOK 581 million (negative 391), impacted by a planned inventory build-up to improve service level in the stores and higher seasonal inventories.

Net cash from financing activities was positive at NOK 127 million (negative 161), reflecting increased credit facilities.

Capital expenditure was NOK 45 million (49).

Net change in cash was negative at NOK 457 million (negative 490).

Financial position and liquidity

Financial debt amounted to NOK 5,161 million (3,641). Adjusted for lease liabilities, financial debt amounted to NOK 1,668 million (1,027).

Net debt amounted to NOK 5,014 million (3,455). Adjusted for lease liabilities, net debt was NOK 1,521 million (841).

Cash and liquidity reserves for the group amounted to NOK 1,430 million (1,719).

Segment Norway

Key figures

(Amounts in NOK million)

	Q1 2025	Q1 2024	FY 2024
Total operating income	2,050	2,026	9,878
% growth in total operating income	1.2%	4.8 %	4.3%
Cost of goods sold	1,170	1,148	5,467
Gross profit	880	878	4,411
Gross margin	42.9%	43.3%	44.7%
Opex	626	597	2,379
Opex-to-sales ratio	30.5%	29.5%	24.1%
EBITDA	254	281	2,032
EBITDA margin	12.4%	13.9%	20.6%
EBIT (Operating profit)	78	107	1,339
EBIT margin (Operating profit margin)	3.8%	5.3%	13.6%
EUROPRIIS CHAIN KEY FIGURES			
Total chain sales	1,926	1,929	9,323
% growth in total chain sales	(0.2%)	6.3%	4.2%
% growth in like-for-like chain sales	(0.9%)	5.0%	3.5%
Total number of chain stores at end of period	285	282	283
- Directly operated stores	264	258	260
- Franchise stores	21	24	23
PURE PLAY			
Sales	145	145	831

Profit and loss summary

Sales for segment Norway totalled NOK 2,050 million in the first quarter, with the increase of 1.2 per cent primarily impacted by franchise take-overs. Compared to the same period last year, the later timing of Easter and one less calendar day due to the leap year last year had a combined estimated negative impact of NOK 80-100 million.

Gross profit was NOK 880 million, with a gross margin of 42.9 per cent, a decline of 0.4 percentage points. Excluding the impact of unrealised currency hedging the gross margin improved by 1.7 percentage points. The product mix contributed positively to the margin development.

Operating costs increased by 4.8 per cent to NOK 626 million. The increase mainly reflects more directly operated stores, and opex generally remains under good control.

EBIT amounted to NOK 78 million, down from NOK 107 million last year. Excluding the impact from unrealised currency hedging EBIT increased by NOK 14 million year-on-year.

The Europris chain

The Europris chain delivered higher footfall but a marginal sales decline of 0.2 per cent in the first quarter. A mild winter and early spring adversely impacted sales of typical winter products, compensated by increased sales of typical spring products.

Category upgrades continue to play an important role in maintaining the attractiveness and relevance of the Europris concept. The home & interior category was upgraded in March and got off to a good start.

The group continues to leverage social media trends, with the introduction of the popular “Dubai” chocolate as one example in the first quarter. The launch was supported by substantial efforts from store employees on social media and generated increased footfall and sales.

Europriis opened three new stores in the first quarter, at Bekkestua and in Asker in the greater Oslo area, and in Kristiansand. These stores are all centrally located, in line with the strategy to increase the number of stores in more densely populated areas. One of the three stores in Tromsø was closed towards the end of the quarter for commercial reasons. Four stores were modernised during the first quarter. At the end of the quarter the total number of stores was 285, of which 264 directly operated and 21 franchises. The board has approved an additional eleven stores for 2025 and beyond, of which four are subject to a planning permission process.

Pure play companies

Sales in the pure play companies amounted to NOK 145 million in the first quarter, which was unchanged

from the first quarter last year. Lunehjem was divested on 2 January 2025, reflecting that the concept was not a strategic match to the group, and that it offered limited synergy potential and a relatively small contribution to overall sales.

Adjusted for the divestment of Lunehjem the pure play sales grew by 3.2 per cent, reflecting higher sales in Norway in Lekekassen and higher international sales in Strikkemekka.



Segment Sweden

Key figures

(Amounts in NOK million)

	Q1 2025	Q1 2024	FY 2024
Total operating income	888	-	2,873
Cost of goods sold	632	-	1,971
Gross profit	257		902
Gross margin	28.9%	-	31.4%
Opex	287	-	774
Opex-to-sales ratio	32.3%	-	27.0%
EBITDA	(30)	-	128
EBITDA margin	(3.4%)	-	4.5%
EBIT (Operating profit)	(115)	-	(102)
EBIT margin (Operating profit margin)	(13.0%)	-	(3.6%)
ÖoB CHAIN KEY FIGURES			
Total chain sales	850	-	2,868
Total number of chain stores at end of period	93	-	93

Sales for segment Sweden totalled NOK 888 million in the first quarter. As in Norway, sales were negatively impacted by the timing of Easter and one less calendar day than last year.

Gross profit was NOK 257 million, corresponding to a gross margin of 28.9 per cent. Clearance sales ahead of category upgrades and a NOK 10 million unrealised loss on currency hedging contracts impacted negatively.

Opex amounted to NOK 287 million, with an opex-to-sales ratio of 32.3 per cent. This included opex of NOK 8 million related to the implementation of a new cloud-based ERP system which is expensed as opex and not capitalised. EBIT showed a loss of NOK 115 million.

The total number of stores was 93 at 31 March 2025, all directly operated.

Outlook

The geopolitical climate for international trade and cooperation is in uncharted territory, with increased uncertainty for development in interest rates, currencies and potentially cross-border sourcing. The group monitors the situation closely.

The Europris concept has remained resilient in challenging times for many consumers, and the group is confident that the ÖoB concept in Sweden will attract more customers and sales with upgraded categories and a renewed product range in the years to come.

The average consumer saw improving real wages last year and wage negotiations indicate that this will be the case also this year. However, consumer sentiment also depends on debt and interest levels. While interest

rates have been lowered in Sweden, the expected rate cuts in Norway have been postponed. Although this might affect consumer spending negatively, the group believes it is well positioned in the prevailing macro conditions and is well prepared for the upcoming spring and summer season.

The integration of ÖoB in Sweden is progressing according to plan, and the first pilot with a fully remodelled store is expected to be ready before summer. The category upgrades will continue throughout 2025 and 2026, and will improve the customer experience and attract new customer segments over time. 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, 9 April 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

Q1 2025

Interim condensed consolidated statement of profit and loss

Figures are stated in NOK 1,000

	Notes	Q1 2025	Q1 2024	FY 2024
		Unaudited	Unaudited	Audited
Total operating income		2,938,173	2,026,201	12,750,259
Cost of goods sold		1,801,703	1,148,099	7,437,455
Employee benefit expenses		540,419	363,090	1,865,036
Depreciation	5	260,720	174,340	922,927
Other operating expenses		372,300	234,109	1,288,062
Operating profit		(36,968)	106,563	1,236,780
Net financial income (expense)		(62,905)	(32,812)	(201,704)
Profit/(loss) from associated companies		-	(10,976)	1,592
Change in fair value of option		-	-	32,309
Profit before tax		(99,873)	62,775	1,068,978
Income tax expense		(19,670)	16,225	230,940
Profit for the period		(80,203)	46,550	838,038
Profit attributable to non-controlling interests		56	(11)	802
Profit attributable to owners of the parent		(80,259)	46,561	837,236
Interim condensed consolidated statement of comprehensive income				
Profit for the period		(80,203)	46,550	838,038
<i>Items that subsequently may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations		5,019	253	11,652
Total comprehensive income		(75,184)	46,803	849,690
Comprehensive income attributable to non-controlling interests		56	(11)	802
Comprehensive income attributable to owners of the parent		(75,240)	46,814	848,888
Earnings per share (basic and diluted - in NOK)		(0.49)	0.29	5.15

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 March 2025	31 March 2024	31 December 2024
		Unaudited	Unaudited	Audited
ASSETS				
Total intangible assets	5	3,260,961	2,855,620	3,225,084
Total fixed assets	5	3,945,889	3,018,191	3,906,721
Total financial assets	6	72,121	147,753	75,560
Total non-current assets		7,278,971	6,021,564	7,207,364
Inventories		3,714,419	2,296,768	3,292,289
Trade receivables		184,304	170,839	226,921
Other receivables	6	166,100	100,407	214,941
Option at fair value through profit or loss		-	101,789	-
Cash		146,880	186,279	603,362
Total current assets		4,211,703	2,856,082	4,337,514
Total assets		11,490,674	8,877,645	11,544,878
EQUITY AND LIABILITIES				
Total paid-in capital	8	308,341	235,171	308,341
Total retained equity		3,673,968	3,372,858	3,749,207
Total shareholders' equity		3,982,309	3,608,029	4,057,548
Non-controlling interests		45,806	50,564	51,299
Total equity		4,028,115	3,658,593	4,108,848
Provisions		64,020	62,507	56,060
Borrowings	6	998,266	1,021,900	1,018,516
Lease liabilities		2,573,886	2,006,441	2,566,863
Total non-current liabilities		3,636,171	3,090,848	3,641,439
Short-term liabilities				
Borrowings	6	669,604	5,000	304,480
Current lease liabilities		919,070	607,910	894,019
Accounts payable		1,197,939	782,813	1,255,066
Tax payable		125,897	118,022	248,193
Public duties payable		234,845	258,175	417,651
Put option liability		30,390	27,980	30,390
Other current liabilities	6	648,643	328,304	644,792
Total current liabilities		3,826,388	2,128,204	3,794,591
Total liabilities		7,462,559	5,219,052	7,436,031
Total equity and liabilities		11,490,674	8,877,645	11,544,878

Fredrikstad, 9 April 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 2025	166,969	(3,320)	51,652	93,039	3,749,207	4,057,548	51,299	4,108,848
Profit for the period	-	-	-	-	(80,259)	(80,259)	56	(80,203)
Other comprehensive income	-	-	-	-	5,019	5,019	-	5,019
Non-controlling interests from sale of subsidiary	-	-	-	-	-	-	-5 549	-5 549
At 31 March 2025	166,969	(3,320)	51,652	93,039	3,673,968	3,982,309	45,806	4,028,115

(unaudited)

	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	-	-	-	-	46,561	46,561	(11)	46,550
Other comprehensive income	-	-	-	-	253	253	-	253
At 31 March 2024	166,969	(5,922)	51,652	22,472	3,372,858	3,608,029	50,564	3,658,594

(unaudited)

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

Interim condensed consolidated statement of cash flows

Figures are stated in NOK 1,000

	Notes	Q1 2025	Q1 2024	FY 2024
		Unaudited	Unaudited	Audited
Cash flows from operating activities				
Profit before income tax		(99,873)	62,775	1,068,978
Adjusted for:				
Depreciation of fixed and intangible assets	5	260,720	174,340	922,927
Change in fair value of option		-	-	(32,309)
Share of profit/loss from associates		-	10,976	(1,592)
Changes in net working capital		(581,397)	(391,460)	(210,548)
Income tax paid		(123,311)	(136,875)	(251,645)
Net cash generated from operating activities		(543,861)	(280,243)	1,495,811
Cash flows from investing activities				
Purchases of fixed and intangible assets	5	(45,174)	(49,280)	(138,460)
Acquisition		4,799	740	19,047
Net cash used in investing activities		(40,375)	(48,540)	(119,413)
Cash flows from financing activities				
Net change overdraft and RCF (Revolving Credit Facility)		363,547	-	(142,005)
Repayment of debt to financial institutions		(25,250)	(19,942)	(24,405)
Principal paid on lease liabilities		(210,891)	(141,268)	(760,660)
Dividend		-	-	(523,559)
Sale of treasury shares		-	-	1,350
Dividends paid to non-controlling interests in subsidiaries		-	-	(78)
Net cash from financing activities		127,406	(161,210)	(1,449,357)
Net increase (decrease) in cash		(456,831)	(489,993)	(72,960)
Exchange gain (loss) on cash		349	-	-
Cash at beginning of period		603,362	676,323	676,322
Cash at end of period		146,880	186,331	603,362

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 three months ended 31 March 2025 were authorised for issue by the board on 9 April 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 three months ended 31 March 2025 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 2024.

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 2024. New standards and interpretations effective at 1 January 2025 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 2024, 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 and Strikkemekka are both individually below the threshold for being reportable and are integrated into the Norway segment.

Q1 2025

Figures are stated in NOK million

	Norway	Sweden	Total
Total operating income	2,050	888	2,938
Cost of goods sold	1,170	632	1,802
Gross profit	880	257	1,136
Opex	626	287	913
EBITDA	254	(30)	224
EBIT (Operating profit)	78	(115)	(37)
Gross margin (%)	42.9%	28.9%	38.7%
Opex-to-sales ratio (%)	30.5%	32.3%	31.1%
EBITDA margin (%)	12.4%	(3.4%)	7.6%
EBIT margin (%) (Operating profit margin)	3.8%	(13.0%)	(1.3%)
Inventory	2,747	967	3,714
Total assets	9,106	2,385	11,491

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 2025	474,677	21,225	116,087	3,294,733	74,529	591,387	2,475,761	7,048,397
Acquisition of subsidiaries	78	-	-	-	-	-	15,278	15,356
Exchange differences	1,320	-	232	17,579	414	2	6,258	25,805
Additions	44,652	-	(322)	233,131	928	-	-	278,389
Disposals	(158)	-	-	(4,506)	-	-	(13,446)	(18,111)
Depreciation	(28,608)	-	(1,304)	(222,924)	(7,849)	(23)	-	(260,708)
Carrying amount 31 March 2025	491,960	21,225	114,693	3,318,013	68,021	591,367	2,483,851	7,089,129

	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	5,911,763
Acquisition of subsidiaries	-	-	-	-	-	-	62	62
Additions	47,348	-	39	93,428	1,893	-	-	142,708
Disposals	-	-	-	(6,381)	-	-	-	(6,381)
Depreciation	(19,110)	-	(1,549)	(146,307)	(7,374)	-	-	(174,340)
Carrying amount 31 March 2024	408,771	21,225	106,219	2,481,977	72,913	591,267	2,191,440	5,873,811

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 March 2025		31 December 2024	
	Amortised cost	Nominal value	Amortised cost	Nominal value
Debt to financial institutions	998,266	1,000,000	1,018,516	1,020,250
First-year instalment non-current debt	-	-	5,000	5,000
Total	998,266	1,000,000	1,023,516	1,025,250

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

Overdraft facilities – off-balance sheet	31 March 2025	31 December 2024
Overdraft and multi-currency group account	746,300	737,200
Revolving facility loan	1,200,000	1,200,000
Guarantees	10,000	10,000
Total	1,956,300	1,947,200
Drawn guarantees and facilities	673,184	306,232
Undrawn overdraft facilities	1,283,116	1,640,968

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 March 2025	31 December 2024
Interest rate swaps	69,722	73,124
Foreign exchange contracts	-	16,516
Foreign exchange contracts	(46,714)	(10,212)
Total	23,009	79,428

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.

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. 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.

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. In total RuNor AS holds 3,393,576 shares, corresponding to 2.03 per cent of the share capital in Europris ASA.

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 294 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 291 million is allocated to goodwill.

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

Amounts are stated in NOK million

Total fixed assets	873
Inventories	763
Receivables	151
Cash	32
Total assets	1,819
Non-current liabilities	619
Current liabilities	1,092
Net assets	108
Goodwill	291
Net asset acquired	399
Consideration	
Amounts in NOK 1,000 million	
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 March 2025.

Change in number of treasury shares

Treasury shares 1 January 2025	3,319,636
Sale of treasury shares to senior executives	
Treasury shares 31 March 2025	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)	Q1 2025	Q1 2024	FY 2024
Total operating income	2,938	2,026	12,750
- Cost of goods sold	1,802	1,148	7,437
= Gross profit	1,136	878	5,313
Gross margin	38.7%	43.3%	41.7%

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)	Q1 2025	Q1 2024	FY 2024
Employee benefits expense	540	363	1,865
+ Other operating expense	372	234	1,288
= OPEX	913	597	3,153
Opex-to-sales ratio	31.1%	29.5%	24.7%

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)	Q1 2025	Q1 2024	FY 2024
Operating profit	(37)	107	1,237
+ Depreciation	261	174	923
= EBITDA	224	281	2,160
EBITDA margin	7.6%	13.9%	16.9%

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)	Q1 2025	Q1 2024	FY 2024
Change in Inventory	(399)	(151)	(347)
Change in accounts receivable and other current receivables	93	50	6
Change in accounts payable and other current debt	(276)	(290)	131
= Net change in working capital	(581)	(391)	(211)

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)	Q1 2025	Q1 2024	FY 2024
Purchases of fixed assets	44	47	130
Purchases of intangible assets	1	2	8
= Capital expenditure	45	49	138

Financial debt / net debt

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

(Amounts in NOK million)	Q1 2025	Q1 2024	FY 2024
Borrowings	998	1,022	1,019
Current borrowings	670	5	304
Lease liabilities	2,574	2,006	2,567
Current lease liabilities	919	608	894
= Financial debt	5,161	3,461	4,784
Cash	147	186	603
= Net debt	5,014	3,455	4,181

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)	Q1 2025	Q1 2024	FY 2024
Cash	147	186	603
+ Total facilities	1,956	1,536	1,947
- Total drawn	(673)	(2)	(306)
= Cash and liquidity reserves	1,430	1,719	2,244

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)	Q1 2025	Q1 2024	FY 2024
Sales directly operated stores	1,747	1,723	8,319
Sales franchise stores	178	206	1,004
= Total chain sales	1,926	1,929	9,323

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 and Strikkemekka.

Segment Sweden

The Sweden segment includes the ÖoB chain.

Pure play

Pure play includes the Lekekassen group and the Strikkemekka group.

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 significant structural changes (acquisitions or sale of companies). Segment Sweden has been excluded in organic growth for the group.

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