Q4 2020 presentation

4 February 2021

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Europris - Norway's #1 discount variety retailer

Europris MER TIL OVERS

Customers
- 36 million customer transactions in 2020
- Widely recognised brand and price position[1]
- Increasing market share and gaining new customers

Marketing
- 1 million leaflets in distribution
- 590 000 subscribers to digital newsletter
- 690 000 members in the Mer customer club

Stores
- Cost-efficient locations and operations
- 100% of like-for-like (LFL) stores profitable in 2020
- Track-record of 15 new or relocated stores p.a.

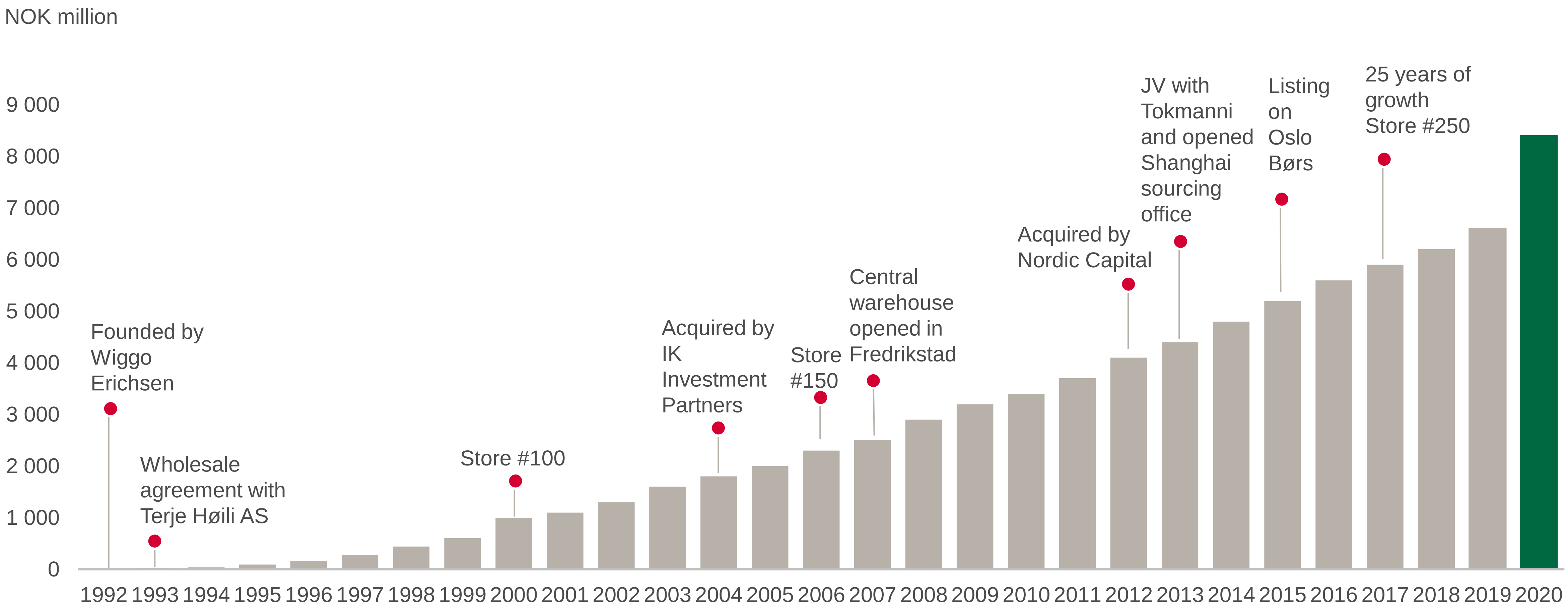
Logistics
- More than 40 years of wholesaler experience
- Efficient set-up and nationwide reach
- New modern central warehouse from mid-2019

Sourcing
- From more than 30 countries
- Pan-Nordic agreement with ÖoB and Tokmanni

266
Stores

[1] Mediacom annual market survey

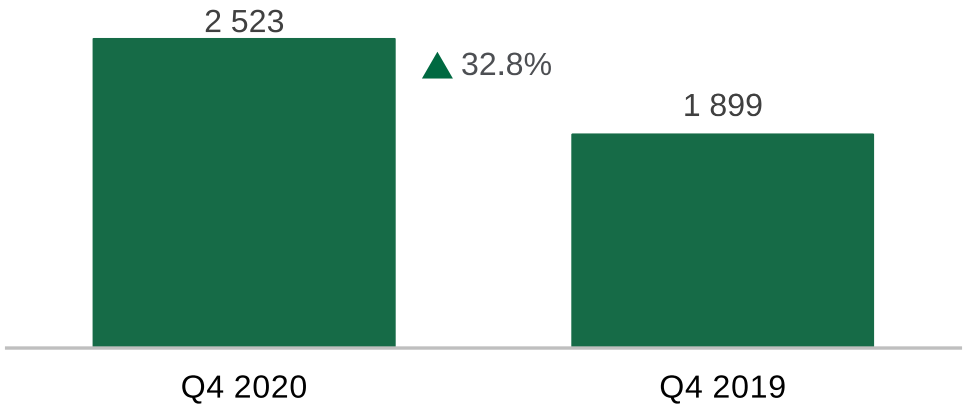
28 years of consecutive growth



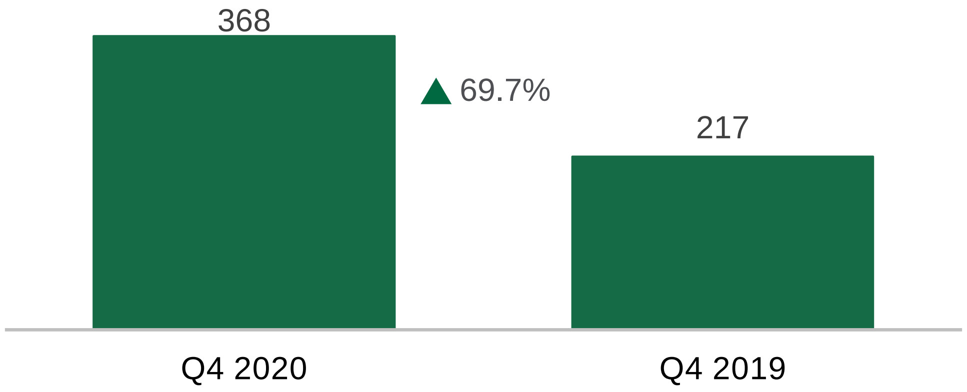
Highlights fourth quarter 2020

- Continued outperformance of a strong market
  - Positively affected by the Covid-19 situation
  - Solid merchandising with successful seasons and campaigns
- Gross margin increased to 45.7% (45.1%) owing to improved margin on seasonal goods
- Operational efficiency continued to improve
  - Opex-to-sales ratio decreased to 18.8% (21.4%)
  - Adjusted EBITDA rose by 50.3% to NOK 677 million
- Strong financial position
  - Cash and available credits of NOK 1,926 million (1,006)
  - Share buy-back programme of five million shares completed at a total cost of NOK 245 million

Group revenue (NOK million)



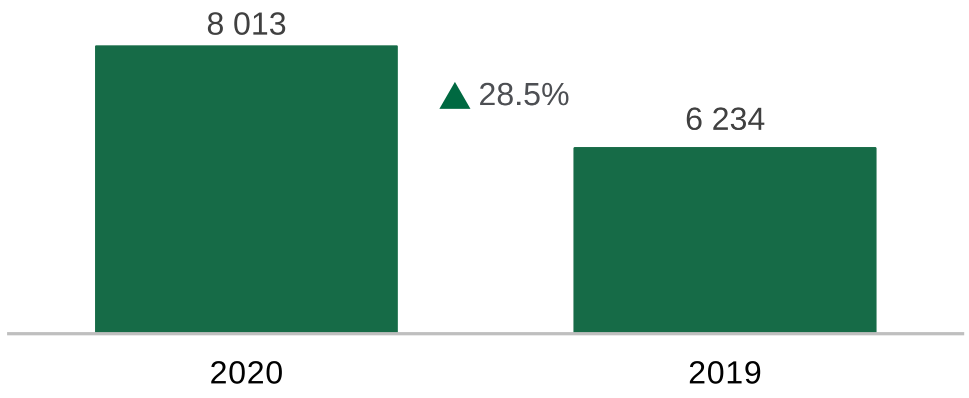
Adjusted net profit (NOK million)



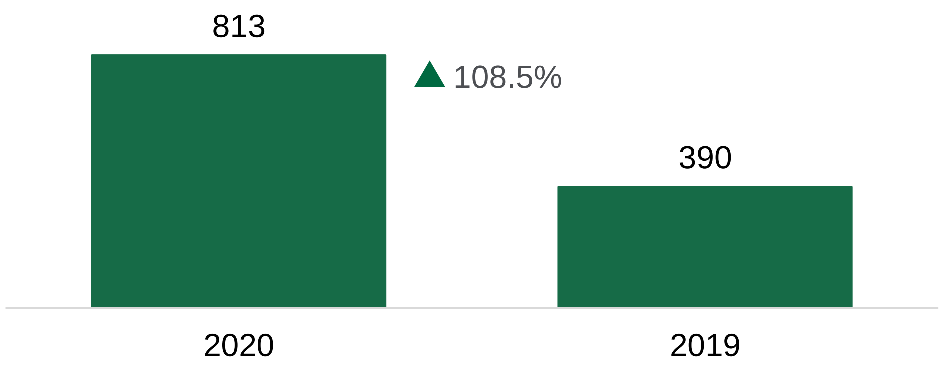
Highlights full-year 2020

- Strong performance in a different and challenging year
  - Growth driven by increased demand following Covid-19 and solid execution of seasons and campaigns
- Increased gross margin despite shift in demand towards groceries
  - Gross margin 43.8% (43.5%)
- High operational scalability and improved efficiency
  - Opex-to-sales ratio decreased to 22.0% (25.3%)
  - Adjusted EBITDA rose by 54.2% to NOK 1,748 million
- Espen Eldal appointed CEO of the group on 30 March and Stina Charlene Byre appointed as new CFO from January 2021

Group revenue (NOK million)



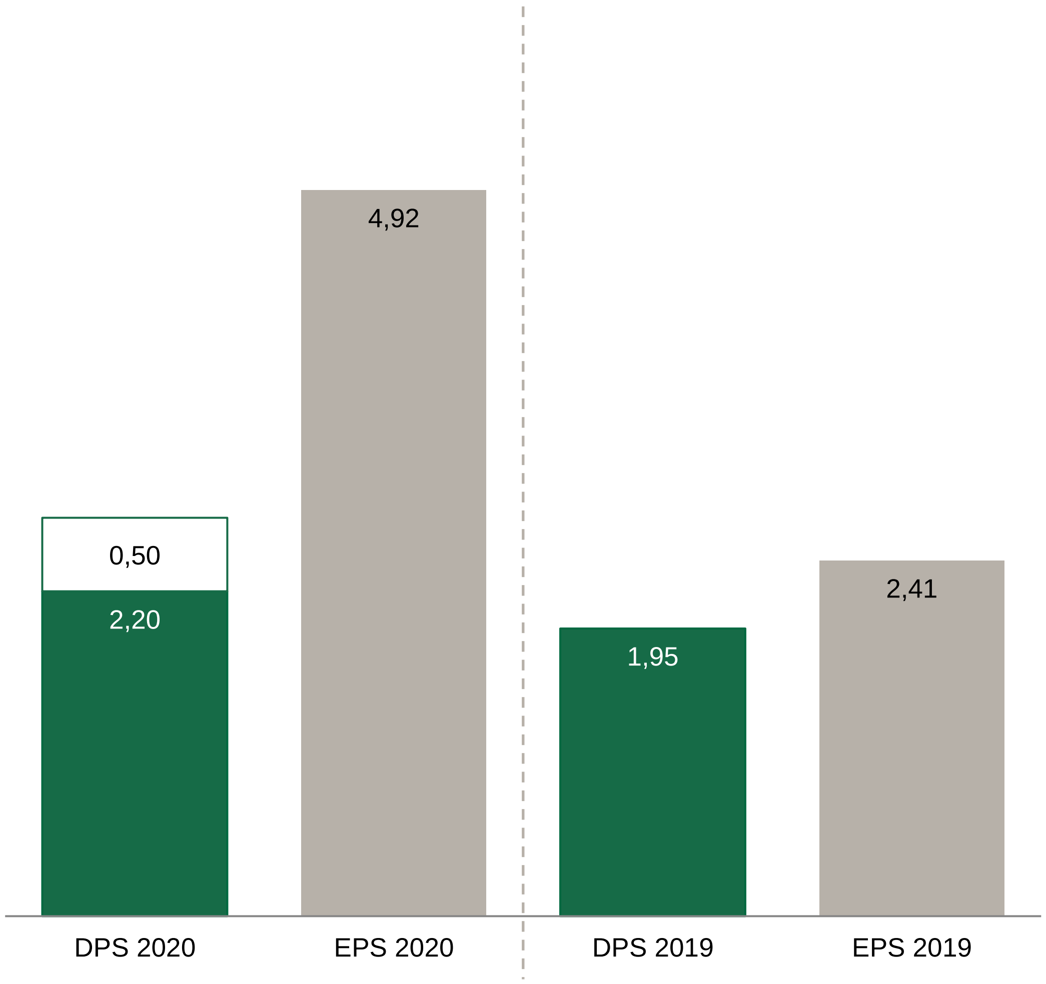
Adjusted net profit (NOK million)



Dividend, share buy-back and adjusted EPS

- The board of directors proposes an ordinary dividend of NOK 2.20 per share for 2020 (NOK 1.95)
  - Up 12.8% vs. last year
- To reflect the strong financial performance in an extraordinary year, the board proposes an additional dividend of NOK 0.50 per share
- During Q4, a share buy-back programme of 5 million shares was completed
- In total, dividend (NOK 451 million) and share buy-back (NOK 245 million) amounts to NOK 696 million, which represents 87.3% of the profit for 2020

Adjusted EPS and DPS (NOK)



Remarkable efforts from employees

- 36 million customers visited Europris stores in 2020
  - Handled by more than 2,000 store employees
  - No proven case of infection between employees and customers registered

- High number of employees worked from home
  - While operational efficiency continued to improve

- 2020 showed the Europris culture at its absolute best
  - Unique corporate culture, quickly adapting to changes

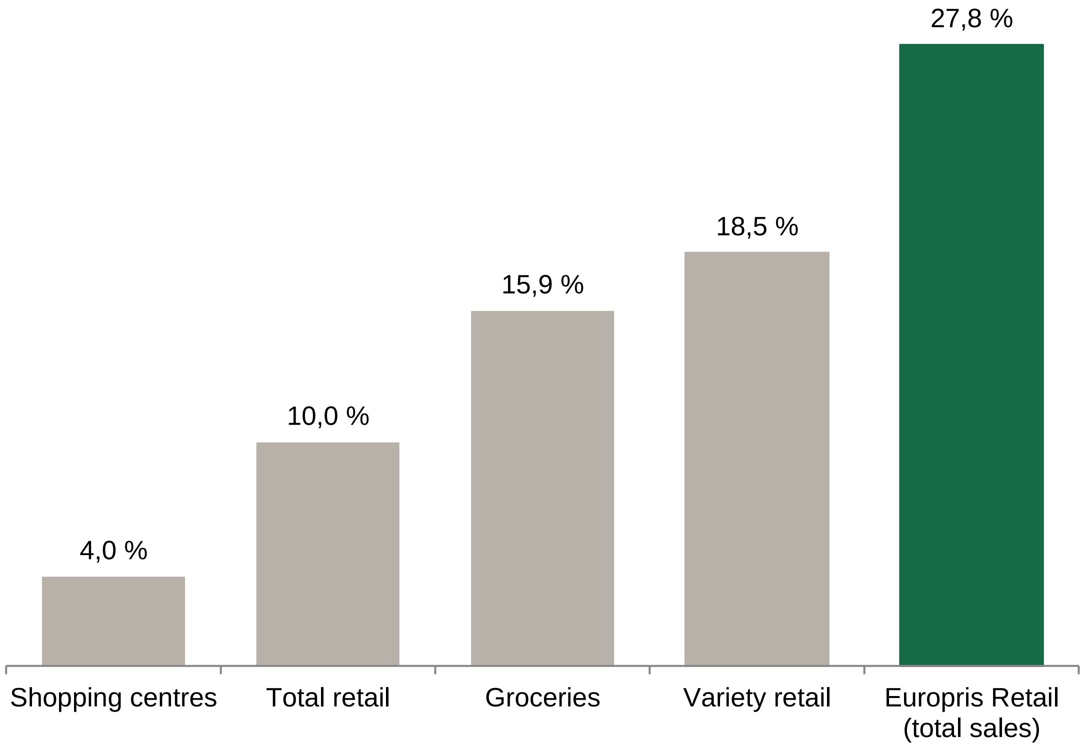
- Employees rewarded with an extra appreciation for extraordinary efforts during Covid-19

Outperforming a strong variety retail market

- Significantly outperforming the market in 2020
  - Gaining market share in a strong market
- National infection control measures including closed borders had a major impact on domestic consumption
- Europris' easily accessible store network and wide range of goods offers safe and convenient one-stop shopping
- Large variations between market segments
  - Variety retail is thriving

Total sales growth development*

Y-o-Y total growth as of end-December (%)



* Source: Kvarud analyse, Shopping Centre Index, Virke retail index (using figures reported by statistics Norway) and Europris

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Sales performance

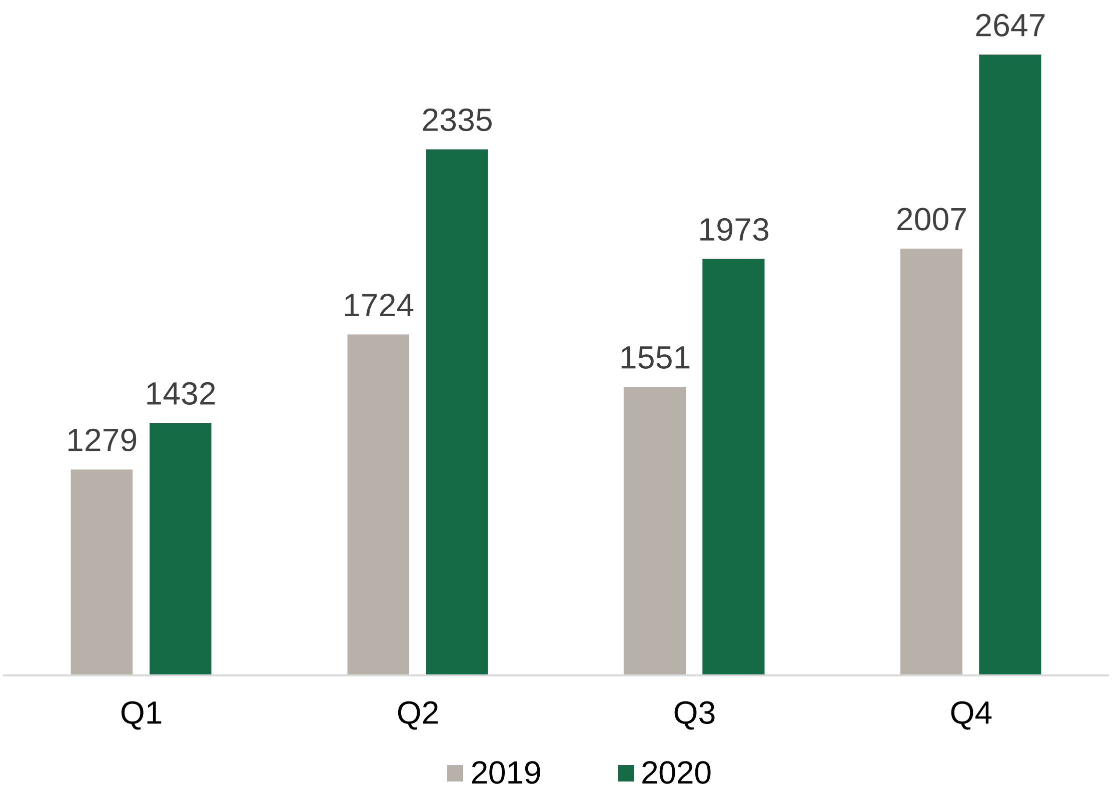
- Total retail sales* growth of 31.9% in Q4
  - 30.5% like-for-like retail sales* growth
  - Positive sales impact from Covid-19 infection control measures
  - Solid execution of seasons and campaigns

- Early start to the Christmas season
  - Very strong sales growth in two first months of Q4

- Strong sales growth across categories
  - A shift towards groceries

- Sales growth relatively evenly distributed between customers and basket
  - Basket increase driven by number of items per customer

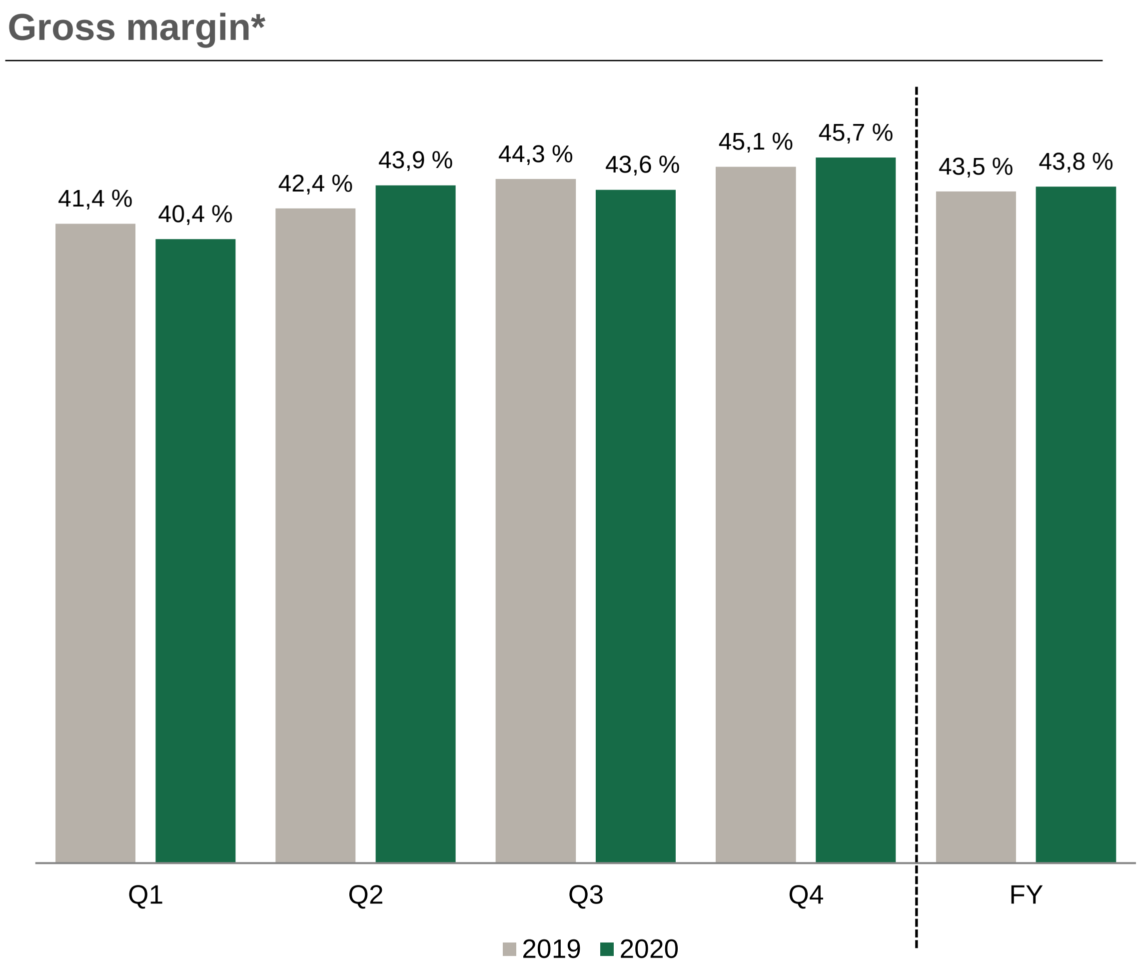
Retail sales* per quarter (NOK million)



* Retail sales from all stores, both directly operated by the group and the franchise stores (266 stores)

Gross margin development

- Gross margin* of 45.7% in Q4 2020 vs 45.1% in Q4 2019
- Improved margin on seasonal goods
  - Christmas products sold early in the season at ordinary prices
- Stocktaking and sugar tax
  - NOK 22 million (2) in positive calculation differences from annual stocktaking in the stores
  - Change in sugar tax from 1 January 2021 led to an inventory write-down of NOK 17.9 million for estimated loss

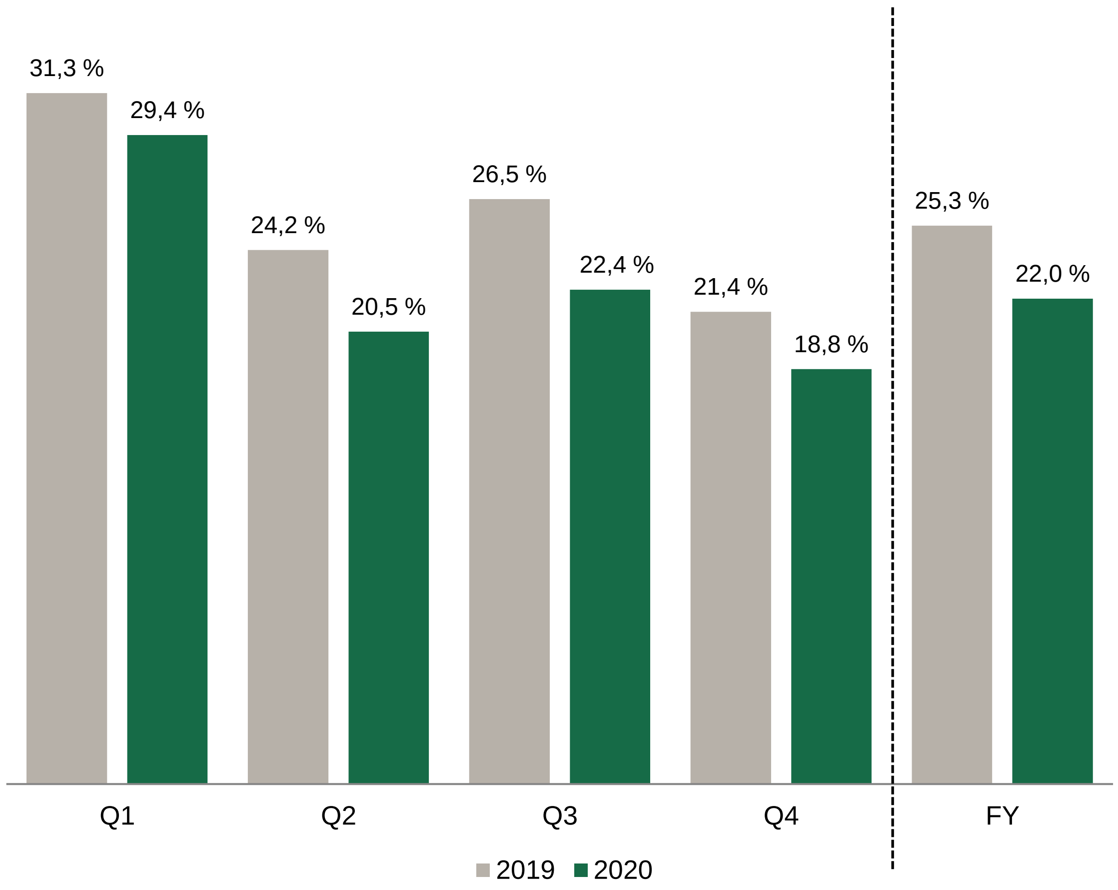


* Excluding unrealised foreign exchange loss

OPEX development

- OPEX* was NOK 475 million in Q4 2020 vs. NOK 407 million in Q4 2019, up by 16.7%
  - OPEX ratio was 18.8% (21.4%)
  - Lower ratio due to scale benefits from strong sales growth and cost control
- Number of directly operated stores increased from 231 to 237, up by 2.6%
- All staff rewarded for their extraordinary efforts during Covid-19
  - NOK 12 million expensed in Q4

OPEX* in % of group revenue

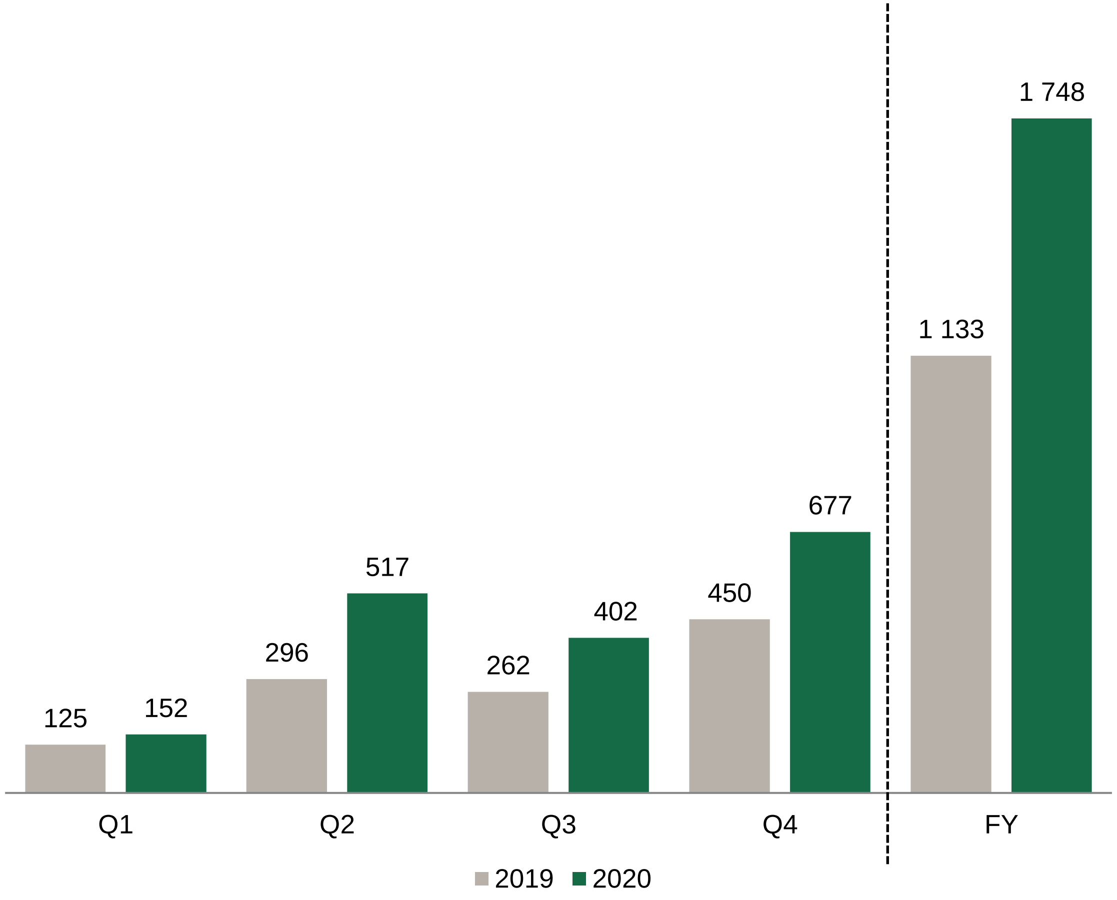


* Adjusted for non-reccurring items

Adjusted EBITDA development

- Adjusted EBITDA* was NOK 677 million in Q4 2020 vs NOK 450 million in Q4 2019, up by 50.3%
- Adjusted EBITDA* margin was 26.8% in Q4 2020 vs 23.7% in Q4 2019
- Adjusted EBITDA* affected by
  - High sales growth
  - Strong gross margin management
  - Continued good cost control

Adjusted EBITDA* (NOK million)



* Adjusted for non-reccurring items

Cash flow

- Net change in working capital in 2020 was positive at NOK 255 million (161)
  - Increased provisions for VAT and other accruals
  - Rise in accounts payable somewhat offset by higher inventory
- Net debt of NOK 2,306 million (3,092) as of 31 December
- Share buy-back programme of five million shares completed at a total cost of NOK 245 million in Q4
- Cash and available credits of NOK 1,926 million (1,006) at year-end

Cash flow, NOK million	**Q4 2020**	**Q4 2019**	**FY 2020**	**FY 2019**
Cash from operating activities	837	727	1,705	1,033
- of which change in net working capital	*238*	*339*	*255*	*161*
Cash used in investing activities	(22)	(61)	(112)	(160)
Cash from financing activities	(319)	(125)	(1,621)	(732)
Net change in cash	**496**	**541**	**(28)**	**141**
Cash at beginning of period	44	27	568	427
Cash at end of period	540	568	540	568

Our strategic focus areas

Strengthen price and cost position

Improve customer experience

Drive customer growth

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Strengthen price and cost position

Improve customer experience

Drive customer growth

Status on new warehouse transition

2019	• 1 May: Take over of new warehouse in Moss ✓ • Q2: Operation start in low-bay area. Start testing of high-bay automation ✓ • Q2: Lease expires at one small warehouse in Fredrikstad ✓
2020	• Q1: Operation start in high-bay area (mid February) ✓ • Q2: Lease expires at two smaller warehouses and at the second largest warehouse in Fredrikstad ✓ • Q3: Start testing of automation in low-bay area ✓
2021	• H1: Start of automated shuttle solution in low-bay area • Q3: All distribution out of the new warehouse in Moss – *changed from H1*
2022	• 28 February: Lease expires at the largest warehouse, Øra in Fredrikstad • Total reduction in opex/group revenue ratio expected between 0.75 to 1.25 percentage points after the transition period (estimated from 2017 figures)

Timeline is based on estimations as of Q4 2020

Automation in progress

- The new automated high-bay warehouse contributed positively to operations in Q4
  - Significant increase in storage capacity
  - Continuous progress since start of the system in Q1 2020
  - Proportion of rejected pallets has declined every month – approaching “best in class”
- Automatic shuttle system in low-bay will make picking of goods more efficient
  - Installation completed and testing began in Q4
  - First test milestone not passed and new test scheduled for Q1 2021
  - Access to foreign experts is limited as a result of Covid-19 and it may delay progress
  - Start of operation still scheduled for H1 2021

ÖoB financial and transaction update

- ÖoB grew sales by 4.1% in 2020 to SEK 4,186 million (4,022)
  - Growth driven by an increase in the basket while number of customers are slightly reduced
  - Suburban stores performing well while stores close to the Norwegian boarder and some city stores have experienced lower traffic
- EBITDA was SEK 68 million (75)*
  - Lower gross margin due to clearance of old stock, negative currency effects and increased distribution costs to stores
  - OPEX saving of SEK 10 million from renewed lease of central warehouse and headquarters
- Transaction submitted to external expert after due diligence disagreements on 2019 EBITDA
  - Forms the basis of the preliminary purchase price if option is exercised
  - Option period of six months from agreement on ÖoB’s 2019 financials

* Source: preliminary and unaudited figures, excluding IFRS 16 effects from ÖoB

Strengthen price and cost position

Improve customer experience

Drive customer growth

Continued development of the important seasons

- Successful implementation and development of the major seasons
- Europris is constantly developing better products and this year many Christmas items received very positive reviews
- Over time, Europris has gained significant product expertise within this important category
  - Detailed product knowledge and insight into the market and trends ensures the right quality and design
  - Sourcing inn collaboration with Tokmanni in Finland and ÖoB in Sweden ensures the best prices
- Experiences from the development and purchase of Christmas goods will be used in upcoming category projects

Hemsedal Christmas tree

Strengthen price and cost position

Improve customer experience

Drive customer growth

Drive customer growth

Store development

Comprehensive store development plan

- Relocation
- Upgrade
- Expansion
- New stores

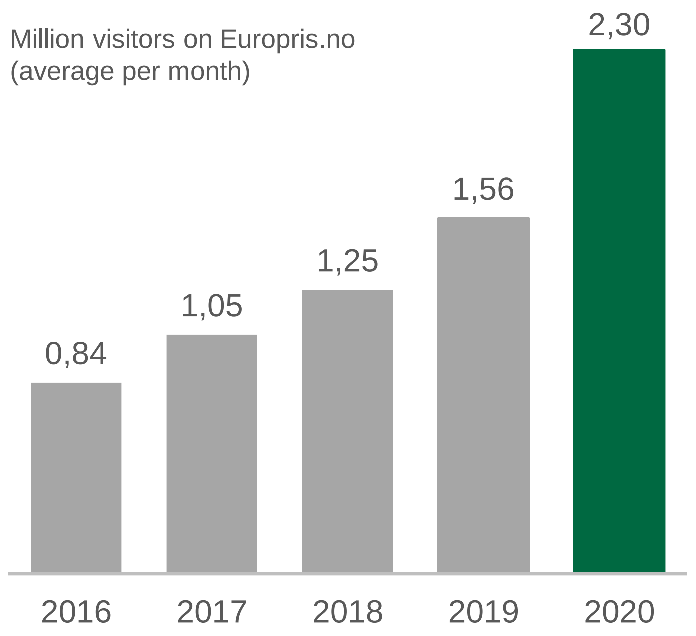
Long-term targets

- Net 5 new stores annually
- About 10 relocations annually
- About 10 refurbishments/modernisations annually

Grow e-commerce

New e-commerce platform in April 2020

- Simpler and flexible shopping solution
- Product range significantly expanded



Expand digital, data and e-crm

36 million sales slips in 2020:

Data used to:

- Improve campaign mix
- Strengthen and develop seasonal offering
- Understand and develop category strategies

Healthy pipeline of new stores

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- Two new store openings and one store closure in Q4
  - New store at Kongsberg Sølvparken, Viken
  - New city concept store at Løren, Oslo
  - Old store at Kongsberg Skollenborg closed

- Healthy pipeline of new stores
  - Two new stores added to the pipeline
  - Nine stores in pipeline for 2021 and beyond, including first city concept
    store in Norway's second largest city Bergen

- Update on the potential closure of the store at Grini, Viken
  - Court proceedings in Q4 with negative outcome for Europris
  - Europris has appealed this verdict and implementation will be deferred until a final judgement is reached

The opening day at Europris City Løren

Outlook

Outlook

- Strong development with profitable growth under current Covid-19 conditions
  - Europris has cemented its position as market leader in discount variety retail in 2020
  - Strong team performance by a unique corporate culture where change is part of the DNA
- Long-term effects of Covid-19 are still uncertain
  - Focus in 2020 on exceeding customers expectations while ensuring a safe and pleasant place to shop to make changed shopping patterns permanent
- Solid progress continued into 2021
  - Strong sales growth in the first month of the new year
  - Up to 31 stores has been temporarily closed in the period 23 January to 2 February
- Shortage of containers in the freight markets
  - Europris has a fixed agreement with a freight carrier for 2021
- Long-term financial and operational ambitions remain unchanged

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Be the *best* discount variety retailer *in Europe*

Fogra Reklamefoto

Q&A

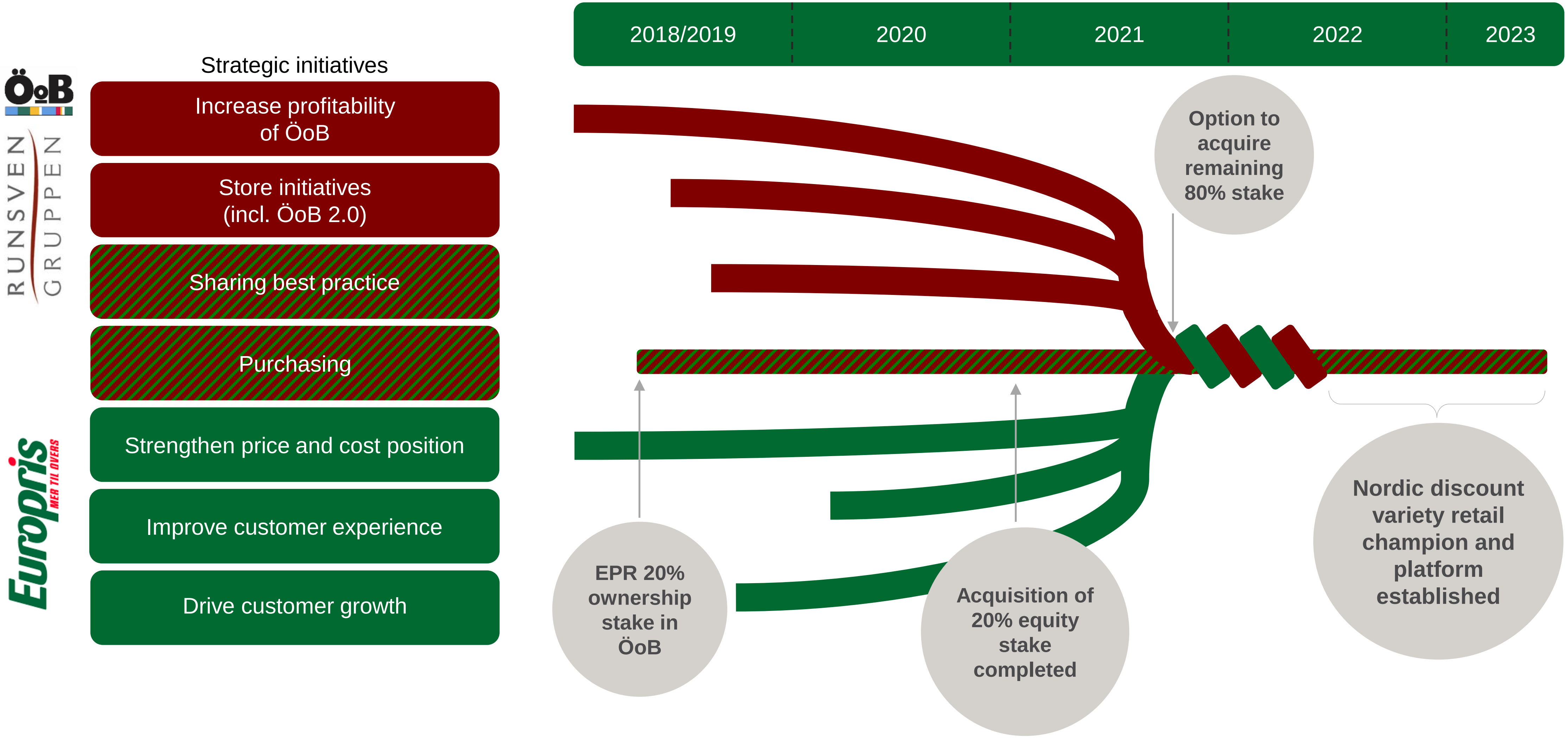
Next event: Q1 presentation 29 April 2021

Appendix

Content

A low-risk synergistic partnership today

Potential for true European scale tomorrow



Transaction highlights

20% initial stake in Runsven-gruppen AB	• Based on EV using fixed multiple of 7.7x actual EBITDA 2018 • Purchase price settled in Q4 at NOK 115 million based on ÖoB EqV of NOK 574 million • Shares acquired in the market by Europris at a total cost price of NOK 98 million • Share for share transaction, settled by treasury shares • 2.6% ownership stake in Europris (4,35m shares)
Option to acquire remaining 80% stake	• Exercisable in 2020 within six months after agreement on ÖoB's 2019 EBITDA • Based on EV using fixed multiple of 7.7x average 2019 and 2020 EBITDA • Share for share transaction
Lock-up	• Shares issued to sellers of ÖoB are subject to lock-up

Sales days and store projects

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2019	76	71	79	80	306
2020	77	72	79	80	308
2021	76	71	79	81	307

Number of store projects (franchise projects in brackets)

2020	Q1	Q2	Q3	Q4	Total
New stores	1	-	1	2	4
Store closures	-	1	-	1	2
Relocations	1	-	1	-	2
Modernisations	2	5	2	2(1)	11(1)

2021E	Q1	Q2	Q3	Q4	Total
New stores	1	1	2	2	6
Store closures	-	-	-	-	-
Relocations	1	2	1	2	6
Modernisations	4	3	2	3	12

Note: Number of projects in 2021 is a moving target, and is subject to change during the year based on operational considerations. An updated view will be presented during the quarterly presentations going forward

Analytical info[1]

Seasonality	• As rule-of-thumb, the Easter impact is approximately NOK 50 million in revenue and NOK 10 million of EBITDA
Quarterly OPEX	• As rule-of-thumb, OPEX in year ago quarter + inflation + NOK 1.5 – 1.6 million per extra directly operated store (DOS)
CAPEX	• New store – NOK 2.3 million per store (5 per year) • Relocation – NOK 1.5 million per store (10 per year) • Modernisation – NOK 1.0 million per store (10 per year) • Category development – NOK 10 million per year • IT & Maintenance – NOK 35 million per year
Estimated one-time CAPEX items 2020	• New warehouse of approximately NOK 7 million (IT, system integration, fixtures and fittings)

[1] All figures are approximations and subject to change without further notice

Analytical info: New warehouse

NOK million	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	2021	2022
Investments								
IT, office equipment and other (Capex)	28	1.5	3.9	1.0	1.9	8.3	~	~
Automation, part 1 (lease)	52	15.9		2.8	9.4	28.1	~	~
Automation, part 2 (Capex)	65	1.5	21.6	0.6	0.4	24.4	~39.1	~

Automation part 2 has been delayed to 2021 and the estimated Capex has increased by 9.8 per cent to NOK 128.5 million owing to currency changes.
Depreciation of automation part 2 starts in H1 2021.

OPEX items

NOK million	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	2021	2022
Ordinary rent	68	17.9	17.1	16.3	16.1	67	~55	~39
Redundant warehouse capacity in 2019/2020 and Øra lease from H2 2021 (lease ends March 2022)	14	2.9	3.4	~	2.2	9	~15	~
Non-recurring moving expenses	5	2	1.5	0.5	~	4	~3-5	~

No material changes from previous estimates, but part of the rent to be paid in 2021 has been reclassified to from non-recurring to ordinary rent.

Alternative performance measures (APMs)

APMs are used by Europris for annual and periodic financial reporting in order to provide a better understanding of Europris financial performance and are also used by management to measure operating performance. In the discussion of the reported operating results, financial position and cash flows, Europris refers to these measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Europris management makes regular use of these Alternative Performance Measures and is of the opinion that this information, alongside with comparable IFRS measures, is useful to investors who evaluate the group's financial performance. APMs are adjusted IFRS figures defined, calculated and used in a consistent and transparent manner and should not be viewed in isolation or as an alternative to the equivalent IFRS measure.

Total retail sales are retail sales from all stores, both directly operated and franchise stores.	**Adjusted earnings per share** is Adjusted net profit divided by the current number of shares, adjusted by the average of treasury shares.
COGS excluding unrealised foreign exchange effect is the cost of goods sold except for unrealised gains or losses on the foreign currency derivatives and unrealised foreign currency exchange gains and losses on inventory trade payables.	**Working capital** is the sum of inventories, trade receivables and other receivables less the sum of accounts payable and other current liabilities.
Gross profit represents group revenue less the cost of goods sold excluding unrealised foreign currency effects.	**Capital expenditure** is the sum of purchases of fixed assets and intangible assets.
Gross margin is gross profit represented as a percentage of group revenue.	**Financial debt** is the sum of term loans and financial leases.
Opex is the sum of employee benefits expense and other operating expenses.	**Net debt** is the sum of term loans and financial leases less bank deposits and cash.
EBITDA (earnings before interest, tax, depreciation and amortisation) represents Gross profit less Opex.	**Directly operated store** means a store owned and operated by the group.
Non-recurring items are expenses which by nature are related to special events outside normal course of business (e.g IPO costs, moving cost, rent for vacated warehouse).	**Franchise store** means a store operated by a franchisee under a franchise agreement with the group.
Adjusted EBITDA is EBITDA adjusted for non-recurring items.	**Chain** means the sum of directly operated stores and franchise stores.
Adjusted profit before tax is profit before tax adjusted for non-recurring items.	**Like-for-like** are stores which have been open for every month of the current calendar year and for every month of the previous calendar year.
Adjusted net profit is net profit adjusted for non-recurring items.	