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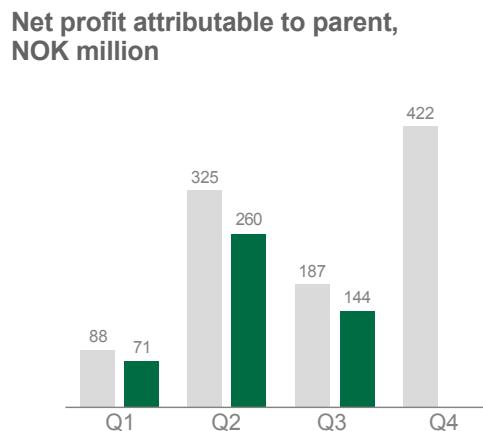
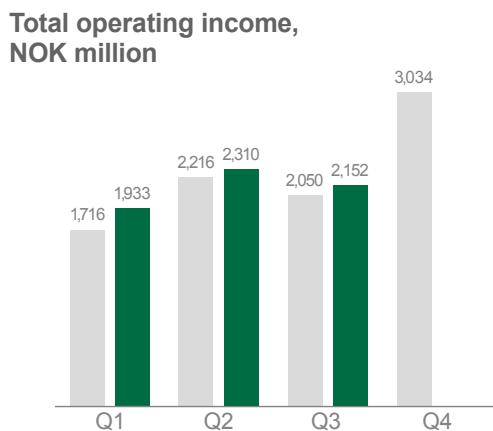
Highlights

Price leadership and strong concept attract customers seeking value for money

- Total sales of NOK 2,152 million, up 5.0 per cent
 - » Driven by attractive campaigns and a relevant product range at low prices
 - » Like-for-like sales growth of 3.8 per cent for the Europris chain
- Gross margin of 45.3 per cent (47.6 per cent)
 - » Gross margin declined, although remaining above pre-pandemic levels as expected
 - » Changes in product mix and increased campaign sales
 - » Negative effect of 0.4 percentage points on the margin change because of lower unrealised gains from currency hedging this year
- Opex-to-sales ratio declined to 26.5 per cent (26.8 per cent)
 - » Moderate Opex increase of 3.7 per cent
- Earnings development mainly reflected the decline in gross margin
 - » EBITDA of NOK 404 million (425 million) and EBITDA margin of 18.8 per cent (20.7 per cent)
 - » EBIT of NOK 234 million (272 million) and EBIT margin of 10.9 per cent (13.2 per cent)
 - » Net profit of NOK 144 million (NOK 187 million) attributable to parent
 - » Earnings per share of NOK 0.89 (NOK 1.16)
- Strong financial position, with cash and liquidity reserves of NOK 1,363 million (NOK 963 million)
 - » Positive development in cash flow from improved inventory development – healthy inventory where both value and volumes are reduced

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

See page 20 for definition of APMs.



■ 2022 ■ 2023

Key figures

(Amounts in NOK million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
GROUP KEY INCOME STATEMENT FIGURES					
Retail sales	1,984	1,878	5,892	5,467	8,263
Wholesale sales	150	152	440	455	666
Other	19	20	63	60	87
Total operating income	2,152	2,050	6,395	5,982	9,016
% growth in total operating income	5.0%	2.8%	6.9%	3.0%	4.3%
Cost of goods sold	1,177	1,075	3,552	3,178	4,833
Gross profit	975	975	2,844	2,804	4,183
Gross margin	45.3%	47.6%	44.5%	46.9%	46.4%
Opex	571	550	1,597	1,512	2,132
Opex-to-sales ratio	26.5%	26.8%	25.0%	25.3%	23.6%
EBITDA	404	425	1,247	1,292	2,051
EBITDA margin	18.8%	20.7%	19.5%	21.6%	22.8%
EBIT (Operating profit)	234	272	742	836	1,440
EBIT margin (Operating profit margin)	10.9%	13.2%	11.6%	14.0%	16.0%
Net profit	143	188	474	604	1,042
Profit attributable to owners of the parent	144	187	474	600	1,020
Earnings per share (in NOK)	0.89	1.16	2.95	3.73	6.34
GROUP KEY CASH FLOW AND BALANCE SHEET FIGURES					
Net change in working capital	163	(211)	(104)	(793)	(374)
Capital expenditure	33	34	126	95	143
Financial debt*	3,933	3,958	3,933	3,958	3,627
Cash	81	-	81	-	464
Net debt	3,852	3,958	3,852	3,958	3,163
- Lease liabilities*	2,596	2,441	2,596	2,441	2,537
Net debt ex lease liabilities	1,256	1,517	1,256	1,517	626
Cash and liquidity reserves	1,363	963	1,363	963	1,896
CHAIN KEY FIGURES					
Total chain sales	2,079	1,972	6,171	5,862	8,586
% growth in total chain sales	5.4%	(2.3%)	5.3%	(1.9%)	0.2%
% growth in like-for-like chain sales	3.8%	(3.7%)	3.6%	(3.0%)	(1.1%)
Total number of chain stores at end of period	280	275	280	275	276
- Directly operated stores	255	248	255	248	249
- Franchise stores	25	27	25	27	27

For definitions and reconciliations of APMs, please see page 20.

* From the first quarter of 2023 lease liabilities include both non-current and current lease liabilities, and last year figures are restated to also include current lease liabilities.

Period review

Europris has once again proved to be a relevant shopping destination, with higher sales and increased footfall to stores in the third quarter. The group has actively taken advantage of the flexibility in the concept and has continued to take market share.

In the current economic climate, consumers are more willing to try alternative lower-priced products, and the group continued to see its private-label sales develop strongly. The opportunity to balance its sales mix towards what is relevant for consumers has allowed the group to sharpen even further its concentration on consumables required in everyday life. In line with expectations, sales declined for higher-value seasonal items as consumers remained cautious about investment purchases. While supporting footfall and top-line growth, higher campaign sales and a product mix skewed more towards consumables had the effect of diluting the gross margin.

Earnings development in the third quarter was affected by the decline in gross margin as well as by CPI adjustments to leases and higher interest rates. As expected, however, the gross margin was above the pre-pandemic level. The group's financial position is solid and affected positively by growth in cash flow from operating activities. The inventory is healthy, with reduced volumes and value as seasonal summer overlays have been sold out.

Sales performance

Third quarter

Group sales in the third quarter came to NOK 2,152 million, an increase of 5.0 per cent. The Europris chain had a total sales growth of 5.4 per cent and a like-for-like growth of 3.8 per cent.

Almost all categories experienced improved sales, although the increase was higher for categories classified as consumables and seasonal items saw decline. As expected, sales of products with a price point above NOK 1,000 continued to decline and were reduced by 13.7 per cent. However, they only constituted 2.5 per cent of total sales. Sales decline was highest for garden furniture, trampolines, inflatable pools and other water-sports items, while gardening- and travel-related products saw sales rise.

As customers grow increasingly price conscious, it becomes ever more important to stay sharp on campaign offerings. Against this backdrop, a solid development in

sales from the front page of the marketing leaflet offered a powerful proof point in the quarter. Having a strong product offering with low price-points is also valuable, and the chain experienced an increase in sales of its private labels.

Like-for-like footfall to stores increased. The basket value rose slightly, with higher average prices per item offsetting a lower average number of articles.

First nine months

Group sales for the first nine months came to NOK 6,395 million, an increase of 6.9 per cent. Growth was 5.4 per cent excluding the structural effect of acquiring Strikkemekka, which was consolidated from July 2022. The Europris chain had a total sales growth of 5.3 per cent and a like-for-like growth of 3.6 per cent.

Growth for the Europris chain compared favourably with the total retail market, which was up 1.9 per cent year-on-year in the first nine months. It also exceeded the rises reported for variety retail and shopping centres. Europris is well positioned in prevailing retail market conditions, and benefits from customers seeking low prices, strong campaigns and are more willing to test private labels. Groceries showed a higher growth of 7.9 per cent in the first nine months, which should be viewed in relation to the decline in the same period last year.

Sales growth to 31 September	2023	2022
Virke: total retail*	1.9%	2.8%
Virke: groceries*	7.9%	(4.9%)
Virke: variety retail*	3.8%	1.4%
Kvarud shopping centre index**	4.5%	6.1%
Europris chain	5.3%	(1.9%)

* Virke retail index (using figures reported by Statistics Norway)

** Kvarud Analyse shopping centre index

Operational review

Concept and category development

Concept development, category management and upgrades are important for remaining relevant and driving sales. Laundry and cleaning was upgraded in the first quarter of this year and ranked as the category with the highest growth rate in the third quarter. Toys also continued to develop well after the upgrade of both shop-in-shop and the product range in the fourth quarter of last year. At the end of the third quarter, all the stores rebuilt their personal care shop-in-shops.

Campaigns are a key element in the Europris concept, and the organisation has concentrated in the current economic environment on consumables and affordable, lower-value products in the marketing leaflet. This has ensured that Europris also remains a relevant shopping destination for consumers seeking to safeguard their wallet and cut down on total spending.

E-CRM

The Mer customer club had 1.4 million members at 30 September 2023, up 20 per cent from 1.2 million at the same time last year. Members-only offers continue to have a positive impact on recruitment to the club.

Europris is testing segmented communication to different members of the club. One example from the third quarter was the targeting of students and families with children when schools resumed after the summer holiday, where this type of segmented communication showed a five to 10 percentage point increase in attention given to relevant items. A summer campaign targeted at Mer members also showed an increase in the number of store visits and a somewhat higher basket value compared with those who were not exposed to the campaign.

E-commerce

The third quarter showed declining online sales. Total e-commerce turnover for the group amounted to NOK 153 million in the quarter, down by NOK 22 million or 12 per cent, and online sales overall accounted for 7.1 per cent of the group total (8.5 per cent).

Lekekassen sales declined in all three markets – Norway, Sweden and Denmark – with fierce price competition in Sweden and Denmark. The decline for the Strikkemekka group reflected lower yarn sales in Norway. Although yarn demand was down from the

highs seen during the Covid-19 pandemic, the volumes remain higher than before this.

NOK million	Q3 2023	Q3 2022	Change
E-com sales*	153	175	(12%)
Percentage of total group sales	7.1%	8.5%	(1.4%-p)

* *Europris online sales and sales from pure play online companies (the Lekekassen group, the Strikkemekka group and Lunehjem). Note: Strikkemekka was consolidated from July 2022.*

Store estate

Europris opened one new store during the third quarter, at the Triaden shopping mall in Lørenskog, Viken county. The start-up of this store has been above expectations. At 30 September, the chain had a total of 280 stores, including 255 directly operated and 25 franchises. The store at Melhus, which has been closed since January, will not reopen. It has been decided that the shopping centre at which the store was located will be demolished, as a consequence of the accident. The group is looking for alternative locations.

Europris has a healthy pipeline of new stores. The board has approved an additional six for 2023 and beyond. Three of the planned new stores are subject to a planning permission process.

New stores opened in 2023

Month	Store	County
January	Froland	Agder
March	Grensen – city store	Oslo
June	Dombås	Innlandet
June	Hamar	Innlandet
September	Triaden (Lørenskog)	Viken

Europris continuously pays close attention to the health of the store portfolio and its attractiveness to customers, and one store was relocated and two were modernised during the third quarter. Relocated stores typically show very high growth in the year after the relocation.

Organisation

Sustainability

Sustainability is an important part of the group's strategy, and Europris is proud to have received an A score for its 2022 sustainability report in Position Green's annual analysis of ESG reporting of the 100

largest companies on the Oslo Stock Exchange. Companies are evaluated and scored on the basis of whether they provide valuable information, both financial and non-financial, for decision makers. Europris was one of 14 companies graded A or A+, which reflects excellent reporting.

Europris has installed solar panels at its central warehouse in Moss. Their estimated annual output is 400,000 kWh, which will meet around 10 per cent of the warehouse's annual energy consumption. This is an initial test and can be scaled-up further in the future.

Training of employees

All store managers were gathered for a two-day training session during the quarter. The first day was dedicated to operational topics and preparing for the important fourth quarter, while the second concentrated on improving skills under the "lean" heading to enable better adoption of this framework in store operations.

The company launched a combined strategy and leadership programme for more than 60 employees in 2021, and all participants were gathered for a full day of training during the third quarter.

It is important that employees are well aware of ethical and other guidelines and policies, and Europris has launched a gamification of relevant policies in order to ensure a higher level of understanding. This was launched as mandatory training in the third quarter, with very positive feedback from employees. The exercise will be repeated annually to ensure that it stays top-of-mind for all personnel.

Health and safety

Some of the chain's stores were affected by flooding during the Hans storm in August, and some experienced

challenges with goods transport in the affected areas. The company would like to thank all employees for their fantastic efforts to keep operations going as smoothly as possible.

Sickness absence for the group in the nine months to 30 September was 7.5 per cent, a decline of 1.7 percentage points. This reflects reductions in both short-term and long-term absence, and it is gratifying to see that the attention devoted to preventing and reducing sickness absence over the past year is showing results. Representatives from the HR department participated in the training session held for all store managers during the quarter in order to help maintain this progress.

Sickness absence	2023	2022
Group	7.5%	9.2%

One lost-time injury was recorded during the quarter, bringing the total to four for the nine months to 30 September.

ÖoB equity transaction

Europris own a 20 per cent stake in Runsvenska Gruppen AB. With regards to the option to acquire the remaining 80 per cent the arbitration process in the dispute concerning the 2019 EBITDA was completed in September. This will decide i) whether the option period has expired and ii) if the accountant's decision in September 2021 on the 2019 EBITDA was correct. A ruling had not been made at the time this report was prepared. For more information see note 7.

Financial review

Profit and loss – third quarter

Total operating income for the third quarter amounted to NOK 2,152 million (NOK 2,050 million), an increase of 5.0 per cent. The chain had a like-for-like growth of 3.8 per cent.

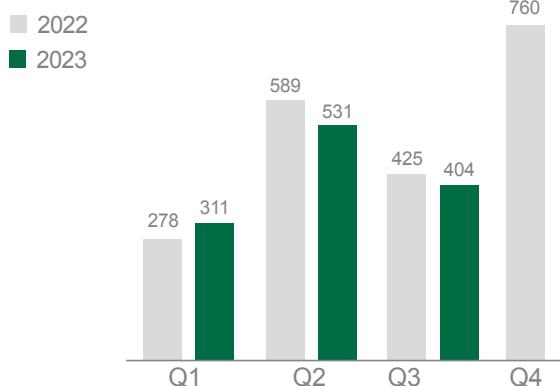
Gross profit came to NOK 975 million (NOK 975 million). The gross margin was 45.3 per cent (47.6 per cent), a decrease of 2.3 percentage points. Changes to the product mix, with higher sales growth for consumables and campaign sales, had a somewhat negative effect on the margin.

Last year, the group reported the calculated gross margin for the stores and adjusted this for calculation differences in the annual stocktaking during the third and fourth quarters. With effect from the first quarter of this year, these calculation differences are booked in the quarter when they arise, and the group recorded a positive effect of NOK 59 million in calculation differences for the third quarter (NOK 62 million). This had a negative effect of 0.3 percentage points on the margin change. Eighty-four per cent of stores had been counted by 30 September this year, compared with 73 per cent last year.

The group recognised a net unrealised gain of NOK 2 million on hedging contracts and accounts payable (gain of NOK 11 million), which had a negative effect of 0.4 percentage points on the margin change.

Operating expenditure (Opex) was NOK 571 million (NOK 550 million), up by 3.7 per cent. Opex amounted to 26.5 per cent of total operating income for the group (26.8 per cent). Lower accruals for performance-based pay compared with last year and lower costs for trans-

EBITDA, NOK million



portation to stores had a positive effect on Opex, whereas costs related to the ÖoB arbitration, a larger number of directly operated stores (up from 248 to 255) and inflation had a negative impact.

EBITDA was NOK 404 million (NOK 425 million), down by 4.9 per cent. The EBITDA margin was 18.8 per cent (20.7 per cent).

EBIT was NOK 234 million (NOK 272 million), down by 13.8 per cent. The EBIT margin was 10.9 per cent (13.2 per cent). Depreciation increased by NOK 16 million, mainly from lease liabilities.

Total financial expense was NOK 45 million, up by NOK 12 million. The group recognised a net unrealised profit of NOK 2 million on interest swaps in the quarter (unrealised profit of NOK 6 million).

Net profit for the third quarter of 2023 was NOK 143 million (NOK 188 million). Net profit attributable to owners of the parent amounted to NOK 144 million (NOK 187 million).

Profit and loss – first nine months

Total operating income for the first nine months of 2023 amounted to NOK 6,395 million (NOK 5,982 million), an increase of 6.9 per cent. Excluding the acquisition of the Strikkemekka group, which was consolidated from July 2022, operating income increased by 5.4 per cent. The Europris chain saw a like-for-like sales increase of 3.6 per cent.

Gross profit for the group was NOK 2,844 million (NOK 2,804 million), up by 1.4 per cent. The gross margin was 44.5 per cent (46.9 per cent), a decrease of 2.4 percentage points. Positive calculation differences of NOK 94 million (positive effect of NOK 62 million) from stocktaking had a positive effect of 0.4 percentage points on the change in gross margin. The group recognised a net unrealised currency loss of NOK 1 million (gain of NOK 26 million) on hedging contracts and accounts payable, which had a negative effect of 0.4 percentage points on the margin change.

Opex came to NOK 1,597 million (NOK 1,512 million). This represented an increase of 5.6 per cent from the same period of last year (up by 3.1 per cent when excluding the acquisition of Strikkemekka). The number of directly operated stores rose from 248 to 255. Opex as a proportion of total operating income was 25 per cent (25.3 per cent).

EBITDA was NOK 1,247 million (NOK 1,292 million), down by 3.5 per cent. The EBITDA margin was 19.5 per cent (21.6 per cent).

EBIT was NOK 742 million (NOK 836 million), down by 11.3 per cent. The EBIT margin was 11.6 per cent (14 per cent). Depreciation increased by NOK 50 million, mainly from lease liabilities.

Total financial expense was NOK 118 million, up by NOK 60 million. Net unrealised profit on interest swaps was NOK 19 million (unrealised profit of NOK 48 million). The group has interest-rate swap agreements totalling NOK 600 million, covering 60 per cent of Europris' term loan.

The group recorded an estimated loss of NOK 13 million (loss of NOK 3 million) on its 20 per cent stake in Rundsvengruppen AB (ÖoB). This is based on preliminary and non-audited figures from this associated company.

Net profit for the first nine months of 2023 was NOK 474 million (NOK 604 million). Net profit attributable to owners of the parent amounted to NOK 474 million (NOK 600 million).

Cash flow

Cash flow from operating activities for the first nine months was NOK 734 million (NOK 189 million). The improvement from the same period of last year reflected development of the net change in working capital.

The net change in working capital for the period was negative at NOK 104 million (negative at NOK 793 million). Net working capital in 2022 was negatively affected by a higher level of inventory, reflecting increased purchase prices and larger volumes of seasonal items. The inventory is healthy, and both value and volume were lower than compared to the same period last year.

The net change in cash was negative at NOK 383 million (negative at NOK 694 million). The remaining

33 per cent of Lekekassen was acquired earlier this year for NOK 212 million.

Capital expenditure was NOK 126 million (NOK 95 million). The increase related mainly to the expansion of the central warehouse in Moss.

Financial position and liquidity

Financial debt at 30 September 2023 was NOK 3,933 million (NOK 3,958 million).

Net debt at 30 September 2023 was NOK 3,852 million (NOK 3,958 million). Adjusted for lease liabilities, net debt was NOK 1,256 million (NOK 1,517 million).

Cash and liquidity reserves for the group amounted to NOK 1,363 million at 30 September 2023 (NOK 963 million).

Outlook

Customers are paying greater attention to prices in the current economic climate, and this is expected to continue since the pressure on household finances is presumed to remain high for the foreseeable future. As people adapt to an overall higher cost of living, Europris' low-price, campaign-driven retail concept is highly relevant and the footfall to the group's stores is believed to remain strong. Campaigns are an important driver for sales growth and higher store footfall, since customers are actively seeking good offers and value for money. The group will continue to adapt to the customer sentiment and take advantage of the flexibility in the concept.

The board remains confident that Europris will continue to be an attractive shopping destination and remain a relative winner in the retail market. The group is well set for the time to come, with a healthy inventory and a solid financial position.

Fredrikstad, 1 November 2023
THE BOARD OF DIRECTORS OF EUROPRIS ASA

Tom Vidar Rygh
Chair

Bente Sollid Storehaug

Pål Wibe

Hege Børmark

Tone Fintland

Espen Eldal
CEO

Claus Juel-Jensen

Jon Martin Klaafstad

EUROPRIS ASA

Q3 - 2023

Interim condensed consolidated statement of profit and loss

Figures are stated in NOK 1,000

Notes	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total operating income	2,151,957	2,050,002	6,395,115	5,981,732	9,015,766
Cost of goods sold	1,176,971	1,074,708	3,551,594	3,177,849	4,832,783
Employee benefit expenses	358,351	348,402	983,901	925,105	1,295,131
Depreciation	5	170,261	153,608	505,340	455,747
Other operating expenses		212,150	201,716	612,725	587,133
Operating profit	234,224	271,569	741,554	835,898	1,440,356
Net financial income (expense)	(44,724)	(32,744)	(118,190)	(58,004)	(107,394)
Profit (loss) from associated companies	7	(4,515)	1,403	(12,587)	(2,557)
Profit before tax	184,985	240,228	610,778	775,337	1,337,009
Income tax expense		41,690	52,541	137,140	171,137
Profit for the period	143,295	187,686	473,638	604,200	1,041,856
Profit attributable to non-controlling interests		(332)	1,021	(805)	4,499
Profit attributable to owners of the parent		143,628	186,666	474,443	599,701
Interim condensed consolidated statement of comprehensive income					
Profit for the period		143,295	187,686	473,638	604,200
Total comprehensive income	143,295	187,686	473,638	604,200	1,041,856
Profit attributable to non-controlling interests		(332)	1,021	(805)	4,499
Profit attributable to owners of the parent		143,628	186,666	474,443	599,701
Earnings per share (basic and diluted - in NOK)	0.89	1.16	2.95	3.73	6.34

Interim condensed consolidated statement of financial position

Figures are stated in NOK 1,000	Notes	30 Sep 2023	30 Sep 2022	31 Dec 2022
		Unaudited	Unaudited	Audited
ASSETS				
Total intangible assets	5	2,867,925	2,860,238	2,875,288
Total fixed assets	5	2,991,844	2,812,835	2,906,989
Total financial assets	6,7	218,536	249,018	246,617
Total non-current assets		6,078,304	5,922,091	6,028,893
Inventories		2,364,077	2,607,803	2,383,837
Trade receivables		145,909	137,581	215,175
Other receivables	6	122,987	172,364	132,863
Cash		81,196	-	464,488
Total current assets		2,714,170	2,917,748	3,196,363
Total assets		8,792,474	8,839,840	9,225,256
EQUITY AND LIABILITIES				
Total paid-in capital	9	235,171	234,737	234,738
Total retained equity		2,875,029	2,300,809	2,725,783
Total shareholders' equity		3,110,200	2,535,546	2,960,521
Non-controlling interests		49,552	300,746	322,082
Total equity		3,159,752	2,836,292	3,282,603
Provisions		194,611	222,653	57,622
Borrowings	6	1,082,013	1,092,970	1,085,349
Lease liabilities	6	2,009,521	1,917,489	2,015,033
Total non-current liabilities		3,286,145	3,233,112	3,158,004
Borrowings	6	255,000	423,998	5,000
Current lease liabilities	6	586,248	523,962	521,958
Accounts payable		869,028	843,500	876,419
Tax payable		1,295	73,164	291,305
Public duties payable		280,816	265,217	393,683
Put option liability	6,8	43,541	290,069	281,221
Other current liabilities	6	310,650	350,526	415,063
Total current liabilities		2,346,577	2,770,436	2,784,650
Total liabilities		5,632,722	6,003,548	5,942,654
Total equity and liabilities		8,792,474	8,839,840	9,225,256

Fredrikstad, 1 November 2023
THE BOARD OF DIRECTORS OF EUROPRISS ASA

Interim condensed consolidated statement of changes in equity

Figures are stated in NOK 1,000

	Share capital	Treasury shares	Share premium	Other paid-in capital	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023	166,969	(5,938)	51,652	22,054	2,725,784	2,960,521	322,082	3,282,603
Profit for the period	-	-	-	-	474,443	474,443	(805)	473,638
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
Translation differences	-	-	-	-	251	251	364	615
Other comprehensive income	-	-	-	-	-	-	-	-
At 30 September 2023	166,969	(5,922)	51,652	22,472	2,875,029	3,110,200	49,552	3,159,752

(unaudited)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2022	166,969	(5,997)	51,652	20,718	2,386,704	2,620,046	268,680	2,888,726
Profit for the period	-	-	-	-	599,701	599,701	4,499	604,200
Dividend	-	-	-	-	(643,886)	(643,886)	(16,500)	(660,386)
Net sale of treasury shares	-	59	-	1,336	1,505	2,900	-	2,900
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	43,540	43,540
Put option liability	-	-	-	-	(43,540)	(43,540)	-	(43,540)
Translation differences	-	-	-	-	325	325	527	852
Other comprehensive income	-	-	-	-	-	-	-	-
At 30 September 2022	166,969	(5,938)	51,652	22,054	2,300,810	2,535,546	300,746	2,836,293

(unaudited)

Interim condensed consolidated statement of cash flows

Figures are stated in NOK 1,000	Notes	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities						
Profit before income tax		184,985	240,228	610,778	775,337	1,337,009
Adjusted for:						
Depreciation of fixed and intangible assets	5	170,261	153,608	505,340	455,747	611,035
Loss on sale of fixed assets		-	-	-	945	945
Profit/loss from associated companies		4,515	(1,403)	12,587	2,557	(4,047)
Changes in net working capital		163,207	(210,652)	(104,176)	(793,414)	(374,048)
Income tax paid		2,678	14,774	(290,493)	(252,183)	(323,191)
Net cash generated from operating activities		525,646	196,555	734,036	188,988	1,247,703
Cash flows from investing activities						
Proceeds from sale of fixed assets		-	-	-	26,021	26,021
Purchases of fixed and intangible assets	5	(32,575)	(33,788)	(126,320)	(95,479)	(142,677)
Acquisition	8	-	(87,362)	(216,598)	(92,351)	(92,351)
Net cash used in investing activities		(32,575)	(121,150)	(342,917)	(161,809)	(209,007)
Cash flows from financing activities						
Net change RCF (Revolving Credit Facility)		(150,000)	(50,000)	250,000	300,000	-
Repayment of debt to financial institutions		(1,250)	(1,250)	(3,750)	(3,750)	(5,000)
Principal paid on lease liabilities		(133,100)	(118,456)	(397,611)	(360,227)	(482,008)
Dividend		-	-	(603,865)	(643,886)	(643,886)
Sale of treasury shares		850	2,900	850	2,900	2,900
Dividends paid to non-controlling interests in subsidiaries		(234)	-	(20,034)	(16,500)	(16,500)
Net cash from financing activities		(283,734)	(166,806)	(774,410)	(721,463)	(1,144,494)
Net increase (decrease) in cash		209,337	(91,400)	(383,292)	(694,284)	(105,798)
Cash at beginning of period		(128,141)	(32,598)	464,488	570,286	570,286
Cash at end of period		81,196	(123,998)	81,196	(123,998)	464,488

NOTES

Note 1 Corporate information

The interim condensed consolidated financial statements of Europris ASA and its subsidiaries (collectively, the group) for the third quarter and the nine months ended 30 September 2023 were authorised for issue by the board on 1 November 2023.

Europris ASA is domiciled in Norway and is a discount variety retailer with stores across Norway. 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 third quarter and the nine months ended 30 September 2023 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 2022.

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 2022. New standards and interpretations effective at 1 January 2023 do not impact the annual consolidated financial statements of the group or the interim condensed financial statements of the group.

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 2022, see note 3 for more details.

Note 4 Segment information

The group management is the group's chief operating decision-maker. Reporting to the group management, which is responsible for evaluating profitability and achievements, is on a consolidated basis that forms the basis for the group management's assessment of profitability at a strategic level. The group as a whole is therefore defined and identified as one segment.

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 2023	338,070	21,224	113,230	2,434,465	92,967	591,267	2,191,054	5,782,277
Acquisition of subsidiaries	348	-	-	-	-	-	323	671
Additions	105,959	-	701	455,839	19,660	-	-	582,158
Disposals	-	-	-	-	-	-	-	-
Depreciation	(58,356)	-	(4,667)	(414,968)	(27,348)	-	-	(505,340)
Carrying amount 30 September 2023	386,021	21,224	109,264	2,475,335	85,280	591,267	2,191,379	5,859,768

	Fixtures and fittings	Land	Buildings	Right-of-use asset	Software	Trademarks	Goodwill	Total
Carrying amount 1 January 2022	328,520	46,190	119,362	2,320,022	65,421	591,266	2,073,373	5,544,155
Acquisition of subsidiaries	2,214	-	-	24,449	-	-	117,681	144,343
Additions	57,782	2,000	-	371,808	35,697	-	-	467,287
Disposals	-	(26,966)	-	-	-	-	-	(26,966)
Depreciation	(55,462)	-	(4,667)	(372,416)	(23,201)	-	-	(455,747)
Carrying amount 30 September 2022	333,053	21,224	114,695	2,343,863	77,918	591,266	2,191,054	5,673,073

Note 6 Financial instruments - fair value

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities at 30 September 2023 and 31 December 2022:

Figures are stated in NOK 1,000	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and receivables				
Non-current receivables	2,031	2,031	36,651	36,651
Total	2,031	2,031	36,651	36,651
Financial liabilities				
Other financial liabilities				
Borrowings	1,082,013	1,082,013	1,085,349	1,085,349
First year instalment non-current debt	5,000	5,000	5,000	5,000
Borrowings - overdraft and revolving credit facility	250,000	250,000	-	-
Lease liabilities	2,009,521	2,009,521	2,015,033	2,015,033
Current lease liabilities	586,248	586,248	521,958	521,958
Put option liability	43,541	43,541	281,221	281,221
Total	3,976,322	3,976,322	3,908,561	3,908,561
Financial instruments measured at fair value through profit and loss				
Derivatives - assets				
Interest rate swaps	95,792	95,792	76,667	76,667
Foreign exchange forward contracts	2,099	2,099	4,725	4,725
Total	97,891	97,891	81,392	81,392
Derivatives - liabilities				
Foreign exchange forward contracts	7,110	7,110	8,973	8,973
Total	7,110	7,110	8,973	8,973

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All the group's financial instruments measured at fair value are classified as level 2.

Specific valuation methods being used to value financial instruments include:

- fair value of interest rate swaps is measured as the net present value of estimated future cash flows based on observable yield curves
- fair value of foreign exchange forward contracts is measured by the net present value of the difference between the contractual forward rate and the forward rate of the currency at the balance sheet date, multiplied by the contractual volume in foreign currency.

Note 7 Investment in associated company

In June 2018, the group acquired 20 per cent of Runsvengruppen AB (ÖoB), a Swedish discount variety retailer. ÖoB has its headquarters in Skänninge and runs 92 stores across Sweden. The Europris group owns 20 per cent of the shares and voting rights in Runsvengruppen AB.

Based on equity value, using a fixed multiple of 7.7 on adjusted EBITDA for ÖoB in 2018, the purchase price was determined as NOK 115.2 million. NOK 4.3 million in transaction expenses has also been recognised as part of the acquisition cost, bringing the total investment to NOK 119.5 million.

The group has recorded an estimated loss of NOK 12.6 million from its 20 per cent stake in 2023.

The vendor note issued to the owner company Runor AS when closing the deal was converted to 4,349,695 Europris shares, corresponding to 2.61 per cent of the share capital. In May 2023, Runor AS sold 2,899,797 shares and holds now 1,449,898 shares, corresponding to 0.87 per cent of the share capital.

Europris holds an option to acquire the remaining 80 per cent of the shares in Runsvengruppen AB. Whether the option is to be exercised has been further delayed. The fair value of the option is considered immaterial and is not recognised in the balance sheet.

Note 8 Acquisition of subsidiary

On 30 June 2021, the group acquired 67 per cent of Lekekassen Holding AS (Lekekassen) – Norway's largest player in online shopping for toys. Through this acquisition, Europris entered a strategically important product category and strengthened its expertise in e-commerce. The purchase price was NOK 501 million, and Europris had a pre-emptive right to acquire the remaining shares in Lekekassen. The excess value of the acquisition was related to buildings, trademark and goodwill in the purchase price allocation. Lekekassen was consolidated into the Europris group's financial statements as of 1 August 2021.

On 28 March 2023, the group acquired the remaining 33 per cent of the shares in Lekekassen for a purchase price of NOK 212 million. Following the resignation from the CEO of Lekekassen, Andreas Skalleberg, the remaining shares were purchased from his company Andrino Invest AS. Consequently the put option liability which was recognised for Europris' obligation to purchase these shares, with a corresponding charge directly to shareholders equity, has been reversed.

Note 9 Treasury shares

The number of treasury shares held by Europris ASA changed as follows in the period from 1 January to 30 September 2023.

Change in number of treasury shares

Treasury shares 1 January 2023	5,938,263
Sale of treasury shares to senior executives	(16,328)
Treasury shares 30 September 2023	5,921,935

Average cost price for treasury shares are NOK 44.75.

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 Europris 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.

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 revenue and is useful for benchmarking direct costs associated with the purchase of the goods vs total revenues.

(Amounts in NOK million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Total operating income	2,152	2,050	6,395	5,982	9,016
- Cost of goods sold	1,177	1,075	3,552	3,178	4,833
= Gross profit	975	975	2,844	2,804	4,183
Gross margin	45.3%	47.6%	44.5%	46.9%	46.4%

Opex

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Employee benefits expense	358	348	984	925	1,295
+ Other operating expense	212	202	613	587	836
= OPEX	571	550	1,597	1,512	2,132
Opex-to-sales ratio	26.5%	26.8%	25.0%	25.3%	23.6%

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operating profit	234	272	742	836	1,440
+ Depreciation	170	154	505	456	611
= EBITDA	404	425	1,247	1,292	2,051
EBITDA margin	18.8%	20.7%	19.5%	21.6%	22.8%

EBIT

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 thus the same as Operating profit divided by Total operating income.

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Change in Inventory	(110)	(336)	33	(569)	(345)
Change in accounts receivable and other current receivables	12	(40)	96	(32)	(61)
Change in accounts payable and other current debt	261	165	(233)	(193)	32
= Net change in working capital	163	(211)	(104)	(793)	(374)

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Purchases of fixed assets	29	24	107	60	85
Purchases of intangible assets	4	10	20	36	58
= Capital expenditure	33	34	126	95	143

Financial debt

Financial debt is the sum of borrowings and lease liabilities. From the first quarter of 2023 lease liabilities include both non-current and current lease liabilities, and last year figures are restated to also include current lease liabilities. Financial debt is useful to see total debt as defined by IFRS.

(Amounts in NOK million)	YTD 2023	YTD 2022	FY 2022
Borrowings	1,082	1,093	1,085
Current borrowings	255	424	5
Lease liabilities	2,010	1,917	2,015
Current lease liabilities	586	524	522
= Financial debt	3,933	3,958	3,627

Cash and liquidity reserves

Cash 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)	YTD 2023	YTD 2022	FY 2022
Cash	81	-	464
+ Total facilities	1,536	1,400	1,435
- Total drawn	(253)	(437)	(3)
= Cash and liquidity reserves	1,363	963	1,896

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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Sales directly operated stores	1,847	1,727	5,471	5,131	7,519
Sales franchise stores	232	245	700	732	1,066
= Total chain sales	2,079	1,972	6,171	5,862	8,586

Definition of other terms used

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 directly operated stores and franchise stores under the Europris brand name.

Like-for-like sales growth

Like-for-like 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.

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