Fredrikstad, 18 June 2018 (OSE: EPR): Europris ASA today agreed with Runsvengruppen AB (ÖoB) to join forces and create a pan-Nordic discount variety retail platform to drive growth and profitability. Both companies expect to attain significant synergies from joint sourcing and concept development, to gain from complementary management resources and know-how, and to benefit from sharing cost and best-practice experiences in developing e-commerce, e-crm and automation solutions.

The process of establishing joint sourcing will commence immediately and reflect the purchasing power of an even larger group through the Shanghai-based joint venture with Tokmanni in Finland. Alignment of concept and sharing of best practice will also start immediately. The two companies expect to realise annual sourcing synergies in the range of NOK 60-80 million on a combined basis from the purchasing cooperation, with a relatively even distribution of the synergies between the two companies.

"We bring together two strong players in Norway and Sweden to create the leading Nordic discount variety retailer. Together we can leverage overlapping assortments, share deep retail know-how and a common strategic agenda to create a regional champion and a unique platform for expansion and growth," says Pål Wibe, the CEO of Europris.

Together, Europris and ÖoB operate 349 stores in Norway and Sweden and had aggregated 2017 sales of NOK 9.5 billion. Including the joint-venture volumes of Tokmanni, the new partnership represented combined retail sales of NOK 17.1 billion last year. The new pan-Nordic retailer will be among the top three large constellations in the discount variety retail sector in northern Europe.

"The Svensson family has owned and managed Runsvengruppen for 70 years. We are very excited to join forces with Europris to create the strongest Nordic platform in this growing retail segment. Both companies have highly competent management teams that will be able to draw upon each other's expertise and experiences to create long-term value for all stakeholders," says Oskar Svensson, Chairman of Runsvengruppen AB.

As part of the agreement, Europris will acquire a 20% equity stake in Skänninge -based ÖoB with payment in Europris shares. The transaction pricing is based on a fixed multiple of 7.7x ÖoB's 2018 EBITDA. Europris will issue a formal vendor note to ÖoB, which will be exchanged for shares in Europris when the 2018 EBITDA has been finalised. Europris holds an option to acquire the remaining 80% of the shares of ÖoB in 2020 at the same multiple, also with payment in Europris shares. Assuming Europris' current share price and achievement of ÖoB's budgeted 2018 EBITDA, the current owners of ÖoB are expected to hold an ownership stake of 4.5% in Europris following the initial acquisition of a 20% equity stake in ÖoB.

Europris and ÖoB will continue to operate as two separate companies with separate brands and corporate managements.

"We are two companies that complement each other and the management teams are well aligned on key focus areas and factors for growth. We have a shared vision of how to reach our customers with the best possible mix of categories, as well as with effective seasonal and campaign development. We look forward to working together, sharing best practices and to attain economies of scale in daily operations and by jointly developing new solutions to improve our customer offerings," said Fredrik Söderberg, CEO at ÖoB.

Transaction details

The transaction involves the initial acquisition by Europris of a 20% equity stake in ÖoB, as well as the immediate initiation of joint purchasing. As part of the agreement, Europris has secured an option to acquire the remaining 80% stake in 2020. The pricing at both stages is based on an EV/EBITDA multiple of 7.7x, based on ÖoB's 2018 EBITDA for the initial 20% equity stake, and the average EBITDA for 2019 and 2020 for the remaining 80% equity stake. The exchange to Europris shares will in both cases be a function of a volume weighted average price for a defined period after EBITDA has been finalised.

Europris will nominate one representative to the board of directors at ÖoB. As part of the agreement, Europris will propose to its next AGM that one representative of ÖoB is elected to the board of Europris.

Runsvengruppen is a privately held company, fully owned by members of the Svensson family. Business activities include procurement, warehousing and logistics in addition to the commercial operations. ÖoB had revenue of SEK 3.9 billion for the full year of 2017 and a net loss of SEK 8.8 million. Total assets as at 31 December 2017 amounted to SEK 1.1 billion and total equity was SEK 388 million.

Please find a presentation related to the agreement enclosed.

CEO Pål Wibe and CFO Espen Eldal will present the agreement at 9:30 CET at the Felix Conference Centre, Bryggetorget 3 in Oslo. Investors, analysts and other interested parties are welcome to attend. The presentation will also be available as a live webcast with Q&A at www.europris.no/corporate.

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About ÖoB:

Runsvengruppen AB is one of Sweden's leading companies in the low-price market segment. The company owns and operates 94 shops and department stores throughout Sweden and has a total of 1,800 employees. The company was founded in 1947 by Rune Svensson and is today owned by the second and third generation of the Svensson family. The company's headquarters and central warehouse is located in Skänninge, Sweden. The company's board of directors consists of Oskar Svensson (Chairman), Joakim Svensson, Göran Sällqvist, and Bjarne Mumm. The company's CEO is Fredrik Söderberg.

About Europris:

Europris is Norway's largest discount variety retailer by sales. The company offers its customers a broad assortment of quality owned brands and brand name merchandise. The company's merchandise is sold through the Europris chain, which consists of a network of 255 stores throughout Norway. 215 stores are directly operated by the company and 40 operate as franchise stores. The company's headquarters are located in Fredrikstad, Norway.

This information is subject of the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act and section 3-4 of the Oslo Stock Exchange continuing obligations for listed companies

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