Highlights for the second quarter of 2019

· Sales growth of 13.6 per cent to NOK 1,622 million (NOK 1,427 million), comparability distorted by Easter
· Sales performance is driven by a growing number of customers
· Gross margin at 42.4 per cent (43.8 per cent) negatively impacted by Easter (app. 0.8%-pts.) and loss provision for a potential supplier bankruptcy (app. 0.4%-pts)
· Additional opex of NOK 35 million related to high fill-rate at the central warehouse
· Adjusted net profit of NOK 109 million (NOK 136 million)
· Commencement of operation in the low-bay area of the new warehouse on schedule

Highlights for the first half of 2019

· Like-for-like growth of 5.0 per cent driven by growth in number of customers, well above market decline of 0.4 per cent
· Gross margins decreased to 42.0 per cent (42.6 per cent)
· Additional opex of NOK 46 million related to high fill-rate at the central warehouse
· Adjusted net profit of NOK 85 million (NOK 145 million)
· Five new store openings and three franchise takeovers

Europris maintains the strong sales growth in the second quarter despite a soft general retail market. The sales growth is mainly driven by an increase in the number of customers and by solid execution of seasonal sales and campaigns. Over the first half year of 2019, Europris has delivered like-for-like growth well above the market.

"We are pleased that Europris is experiencing more customer traffic leading to higher sales. The quarter was special in the sense that a late Easter was more or less directly followed up by the summer season, but the team has managed to execute the seasonal challenge excellently," comments CEO Pål Wibe in Europris.

The gross margin for the second quarter was down compared to the same period last year. Gross margin was negatively affected by sales of lower-margin seasonal Easter products and provision for loss owing to the potential bankruptcy of a supplier.

The strong sales growth was overshadowed by additional costs from the high fill -rate at the central warehouse. Cost overruns amounted to NOK 35 million in the quarter.

"The capacity constraints are caused by internal issues, and we are implementing routines for better control of purchase volumes and flow of incoming goods. To ensure better preparedness until the new warehouse is fully complete, we will extend our rent in part of the vacated warehouse in Fredrikstad. In addition, we are working to reduce the number of SKU's", continues Wibe.

Construction of the new warehouse in Moss was completed on time and budget. In late May, operations in the low-bay part of the warehouse was started when the distribution of campaign goods were moved to the new warehouse.

"We are very happy to finally start the operation of the low-bay area of the new and modern warehouse, and we are pleased to say that the project is progressing according to plans and budget," says Pål Wibe.

Europris expects continued growth in revenue and profits, and continues to have a healthy pipeline of new stores. One more is scheduled for 2019 and the board has approved an additional five for the period beyond, one of which are subject to planning permission.

Webcast today, Friday 12 July at 09:00 CEST: CEO Pål Wibe and CFO Espen Eldal will host a presentation. Europris invites investors, analysts and media to attend.

Materials: The second quarter and half year report and presentation will also be made available on www.europris.no/corporate (http://www.europris.no/corporate/investor) and www.newsweb.no. In addition, a recorded version of the presentation will be made available on www.europris.no/corporate (http://www.europris.no/corporate/investor) about two hours after the broadcast has concluded.

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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 263 stores throughout Norway, 229 of which are directly owned by the company and 34 of which 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.

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