Highlights for the first quarter of 2020

- Strong revenue growth of 11.8 per cent driven in part by higher sales following the Covid-19 outbreak
- Group revenue of NOK 1,383 million (NOK 1,237 million), and 10.4 per cent like-for-like growth
- Gross margin reduced by one percentage point to 40.4 per cent (41.4 per cent) through increased sales of low-margin groceries and other necessities
- Adjusted EBITDA rose by 21.3 per cent to NOK 152 million (NOK 125 million)
- Adjusted net profit of NOK 4.2 million (net loss of NOK 24 million)
- Solid financial position - cash and available credits of NOK 966 million (NOK 437 million)

The first quarter of 2020 was marked by the global outbreak of Covid-19. In the initial stage of the outbreak, the Norwegian authorities stressed the socially critical importance of smooth logistics and retail operations. During these extraordinarily challenging times, Europris has served its communities in line with this emphasis without compromising its top priority of safeguarding employees and operations.

Action taken to safeguard employees

- In January, Europris initiated business continuity plans to secure employee health, operations and the supply of goods.
- Today, the group is observing strict procedures for sanitising and for ensuring quick and safe reopening of stores in the event of infection in order to ensure employee health and operations.

Overall impact on Europris operations

Early indications of the Covid-19 impact on the business have been lower customer traffic but larger shopping baskets. Sales at the beginning of April are encouraging, showing a continued positive trend with an increased basket while the number of customers has normalised.

It is too early to draw any conclusions about the long-term financial effects of the current position.

Espen Eldal, Europris CFO and acting CEO, has the following comments on the first quarter performance:

"The quarter has been demanding and eventful. Operationally, the exceptionally mild winter required us initially to adapt quickly and to change our focus from seasonal to consumer products in order to maintain customer traffic."

"Later, the Covid-19 outbreak caused occasional staff shortages while simultaneously requiring everyone to adhere to new guidelines and routines in order to limit the spread of infection. Our employees have shown a formidable commitment in adapting to these guidelines and to changes in customer behaviour."

"It has become clearer that we play an important role for many people and communities, and considerable efforts have been and will be made to keep all stores open to customers."

Europris continued its growth journey during the first quarter of 2020. Sale growth was driven in part by good merchandising in the early months of the quarter and by a positive sales impact from the effects of Covid-19 at the end of the period. Overall, sales growth for the chain was 12 per cent. As in 2019, Easter fell in the second quarter.

Market growth continues to be muted, and experienced a significant negative impact from Covid-19 during the quarter. On a like-for-like basis, the market therefore contracted by 4.4 per cent over the period.

Gross profit for the quarter was NOK 558 million (NOK 512 million), driven by higher turnover and somewhat offset by lower margins. Gross margin declined to 40.4 per cent (41.4 per cent) as a result of increased sales of low-margin groceries and other necessities.

Operating expenditure excluding non-recurring items was NOK 406 million in the first quarter (NOK 387 million), a rise of five per cent. Opex was affected by the number of directly operated stores.

The first quarter of last year was negatively affected by logistics costs of NOK 11 million owing to the high fill-rate at the central warehouse. Non-recurring items came to NOK 5 million in the quarter and related to rent for vacated warehouses and moving costs.

Adjusted EBITDA was NOK 152 million (NOK 125 million) - a rise of NOK 27 million or 21.3 per cent.

Adjusted net profit was NOK 4 million (loss of NOK 24 million) for the first quarter of 2020. Depreciation increased by NOK 13 million owing to leases for

the new central warehouse and the new head office which commenced in the second quarter of 2019. A net unrealised currency gain of NOK 31 million was recognised on hedging contracts and accounts payable (net currency loss of NOK 7 million).

During the first quarter, bank borrowings were refinanced and NOK 8 million in one-off costs was booked. Group interest costs under the new agreement have risen by about NOK 3-4 million per quarter, in addition to potential changes to floating interest rates.

One store was opened, one relocated and two expanded in the first quarter of 2020. The board has approved an additional four stores for 2020 and beyond, two of which are subject to planning permission. The group took over three franchise stores during the quarter. In addition, one-two takeovers are expected in 2020.

Webcast at 08.30 CEST today, Thursday 23 April. Espen Eldal, CFO and acting CEO, will host the presentation. Europris invites investors, analysts and media to join the presentation via webcast.

Materials: The first-quarter report and presentation will also be made available at 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)
approximately two hours after the broadcast has concluded.

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About Europris:

Europris is Norway's largest discount variety retailer by sales. The company offers its customers a broad range of quality own brands and brand-name merchandise. Its merchandise is sold through the Europris chain, which consists of a network of 265 stores throughout Norway. Of these, 235 are directly owned by the company and 30 operate as franchise stores. The company's headquarters are at Fredrikstad, Norway.

This information is subject to the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.

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