Highlights for the fourth quarter of 2020

- Continued outperformance of a strong market, positively affected by the Covid-19 situation
  - Solid merchandising and successful execution of seasons and campaigns
  - Group revenue increased by 32.8 per cent to NOK 2,523 million (NOK 1,899 million)

- Gross margin increased owing to an improved margin on seasonal goods
  - Gross margin 45.7 per cent (45.1 per cent)

- Operational efficiency continued to improve
  - Opex-to-sales ratio decreased to 18.8 per cent (21.4 per cent)
  - Adjusted EBITDA rose by 50 per cent to NOK 677 million
  - Adjusted net profit increased by 70 per cent to NOK 368 million (NOK 217 million) including one-off costs of NOK 44 million

- Strong financial position
  - Cash and available credits of NOK 1,926 million (NOK 1,006 million)
  - Completed buy-back programme for five million shares at a total cost of NOK 245 million

- The board of directors proposes an ordinary dividend of NOK 2.20 per share for 2020 (NOK 1.95)
  - To reflect the strong financial performance in an extraordinary year, the board proposes to pay an additional dividend of NOK 0.50 per share

Espen Eldal, CEO of Europris comments: "Operational performance continued to be strong in the fourth quarter of 2020, resulting in record sales and net profit for Europris. The year 2020 has been different and challenging, but Europris has continued to strengthen its position and ended the year as a market leader. I'm proud of the remarkable efforts made by all employees during the Covid-19 pandemic. During 2020, the Europris store workforce served more than 36 million customer visits with no proven case of infection between employees and customers. The powerful performance has continued into the start of 2021, with strong sales growth recorded in January."

Increased demand caused by the Covid-19 pandemic, in combination with solid merchandising, resulted in sales growing by 32.8 per cent during the fourth quarter to reach NOK 2,523 million (NOK 1,899 million). October-December is seasonally important for Europris, and thorough planning and implementation of sales campaigns were critical for the strong sales growth and record results. Revenue growth was once again significantly higher than the market. According to Kvarud Analyse, the latter grew by 4.8 per cent.

Europris has established a unique corporate culture, since adaptability is built into its DNA and rapid shifts between campaigns and seasons are part of everyday life. This strong culture, combined with formidable efforts by the employees, made it possible to improve the concept even further and to deliver record results in 2020.

The highest sales growth was registered in the grocery categories, which have a lower gross margin than the others. Despite this, the gross margin strengthened by 0.6 percentage points in the quarter as a result of ongoing adjustments to campaigns and an improved margin on seasonal items.

Strict cost control, in combination with scale benefits following increased sales, further improved operational efficiency in the fourth quarter. Opex for the period, excluding non-recurring items, was NOK 475 million (NOK 407 million). Opex was affected by a 2.6 per cent increase in the number of directly operated stores from 231 to 237, and amounted to 18.8 per cent of group revenue (21.4 per cent). An extra appreciation totalling NOK 12 million given to all employees for their efforts during the Covid-19 pandemic was approved by the board and expensed in the fourth quarter.

Adjusted EBITDA was NOK 677 million (NOK 450 million), up by NOK 227 million or 50 per cent.

At 31 December, Europris was in a strong financial position with cash and available credits of NOK 1,926 million (NOK 1,006 million).

Europris opened two new stores in the fourth quarter, at Kongsberg in Viken

county and a city store at Løren in Oslo. The chain had 266 stores at 31 December. Of these, 237 were directly operated.

Progress for e-commerce continued in the fourth quarter, with sales up by 259 per cent to reach an overall share of 0.6 per cent. Click and collect continues to be the preferred e-commerce solution for the group's customers. Europris continues to see an increase in the number of visits to its website and in membership of its customer club. The latter had 690,000 members at 31 December 2020, more than double the figure a year earlier.

Information

Webcast at 08.30 CET today, Thursday 4 February. CEO Espen Eldal and CFO Stina C Byre will host the presentation. Europris invites investors, analysts and media to join the presentation via the webcast. It will be possible to ask questions via the web.

Material: The fourth quarter report and presentation will also be made available at https://investor.europris.no and www.newsweb.no. In addition, a recorded version of the presentation will be made available at https://investor.europris.no approximately two hours after the broadcast has concluded.

For questions or further information, please contact:

Espen Eldal, CEO, +47 48 29 24 24, espen.eldal@europris.no

Stina C Byre, CFO, +47 41 10 58 08, stina.byre@europris.no

About Europris

Europris is Norway's largest discount variety retailer by sales. The group 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 266 stores throughout Norway. Of these, 237 are directly owned by the group and 29 operate as franchise stores. The group'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

Click here for more information