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Arcus ASA - Announcement of terms of the Initial Public Offering

Oslo, 18 November 2016: Further to the intention to float announcement published on 4 November 2016, Arcus ASA ("Arcus" or the "Company") has resolved to announce the terms of an initial public offering (the "Offering" or the "IPO"). Subject to approval of the listing application and successful completion of the Offering, the shares of Arcus (the "Shares") are expected to be admitted to trading on the Oslo Stock Exchange on or about 1 December 2016 under the ticker "ARCUS" (subject to any extension or shortening of the offer period).

The Offer Shares (as defined below) will be offered for sale within an indicative price range of between NOK 39 and NOK 45 per Offer Share, corresponding to a pre-money equity value of Arcus of between NOK 1,950 million and NOK 2,250 million. The final price per Offer Share (the "Offer Price") may, however, be set above or below this indicative price range.

It is expected that the Offering will comprise between 52.6% and 54.4% of the total number of Shares in issue after the Offering excluding any Additional Shares (as defined below) and any shares sold under the Up-size Option (as further described below) and between 72.5% and 75.0% including any Additional Shares and Shares sold under the Up-size Option.

The Offering in brief

Ratos AB ("Ratos"), the principal selling shareholder, and certain other shareholders including HOFF SA (together, the "Selling Shareholders") intend to offer up to 18,104,018 Shares (the "Sale Shares"), representing up to 26.9% of the Shares of Arcus following the Offering. Furthermore, Ratos has an option to sell up to 7,595,162 additional Shares (the "Up-size Option").

In addition, the Company intends to raise gross proceeds of up to NOK 775 million by issuing up to between 17,222,222 and 19,871,794 new shares (the "New Shares") in the Offering. The net proceeds from the issue of the New Shares will primarily be used to repay loans and other liabilities to financial institutions in connection with the refinancing of the Company's senior loan facilities and to buy out certain minority shareholders.

The Joint Global Co-ordinators (as defined below) may elect to over-allot a number of additional Shares equalling up to 15% of the number of New Shares, Sales Shares and shares sold as part of the Up-size Option (the "Up-size Shares") allocated in the Offering (the "Additional Shares" and together with the New Shares, the Sale Shares and the Up-size Shares, the "Offer Shares" (unless the context otherwise requires)). In this respect, Ratos has granted the Joint Global Co-ordinators an option to lend a number of Shares equal to the number of Additional Shares in order to facilitate such over-allotment. Further, pursuant to a green shoe option, the Joint Global Co-ordinators may elect to purchase a number of Shares equal to the number of Additional Shares if required to re-deliver any of the borrowed shares. These Shares will be provided by Ratos.

Assuming that the maximum number of Additional Shares are sold and the Up-size Option is exercised in full, the Offering will comprise between 48,750,211 and 52,406,621 Offer Shares.

It is expected that the Company will agree with the Joint Global Co-ordinators to be subject to a 12 month lock-up period and the Selling Shareholders a 180 days lock-up period. In addition, members of the Company's management and board are expected to agree with the Joint Global Co-ordinators to be subject to a 12 month lock-up period for shares held prior to the Offering and shares subscribed for in connection with separate reinvestment agreements related to the Company's current synthetic shares and options programme and/or as part of the Company's co-investment and share match programme. These lock-up agreements will be subject to certain exceptions and may only be waived with the consent of the Joint Global Co-ordinators.

Offering details

The terms and conditions for the Offering, which will be further set out in a Prospectus to be published in connection with the Offering, will comprise:

- (i) an institutional offering, in which Offer Shares are being offered (i) to institutional and professional investors in Norway, (ii) to investors outside Norway and the United States pursuant to applicable exemption from local prospectus requirements and other filing requirements, and (iii) in the United States to a limited number of QIBs in reliance on Rule 144A under the U.S Securities Act. The institutional offering is subject to a lower limit per application of NOK 2,000,000;
- (ii) a retail offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of an amount of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the institutional offering. Multiple applications by one applicant in the retail offering will be treated as one application with respect to the maximum application limit; and
- (iii) an employee offering, in which Offer Shares are being offered to Eligible Employees (as defined below). Eligible Employees participating in the employee offering will receive full allocation for any application. Each Eligible Employee, other than employees participating in the Company's new co-investment and share matching program, will receive a 20% discount on the aggregate amount payable for the Offer Shares allocated to such employee, subject to a maximum discount of NOK 1,500. Multiple applications by one applicant in the employee offering will be treated as one application with respect to the discount.

Eligible Employees are defined as (i) all permanent employees, as of the last day of the Application Period, of the Group and (ii) members of the Board of Directors.

Time line and offer period

The bookbuilding period for the institutional offering is expected to take place from 21 November 2016 at 09:00 hours (CET) to 14:00 hours (CET) on 29 November 2016, and the application period for the retail offering and the employee offering is expected to take place from 21 November 2016 at

09:00 hours (CET) to 12:00 hours (CET) on 29 November 2016. The bookbuilding period and/or the application period may be shortened or extended.

The final number of Offer Shares, and the Offer Price, will be determined by Ratos and Arcus, in consultation with the Joint Bookrunners, after completion of the bookbuilding period for the institutional offering. The announcement of the Offer Price is expected to take place on or around 30 November 2016. Trading of the Shares on the Oslo Stock Exchange is expected to commence on or around 1 December 2016 at 09:00 hours (CET) under the ticker "ARCUS".

Conditions for the Offering

Completion of the Offering will be conditional upon (i) the board of directors of the Oslo Stock Exchange approving the application for listing of the Shares in the Company in its meeting expected to be held on 25 November 2016 and the satisfaction of the conditions for admission to trading set by the Oslo Stock Exchange, which are expected to be that (a) Arcus will have in excess of 500 shareholders, each holding Shares with a value of more than NOK 10,000, (b) there will be a minimum free float of the Shares of 25% and (c) the completion of the share capital increase pertaining to the New Shares with gross proceeds of minimum NOK 635 million, (ii) Ratos and the Company, in consultation with the Joint Bookrunners, having approved the Offer Price, the number of Offer Shares and the allocation of the Offer Shares to eligible investors following the bookbuilding process, and (iii) Skandinaviska Enskilda Banken AB (publ) prior to listing having confirmed that funds are ready to be drawn under the new credit facilities. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Prospectus

The Prospectus will, subject to regulatory restrictions in certain jurisdictions, be made available at <https://www.arcus.no/investor>, www.abgsc.no, www.seb.no and www.carnegie.no, from the commencement of the book-building period and the application period for the Offer, expected to be from 21 November 2016 at 09:00am (CET). Hard copies of the Prospectus may also be obtained free of charge from the same date by contacting the Company or one of the Joint Bookrunners.

Advisers

ABG Sundal Collier ASA and Skandinaviska Enskilda Banken AB (publ.), Oslo branch are acting as Joint Global Coordinators and Joint Bookrunners in the IPO (combined the "Joint Global Co-ordinators"), and Carnegie AS as Joint Bookrunner. Advokatfirmaet Wiersholm AS is acting as legal advisor to the Company and Ratos. Advokatfirmaet Thommessen AS is acting as legal advisor to the Managers. Communication firm Zynk Communication & Leadership AS is acting as communication advisors to the Company.

For further queries, please contact:

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About Arcus ASA

Arcus is a leading Nordic branded consumer goods company within the production, import, sale and distribution of wine and spirits¹ with Company revenue of NOK 2.5bn in 2015. The Company is the world's largest producer of aquavit and holds strong market positions within spirits and wine across the whole Nordic region. The company's headquarters are located at Gjelleråsen, right outside of Oslo, Norway.

About Ratos AB

Ratos is an investment company which owns and develops medium sized Nordic companies. The company's goal is to create long-term and sustainable business development in the companies it invests in and to make value-generating transactions. Current investment portfolio includes 21 companies with combined annual sales of approximately SEK 33bn. Ratos is listed on Nasdaq Stockholm under the ticker RATO-B-. For more information visit www.ratos.se.

Important Notice

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. None of the joint global coordinators and the joint bookrunners or any of their respective affiliates or any of their respective directors, officers, employees, advisors or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

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¹ Market positions within domestic sale of spirits and wine estimated by the Company based on data from Vinmonopolet, Systembolaget and Alko, as well as from Euromonitor with regards to the Finnish spirits and wine market and Nielsen for the Danish spirits market.

and may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any securities referred to herein in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus. Copies of any such prospectus will, following publication, be available from the Company's registered office and, subject to certain exceptions, on the website of the Company.

In any EEA Member State other than Norway that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

The joint global coordinators and the joint bookrunners and their affiliates are acting exclusively for the Company and Ratos and no-one else in connection with the intended IPO. They will not regard any other person as their respective clients in relation to the intended IPO and will not be responsible to anyone other than the Company and Ratos for providing the protections afforded to their respective clients, nor for providing advice in relation to the intended IPO, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the contemplated IPO, the joint global coordinators and the joint bookrunners and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the contemplated IPO or otherwise. Accordingly, references in any prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such joint global coordinator and joint bookrunners and any of their affiliates acting as investors for their own accounts. The joint global coordinators and the joint bookrunners do not intend to disclose the

extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “aims”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The Offering may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the Offering will proceed and that the listing will occur.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.