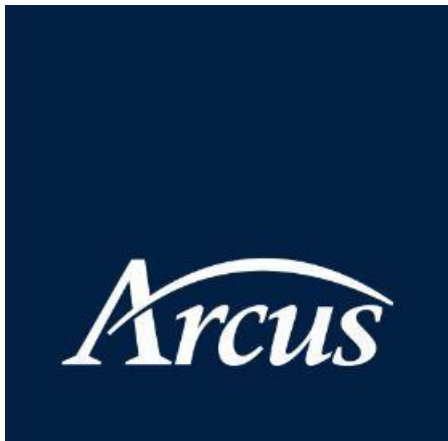


First quarter results 2018

Kenneth Hamnes, Group CEO
Sigmund Toth, CFO

24 May 2018



Q1: Highlights

Revenue:

- 556.9 MNOK, +12.9 % vs Q1 '17
- Organic growth +7.7 %
- Growth for all three business segments
- January to April, organic revenue was +6.2 % vs same period 2017

EBITDA (adj.):

- 22.1 MNOK, +3.8 % vs Q1 '17

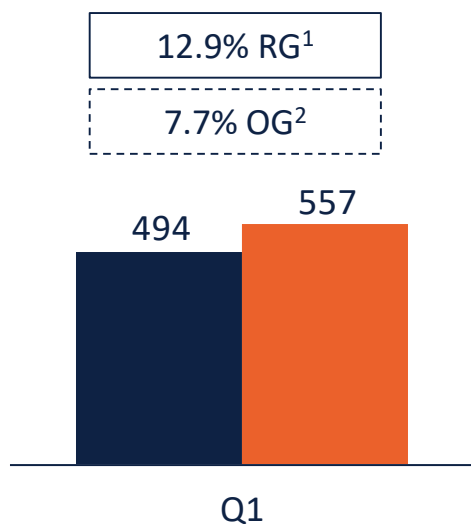


Q1: Revenue growth driven by early Easter and like-for-like growth in Wine and Distribution

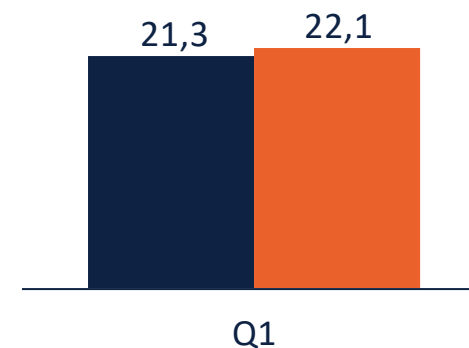
Amounts in NOK million

2017 2018

Operating Revenues



EBITDA (adj.)



- **Wine:** Strong revenue growth, particularly in Norway
- **Spirits:** Increased revenue, supported by brands acquired in Q4 2017
- **Distribution:** Progress from previous quarters continued in Q1, market share increased
- **EBITDA (adj.):** Somewhat lower margins (A&P investments, personnel costs in Distribution, one-offs)

¹Reported growth. The application of IFRS 15 had a positive effect of 8.8 MNOK on reported revenue in the quarter (+1.6 %)

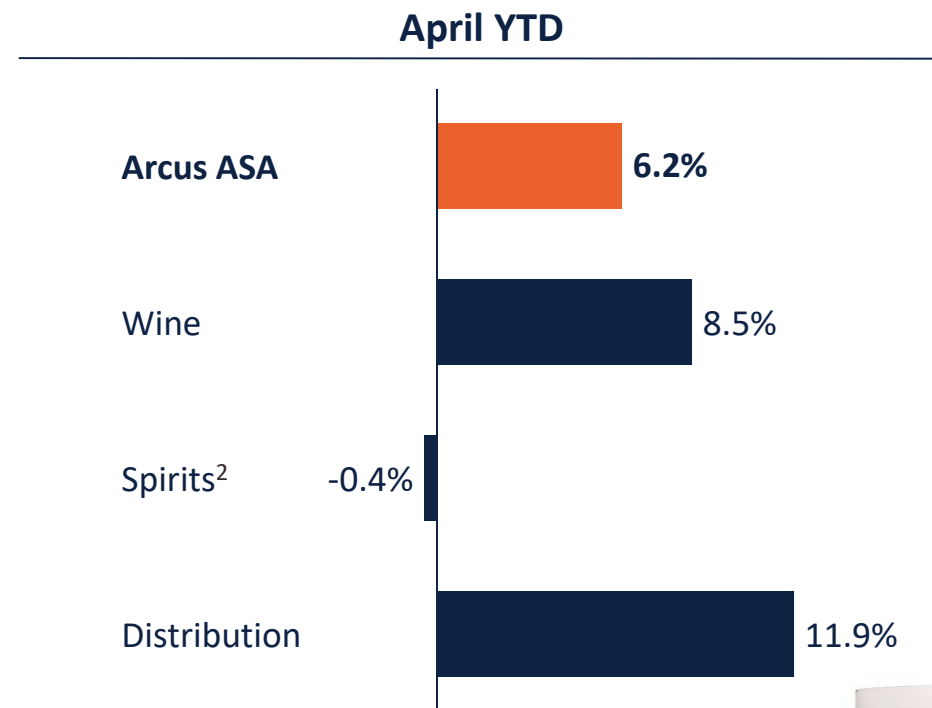
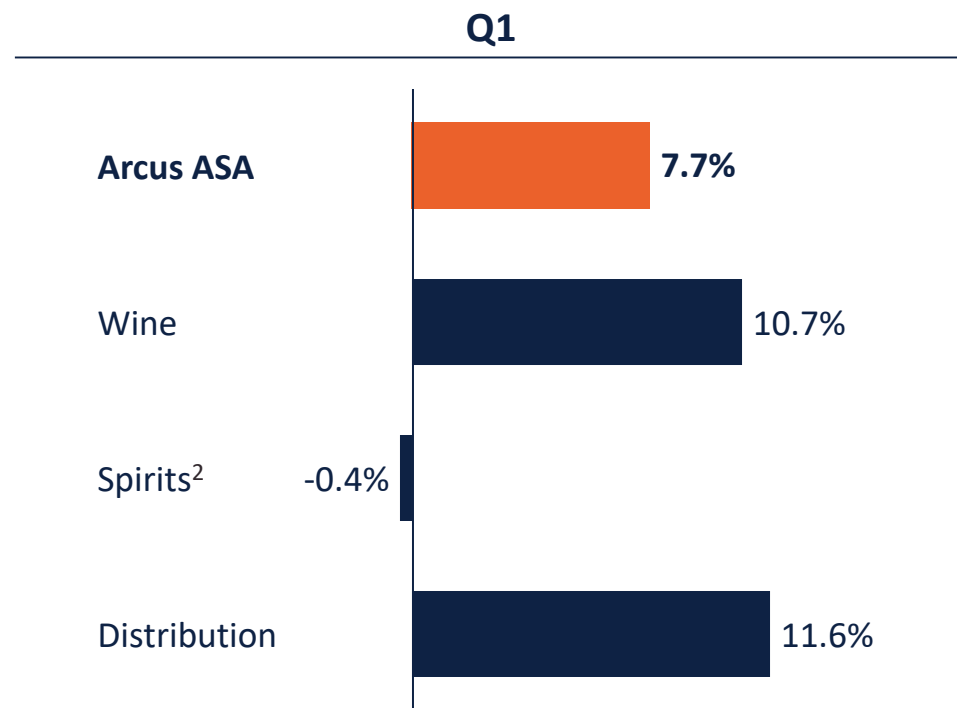
²Reported growth adjusted for currency translation effects and structural changes.



Q1: Strong organic growth driven by Wine and Distribution

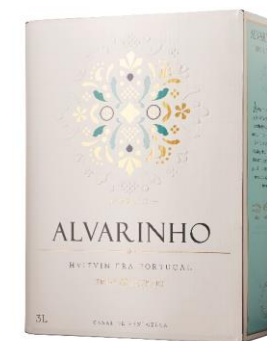


Organic growth¹ overall and by reporting segment Percent



¹Reported growth adjusted for currency translation effects and structural changes

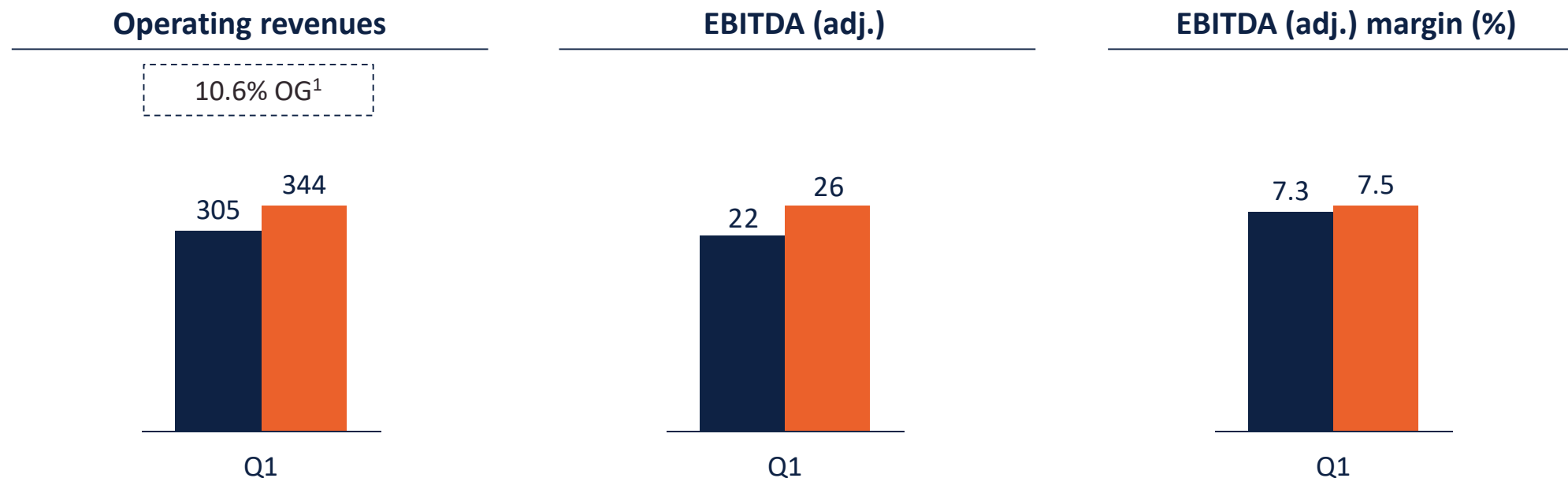
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Wine: Revenue growth, stable margins

Amounts in NOK million

2017 2018



- **Norway:** Arcus' sales increased more than market, growth for both own brands and agency brands
- **Sweden:** Sales increase in line with market. Growth from new listings and price adjustments
- **Finland:** Increased alcohol tax led to nearly flat market, Arcus' sales stable

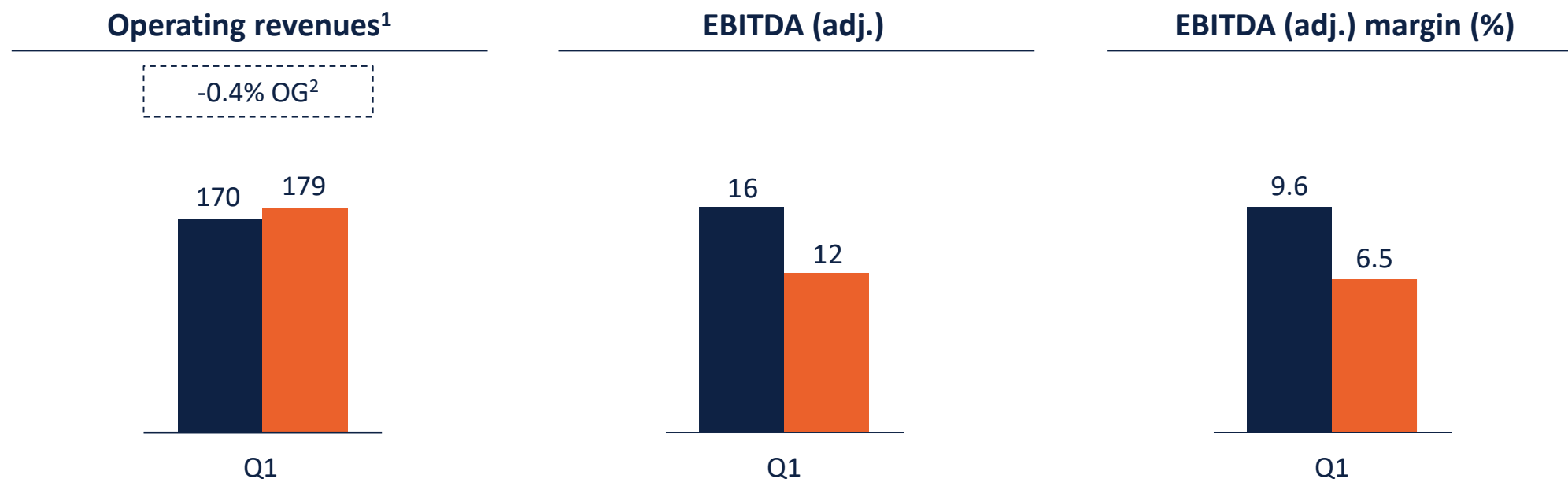
¹Reported growth adjusted for currency translation effects and structural changes



Q1 Spirits: Growth driven by acquisitions

Amounts in NOK million

2017 2018



- **Norway, Sweden:** Organic revenue increased, market shares slightly down when adjusting for acquisitions
- **Denmark:** Increased market shares, but generally weak Easter in Danish retail
- **Germany:** Sales lower than last year due to destocking after Christmas and slightly lower consumer off-take

¹Reported growth includes both external spirits sales and other revenue (internal and external bottling)

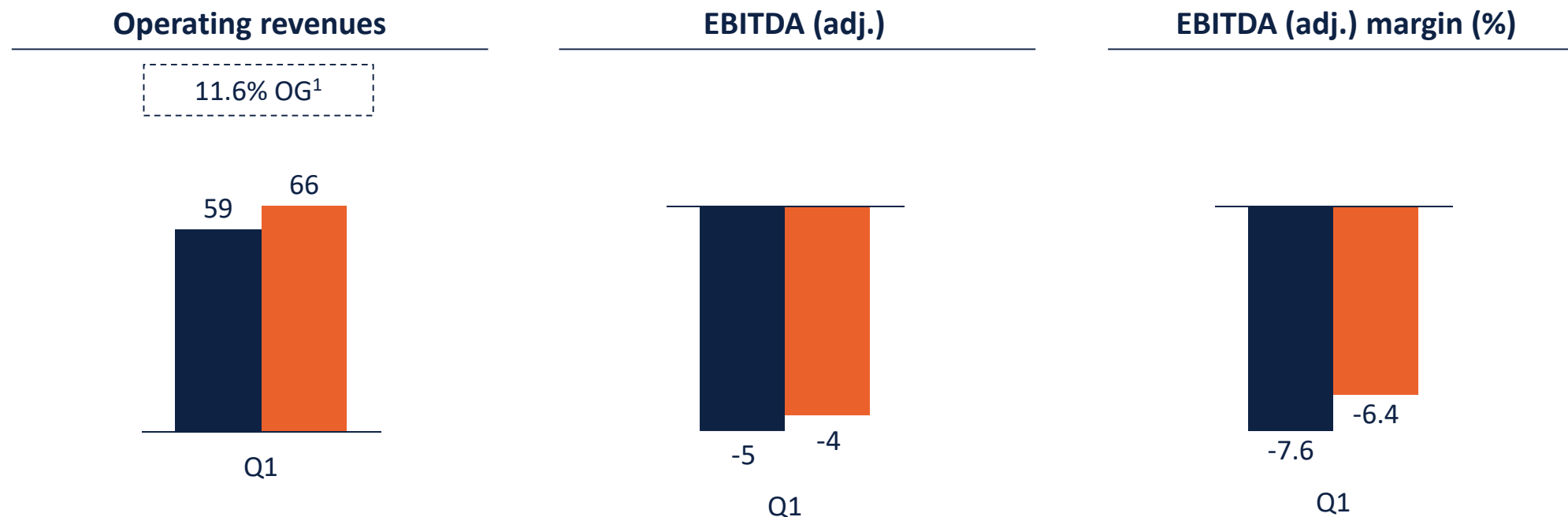
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Distribution: Increased revenue and market share

Amounts in NOK million

2017 2018



- Volume increased by 15.8 % vs Q1 '17, driven by new customers and growth for existing customers
- Growth in Q1 '18 was 6.5 %-pts higher than Vinmonopolet's overall growth
- Personell costs were higher driven by higher volumes, operating costs affected by repairs and maintenance

¹Reported growth adjusted for currency translation effects and structural changes



Financial performance

Sigmund Toth, CFO



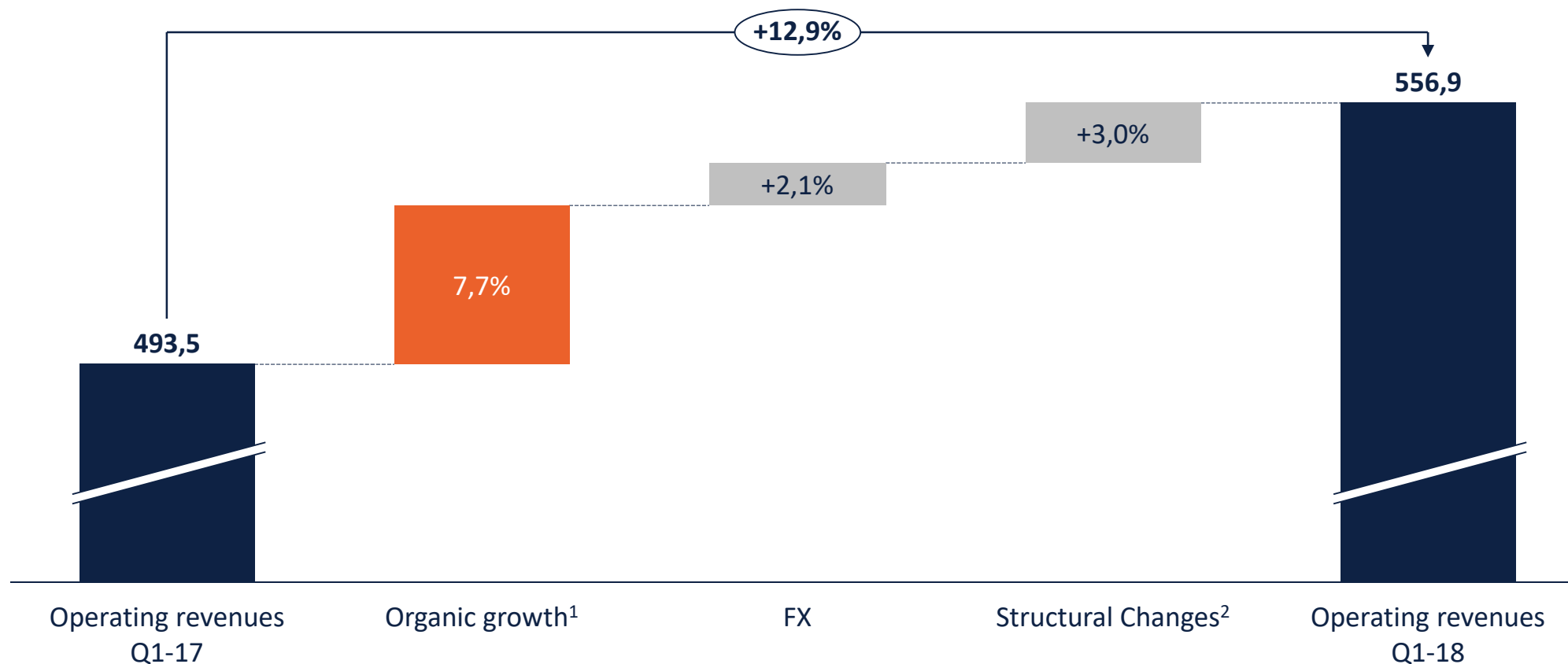
Q1 Group P&L: Increased revenues

Amounts in NOK million

Profit and Loss	Q1-18	Q1-17	2017	2016
Operating revenues	556,9	493,5	2 575,1	2 582,4
EBITDA (adj.)	22,1	21,3	360,8	335,3
Depreciation, Amortization and Write-downs	-12,3	-13,4	-74,3	-51,6
EBIT (adj.)	9,8	7,9	286,5	283,7
Other income and expenses	-5,2	-0,2	-13,2	-44,9
EBIT	4,5	7,7	273,3	238,9
Net financials and other	-10,3	-9,2	-14,6	-236,7
Pre-tax profit	-5,8	-1,4	258,7	2,1
Tax	-0,5	-0,1	-70,5	-26,2
Profit/loss for the year	-6,2	-1,6	188,2	-24,1
EPS (NOK)	-0,13	-0,04	2,66	-0,67

Organic growth and positive effects from structural changes and currency

Q1-18 Operating revenue growth Percent; NOK million

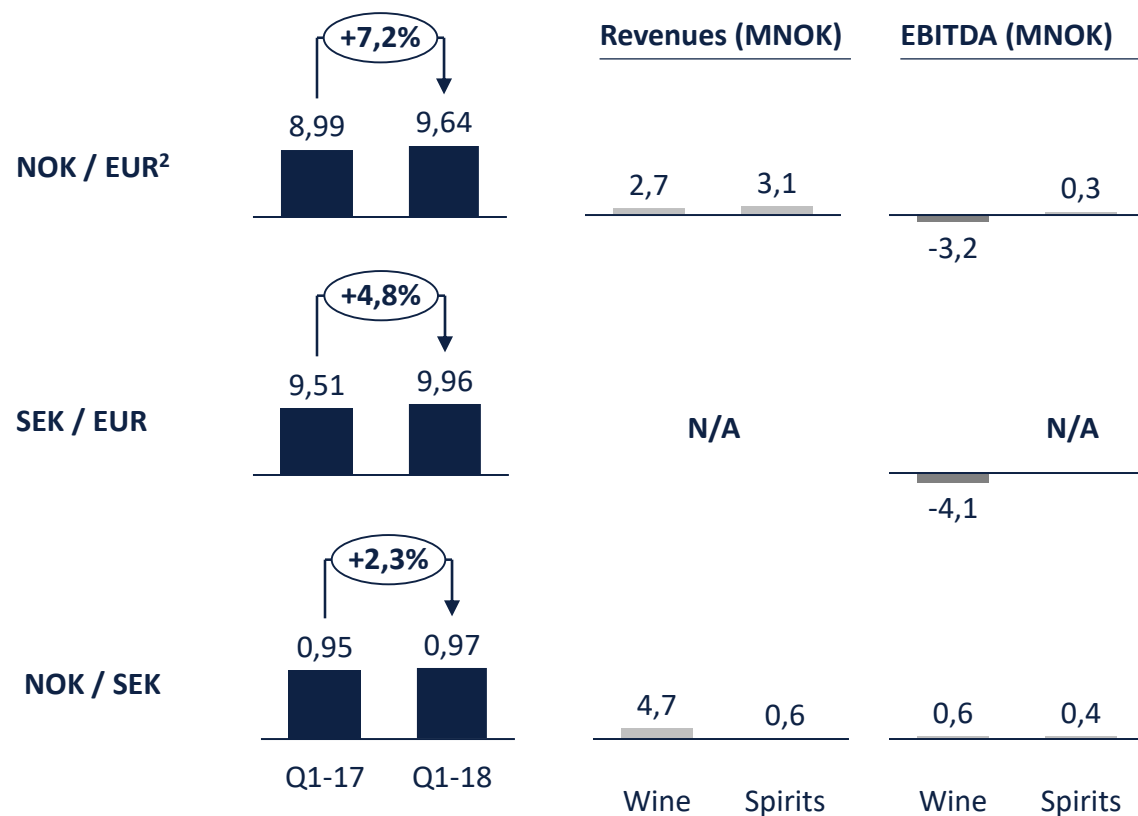


¹Reported growth adjusted for currency translation effects and structural changes (such as acquisitions or divestitures)

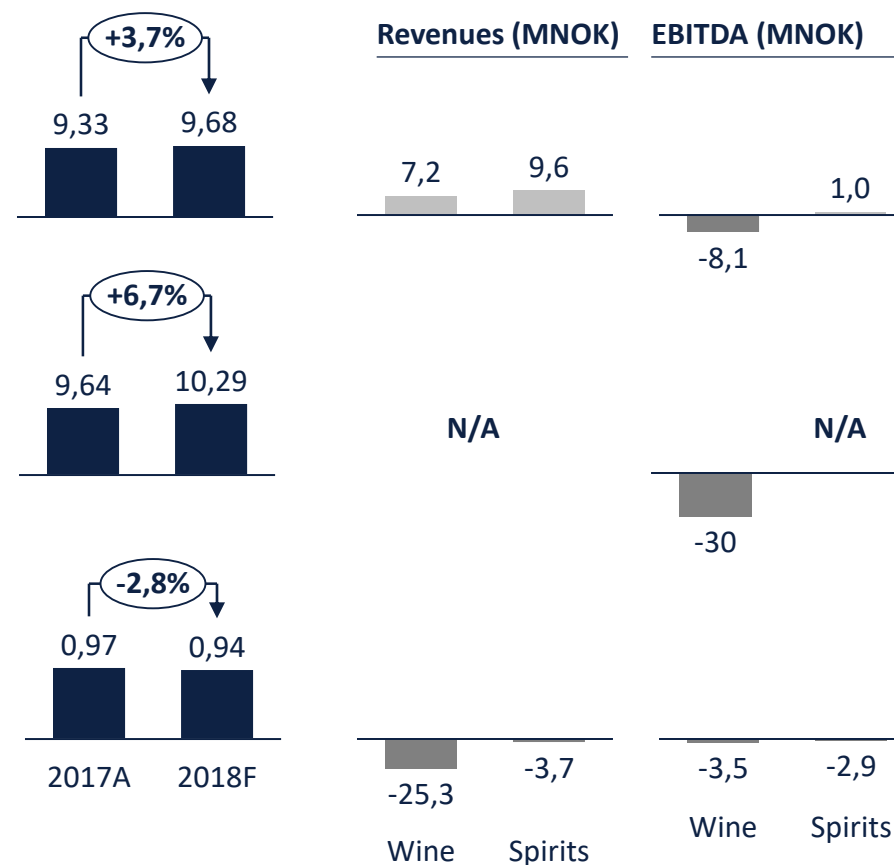
²The application of IFRS 15 had a positive effect of +1,6 %, and M&A a positive effect of +1,4 %

Positive FX effects on Q1 revenues, but negative effect full year

Currency rate effects¹ (Q1 2018 actuals vs. Q1 2017 actuals)



Currency rate effects¹ (2018F currency rate³ vs. 2017 actuals)

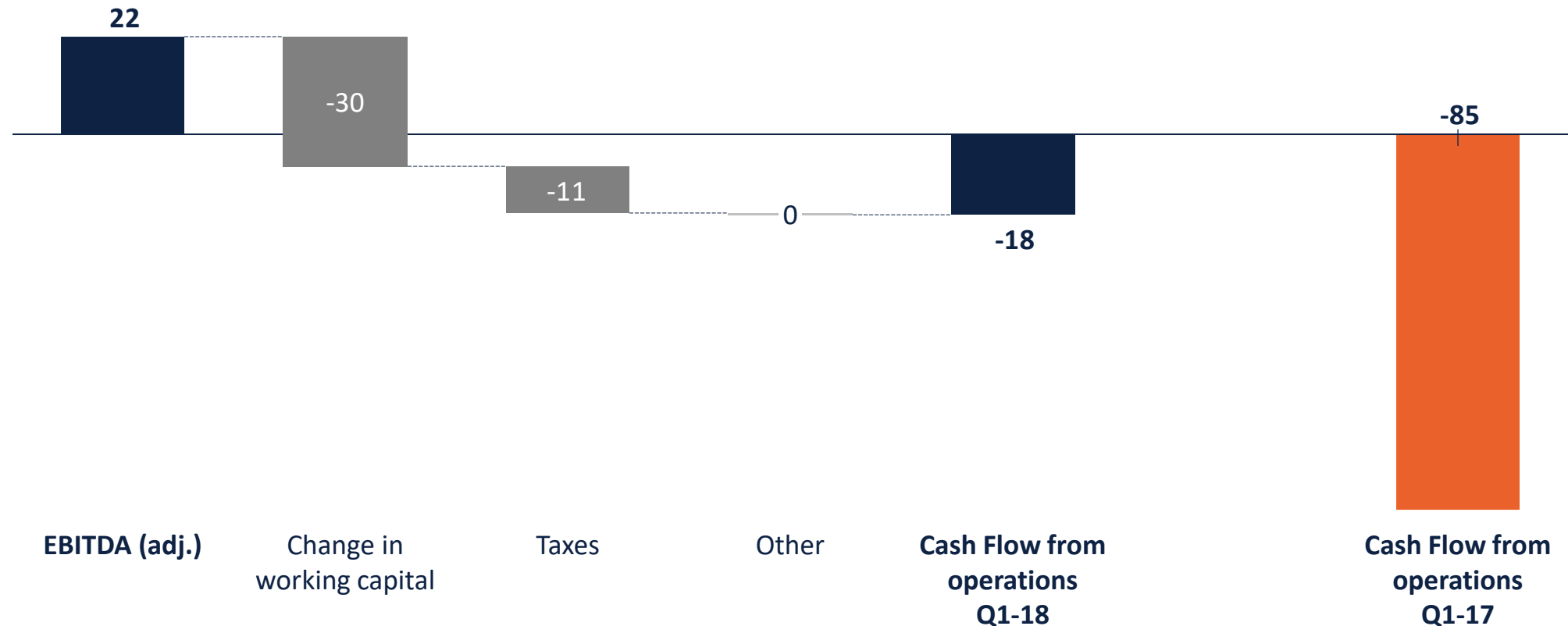


1) Effects are estimates and will vary based on actual business levels. Effects include both translation and transaction effects. Other important currency pairs (not shown) include NOK / USD (Revenues) and (N)SEK/ GBP (COGS on traded goods/agency products). On the Wine business, the general pricing strategy is to off-set adverse foreign exchange movements through increased prices, though this adjustment might take time. Here effects are shown before any corrective pricing. 2) NOK / EUR includes costs and revenues in DKK as DKK moves within narrow band to the EUR. 3) 2018F currency rate is estimated as weighted average of accumulated YTD average rate and current rate as of Apr 26th 2018

Improved cash flow due to Easter and payment of overdue invoice from previous quarter

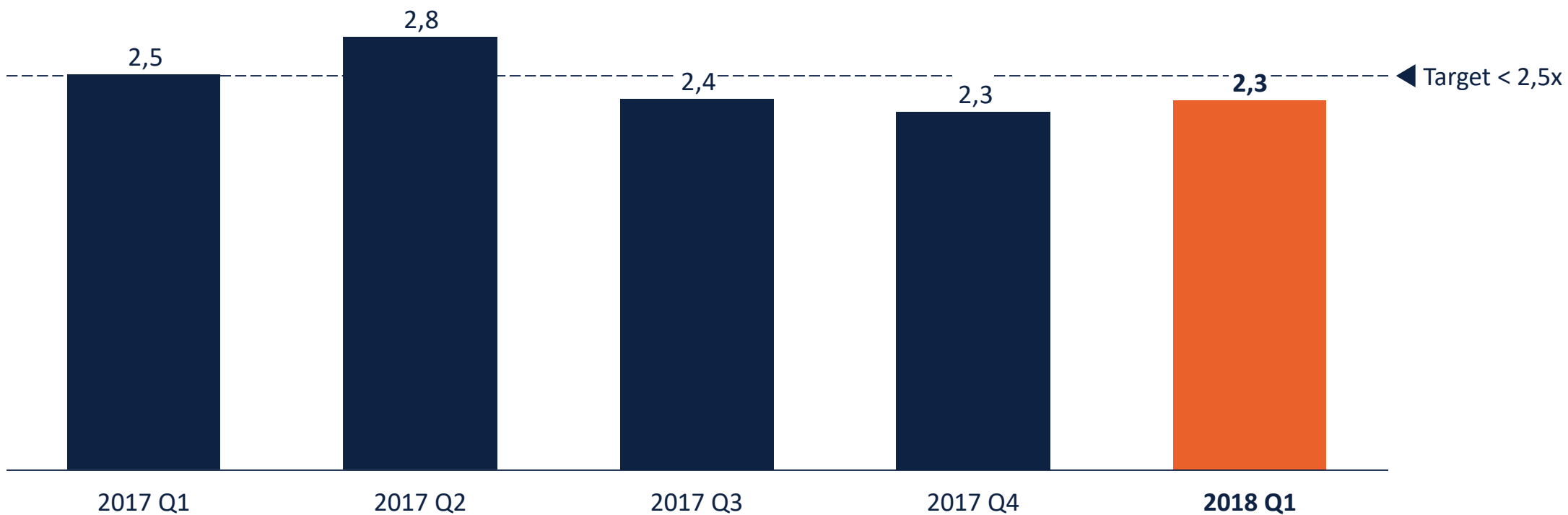
Q1-18 Cash Flow from Operations

Amounts in NOK million



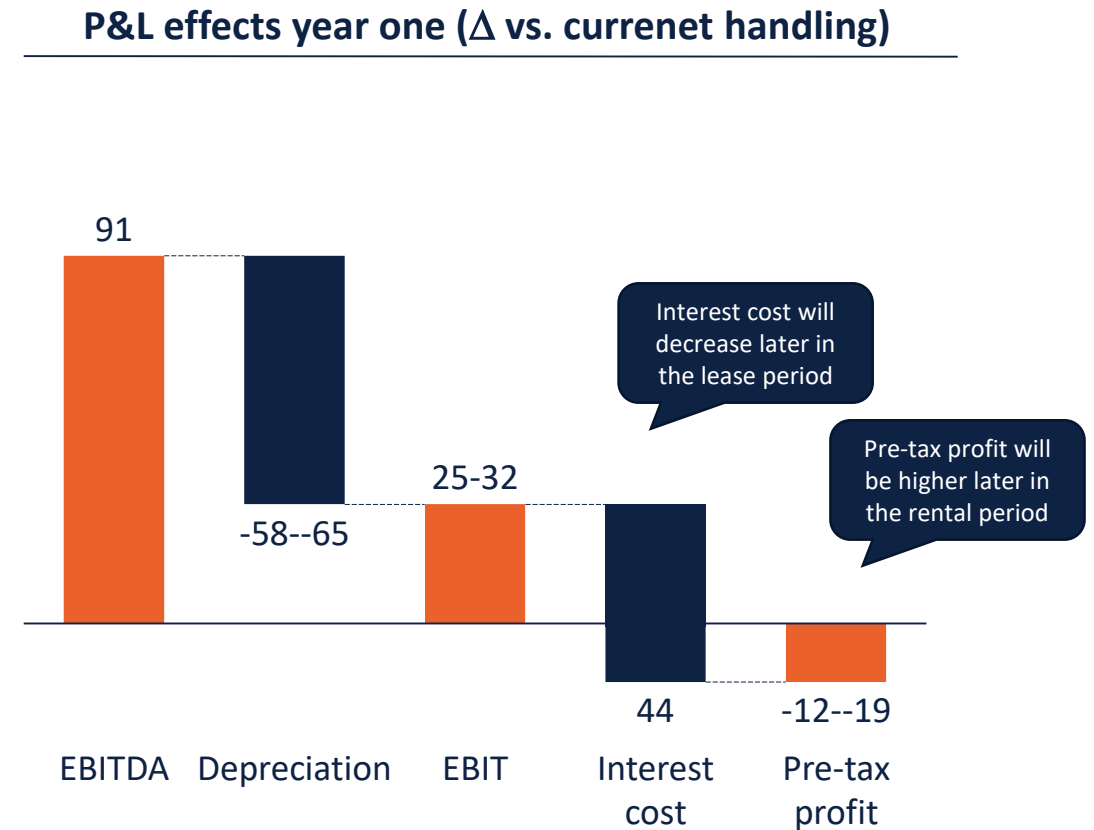
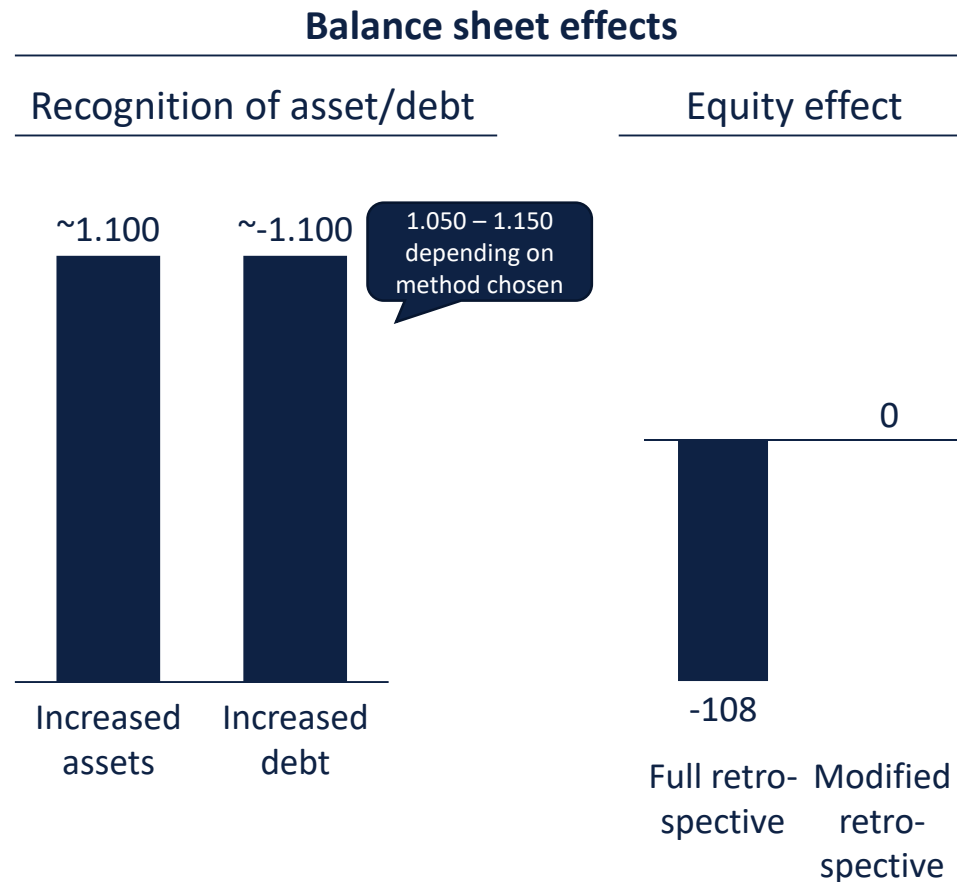
Gearing slightly below target at the end of Q1

Net Interest Bearing Debt (NIBD) / R12M Adjusted EBITDA by quarter



Significant accounting effects of IFRS 16, but no impact on cash flows; covenants and loan terms to be calculated according to today's model

Amounts in NOK million, ESTIMATES ONLY¹



¹At the end of 2017, the Group made a calculation based on the Group's existing leasing agreements. The estimate shows that if IFRS 16 had been implemented as of 31.12.2017, the Group would have had an effect on the statement of financial position of between NOK 1,050 and 1,150 million, depending on the method chosen. The negative equity effect on choosing the full retrospective method would have been NOK 108 million and no effect on equity choosing the modified retrospective method. See the 2017 Annual report for further details.

Summary

Kenneth Hamnes, Group CEO



New Spirits launches, New German LINIE-campaign



Vanlig Akvavit

Launched in Value for money segment in Norway and Sweden and also aiming for launch in Germany

Malteser Kräuterlikör

Line-extension to Malteser Aquavit, in the liqueur segment. Ideal sidecar to a beer. Germany and Norway.



LINIE co-pack Schweppes

Campaign across Germany in week 36-37, on the trend using aquavit in mixed drinks.



Gammel Dansk Halv Bitter

Latest member of the Gammel Dansk Family. Milder taste and lower ABV. All Nordic markets.



The Blind Pig Shot Co.

Addressing a new consumer trend for more premium candy shots. Range of 3 flavors with Licorice, Lemonade and Cold Brew Coffee

Nordic monopolies ask for more light-weight packaging

«Heavy weight bottles are environmental sinners»¹

Light weight products use

- Less energy for production
- Less energy for transport
- Less energy for recycling



Ordinary
bottle,
536 gram
(avg.)



LWB
glass,
410 gram



Bag-in-Box,
138 gram
(3 liters)



PET,
39 gram



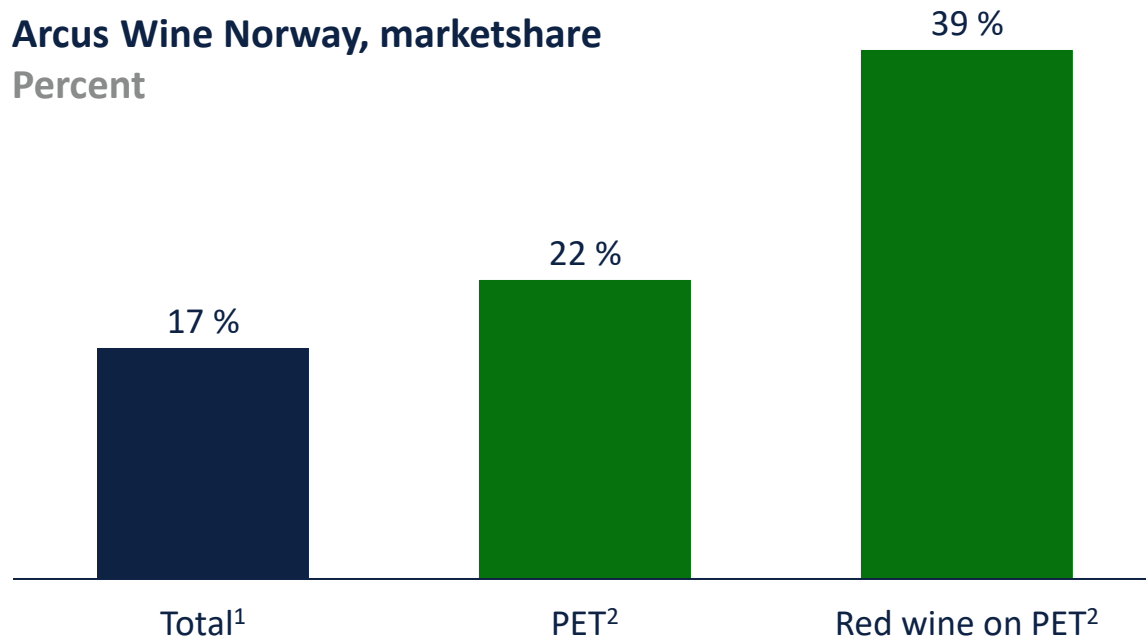
Pouch,
17 gram

¹ Nordic monopolies' environmental study, June 2017

Arcus in pole position for meeting increased demand for PET



Arcus Wine Norway, marketshare
Percent



-PET is neutral, and the taste of the wine is not affected by the plastic

Aina Mee Myhre, Master of Wine, Arcus

Arcus has significant capacity to increase PET-bottling

One of Arcus' eleven CSR goals for 2017-2020

Packaging

In 2020, 35 per cent of our own bottling will be in recirculated plastic bottles (PET)

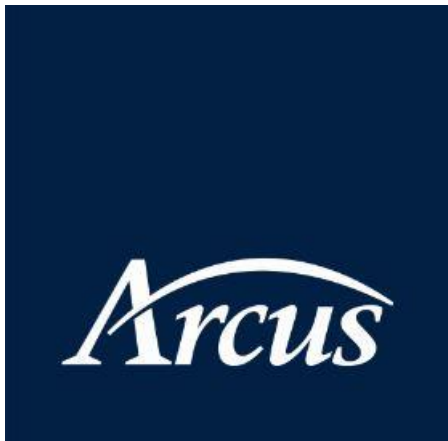
¹ Volume

²Number of SKUs

Q&A

Kenneth Hamnes, Group CEO

Sigmund Toth, CFO



Condensed statement of income

MNOK	Note	First quarter		Year to date		Year end
		2018	2017	2018	2017	2017
Sales	2,9	545.8	482.9	545.8	482.9	2 530.1
Other revenue	2	11.1	10.6	11.1	10.6	44.9
Total operating revenue	2,9	556.9	493.5	556.9	493.5	2 575.1
Cost of goods		-315.7	-268.6	-315.7	-268.6	-1 408.5
Gross Profit		241.2	224.9	241.2	224.9	1 166.5
Gain on sale of fixed assets		0.0	0.0	0.0	0.0	0.0
Salaries and personnel cost		-110.1	-105.2	-110.1	-105.2	-417.4
Advertising & Promotion expenses (A&P)		-31.1	-25.8	-31.1	-25.8	-122.7
Other operating expenses		-76.0	-72.7	-76.0	-72.7	-269.0
Share of profit from AC ¹⁾ and JCE ²⁾		-1.9	0.1	-1.9	0.1	3.3
Other income and expenses	3	-5.2	-0.2	-5.2	-0.2	-13.2
EBITDA		16.9	21.1	16.9	21.1	347.6
Depreciation	5,6	-10.4	-11.6	-10.4	-11.6	-44.2
Amortisations	5,6	-1.9	-1.8	-1.9	-1.8	-7.4
Write downs		0.0	0.0	0.0	0.0	-22.7
Operating profit (EBIT)		4.5	7.7	4.5	7.7	273.3
Financial income	12	2.1	1.4	2.1	1.4	25.9
Financial expenses	7,10,12	-12.5	-10.6	-12.5	-10.6	-40.4
Pre-tax profit		-5.8	-1.4	-5.8	-1.4	258.7
Tax		-0.5	-0.1	-0.5	-0.1	-70.5
Profit/loss for the year		-6.2	-1.6	-6.2	-1.6	188.2
Profit/loss for the year attributable to parent company shareholders		-7.1	-2.5	-7.1	-2.5	181.3
Profit/loss for the year attributable to non-controlling interests		0.9	0.9	0.9	0.9	6.9
Earnings per share, continued operations		-0.13	-0.04	-0.13	-0.04	2.66
Diluted earnings per share, continued operations		-0.13	-0.04	-0.13	-0.04	2.62

¹⁾ Associated Companies, ²⁾ Jointly Controlled Entities

Condensed statement of financial position

MNOK	Note	Year to date		Year end
		2018	2017	2017
Intangible assets	6	1 858.2	1 734.0	1 891.4
Tangible assets	5	327.0	343.9	329.8
Deferred tax asset		140.9	177.2	136.8
Financial assets		56.9	49.5	60.1
Total fixed assets		2 383.0	2 304.6	2 418.1
Inventories		447.9	413.7	410.8
Accounts receivables and other receivables		1 130.3	944.3	1 519.1
Cash and cash equivalents		175.6	126.0	184.4
Total current assets		1 753.7	1 484.1	2 114.2
Total assets		4 136.7	3 788.6	4 532.4
Paid-in equity		772.1	772.1	772.1
Retained earnings		852.6	720.2	878.5
Non-controlling interests		17.8	13.3	18.8
Total equity		1 642.5	1 505.6	1 669.4
Non-current liabilities to financial institutions	8	697.8	712.4	742.8
Non-current finance lease liabilities	8	167.4	178.9	166.4
Pension obligations		30.4	34.2	30.6
Deferred tax liability		98.7	93.4	101.0
Other non-current provisions		0.3	0.6	0.3
Total non-current liabilities		994.7	1 019.4	1 041.1
Bank Overdraft	8	141.6	51.8	72.7
Current liabilities at fair value through profit or loss	7,10	0.0	13.8	0.0
Current finance lease liabilities	8	12.0	16.5	17.4
Tax payable		0.0	-0.1	2.1
Accounts payable and other payables		1 345.9	1 181.5	1 729.6
Total current liabilities		1 499.5	1 263.6	1 821.8
Total equity and liabilities		4 136.7	3 788.6	4 532.4

Condensed statement of cash flow

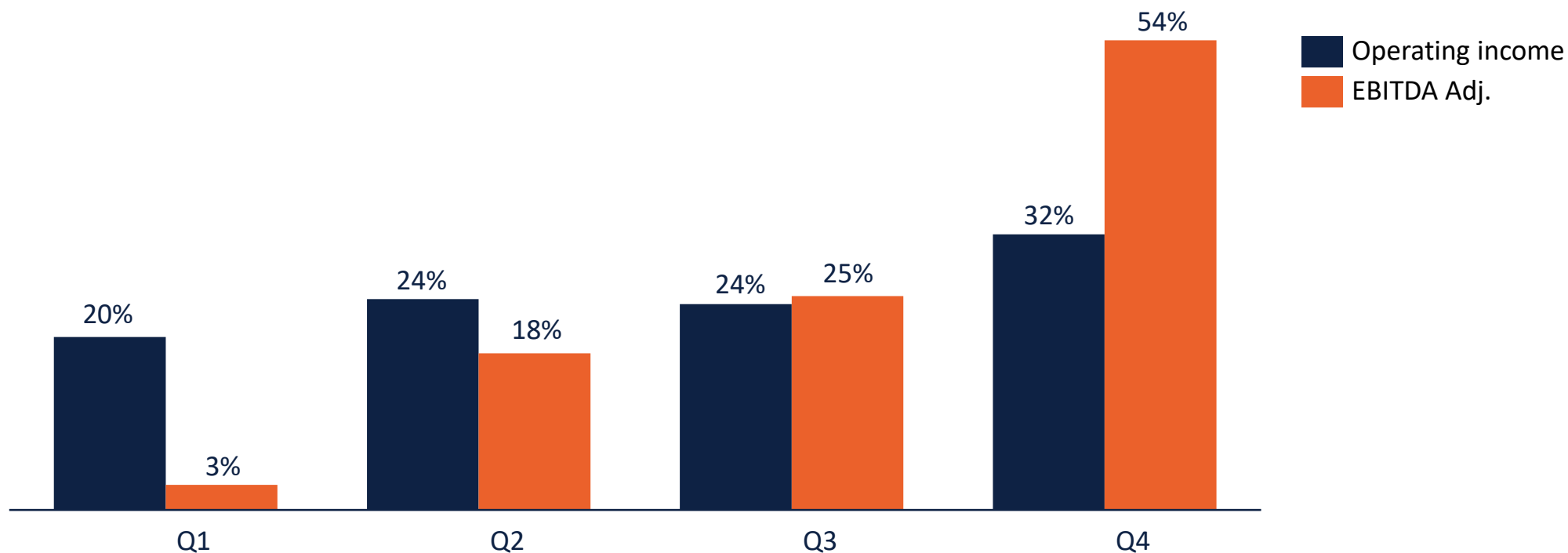
MNOK		First quarter		Year to date		Year end
	Note	2018	2017	2018	2017	2017
Pre-tax profit		-5.8	-1.4	-5.8	-1.4	258.8
Depreciation and amortisations	5,6	12.3	13.4	12.3	13.4	74.3
Received dividend from associated companies		0.0	7.4	0.0	7.4	0.0
Net interest in period		7.6	0.0	7.6	0.0	31.5
Other items without cash effect		-2.8	6.1	-2.8	6.1	12.1
Change in inventories		-37.1	-35.0	-37.1	-35.0	-31.8
Change in receivables		391.7	533.5	391.7	533.5	-50.0
Change in payables		-384.2	-609.3	-384.2	-609.3	-61.6
Cash flow from operating activities before tax		-18.3	-85.4	-18.3	-85.4	233.2
Tax paid		-10.5	-12.7	-10.5	-12.7	-33.2
Cash flow from operating activities		-28.9	-98.1	-28.9	-98.1	199.9
Payments on acquisition of tangible & intangible fixed assets	5,6	-6.5	-2.7	-6.5	-2.7	-22.2
Payments on acquisition of Brands	6	0.0	-4.0	0.0	-4.0	-118.6
Payments on acquisition of operations		0.0	1.2	0.0	1.2	-2.8
Other investments		0.0	0.0	0.0	0.0	-0.4
Cash flows from investment activities		-6.6	-5.5	-6.6	-5.5	-144.0
Repayment debt to financial institutions	8	-4.3	-4.1	-4.3	-4.1	-15.7
Change other long term loans		0.0	0.0	0.0	0.0	0.1
Interest paid in period		-7.6	-7.4	-7.6	-7.4	-31.5
Paid dividend and Group contributions		-0.9	-1.4	-0.9	-1.4	-103.5
Other financing payments		-0.2	-13.2	-0.2	-13.2	-12.9
Cash flow from financing activities		-13.0	-26.1	-13.0	-26.1	-163.5
Total cash flow		-48.4	-129.6	-48.4	-129.6	-107.6
Holdings of cash and cash equivalents at the beginning of period		111.7	199.4	111.7	199.4	199.4
Effect of exchange rate changes on cash and cash equivalents		-29.3	4.5	-29.3	4.5	19.9
Holdings of cash and cash equivalents at the end of period		34.0	74.2	34.0	74.2	111.7

Specification of cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period	175.6	126.0	175.6	126.0	184.4
Overdraft cashpool system at the end of the period	-141.6	-51.8	-141.6	-51.8	-72.7
Holdings of cash and cash equivalents at the end of period	34.0	74.2	34.0	74.2	111.7

Historic quarterly distribution of top-/bottom-line

2011-2017, average



Average 2011 – 2017 Arcus ASA, rounded numbers

THINK BEFORE
YOU DRINK. MAKE
GREAT MOMENTS
EVEN BETTER.

Arcus