

PRESS RELEASE | July 2016

This information is disclosed pursuant to the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act of requirements stipulated in the listing agreement.

Ratos new partner for Gudrun Sjödén

Ratos has signed an agreement to acquire approximately 30% of the shares in Gudrun Sjödén Group AB, an international design company that has a unique, colourful style and strong emphasis on sustainability. The purchase price (enterprise value) for 100% of the company amounts to approximately SEK 725m, of which Ratos will provide equity of about SEK 150m.

Gudrun Sjödén Design AB was founded in 1976 by Gudrun and Björn Sjödén, the company's sole owners today. Gudrun still runs the company as active owner, Managing Director and Creative Director. The Gudrun Sjödén brand is sold and marketed globally through 21 of its own stores in seven countries, a global webshop and mail order service as well as online sales, which is the largest distribution channel. Through its unique design and colourful, personal communication, the company has developed a strong relationship to its customers. Customers use the international online sales channels in more than 50 countries, with Germany and Sweden as the largest markets. The company targets women who want practical, high-quality clothes and homeware products that have a unique, timeless design and a sustainable profile. The market for Gudrun Sjödén's designed apparel and homeware products is growing as demand for timeless models, high quality and sustainable materials increases.

Ratos will invest in partnership with Gudrun and Björn Sjödén, who will continue to own 70% after the transaction. In conjunction with the transaction, Ratos has signed an agreement for an option to increase its holding a further 40% in 2018. The company has approximately 400 employees. Pro forma sales for 2015 amounted to SEK 715m and EBITA to SEK 76m.

"Gudrun Sjödén has a strong brand founded on a unique, timeless design. The company has an impressive history of excellent growth and profitability based on an international expansion in Europe and the US that is primarily driven by online e-commerce. However, because the company still has a relatively low market share outside Sweden, it's potential to grow is great. In partnership with Gudrun and the rest of the team, we are putting together an ambitious business plan in which we will develop operations together and continue to grow globally," says Lars Johansson, Investment Director and acting CEO of Ratos.

"I have been looking for a partner that has the relevant expertise and experience to enable our organisation to grow even more and realise the brand's full potential. We recognise that Ratos is an established and responsible investor and believe that their experience of active ownership, their strong value foundation and their clear sustainability profile will benefit us as we continue to grow and develop," says Gudrun Sjödén, Founder and Managing Director.

Ratos is acquiring approximately 30% of Gudrun Sjödén Group AB. The purchase price (enterprise value) for 100% amounts to approximately SEK 725m. Based on estimated net debt on completion of the deal, Ratos is expected to provide equity of about SEK 150m for its 30%. In conjunction with the transaction, Ratos has signed an agreement for an option to increase its holding a further 40% in 2018. The acquisition is subject to approval by the relevant authorities and is expected to be completed in the third quarter.

For further information, please contact:

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Financial calendar from Ratos:

Interim report January-June 2016

19 August 2016

Interim report January-September 2016

10 November 2016

Ratos is an investment company that owns and develops unlisted medium-sized Nordic companies. Our goal as an active owner is to contribute to the long-term and sustainable business development in the companies we invest in and to make value-generating transactions. Ratos's portfolio consists of 19 medium-sized Nordic companies and the largest segments in terms of sales are Construction, Industrials and Consumer goods/Commerce. Ratos is listed on Nasdaq Stockholm and has a total of approximately 16,000 employees.