



# Forming a leading wine and spirits brand house in the Nordics

Merger of Altia & Arcus

*NOT FOR PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION OR DISTRIBUTION WOULD VIOLATE APPLICABLE LAWS OR RULES OR WOULD REQUIRE ADDITIONAL DOCUMENTS TO BE COMPLETED OR REGISTERED OR REQUIRE ANY MEASURE TO BE UNDERTAKEN IN ADDITION TO THE REQUIREMENTS UNDER FINNISH LAW. SEE "IMPORTANT INFORMATION" ON PAGE 1.*

29 September 2020

ALTIA *Arcus*

# Important information

This presentation has been prepared by, and the information contained herein (unless otherwise indicated) has been provided by Altia Plc (“**Altia**”) and Arcus ASA (“**Arcus**”).

This presentation is for information purposes only. This presentation does not constitute a notice to an EGM or a merger prospectus and as such, does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, any securities or an inducement to enter into investment activity. Any decision with respect to the proposed merger of Arcus into Altia should be made solely on the basis of information to be contained in the actual notices to the EGM of Arcus and Altia, as applicable, and the merger prospectus related to the merger as well as on an independent analysis of the information contained therein. You should consult the merger prospectus for more complete information about Altia, Arcus, their respective subsidiaries, their respective securities and the merger. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither Altia nor Arcus, nor any of their respective affiliates, advisors or representatives or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Each person must rely on their own examination and analysis of Altia, Arcus, their respective securities and the merger, including the merits and risks involved. The transaction may have tax consequences for Arcus shareholders, who should seek their own tax advice.

The distribution of this presentation may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restrictions. The information contained herein is not for publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, South Africa or any other jurisdiction where such publication or distribution would violate applicable laws or rules or would require additional documents to be completed or registered or require any measure to be undertaken in addition to the requirements under Finnish law. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This presentation is not directed to, and is not intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Altia is a Finnish company and Arcus is a Norwegian company. The transaction, including the information distributed in connection with the merger and the related shareholder votes, is subject to disclosure, timing and procedural requirements of a non-U.S. country, which are different from those of the United States. The financial information included or referred to in this presentation has been prepared in accordance with IFRS, which may not be comparable to the accounting standards, financial statements or financial information of U.S. companies or applicable in the United States. It may be difficult for U.S. shareholders of Arcus to enforce their rights and any claim they may have arising under U.S. federal or state securities laws, since Altia and Arcus are not located in the United States, and all or some of their officers and directors are residents of non-U.S. jurisdictions. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court’s judgment. U.S. shareholders of Arcus may not be able to sue Altia or Arcus or their respective officers and directors in a non-U.S. court for violations of U.S. laws, including federal securities laws, or at the least it may prove to be difficult to evidence such claims. Further, it may be difficult to compel Altia or Arcus and their affiliates to subject themselves to the jurisdiction of a U.S. court. In addition, there is substantial doubt as to the enforceability in a foreign country in original actions, or in actions for the enforcement of judgments of U.S. courts, based on the civil liability provisions of the U.S. federal securities laws. Arcus’s shareholders should be aware that Altia may purchase Arcus’s shares otherwise than under the merger, such as in open market or privately negotiated purchases, at any time during the pendency of the proposed merger.

The securities referred to in this presentation have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in or into the United States absent registration, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state and other securities laws of the United States. This presentation does not constitute an offer to sell or solicitation of an offer to buy any of the shares in the United States. Any offer or sale of new Altia shares made in the United States in connection with the merger may be made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 802 thereunder. The new shares in Altia have not been and will not be listed on a U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. Neither Altia nor Arcus intends to take any action to facilitate a market in the new shares in Altia in the United States. The new shares in Altia have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the merger or the accuracy or the adequacy of this presentation. Any representation to the contrary is a criminal offence in the United States.

This presentation includes “forward-looking statements.” These statements may not be based on historical facts, but are statements about future expectations. When used in this presentation, the words “aims,” “anticipates,” “assumes,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “should,” “will,” “would” and similar expressions as they relate to Altia, Arcus or the merger identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this presentation, including wherever this presentation includes information on the future results, plans and expectations with regard to the Combined Company’s business, including its strategic plans and plans on growth and profitability, and the general economic conditions. These forward-looking statements are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations, which may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the Combined Company to differ materially from those expressed or implied in the forward-looking statements. Neither Altia nor Arcus, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to presentation publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

This presentation contains financial information regarding the businesses and assets of Altia and Arcus and their consolidated subsidiaries. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. Certain financial data included in this presentation consists of “alternative performance measures.” These alternative performance measures, as defined by Altia and Arcus, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Altia’s and Arcus’s cash flows based on IFRS. Even though the alternative performance measures are used by the management of Altia and Arcus to assess the financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Altia’s or Arcus’s financial position or results of operations as reported under IFRS.

This presentation includes estimates relating to the cost and revenue synergy benefits expected to arise from the merger as well as the related integration costs (which are forward-looking statements), which have been prepared by Altia and Arcus and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the merger on the Combined Company’s business, financial condition and results of operations. The assumptions relating to the estimated cost and revenue synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual cost and revenue synergy benefits from the merger, if any, and related integration costs to differ materially from the estimates in this presentation. Further, there can be no certainty that the merger will be completed in the manner and timeframe described in this presentation, or at all.

# Today's presenters



**Sanna Suvanto-Harsaae**  
Chairman of Altia



**Michael Holm Johansen**  
Chairman of Arcus



**Pekka Tennilä**  
CEO of Altia



**Sigmund Toth**  
CFO of Arcus



**Kenneth Hamnes**  
CEO of Arcus



# Summary of the combination





# Summary of the combination

## Structure

- The combination will be completed via a statutory cross-border absorption merger whereby Arcus ASA is merged into Altia Plc
- Headquarter in Helsinki, executive management team placed in the different countries - creating an effective and true Nordic matrix
- The combined company will be listed on Nasdaq Helsinki with a temporary listing on Oslo Børs

## Decision making

- Merger plan and combination agreement between the parties signed by Altia's and Arcus' BoD on 29 September 2020
- The final decision on the merger is made by the Extraordinary General Meetings (EGM; 2/3 majority) of both companies
- Merger prospectus to be published before the EGMs

## Corporate governance

- The name of the combined company will be ANORA GROUP
- Pekka Tennilä will become the CEO and Sigmund Toth will become the CFO of the combined company
- It is proposed that the Chairman of the combined company will be Michael Holm Johansen and that the Vice Chairman will be Sanna Suvanto-Harsaae

## Deal certainty

- Altia's largest shareholder, Vake Oy, holding approximately 36.2% of the shares in Altia has stated their support for the transaction
- Voting undertaking, subject to certain conditions, secured from Arcus' largest shareholder Canica AS, holding approximately 44.2% of the shares in Arcus
- Voting undertakings secured from the other main shareholders of both companies representing approximately 9.4% of shares and votes in Altia and approximately 14.8% of shares and votes in Arcus
- Completion of the merger is subject to approval by EGMs in Altia and Arcus as well as obtaining necessary merger control approvals and customary closing conditions

## Transaction consideration

- The shareholders of Arcus will receive 0.4618 new Altia shares for each share in Arcus as merger consideration whereby the shareholders of Arcus will receive a 46.5% ownership in the combined company
- In addition, Altia proposes to pay an extra dividend of EUR 0.40 per share in addition to EUR 0.21 per share already authorised by Altia's Annual General Meeting, corresponding to EUR 22m in total, to Altia's shareholders prior to completion

## Timing

- Targeted publication of prospectus in late October
- Altia's and Arcus' EGMs to be held in November 2020
- Closing expected in H1 2021 at the latest, subject to all regulatory approvals having been obtained



# Merger of Altia and Arcus





# The Nordic wine & spirits brand house with an excellent growth platform

**The wine and spirits brand house in the Nordics**

**Superior pan-Nordic route-to-market**

**Competitive platform to grow in and outside home markets**

**Step-change in scale with efficiencies across the value chain**

**Strong value creation from significant synergies**

# Leading presence in wines and spirits across the Nordics and existing presence in the Baltics

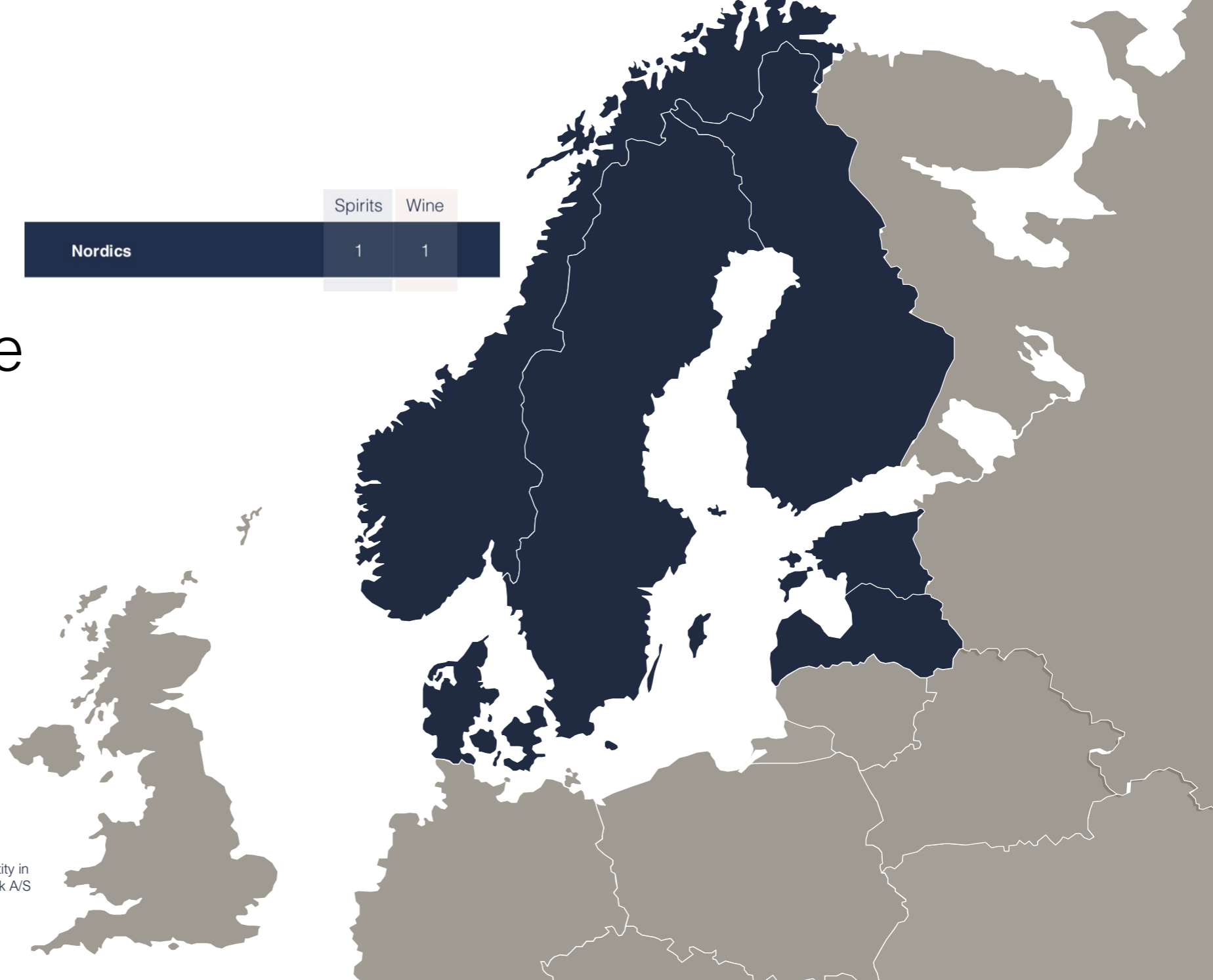
|         | Spirits | Wine |
|---------|---------|------|
| Nordics | 1       | 1    |

## Combined preliminary key figures (2019)

- Net sales EUR 640 million
- Comparable EBITDA EUR 85 million
- Personnel about 1,100

Market shares in Norway, Sweden and Finland are based on data from the retail monopolies, Vinmonopolet, Systembolaget and Alko and are based on the total volumes for the combined entity in 2019. Market shares in Denmark are based on August-20 LTM volumes (including Altia Denmark A/S and Det Danske Spiritus Company (Arcus), provided by Nielsen)

Source: Alko, Vinmonopolet, Systembolaget, Nielsen





# Strong and diversified brand portfolio of iconic local, regional and global brands

Wine and spirits

Wine



Aquavit



Vodka



Bitter



Cognac



Glögg



Other spirits



Partner brands





# Winning approach to sustainability

Towards carbon neutral production

Supporting a responsible drinking culture

Leader in eco-friendly packaging

Inclusive working culture and work safety





# Superior pan-Nordic route-to-market

Superior partner offering through sales excellence and presence in complex Nordic markets

First class local knowledge and unparalleled presence across the Nordics



Leading distribution capabilities

ALTIA

Arcus

64

46

Million litres sold per year<sup>1</sup>

Million litres sold per year

Attractive one-stop shop for on- and off-trade customers in wine and spirits across home markets

Access to a unique portfolio of own and partner brands



Improved product category width and depth



Note: 1) Excluding exports



# Competitive platform to grow in and outside home markets

Joined forces and competence will facilitate more powerful launches, both in new and current markets

Attractive combined portfolio of iconic Nordic brands with further export potential

Strengthened financial position allowing for targeted M&A

1

Increased resources allowing selective pushes in key export markets

2

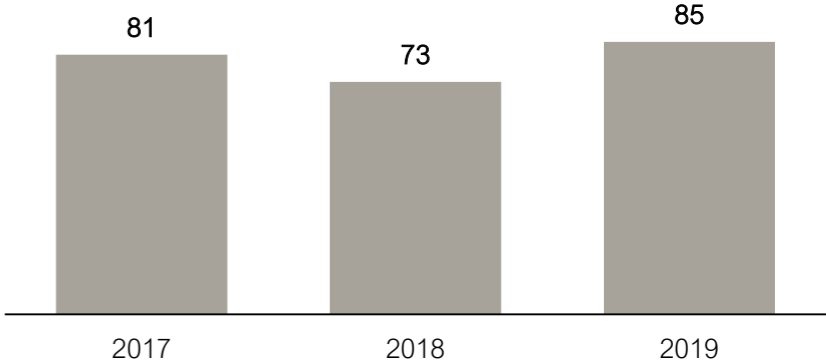
Opportunity to introduce and invest in attractive brands in selected fast-growing markets

3

Raised attractiveness for distribution partners



Illustrative combined comparable EBITDA, EURm<sup>1</sup>



Note: 1) Yearly average FX used to translate Arcus' historical values

# Step-change in scale with efficiencies across the value chain

Strong combined manufacturing and logistics footprint

Efficiency gains across the value chain

### Manufacturing



Altia



Arcus

### Own warehouse



Altia



Arcus



Sourcing

Combined supplier base for first-class raw materials

Logistics and warehousing

Improved warehouse capacity utilisation  
Scale benefits in transportation

Manufacturing, bottling and packaging

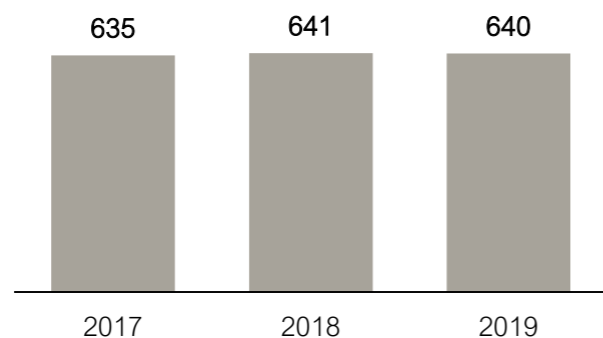
Specialisation of manufacturing driving efficiency and potential cost savings



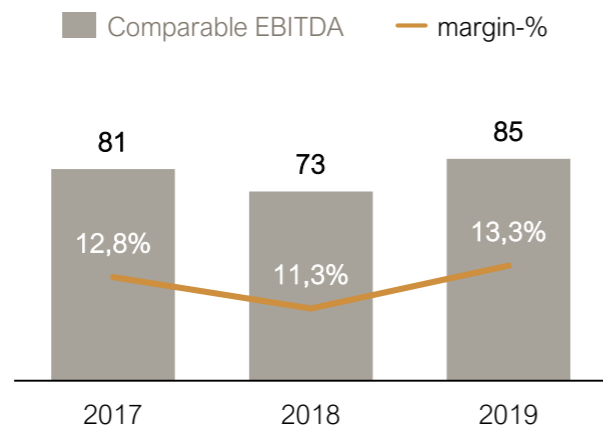
# ANORA GROUP's illustrative key figures

## ANORA GROUP<sup>1</sup>

Net sales  
(EURm)

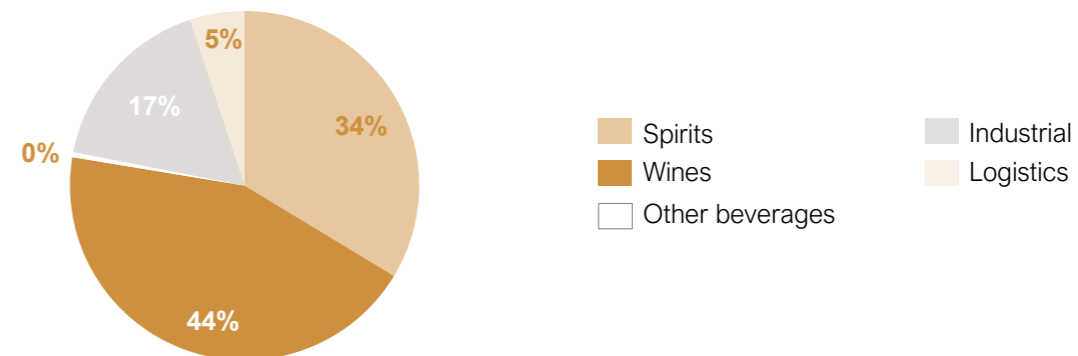


Comparable  
EBITDA (EURm)

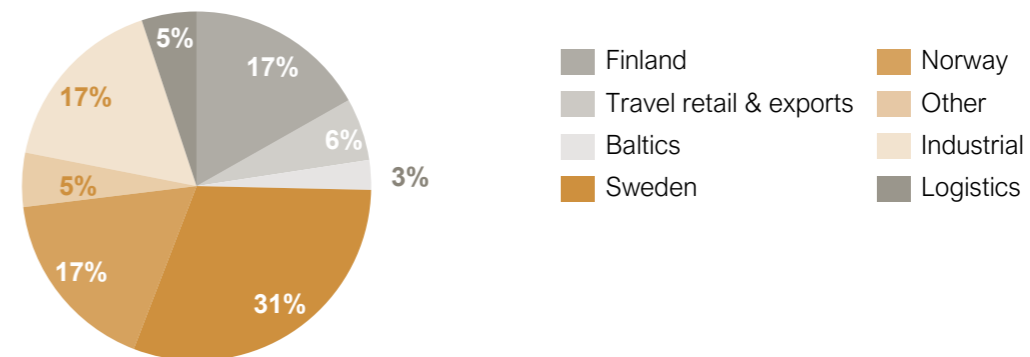


## Combined sales split<sup>2</sup>

Split by category  
(2019)

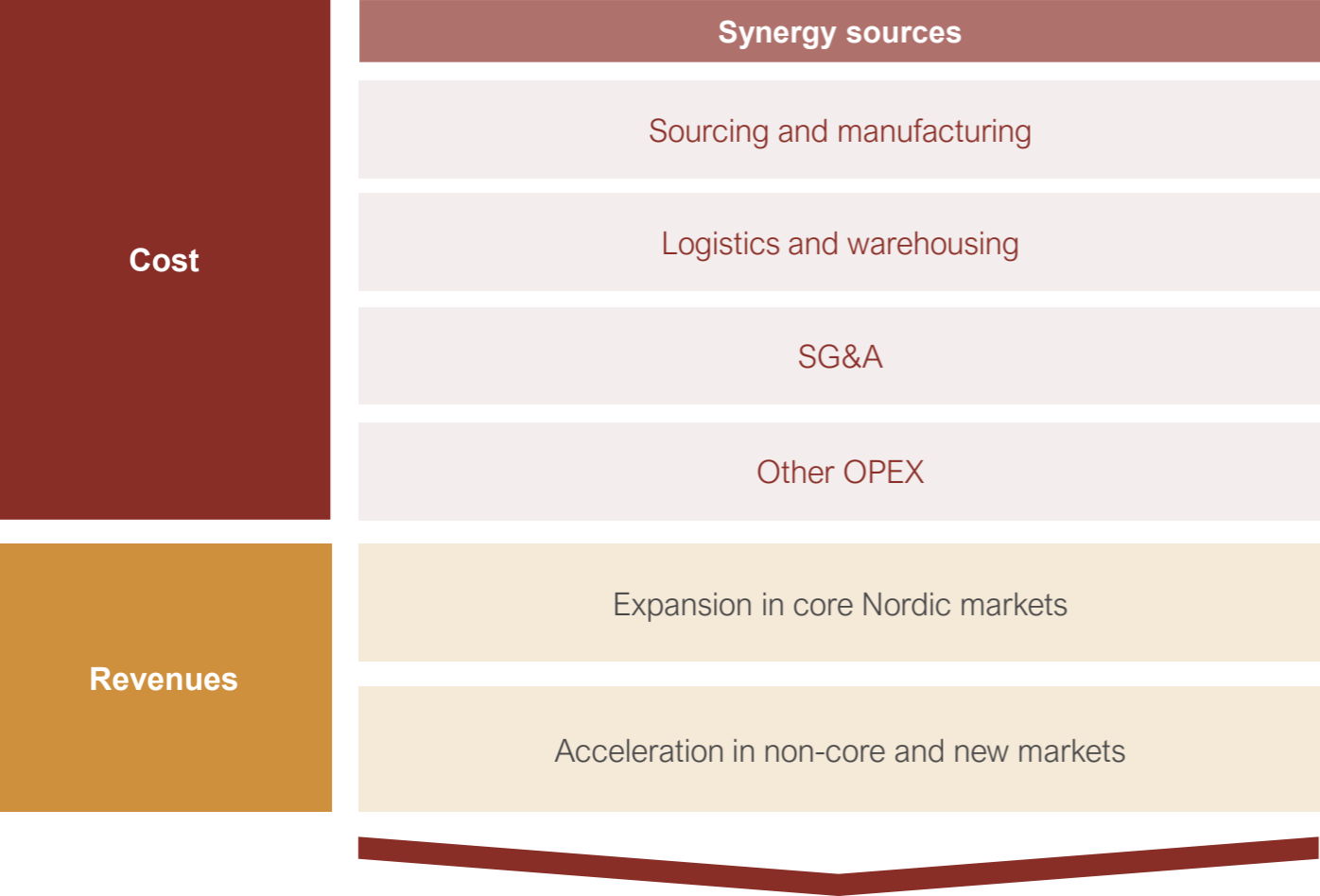


Split by geography  
(2019)



Note: 1) Yearly average FX used to translate Arcus' historical values, 2) Arcus sales excluding parent sales and group eliminations

# Strong value creation for shareholders from significant synergies



Potential run-rate EBITDA net synergies

**EUR ~8-10m**





# Transaction structure & key dates



# Combination overview

## Transaction structure

Exchange ratio

0.4618 new Altia shares for each Arcus share

0.4618 new Altia shares issued for each share in Arcus as merger consideration to the shareholders of Arcus in exchange for all assets, liabilities and businesses of Arcus.

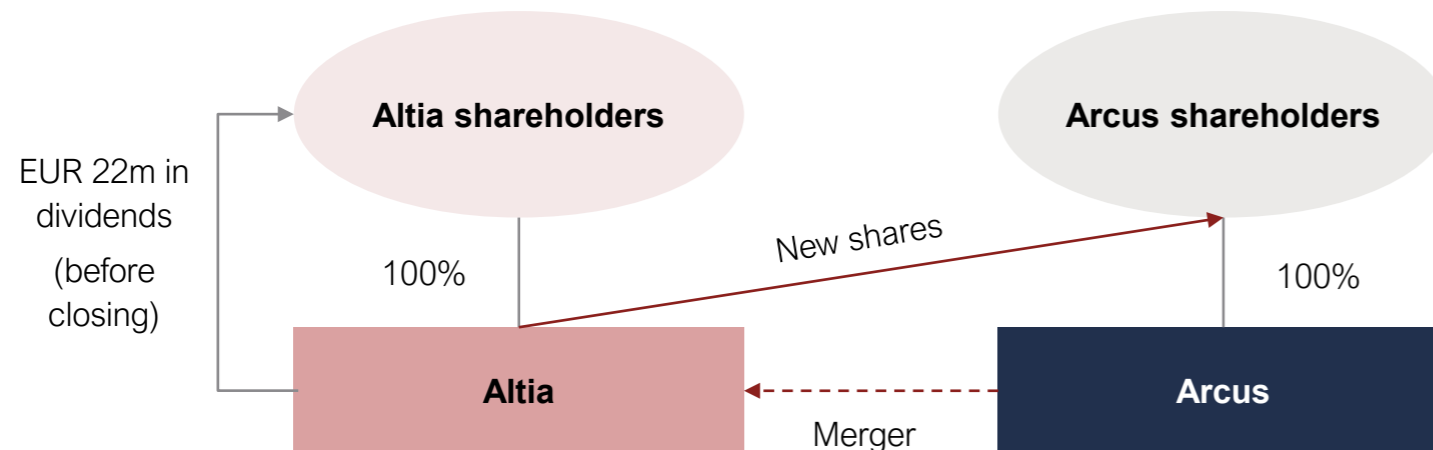
Additionally, Altia proposes to pay an extra dividend of EUR 0.40 per share in addition to EUR 0.21 per share already authorized by Altia's Annual General Meeting corresponding to EUR 22m in total, to Altia's shareholders.

Surviving entity

ALTIA

The transaction will be executed as a statutory cross-border absorption merger whereby Arcus will be merged into Altia.

## Transaction overview



## Post merger ownership

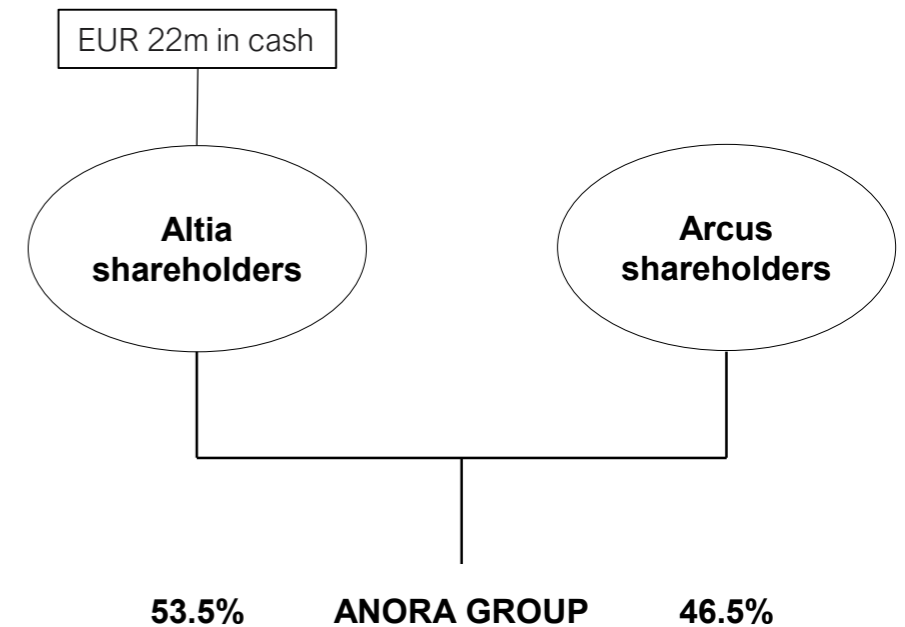
ALTIA

*Arcus*

53.5%

46.5%

## Post transaction structure





# Indicative transaction milestones

29 September 2020

- **Announcement of the merger**

October 2020

- **Targeted publication of prospectus in late October 2020**

November 2020

- **Altia and Arcus EGMs to be held in November 2020**

Q4 2020

- **Altia dividend payment of EUR 0.21 per share (AGM authorisation)**

H1 2021

- **Altia dividend payment of EUR 0.40 per share (extra dividend)**
- **Expected closing of the combination in H1 2021 at the latest (subject to approval by EGMs in Altia and Arcus as well as obtaining necessary merger control approvals and customary closing conditions)**



# ANORA GROUP

Today, Altia and Arcus are becoming one,  
with shared values, ambitions and energy.

To combine our commitment to responsible, sustainable and  
profitable business, we are redefining who we are, creating a new company,  
with a new name to lead us into the future.

We are ANORA.

A name that inherits the best of our history and reflects the hopes for our  
tomorrow. At the heart of our new name: the Nordics. It runs through everything  
we do, everything we are. It brings our two companies together — our people,  
our products, our passion. With our new name, we can build on our shared  
culture. We can balance tradition with ambition. We can be a home of progress,  
bringing the glow of Nordic culture to the world.

United as one, we are now ANORA GROUP.



# Q&A





# Appendix





# Illustrative combined income statement information

| IFRS                                       | H1 2020     |       |       | FY 2019     |       |       |
|--|-------------|-------|-------|-------------|-------|-------|
| EUR million                                | ANORA GROUP | Altia | Arcus | ANORA GROUP | Altia | Arcus |
| <b>Net sales</b>                           | 276.5       | 149.9 | 127.3 | 640.2       | 359.6 | 280.6 |
| <b>Comparable EBITDA</b>                   | 35.9        | 18.8  | 17.2  | 85.1        | 44.8  | 40.3  |
| <b>Comparable EBITDA %</b>                 | 13.0%       | 12.6% | 13.5% | 13.3%       | 12.4% | 14.4% |
| <b>Operating result (EBIT)<sup>1</sup></b> | 18.9        | 9.2   | 9.7   | 51.3        | 25.1  | 26.2  |
| <b>Operating result %</b>                  | 6.8%        | 6.2%  | 7.6%  | 8.0%        | 7.0%  | 9.3%  |

Note: 1) EBIT does not include amortisation and depreciation for any fair value adjustments on non-current assets or any other purchase accounting impacts to be recognised in the combination under IFRS and, thus is not representative of future operating results of Anora Group

# Financing and capital structure

- Committed financing in place for the merger
- As the merger consideration is new shares in Altia there is no significant new debt that would arise from the transaction
- The combined company net debt has been adjusted to reflect Altia's EUR 22m dividend payment as well as Arcus' dividend payment of EUR 10m in 10 July
- Illustrative gearing 48% as of 30 June 2020
- Illustrative equity ratio 37% as of 30 June 2020

| Net debt as of 30 June 2020 |       |       |
|-----------------------------|-------|-------|
| Illustrative combined       | Altia | Arcus |
| 188.3                       | 29.9  | 126.1 |





# Proposed ANORA GROUP's Board Composition



Michael  
Holm Johansen  
Chairman



Sanna  
Suvanto-Harsaae  
Vice Chairman



## Other members of the Board of Directors:

Kirsten Ægidius ■

Ingeborg Flønes ■

Sinikka Mustakari (new)

Jyrki Mäki-Kala ■

Nils Selte ■

Torsten Steenholt ■



Current Altia Board Member



Current Arcus Board Member

# Illustrative post transaction shareholder structure

| Top 10 shareholders in ANORA GROUP <sup>1</sup> |                   |                        |
|---|-------------------|------------------------|
| Shareholder                                     | Shares            | % of capital and votes |
| Canica AS                                       | 15,137,926        | 22.4%                  |
| Finnish State Development Company, Vake Oy      | 13,097,481        | 19.4%                  |
| Geveran Trading Co Ltd                          | 3,117,150         | 4.6%                   |
| Hoff SA   | 1,522,554         | 2.3%                   |
| Ilmarinen Mutual Pension Insurance Company      | 1,113,300         | 1.6%                   |
| Sundt AS  | 1,108,070         | 1.6%                   |
| Varma Mutual Pension Insurance Company          | 1,050,000         | 1.6%                   |
| Verdipapirfondet Eika Spar                      | 897,582           | 1.3%                   |
| Folketrygdfondet                                | 831,240           | 1.2%                   |
| Danske Invest Norske Institusjon. II            | 827,861           | 1.2%                   |
| <b>Top 10 shareholders</b>                      | <b>38,703,164</b> | <b>57.3%</b>           |
| Other shareholders                              | 28,847,251        | 42.7%                  |
| <b>Total</b>                                    | <b>67,550,415</b> | <b>100.0%</b>          |
| <b>Altia's shareholders</b>                     | <b>36,140,485</b> | <b>53.5%</b>           |
| <b>Arcus' shareholders</b>                      | <b>31,409,930</b> | <b>46.5%</b>           |

- The post transaction shareholders of the combined entity are calculated based on a conversion ratio of 0.4618 Altia shares for each Arcus share
- As a result of the conversion, the current shareholders of Altia would own 53.5% and the current shareholders of Arcus (excluding shares owned by Arcus) would own 46.5% of the combined company
- Altia's largest shareholder, Vake Oy, holding approximately 36.2% of the shares in Altia has stated their support for the transaction
- Voting undertaking, subject to certain conditions, secured from Arcus' largest shareholder Canica AS, holding approximately 44.2% of the shares in Arcus
- Altia's shareholders Ilmarinen Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company and Canica AS, representing approximately 9.4% of the shares in Altia, have undertaken to vote in favour of the merger at the Altia EGM
- Arcus' shareholders Geveran Trading Co and Hoff SA, representing approximately 14.8% of the shares in Arcus, have undertaken to vote in favour of the merger at the Arcus' EGM
- The company continues to be listed on Nasdaq Helsinki, with a temporary dual-listing on Oslo Børs

1) Altia and Arcus shareholding as of 31 August 2020; Excludes nominee registered shareholdings, except for Canica AS