

18 AUGUST 2021



ALTIA

H1 21 results presentation

CEO PEKKA TENNILÄ

INTERIM CFO JUHANA JOKINEN

IMPORTANT INFORMATION

The securities referred to in this document in relation to the merger 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 document 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.

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 document 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’ shareholders should be aware that Altia is prohibited from purchasing Arcus’ shares otherwise than under the merger, such as in open market or privately negotiated purchases, at any time during the pendency of the merger under the Merger Plan.

Good net sales growth in Q2, merger expected to be completed on 1 September 2021

H1 2021 HIGHLIGHTS

- Net sales increased by 6.2%; in constant currencies +4.4%
- Comparable EBITDA improved by 7%, in Q2 negative impact due to increased barley price and COVID-19 cost savings in previous year
- Merger of Altia and Arcus expected to close on 1 Sep 2021, all competition approvals received in July, future Executive Management Team appointed today

Net sales

158.5 (149.3)
MEUR

Comparable EBITDA

20.1 (18.8)
MEUR

Comparable EBITDA margin

12.7%
(12.6%)



Market development

APPROXIMATELY TWO THIRDS OF CONSUMER PRODUCT SALES COME FROM STATE RETAIL MONOPOLIES

Combined spirits and wine sales volume development in the state retail monopolies

Change compared to previous year, %	Q2 21	Q2 20	H1 21	H1 20	2020
Nordics in total	-4.0	+20.9	+5.2	+15.6	+17.1
Spirits	-0.4	+23.3	+8.5	+15.7	+18.5
Wine	-4.6	+20.6	+4.7	+15.6	+16.9
Finland, total sales	-8.7	+21.5	-1.2	+14.6	+13.7
Spirits	-6.9	+16.3	-1.1	+10.1	+10.4
Wine	-9.2	+23.3	-1.2	+16.4	+15.0
Sweden, total sales	-2.7	+12.2	+3.4	+10.0	+10.0
Spirits	+3.9	+24.1	+12.3	+17.4	+18.8
Wine	-3.4	+11.1	+2.5	+9.3	+9.2
Norway, total sales	-3.4	+45.7	+14.8	+32.7	+40.4
Spirits	+2.3	+34.4	+18.0	+23.1	+32.1
Wine	-4.2	+47.4	+14.3	+34.2	+41.8

Finland

- Spirits category declined despite growth in liqueur, gin, whiskey and other spirits
- Red and white wines declined, strong growth in rosé and sparkling wine

Sweden

- All spirits categories grew, but growth was especially strong in gin, bitter, rum and other spirits
- White, rosé and sparkling wines grew, slight decline in red wines

Norway

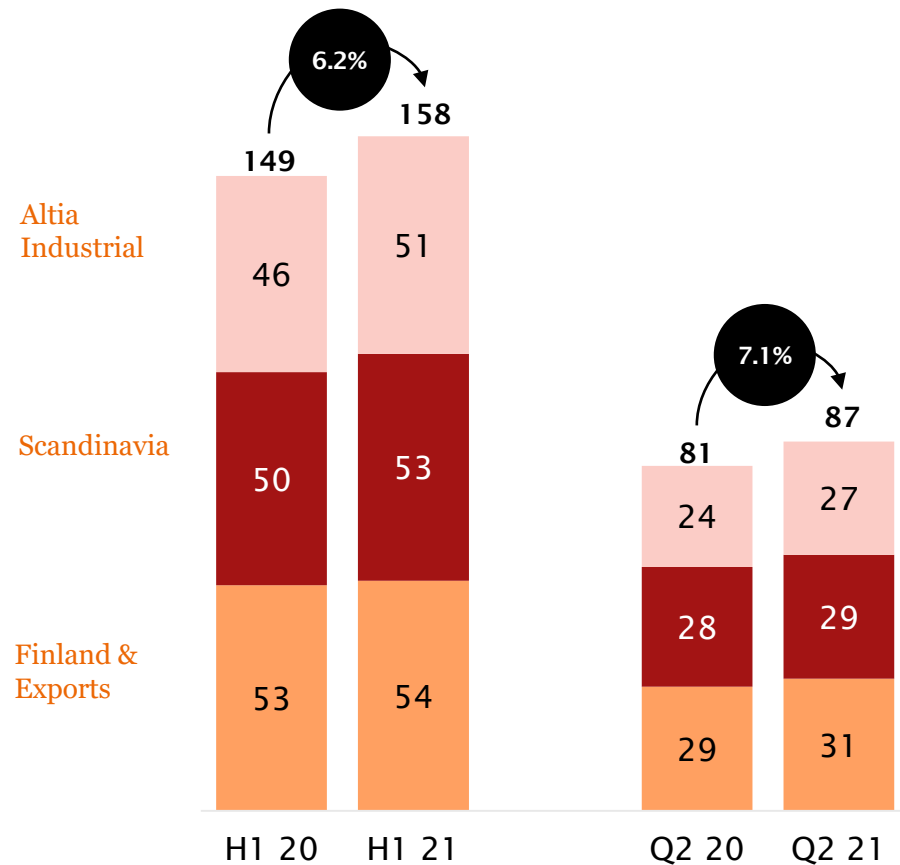
- All spirits categories grew, but growth was especially strong in gin, liqueur and rum
- All wine categories grew



H1: Net sales grew in all segments

SPIRITS PERFORMING STRONGLY IN MONOPOLIES AND SALES IN EXPORTS AND TRAVEL RETAIL INCREASED

Net sales by segment, MEUR



Q2 21:

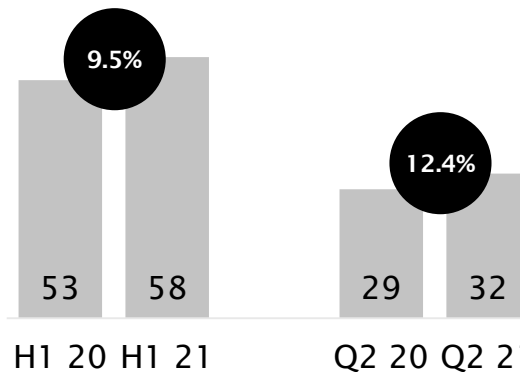
- Net sales increase in constant currencies was 5.4%
- Restrictions in on-trade were gradually lifted and had a positive impact towards the end of the quarter
- The timing of Easter sales in Q1 this year compared with Q2 in 2020 had a negative impact on net sales

H1 21:

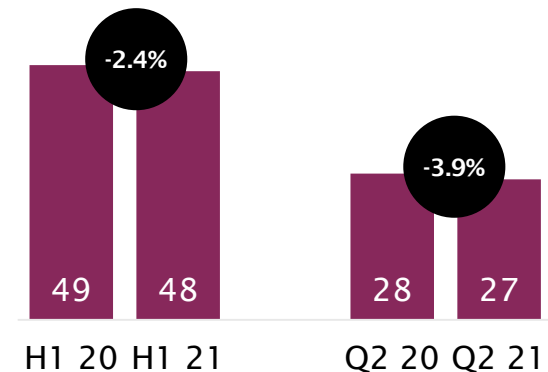
- Net sales increase in constant currencies was 4.4%
- Spirits sales growth driven by exports and travel retail and strong sales in the monopolies in Sweden and Norway
- Partner portfolio changes and declining volumes in certain brands negative impact on wine

Net sales of spirits and wine, MEUR

Spirits



Wine



Finland & Exports

JANUARY–JUNE 2021

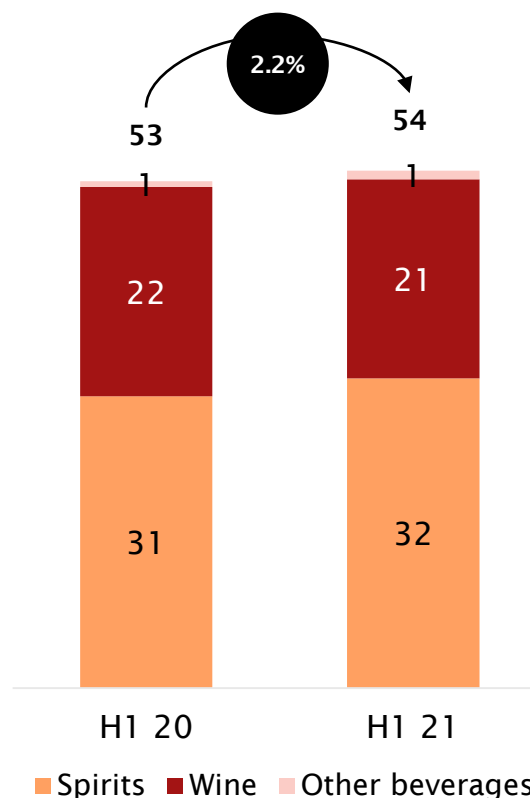
The Finland & Exports segment comprises the import, sale and marketing of wine and spirits, and other beverages in Finland and the Baltics, as well as exports and travel retail.



Highlights

- Net sales grew by 2.2% to EUR 54.1 (53.0) million
- Gradual recovery of exports and travel retail had positive impact on spirits
- Wine sales declined due to partner portfolio changes in Q2 20
- In the Finnish grocery trade new launches and improved distribution supported growth development
- Positive development in domestic grocery trade in Baltics offset decline in harbour trade

Net sales, MEUR



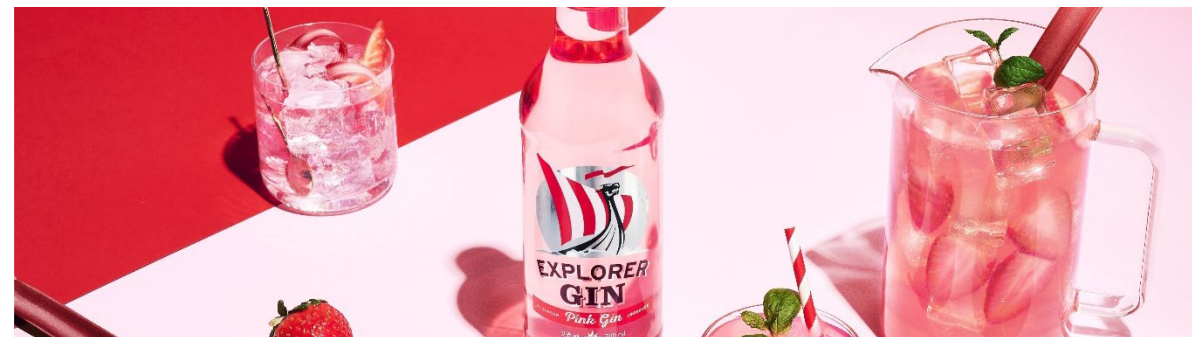
Product launches in Q2 21



Scandinavia

JANUARY–JUNE 2021

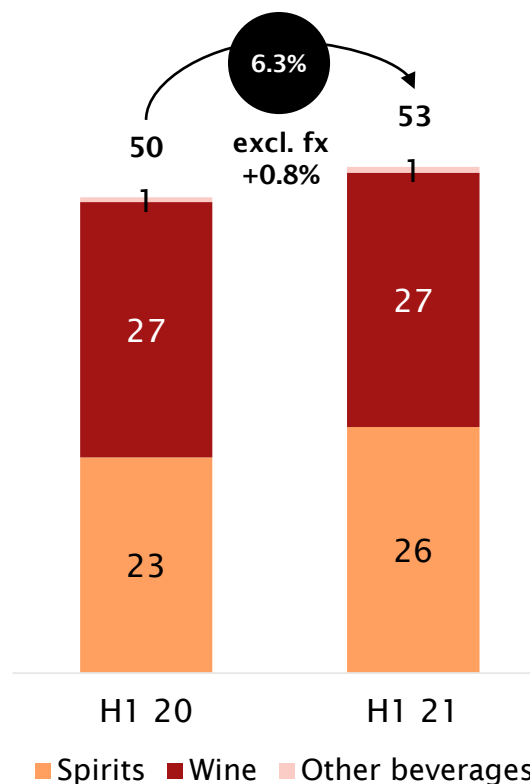
The Scandinavia segment comprises the import, sale and marketing of wine and spirits, and other beverages in Sweden, Norway and Denmark.



Highlights

- Reported net sales grew by 6.3% to EUR 53.3 (50.1) million
- Net sales in constant currencies grew by 0.8%
- Sweden: reported net sales grew supported by spirits sales, gradual recovery of on-trade and fx tailwind
- Norway: net sales grew across categories supported by high market volumes

Net sales, MEUR



Product launches in Q2 21



Altia Industrial

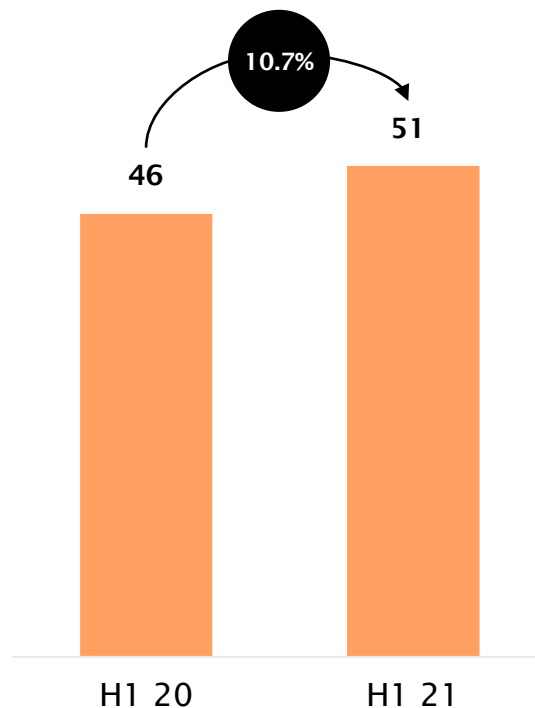
JANUARY–JUNE 2021

The Altia Industrial segment comprises Koskenkorva plant operations, starch, feed component and technical ethanol businesses, as well as contract manufacturing services at Rajamäki. It also includes supply chain operations, i.e. production operations in different countries, customer service, logistics and sourcing.

Highlights

- Net sales grew by 10.7% to EUR 51.1 (46.1) million
- Positive development in contract manufacturing, and starch and feed
- Technical ethanol volumes were below last year's record-high levels

Net sales, MEUR



Production highlights

- Koskenkorva Plant Distillery ran at full capacity during H1
- 106.2 (107.4) million kilos grain used in H1
- In July, Altia sold its shareholding in Chemigate Oy to Berner Oy, allowing Altia to focus on more strategic and value-adding products at Koskenkorva Distillery



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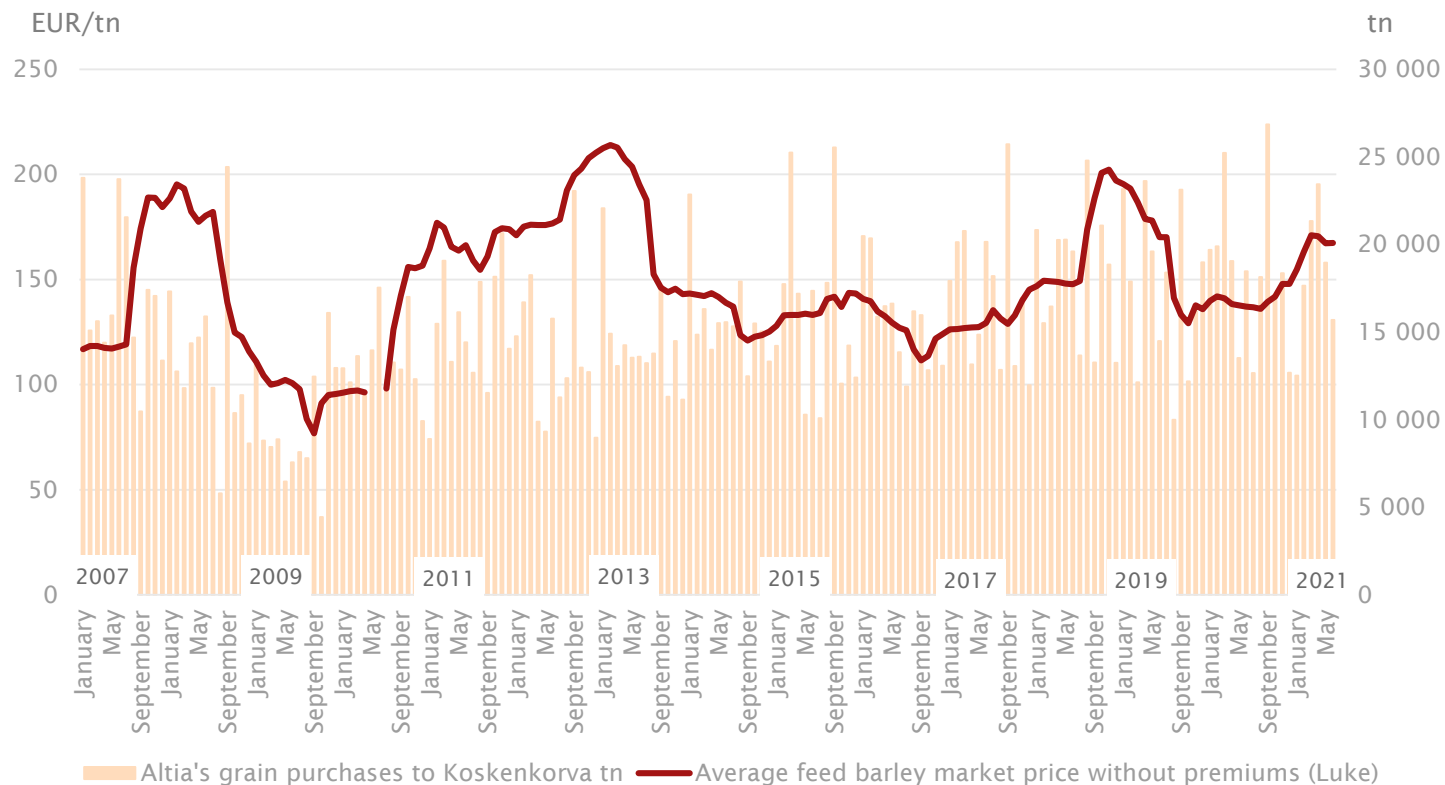
Financials

INTERIM CFO JUHANA JOKINEN



Barley sourcing

Barley price development and Altia's monthly volumes 2007-2021 (June)



Key principles for barley sourcing:

- Purchased at spot prices; No hedging tools available for barley
- About 1 month inventory; Volumes and purchase prices are fixed a couple of months ahead
- New harvest in August-September
- Average monthly sourcing volume 17000-18000 tn

**In H1 21,
Altia used
106.2 (107.4)
million kilos of
Finnish grain**





H1 21: Profitability improved

IN Q2 NEGATIVE IMPACT DUE TO INCREASED BARLEY PRICE AND COVID-19 COST SAVINGS IN PREVIOUS YEAR

H1 21:

- Comparable EBITDA improved by 7% to EUR 20.1 (18.8) million
- Key drivers
 - Finland & Exports and Scandinavia segments
 - Positive development in sales, product mix and revenue management
- Negative impact from higher prices of barley and purchased ethanol

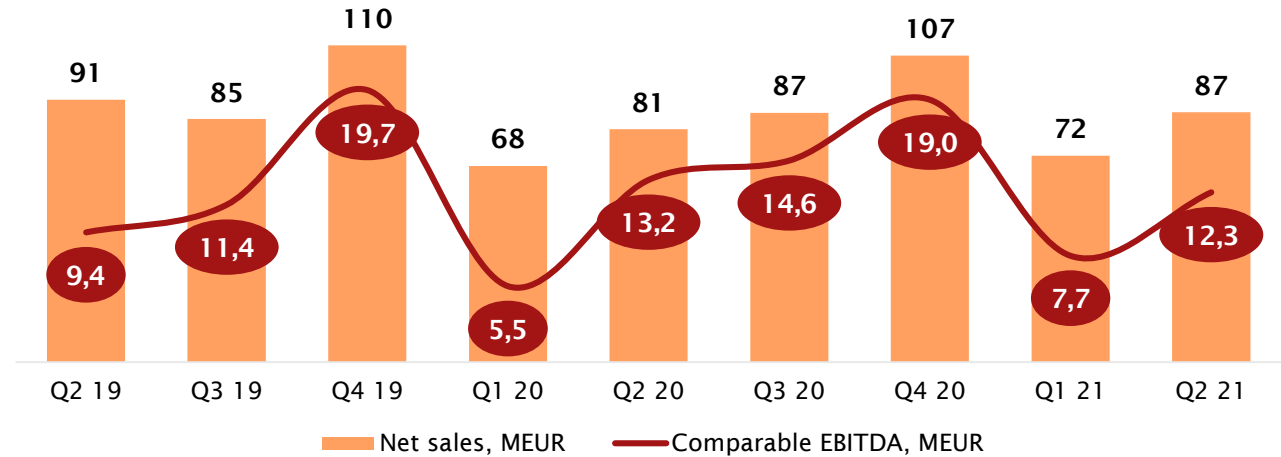
Q2:

- Increased barley price and COVID-19 cost savings in Q2 20 had a negative impact on y-o-year

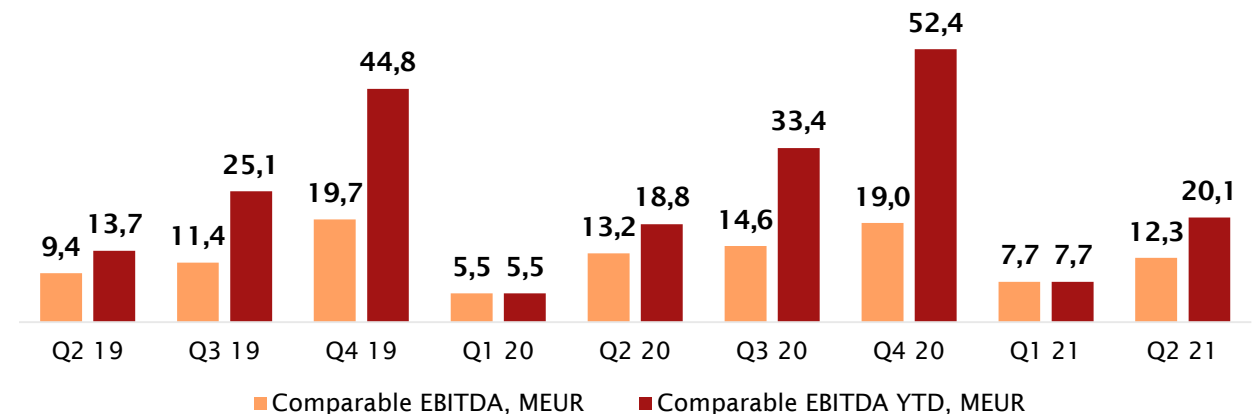
Items affecting comparability (IAC):

- Q2 21, IAC amounted to EUR -2.2 (-0.7) million, mainly related to the planned merger of Altia and Arcus
- H1 21, IAC amounted to EUR -5.4 (-0.7) million

Quarterly net sales and comparable EBITDA, EUR million



Quarterly and cumulative comparable EBITDA, EUR million





H1 21: Profitability improved in Finland & Exports and Scandinavia

POSITIVE SALES DEVELOPMENT, PRODUCT MIX AND REVENUE MANAGEMENT

Comparable EBITDA by segment, MEUR and margins

EUR million	Q2 21	Q2 20	Change	H1 21	H1 20	Change	2020
Finland & Exports	5.3	5.5	-3.9%	8.8	8.3	+6.1%	19.8
<i>% of net sales</i>	<i>17.0</i>	<i>18.9</i>		<i>16.3</i>	<i>15.6</i>		<i>16.9</i>
Scandinavia	2.9	2.9	0.0%	4.6	2.8	+67.1%	14.2
<i>% of net sales</i>	<i>10.4</i>	<i>10.4</i>		<i>8.7</i>	<i>5.5</i>		<i>11.5</i>
Altia Industrial	3.6	4.9	-27.8%	5.7	7.1	-19.8%	17.9
<i>% of net sales</i>	<i>13.3</i>	<i>20.7</i>		<i>11.1</i>	<i>15.4</i>		<i>17.6</i>
Other	0.6	-0.1		0.9	0.6		0.5
Total	12.3	13.2	-6.8%	20.1	18.8	+7.0%	52.4
<i>% of net sales</i>	<i>14.2</i>	<i>16.3</i>		<i>12.7</i>	<i>12.6</i>		<i>15.3</i>

H1 21:

Finland & Exports

- Higher volumes in exports and travel retail
- Revenue management

Scandinavia

- Good revenue management
- Positive product mix and new launches
- Temporary cost savings measures in Q2 20 due to COVID-19 had a negative impact on year-on-year comparability

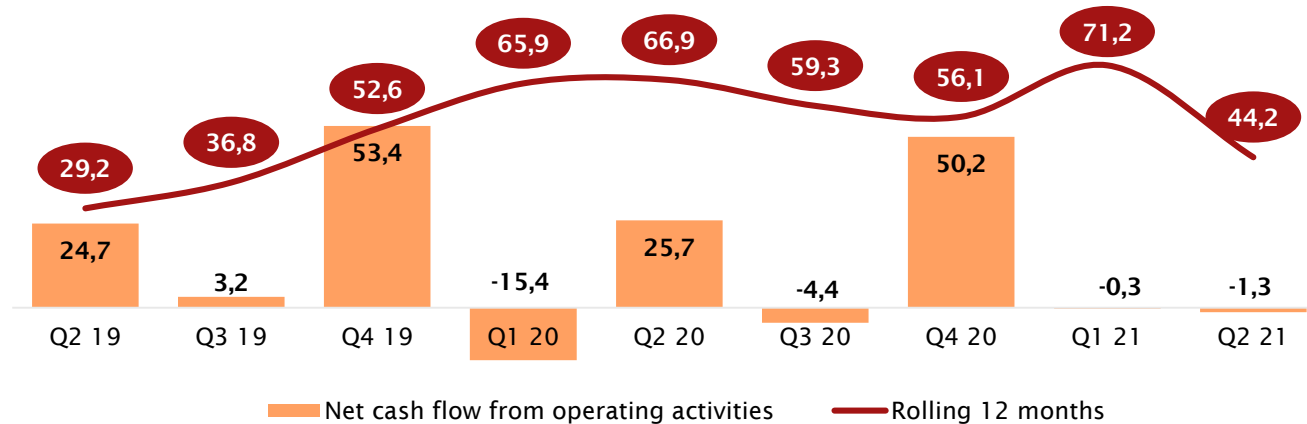
Altia Industrial

- Higher price level of barley and purchased ethanol

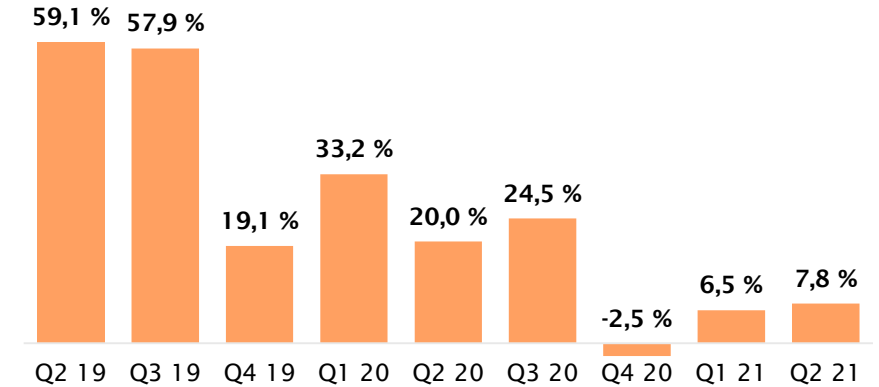


Strong liquidity, net working capital increased in Q2

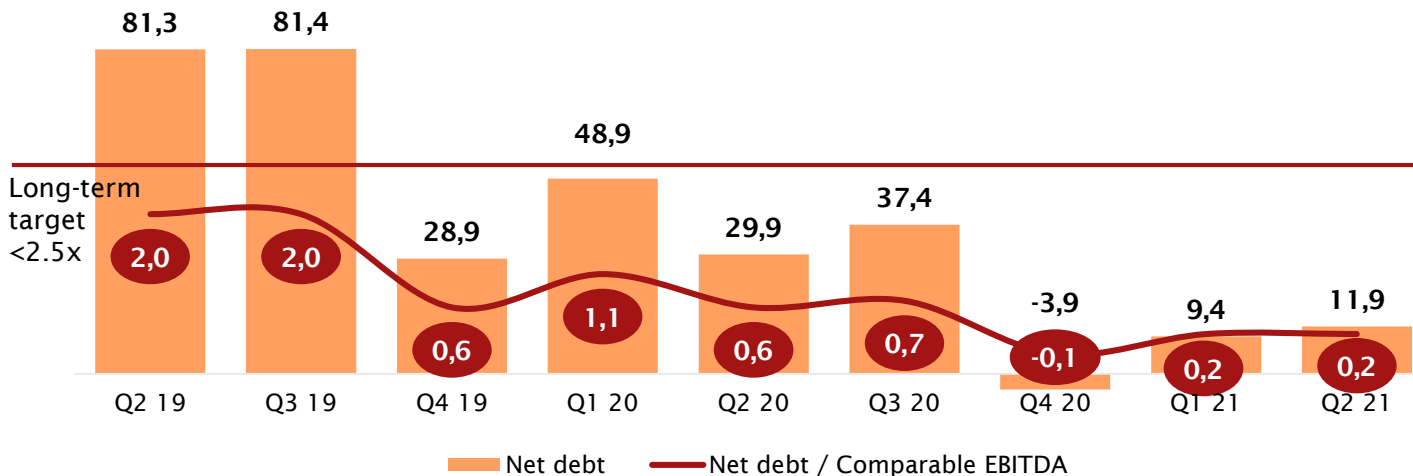
Net cash flow from operating activities, MEUR



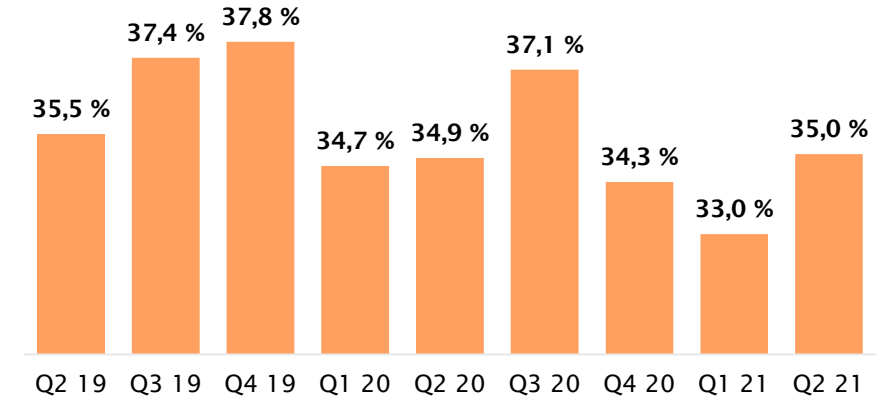
Gearing, %



Net debt, MEUR



Equity ratio, %



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ALTIA

Concluding remarks and Q&A

CEO PEKKA TENNILÄ



Sustainability



- Koskenkorva Distillery achieved record high steam energy self-sufficiency in H1 21: 68.5%
- Consumer engagement on low- and non-alcoholic drinks
- Occupational safety is one of the focus areas of Altia's Sustainability Roadmap and is the tool for achieving the goal of zero absences due to injuries
- Our production and logistics worked well despite COVID-restrictions, but instructions low-threshold stays at home meant sick-leave figures were higher
- Sustainability Trailblazer award
- Gold medal in EcoVadis sustainability rating



Forming a leading wine and spirits brand house in the Nordics

MERGER OF ALTIA AND ARCUS

Key milestones

- | | |
|--------|---|
| 29 Sep | Announcement of merger plan |
| 23 Oct | Prospectus published |
| 12 Nov | EGM's of Altia and Arcus |
| 23 Jul | Announcement of brand divestments to Galatea AB and approvals from competition authorities received |
| 18 Aug | Announcement of future Executive Management Team |
| 1 Sep | Expected closing of the combination
Payment of extra dividend 0.40e/share in connection with closing |
| | Internal planning of integration has proceeded well |



Executive Management Team at Anora Group

Pekka Tennilä

Current position
CEO, Altia



CEO

Previously served as Chief Executive Officer, Baltics at Carlsberg Group and in other managerial positions at Carlsberg Group

Sigmund Toth

Current position
CFO and interim CEO, Arcus



CFO

Previously worked at McKinsey & Company and held several positions in Finance & Accounting at Procter & Gamble

Janne Halttunen

Current position
SVP, Scandinavia, Altia



Planning combination
of wine business

International career in the beverage and tobacco business; joined Altia in 2009, leading Altia's wine business in several roles

Henrik Bodekær Thomsen

Current position
Interim Managing Director, Arcus Spirits



Planning combination
of spirits business
in monopoly markets

Long career in the international beverage business with Carlsberg; joined Arcus in 2018

Kirsi Puntila

Current position
SVP, Marketing, Altia



Planning combination
of open markets
(international)

Previously worked with global brands at Pernod-Ricard; joined Altia in 2014 and has lead core spirit brands and innovation across all markets

Kirsi Lehtola

Current position
SVP, HR, Altia



Merger on the HR side

Strong HR expertise from global paper and pulp business; joined Altia in 2016

Hannu Tuominen

Current position
SVP, Altia Industrial



Planning combination
of industrial businesses
and supply chain

Previously served as Production Director and Division Director at Vaisala Corporation and in managerial positions at Fiskars Oyj; has led Altia's supply chain since 2008



Short-term outlook

- Altia has updated its short-term outlook but is not providing guidance for 2021, due to the uncertainties caused by COVID-19 and the low predictability for the full year 2021.
- In the second half of 2021, **COVID-19 is still expected to impact travel retail, exports and the on-trade.** The channel mix in monopoly markets depends on the restrictions and recommendations set in travel retail and the on-trade.
- In **Altia Industrial**, for the second half of 2021, COVID-19 is expected to continue to impact supply chain, industrial services and products. The focus on the health and safety of Altia's employees remain high. The uncertainty in industrial products is due to potential disruptions in demand for starch and ethanol, and in supply chain due to the availability and delivery times of raw materials.
- **Barley market prices** are expected to continue increasing for the new crop season following unfavourable weather conditions in Finland, and a global imbalance between the demand for and supply of grain and other raw materials.
- The recovery of the operating environment will depend largely on the development of COVID-19, the progress of vaccinations, and changes in consumer behaviour.





Q&A



Raise your hand

Chat

H1 summary



**Good net sales
growth driven by
spirits and Altia
Industrial**

**H2 outlook:
COVID-19-
related
uncertainty
continues and
weakened
barley price
outlook**

**Merger expected
to close on
1 September 2021**

ALTIA

Thank you

www.altiagroup.com
IR: tua.stenius-ornhjelm@altiacorporation.com

Next events

1 Sep: expected closing
of merger

3 Nov: Q3 Business
Review

ALTIA



KEY RATIOS

EUR million	Q2 21	Q2 20	H1 21	H1 20	2020
Net sales, EUR million	86.8	81.0	158.5	149.3	342.4
Comparable EBITDA, EUR million	12.3	13.2	20.1	18.8	52.4
% of net sales	14.2	16.3	12.7	12.6	15.3
EBITDA, EUR million	10.1	12.6	14.7	18.0	40.3
Comparable operating result, EUR million	8.5	8.9	12.4	9.9	35.0
% of net sales	9.8	10.9	7.8	6.7	10.2
Operating result, EUR million	6.3	8.2	7.0	9.2	22.9
Result for the period, EUR million	4.7	6.1	5.3	7.5	17.8
Earnings per share, EUR	0.13	0.17	0.15	0.21	0.49
Net cash flow from operating activities, EUR million	-1.3	25.7	-1.6	10.3	56.1
Net debt / comparable EBITDA, rolling 12 months	0.2	0.6	0.2	0.6	-0.1
Average number of personnel	669	659	655	651	650

QUARTERLY NET SALES AND COMPARABLE EBITDA BY SEGMENT

Net sales by segment

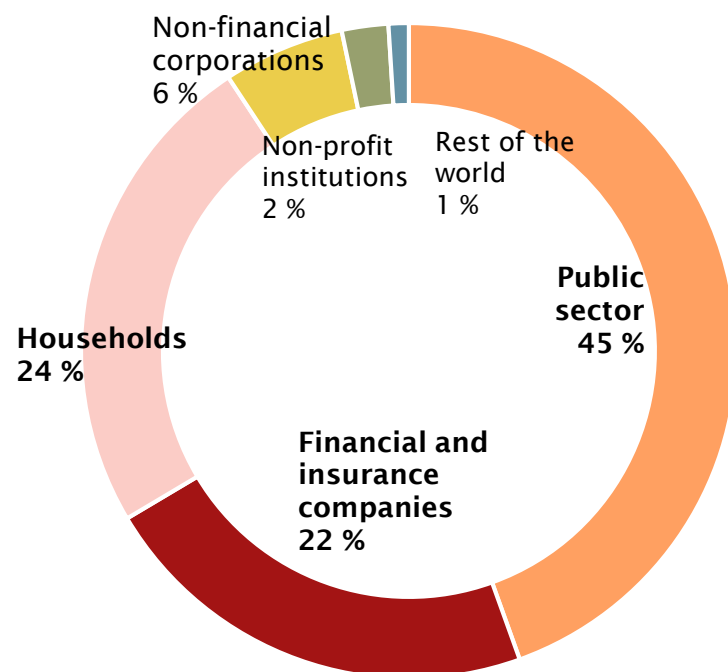
EUR million	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Finland & Exports	31.1	23.0	34.4	29.8	29.2	23.8	37.8	31.2	34.7	25.0	39.5	31.8	35.4	27.1	40.7	31.4	35.7	26.0
Scandinavia	29.1	24.2	46.4	27.4	28.1	22.0	44.5	25.6	29.0	21.7	42.8	25.0	27.4	22.5	44.4	26.5	29.7	23.2
Altia Industrial	26.6	24.5	25.7	29.4	23.8	22.4	27.8	27.7	27.5	27.1	28.6	28.9	24.2	24.0	24.7	26.5	25.9	24.2
Total	86.8	71.7	106.5	86.6	81.0	68.2	110.1	84.5	91.2	73.8	110.9	85.7	87.1	73.5	109.8	84.5	91.3	73.4

Comparable EBITDA by segment

EUR million	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Finland & Exports	5.3	3.5	6.0	5.5	5.5	2.8	7.3	5.0	5.3	3.0	6.2	4.9	4.6	3.4	7.2	4.0	5.2	3.1
Scandinavia	2.9	1.7	9.5	1.9	2.9	-0.1	9.1	1.3	2.0	-0.3	8.0	0.8	1.5	-0.1	8.9	1.0	2.1	-0.5
Altia Industrial	3.6	2.1	4.2	6.5	4.9	2.2	4.5	3.6	2.3	1.0	2.2	4.8	2.5	1.4	3.7	4.5	2.6	1.6
Other	0.6	0.4	-0.8	0.7	-0.1	0.7	-1.3	1.5	-0.2	0.6	-0.6	-0.3	0.2	0.4	-1.3	0.9	-0.8	0.1
TOTAL comparable EBITDA	12.3	7.7	19.0	14.6	13.2	5.5	19.7	11.4	9.4	4.3	15.9	10.3	8.7	5.2	18.5	10.4	9.2	4.3
Items affecting comparability	-2.2	-3.2	-5.5	-5.9	-0.7	-0.1	0.2	-1.6	-0.2	-	-1.5	0.0	-0.4	-4.1	-2.2	0.7	-0.2	-0.5
EBITDA	10.1	4.6	13.5	8.8	12.6	5.4	19.8	9.8	9.2	4.3	14.4	10.3	8.3	1.1	16.3	11.1	9.0	3.8
Depreciation, amortisation and impairment	-3.8	-3.9	-4.3	-4.3	-4.4	-4.4	-4.5	-4.5	-4.5	-4.5	-3.7	-3.6	-3.5	-3.5	-3.6	-3.6	-3.5	-3.5
Operating result	6.3	0.7	9.3	4.5	8.2	1.0	15.3	5.3	4.8	-0.3	10.7	6.6	4.8	-2.5	12.7	7.6	5.4	0.3

Shareholder structure

AS AT 31 JULY 2021



	Shareholders	Number of shares	% of shares
1	Valtion Kehitysyhtiö Vake Oy	13 097 481	36.2
2	Ilmarinen Mutual Pension Insurance Company	1 113 300	3.1
3	Varma Mutual Pension Insurance Company	1 050 000	2.9
4	WestStar Oy	684 085	1.9
5	Elo Mutual Pension Insurance Company	500 000	1.4
6	Veritas Pension Insurance Company Ltd.	316 221	0.9
7	FIM Fenno Sijoitusrahasto	240 669	0.7
8	Säästöpankki Kotimaa	150 000	0.4
9	Mandatum Life Insurance Company Limited	145 860	0.4
10	Petter and Margit Forsström ´s Foundation	140 200	0.4
	Top 10 total	17 437 816	48.3
	<i>Nominee-registered shares</i>	<i>7 530 285</i>	<i>20.8</i>