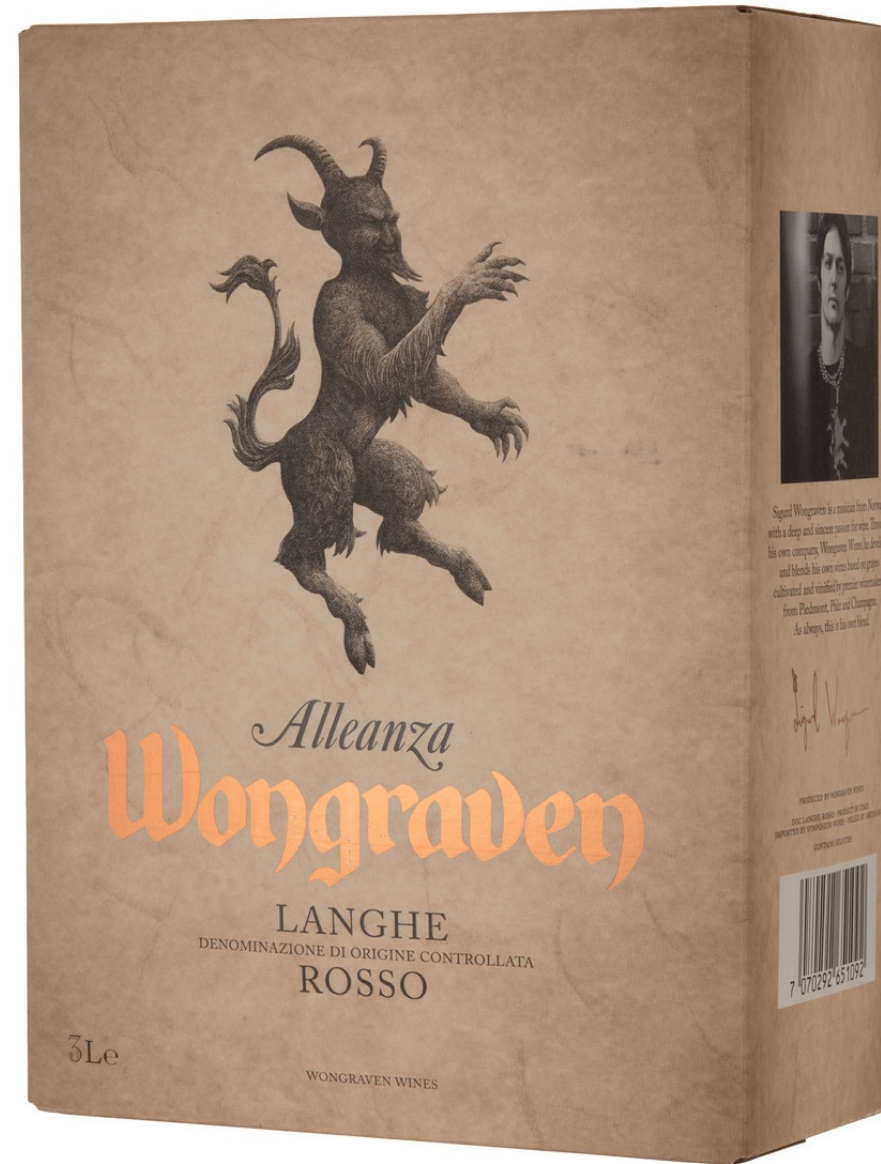


First quarter results 2020

Kenneth Hamnes, Group CEO
Sigmund Toth, CFO

29 April 2020



COVID-19 outbreak: Arcus' three priorities



1) Stop virus spread

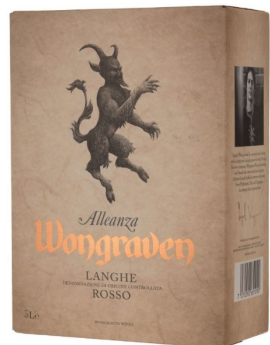
- Measures on safety, hygiene and social distancing quickly put in place
- No employees confirmed with COVID-19 infection

2) Take care of people

- Great sense of flexibility and help-your-colleague attitude
- Unfortunately, the HORECA close-down in Norway and Finland has caused some temporary lay-offs

3) Keep business running

- Strong efforts and dedication from staff and suppliers have secured solid operations
- Few disruptions in flow of goods and streamlined production have ensured low out-of-stock
- Logistics has been able to supply high volumes effectively

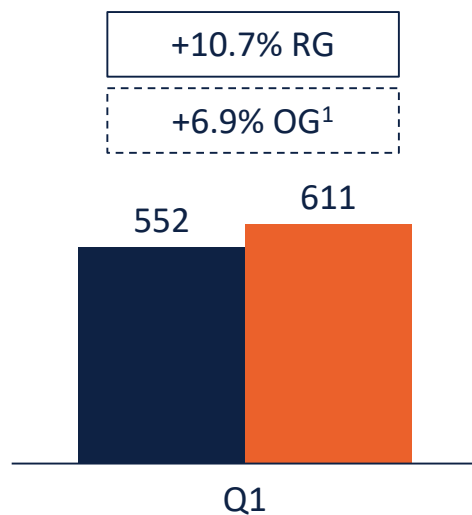


Q1: Strong growth in all business segments, dividend as last year

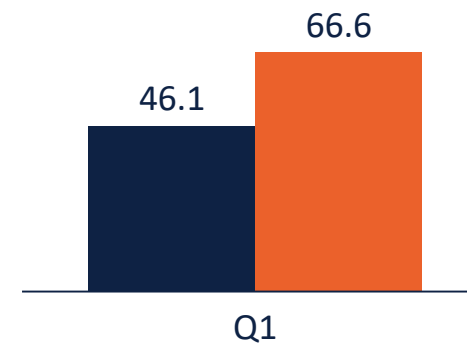
Amounts in NOK million

2019 2020

Operating Revenues



EBITDA (adj.)



- **Wine:** Strong growth, especially in Norway
- **Spirits:** Growth in all major markets, except DFTR and Germany
- **Logistics:** Increased revenues, mainly driven by higher sales to Vinmonopolet
- **Dividend:** Board of Directors suggests 2019 dividend at 1.66 NOK per share (1.66 NOK)

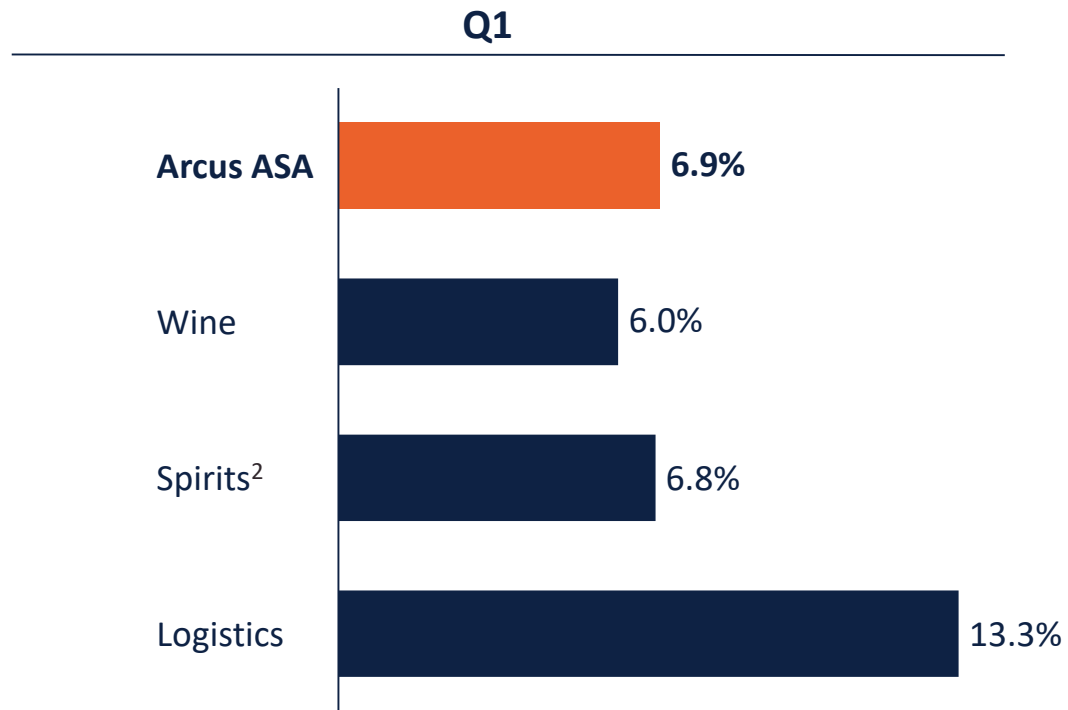
¹Reported growth adjusted for currency translation effects and structural changes



Q1: Organic growth at 6.9 percent, second best since IPO 2016

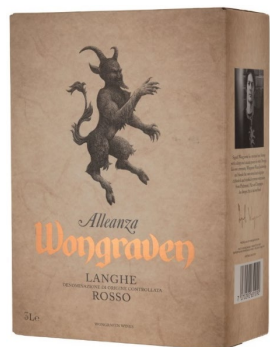


Organic growth¹ overall and by reporting segment Percent



¹Reported growth adjusted for currency translation effects and structural changes

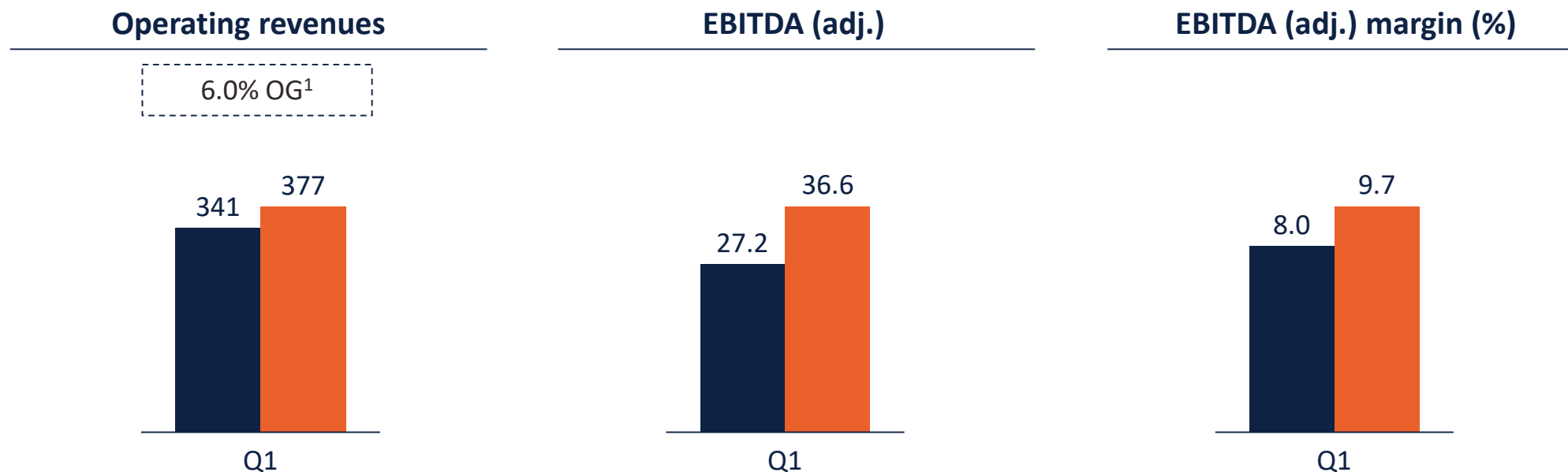
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Wine: Strong growth, improved margins

Amounts in NOK million

2019 2020



- **Norway:** Revenue growth of 35.5 %, 10th quarter in a row with increased market share
- **Sweden:** Revenues excluding lost producers continued to grow in the quarter
- **Finland:** Current portfolio responded well to the increased demand, growing market share

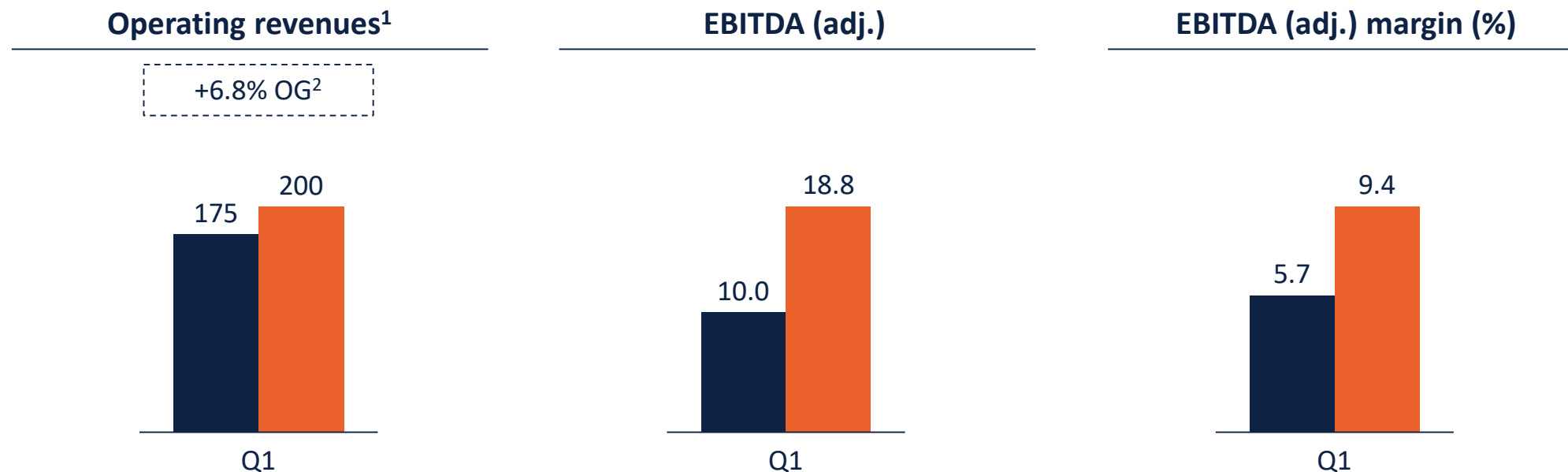
¹Reported growth adjusted for currency translation effects and structural changes



Q1 Spirits: Strong revenue growth

Amounts in NOK million

2019 2020



- **Norway:** Revenue improved substantially, slight decline in market share as market grew even faster
- **Denmark:** Increased revenue led by high sales of vodka. Overall market share increased, stable for aquavit
- **Sweden, Finland:** Continued revenue growth, in line with the market

¹Operating revenues includes both external spirits sales and other revenue (internal and external bottling)

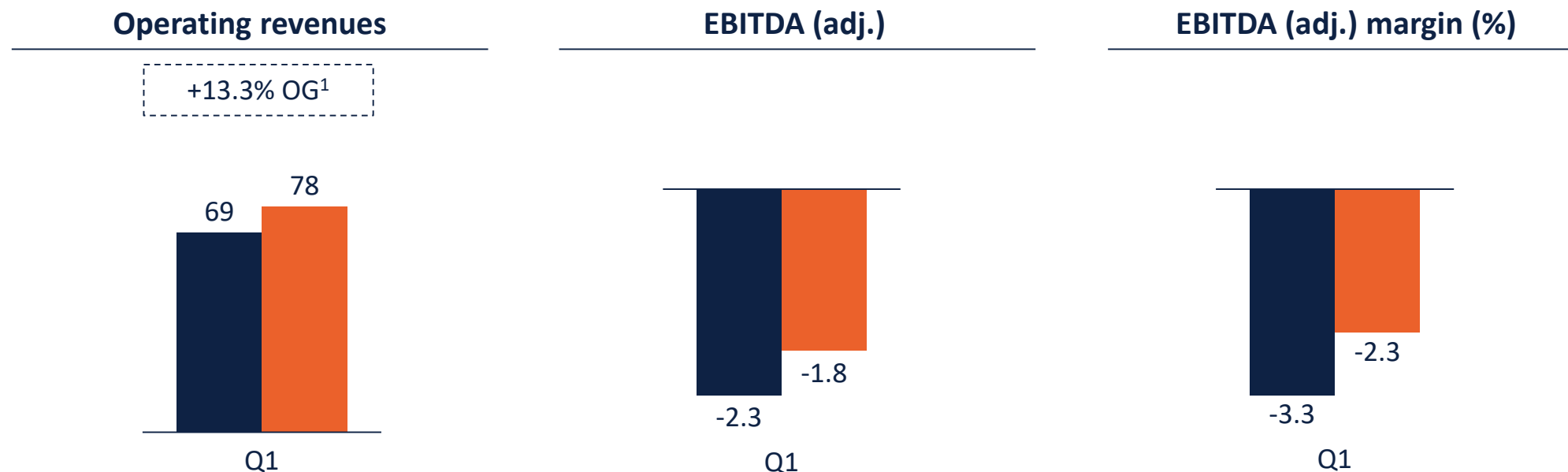
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Logistics: Strong volume and revenue growth

Amounts in NOK million

2019 2020



- Volume increased by 20.0 % vs Q1 last year. In comparison, Vinmonopolet's total volume was up 15.7 %
- Increased revenue due to higher sales to Vinmonopolet, but also new agencies won by existing customers
- Provision for loss on receivables of 2.2 MNOK for potential COVID-19 related losses

¹Reported growth adjusted for currency translation effects and structural changes



Financial performance

Sigmund Toth, CFO



Q1 Group P&L: EBITDA significantly higher than last year and positive net financials from translation effects on monetary items



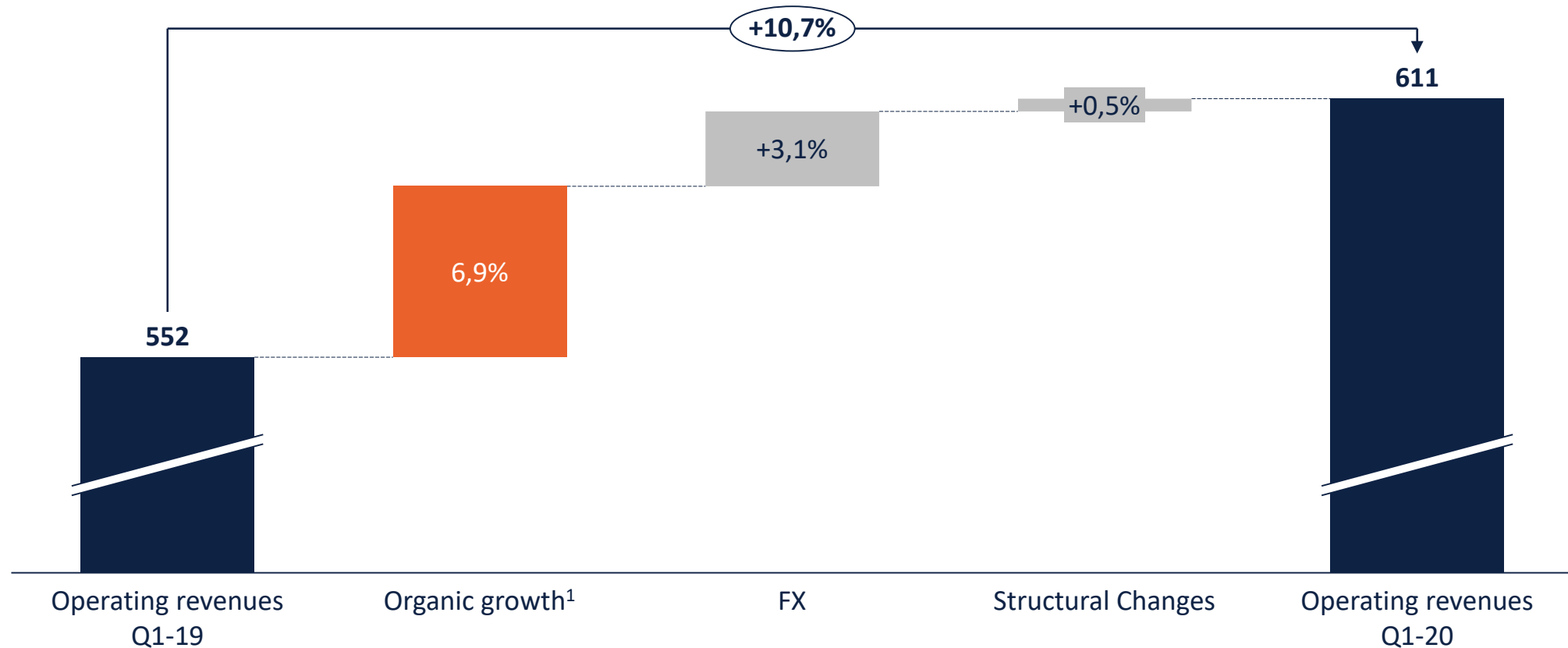
Amounts in NOK million

Profit and Loss	This quarter	
	2020	2019
Operating revenues	611.2	552.1
EBITDA (adj.)	66.6	46.1
Depreciation, Amortization and Write-downs	-31.4	-26.8
EBIT (adj.)	35.3	19.3
Other income and expenses	0.1	-1.5
EBIT	35.4	17.8
Net financials and other	18.9	-28.7
Pre-tax profit	54.3	-10.9
Tax	-8.6	2.0
Profit/loss for the year	45.7	-9.0
EPS (NOK)	0.66	-0.14

Organic growth, positive FX-effect and structural changes all contributed to increased operating revenues

Q1-20 Operating revenue growth

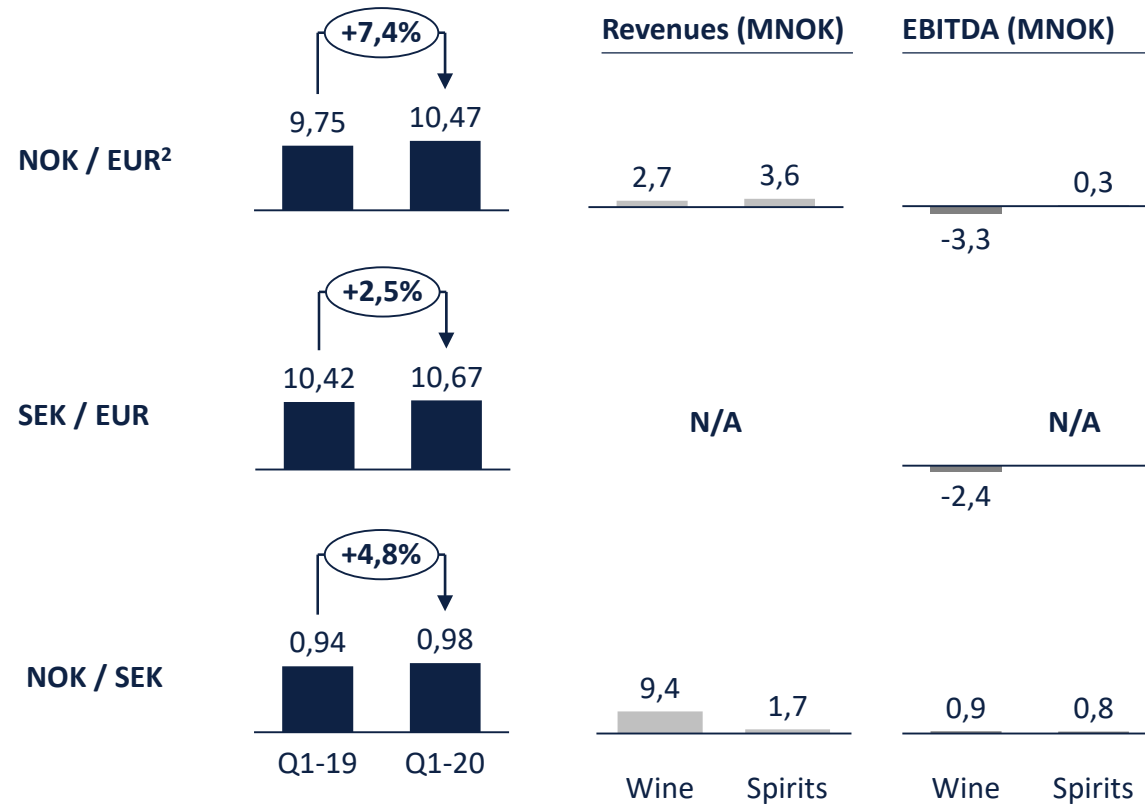
Percent; NOK million



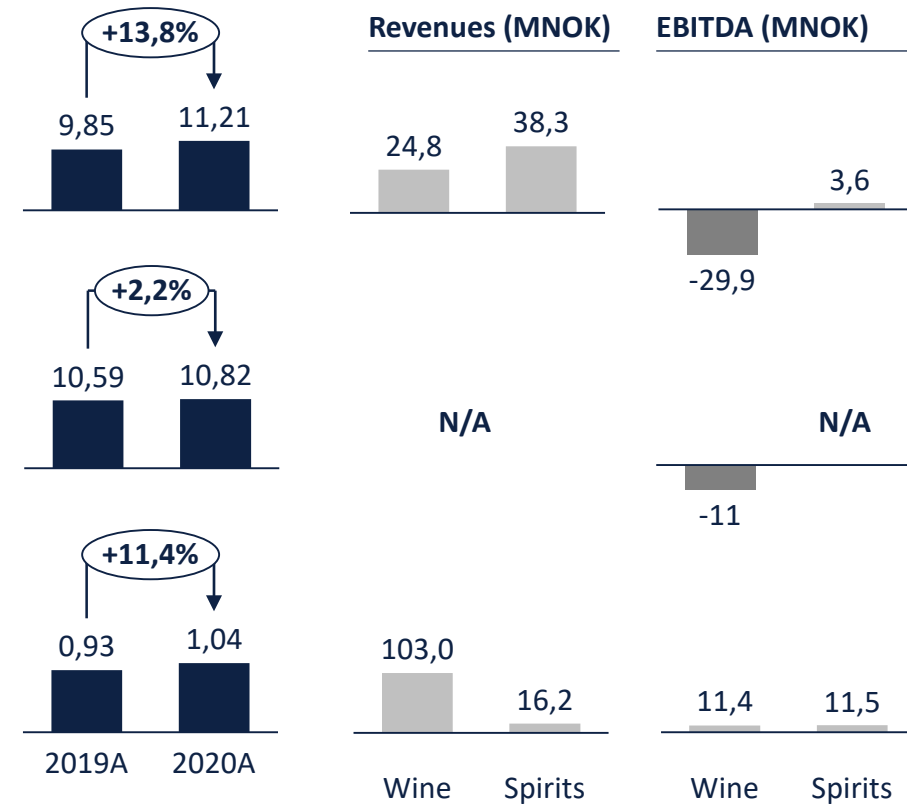
¹Reported growth adjusted for currency translation effects and structural changes (such as acquisitions or divestitures)

Stronger SEK and EUR vs NOK results in positive FX-effect on revenues, but negative effect on EBITDA with weak NOK and SEK vs EUR

Currency rate effects¹ (Q1 2020 actuals vs. Q1 2019 actuals)



Currency rate effects¹ (2020F currency rate³ vs. 2019 actuals)



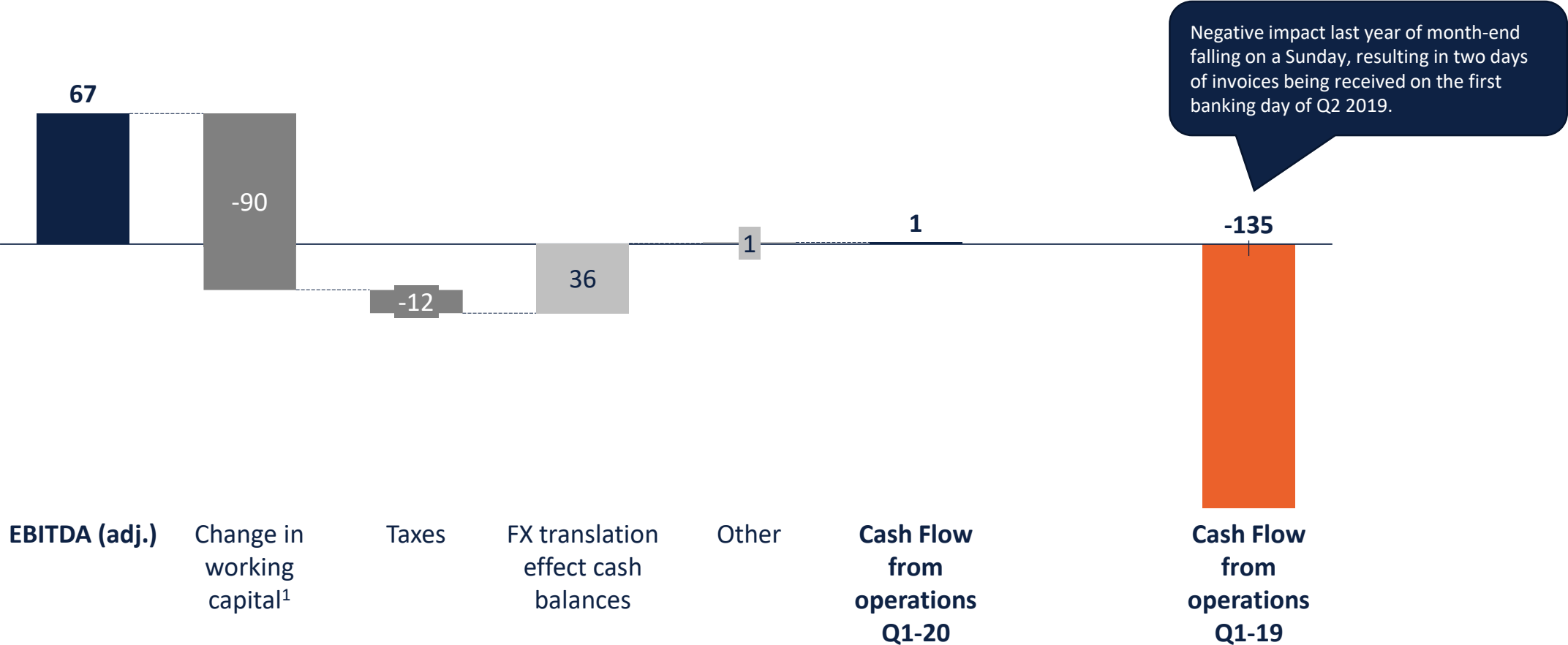
1) Effects are estimates and will vary based on actual business levels. Effects include both translation and transaction effects. Other important currency pairs (not shown) include (N)SEK / USD (Revenues & COGS) and (N)SEK / GBP (COGS on traded goods/agency products). On the Wine business, the general 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) 2020F currency rate is estimated as weighted average of accumulated YTD average rate and current rate as of Apr 24th 2020

Cash flow above last year due to increased EBITDA, positive FX-effects and lower increase in net working capital



Q1-20 Cash Flow from Operations

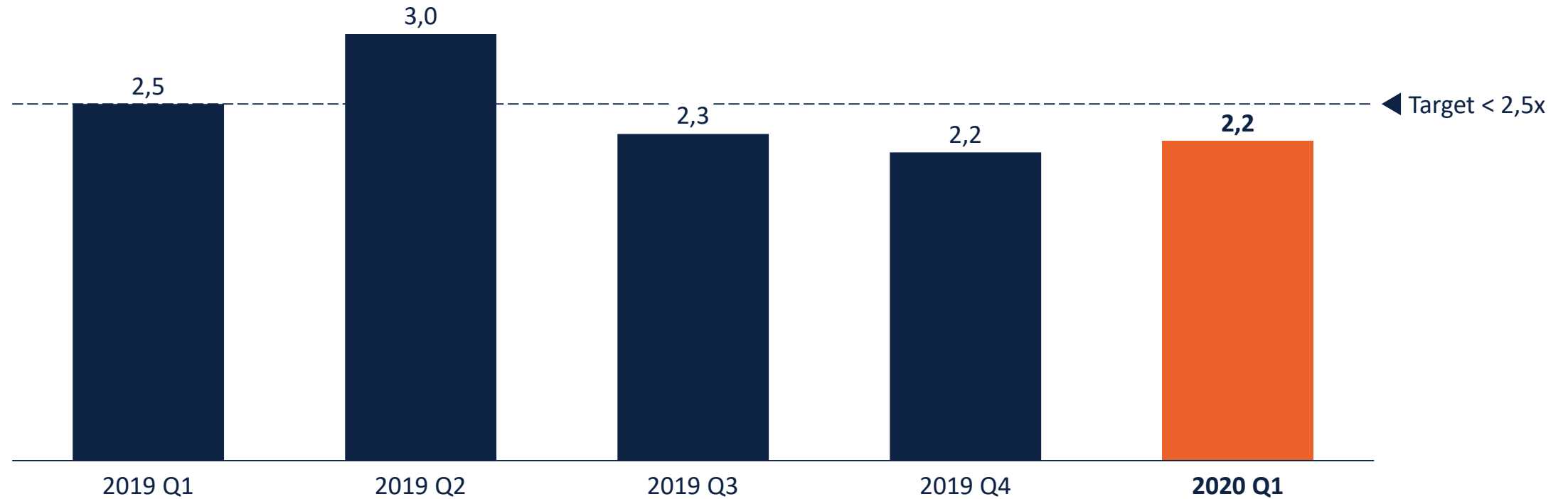
Amounts in NOK million



¹Adjusted for 16 MNOK net FX translation effect on working capital

Gearing below target at the end of Q1

Net Interest Bearing Debt (NIBD) / R12M Adjusted EBITDA by quarter
(Excluding IFRS16 effects and including full year effect of M&A)



Kenneth Hamnes, Group CEO



Short-term changes, overall consumption likely stable

Shopping
patterns

Consumer
occasions

Social
distancing

Brand
choices



Arcus with ESG initiatives during COVID-19



As COVID-19 spread in the Norwegian society, there was an immediate need for **hand sanitizers and disinfectant liquids** for hospitals and other emergency units. At short notice Arcus produced more than 29,000 litres as a non-profit initiative, with the first delivery already on March 13.



For every sale of Snällerröds new Krögarsnaps, Arcus Sweden donates 5 Kronor to “**Kröggarhjälpen**” to which financially struggling restaurants and bars can apply for assistance. The goal is to sell 100,000 packs during 2020 and donate 500,000 Kronor in total.

Employees in Wine Sweden have also offered to assist their customers with practical labour. The initiative has been very welcome, and many employees have had several assignments every day.

Broad-based and solid performance in our smallest quarter

Strong COVID-19 effects in March as most tax-free and border-trade sales moved to monopoly stores across Nordics

Arcus able to keep operations stable and meet the increased demand effectively

Going forward, Arcus is well positioned with strong brands, local production and bag-in-box set-up

Financial calendar, 2020

10 June	Annual General Meeting
18 August	Quarterly report Q2
6 November	Quarterly report Q3



Condensed statement of income

MNOK		First quarter		Full Year
	Note	2020	2019	2019
Sales	2,9	595.1	541.9	2 710.4
Other revenue	2	16.1	10.2	52.4
Total operating revenue	2,9	611.2	552.1	2 762.8
Cost of goods		-349.6	-314.6	-1 601.1
Gross Profit		261.5	237.6	1 161.7
Gain on sale of fixed assets		0.1	0.0	0.0
Salaries and personnel cost		-118.5	-108.7	-439.2
Advertising & Promotion expenses (A&P)		-20.3	-24.0	-116.0
Other operating expenses		-57.4	-57.0	-213.5
Share of profit from AC ¹⁾ and JCE ²⁾		1.3	-1.9	4.1
Other income and expenses	3	0.1	-1.5	-19.7
EBITDA		66.7	44.5	377.3
Depreciation	5,6	-28.7	-24.8	-111.8
Amortisations	5,6	-2.7	-1.9	-7.7
Operating profit (EBIT)		35.4	17.8	257.8
Financial income	12	47.9	5.9	25.9
Financial expenses	7,10,12	-29.0	-34.6	-111.2
Pre-tax profit		54.3	-10.9	172.5
Tax		-8.6	2.0	-39.2
Profit/loss for the year		45.7	-9.0	133.3
Profit/loss for the year attributable to parent company shareholders		44.6	-9.7	127.7
Profit/loss for the year attributable to non-controlling interests		1.1	0.7	5.5
Earnings per share, continued operations		0.66	-0.14	1.88
Diluted earnings per share, continued operations		0.63	-0.14	1.79

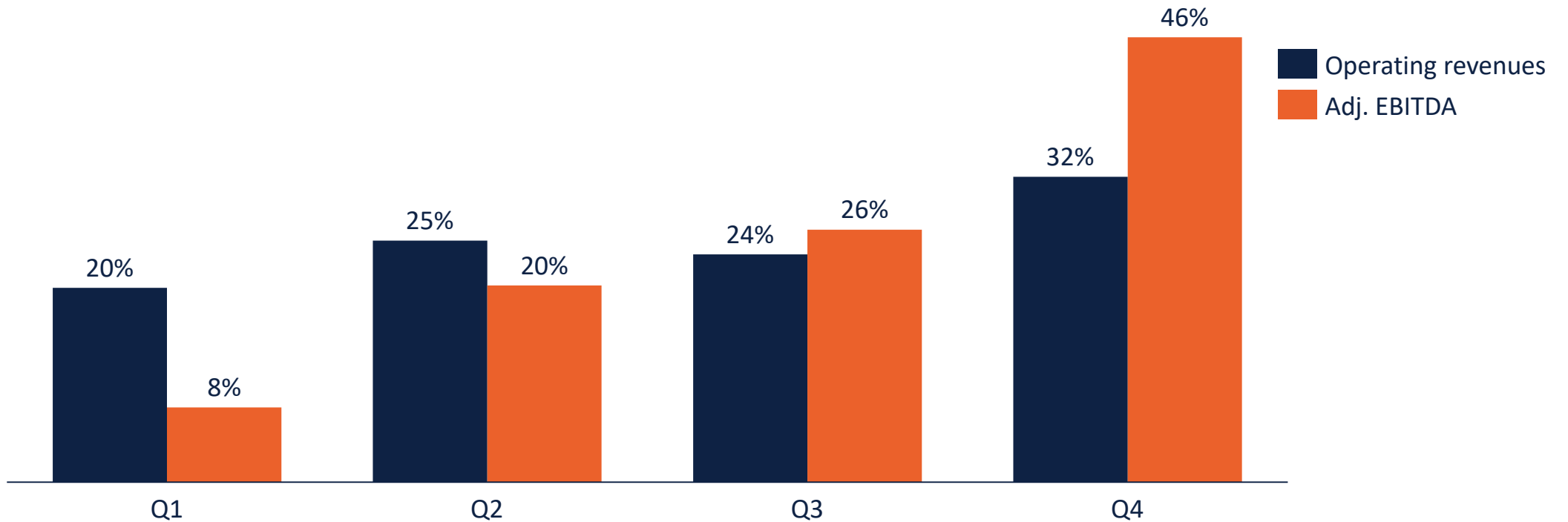
¹⁾Associated Companies, ²⁾Jointly Controlled Entities

Condensed statement of financial position

MNOK		First quarter		Full Year
	Note	31.03.2020	31.03.2019	31.12.2019
Intangible assets	6	2 080.1	1 852.8	1 923.2
Tangible assets	5	1 427.0	1 214.9	1 431.2
Deferred tax asset		79.4	116.2	86.1
Financial assets		69.8	58.6	65.3
Total fixed assets		3 656.4	3 242.4	3 505.8
Inventories		532.7	488.6	486.6
Accounts receivables and other receivables		1 404.5	1 017.7	1 392.5
Cash and cash equivalents		206.0	124.4	205.0
Total current assets		2 143.3	1 630.8	2 084.1
Total assets		5 799.6	4 873.1	5 589.9
Paid-in equity		772.1	772.1	772.1
Retained earnings		1 094.6	842.5	886.2
Non-controlling interests		4.7	2.9	3.9
Total equity		1 871.4	1 617.5	1 662.2
Non-current liabilities to financial institutions	8	774.3	693.0	703.8
Non-current liabilities at fair value through profit or loss	7,10	59.6	69.8	69.3
Non-current lease liabilities	8	1 140.0	1 028.9	1 151.0
Pension obligations		18.5	21.1	23.7
Deferred tax liability		118.3	99.7	101.3
Other non-current liabilities		0.3	0.5	0.5
Total non-current liabilities		2 111.0	1 913.0	2 049.6
Bank Overdraft	8	0.0	44.5	0.0
Current finance lease liabilities	8	155.1	48.4	154.2
Tax payable		4.9	0.0	5.0
Accounts payable and other payables		1 657.3	1 249.7	1 718.8
Total current liabilities		1 817.3	1 342.6	1 878.0
Total equity and liabilities		5 799.6	4 873.1	5 589.9

Historic quarterly distribution of top-/bottom-line last four years

2016-2019, average



Average 2016 – 2019 Arcus ASA, rounded numbers

THINK BEFORE
YOU DRINK. MAKE
GREAT MOMENTS
EVEN BETTER.

Arcus