

ANNUAL GENERAL MEETING 2021

Review by the CEO

PEKKA TENNILÄ



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.

Altia's year 2020

Refined strategy

**Planned merger
with Arcus**

**Awarded innovations
and new partners**

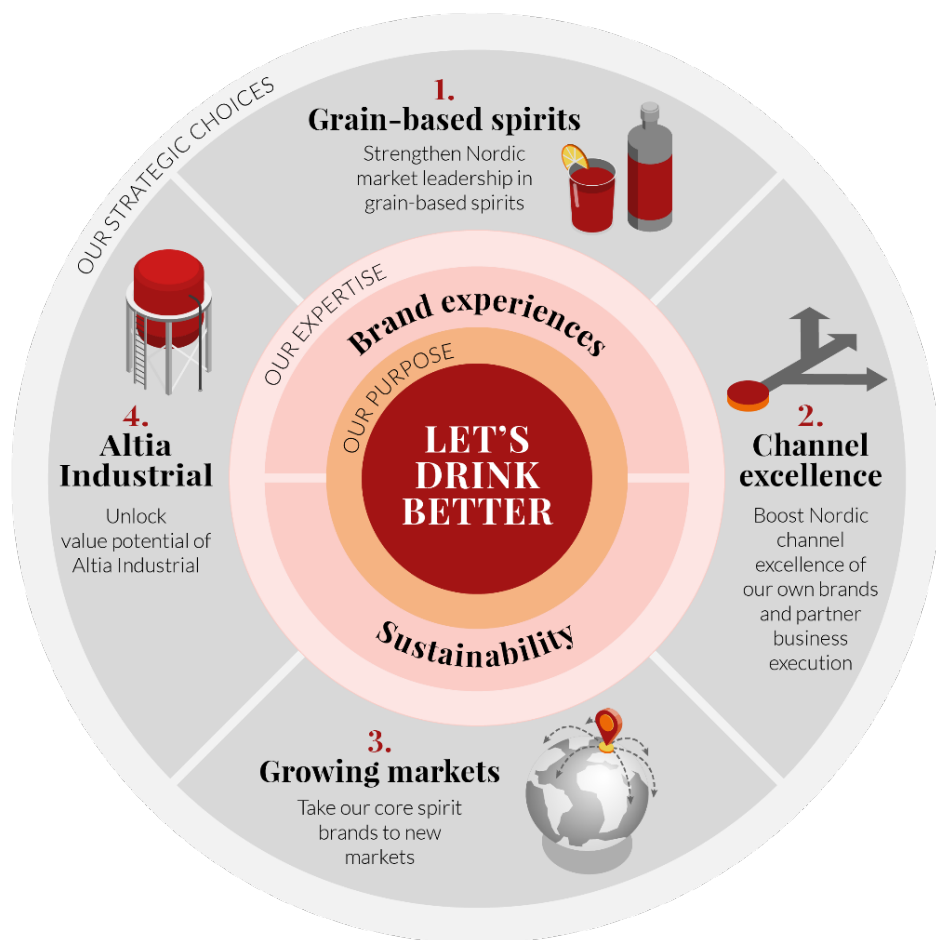
Altia Industrial

Digital channels

**Implementing the
Sustainability
Roadmap**

Altia's strategy is built on two core strengths

THE STRATEGIC CHOICES STRENGTHEN ALTIA'S POSITION AS ONE OF THE MOST SUSTAINABLE SPIRITS COMPANIES AND A LEADING NORDIC DRINKS HOUSE



Our financial targets

Net sales growth

2 %
over time (CAGR)

Comparable EBITDA margin to reach

15%
in the long-term

Altia's target is to keep reported net debt in relation to comparable EBITDA below 2.5x in the long-term

<2.5x

Altia's dividend policy is to distribute

60 %
Or more of the result for the period

Forming a leading wine and spirits brand house in the Nordics

MERGER OF ALTIA AND ARCUS TO CREATE ANORA GROUP

Strong value creation for shareholders

- Broader brand portfolio and stronger distribution network
- Greater volumes and increased efficiencies in production and logistics
- Stronger financial and competitive position – excellent conditions for future growth
- Strong value creation from significant synergies

Important events

- 29 Sep Publication of merger plan
- 23 Oct Publication of merger prospectus n
- 12 Nov Extraordinary shareholders meetings of Altia and Arcus
- **H1 21 Altia extra dividend payment related to the closing of the merger (EUR 0.40 per share)**
- **H1 21 Expected closing**

Awarded innovations and new partners



Altia in a key role delivering denatured ethanol for hand sanitisers

IMPORTANT DEVELOPMENT PROJECTS IMPLEMENTED

- Daily amounts of denatured ethanol delivered was enough to produce around 200 000 half-litre hand sanitizer bottles
- New record of grain consumption at Koskenkorva Distillery: 214 million kilos
- New fuel silo commissioned at Koskenkorva – annual decrease of carbon dioxide emissions by 20%
- A de-alcoholisation production process implemented at Rajamäki alcoholic beverage plant – better opportunities to launch low- and non-alc products
- An investment for a new bag-in-box lines was initiated, ramp-up expected in Q1 2021
- Altia and Brown-Forman renewed the Finlandia Vodka production agreement. New agreement runs until 2035.

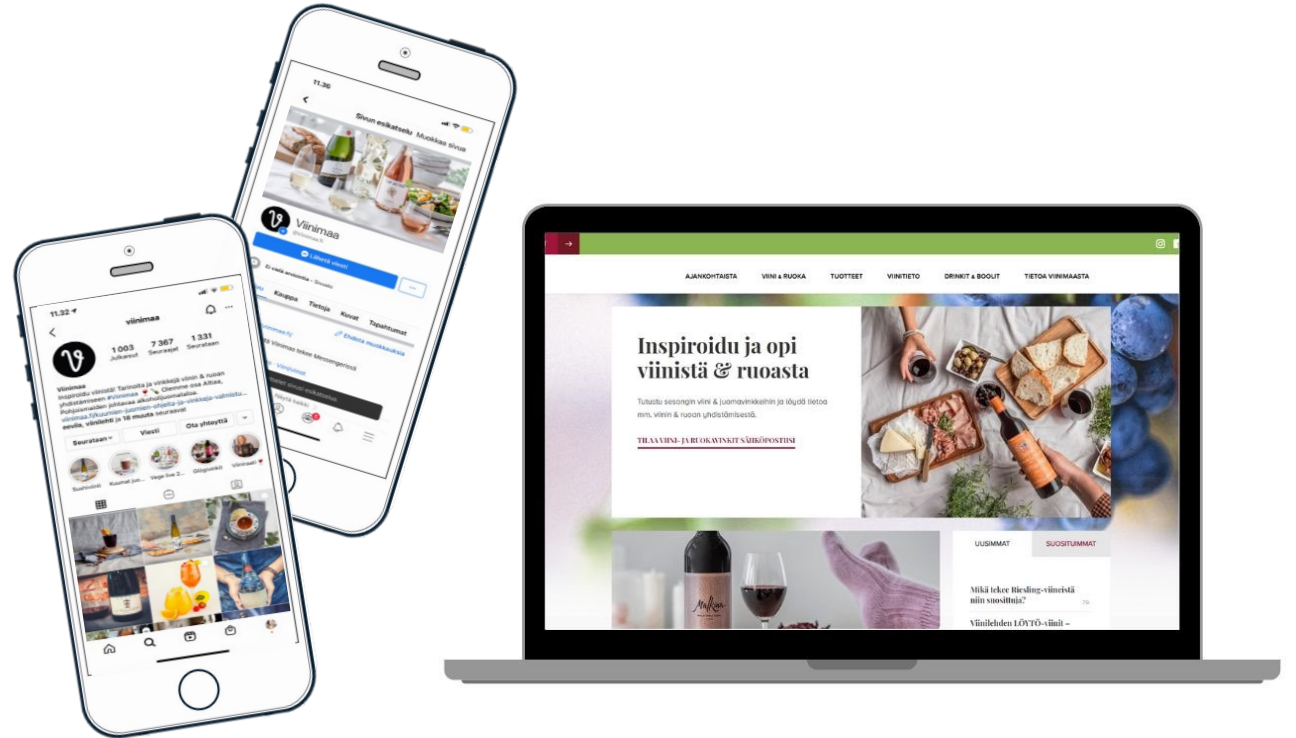


Viinimaa and Folkofolk strengthened their positions as the leading marketing platforms in our business

THE IMPORTANCE OF DIGITAL CHANNELS INCREASED LAST YEAR

- In 2020, record-high number of visitors to our digital channels
- Brand experiences and activations moved online e.g. virtual tastings

folkofolk  viinimaa Nordic Spirits



Our Distillery

- Recycling and reutilisation rate 95.5%
- **CO2 reduction from 2014 58%**
- 214 million kg Finnish barley

Our Drink

- **The first regeneratively farmed vodka in the world produced – Koskenkorva Climate Action**
- New rPET bottles containing 25% recycled plastic launched
- Altia's flask PET bottle return rate increased 20% due to consumer campaign in Finland

Our People

- **Absence due to injuries rate LTIF 7 (2019: 9) and safety observations 2.3 per person**
- Sickness absence 4%
- 2% of our purchases are from amfori risk countries

Our Society

- Exceeded our target: 13% sugar reduction
- Average alcohol percentage decreased to 29.7%
- **Exceeded our target: 16% of our drinks are low or non-alc**

Important achievements in sustainability in 2020



Key financials 2020



Impacts of COVID-19

KEY PRIORITIES THE HEALTH AND SAFETY OF EMPLOYEES AND BUSINESS CONTINUITY

Impacts so far

- Significant negative impacts on travel retail, exports and on-trade
- Consumers shifting purchases to the monopolies
- The demand for technical ethanol peaked at the beginning of the crisis due the need for hand sanitisers and stabilised towards the year-end
- No major disruptions in operations

Actions taken

- Remote work whenever possible
- Stricter hygiene routines and regulations at production plants
- Most significant cost savings measures in Q2 such as temporary lay-offs and freezing of marketing
- Strong financial position and good liquidity throughout the crisis



Exceptionally strong performance in a COVID-19 year

KEY FIGURES 2020

	<u>2020</u>	<u>2019</u>
Net sales, EUR million	342.4	359.6
Comparable EBITDA, EUR million	52.4	44.8
% net sales	15.3	12.4
Result for the period, EUR million	17.8	18.4
Earnings per share, EUR	0.49	0.51
Net debt, EUR million	-3.9	28.9
Net debt / comparable EBITDA	-0.1	0.6
Net cash flow from operating activities, EUR million	56.1	52.6
Average number of personnel	650	682



Segments in 2020

OUR OPERATIONS ARE DIVIDED INTO THREE SEGMENTS



Finland & Exports

Liikevaihto Vertailukelpoinen
käyttökate-%

117 **16,9**
(129) **(16,0)**
milj. € %



Scandinavia

Liikevaihto Vertailukelpoinen
käyttökate-%

124 **11,5**
(121) **(10,0)**
milj. € %



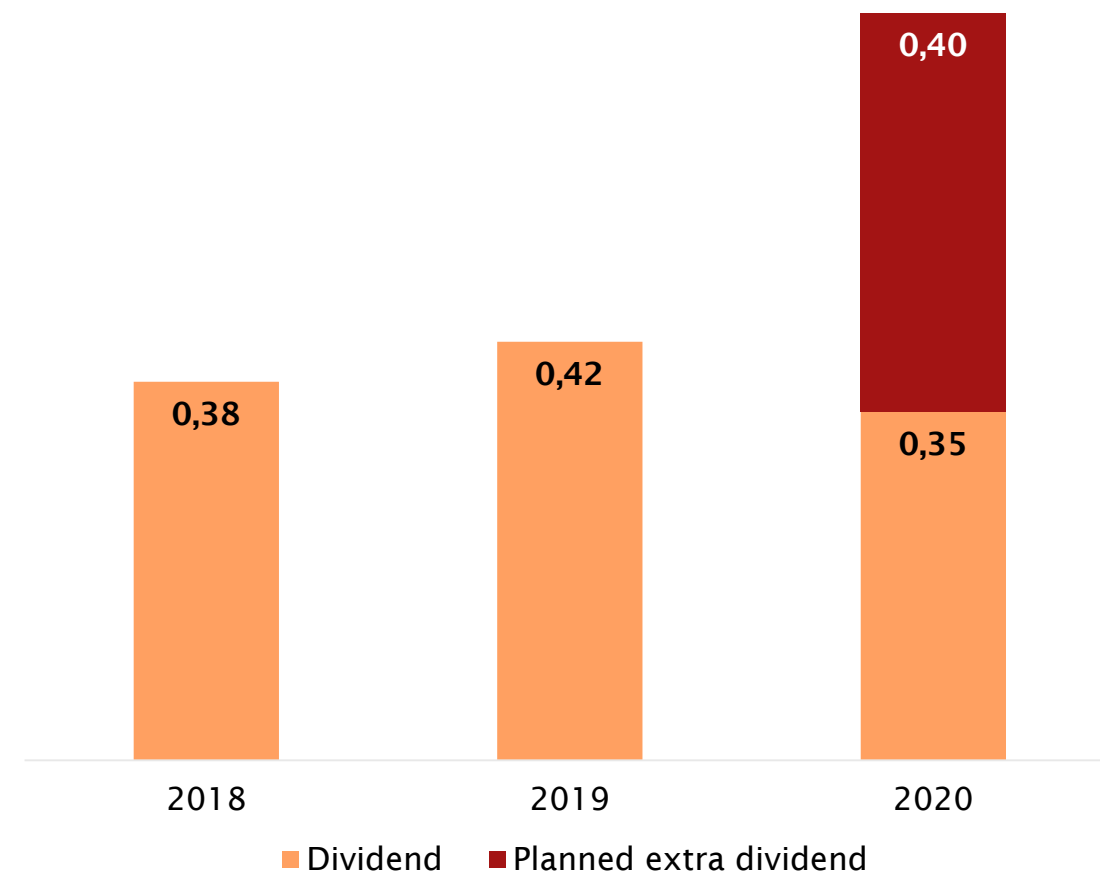
Altia Industrial

Liikevaihto Vertailukelpoinen
käyttökate-%

101 **17,6**
(110) **(10,4)**
milj. € %

Dividend proposal by the Board of Directors

- In line with Altia's dividend policy, Altia's Board of Directors proposes to the Annual General Meeting that an annual dividend of EUR 0.35 per share be paid for the financial year 2020.
 - Record date: 23 March 2021
 - Payment date: 30 March 2021
- Arcus' Board of Directors have similarly proposed to the Annual General Meeting of Arcus that an annual dividend of NOK 1.66 per share be paid for the financial year 2020, reflecting the relative value of Altia and Arcus agreed upon in the merger plan, meaning that dividends for the financial year 2020 to be paid by Altia and Arcus, respectively, will not have an impact on the agreed valuation of the companies for the purpose of the Altia and Arcus merger.
- Altia's Board of Directors also proposes to the Annual General Meeting that the dividend authorisation decided by the Extraordinary General Meeting 2020 to pay an extra dividend of EUR 0.40 per share to Altia's shareholders in connection with and prior to the closing of the Altia and Arcus merger be renewed.



Summary

Exceptionally strong performance in a COVID-19 year – significant uncertainties continue in 2021

Closing of Altia and Arcus merger expected in first half of 2021 – authorisation for extra dividend of EUR 0.40 per share to be renewed

Important steps taken on the Sustainability Roadmap

Board's dividend proposal for financial year 2020: EUR 0.35 per share

Thank you!

