



To the general meeting of Arcus ASA

## **Report on merger plan in Arcus ASA**

### **Introduction**

As independent expert and on instructions from the Board of Directors in Arcus ASA, I report in accordance with the Norwegian Public Limited Liability Companies Act section 13-28, cf. sections 13-10. This report concerns the 29 September 2020 merger plan between Arcus and Altia Plc (“**Altia**”). By way of this merger, all assets and liabilities of Arcus ASA will be transferred to Altia.

Altia and Arcus ASA have agreed to merge with a view to inter alia realize potential added value that is expected to benefit both companies and their respective shareholders. These added values are based on inter alia cost- and revenue synergies, as well as to financial and strategic advantages from becoming one larger enterprise.

The shareholders in Arcus ASA will receive newly issued shares in Altia as consideration for the net assets that Arcus ASA transfers to Altia. The Arcus ASA shareholders will receive 0.4618 shares in Altia for each Arcus ASA share. Based on the number of shares outstanding in the two companies per 29 September 2020, the terms of the merger imply that the Arcus ASA shareholders post-merger will own 46.5% of Altia, whereas the current Altia shareholders will own 53.5%.

### **The Board of Directors’ responsibility**

The board of directors in each of the companies are responsible for the information and the valuations on which the consideration is based.

### **The independent expert’s responsibility**

My responsibility is to prepare a report regarding determination of the consideration and to express an opinion on whether the consideration to be received by the Arcus ASA shareholders is reasonable and fair based on the valuations of the two companies.



The remaining report is divided into two parts. The first part is a description of the methods applied in determining the consideration to be received by the shareholders in Arcus ASA. The second part is my opinion on the consideration.

### **Part 1: Methods applied in determining the consideration**

The boards in Arcus ASA and Altia have put forward that the shareholders in Arcus ASA shall receive 0.4618 newly issued shares in Altia as consideration for each Arcus ASA share. This will assign the Arcus ASA shareholders a post-merger shareholding in Altia of 46.5%. Based on share price and currency exchange rate as of 28 September 2020 and adjusted for dividend to be distributed by Altia prior to the merger, this corresponds to an aggregate consideration for the Arcus ASA shareholders of approx. NOK 2.7 billion. In comparison, the market value of the outstanding shares in Arcus ASA per 28 September 2020 amounted to approx. NOK 2.7 billion.

Prior to the merger, the existing shareholders in Altia shall receive an aggregate dividend of EUR 22 million.

The board of directors of Arcus ASA and Altia have negotiated and agreed the merger plan based on historical share prices, earnings and expected turnover and profitability for each of the respective companies. Both boards have been supported in the negotiations by dedicated financial and legal advisors. To our knowledge, there are no financial or personal connections between the two boards that suggest or indicate that the negotiated and agreed terms for the merger is not on arms-length terms.

The board of directors of Arcus ASA has also received a “fairness opinion” from ABG Sundal Collier regarding the reasonableness of the consideration to be received by the Arcus ASA shareholders.

### **Part 2: The independent expert’s report**

I have conducted my review and issue my statement in accordance with the Norwegian standard SA 3802-1 “The auditor’s statements and reports pursuant to Norwegian company legislation”. The standard requires that I plan and perform my review to obtain reasonable assurance that the consideration to be received by the shareholders of Arcus ASA is reasonable well founded. My review includes verification of the valuation of the consideration. Also, I have assessed the valuation methods that have been applied and the assumptions on which the valuation is based.

I believe that the audit evidence I have obtained is sufficient and appropriate to constitute a basis for my opinion.

## **Conclusion**

In my opinion, the consideration to the Arcus ASA shareholders of 0.4618 Alita shares per Arcus ASA share is reasonable and fair based on the valuation of the companies as described above.

Oslo, 29 September 2020

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The translation to English has been prepared for information purposes only.