

This morning, the Board of Norges Bank has named Nicolai as the new CEO of Norges Bank Investment Management (NBIM), the ca. \$1 trillion Norwegian sovereign wealth fund. Nicolai will start his new position in September 2020. He was approached to consider the role after our announcement last December about his intention to step back from day-to-day involvement at AKO Capital. Following a rigorous process, he has been selected for - it is no exaggeration to say – one of the most significant roles in global finance. As a proud Norwegian, Nicolai felt this to be a position, and an opportunity to have a meaningful positive impact on his home country, that he simply could not turn down. We are very proud both of him and of the fact that his selection was partially founded on the excellence of the AKO organisation.

The main practical implication of this development for AKO is that the formal timescale for the leadership succession plan that we laid out in our December announcement will be accelerated by a few months. The transition has proceeded better and more quickly than we had originally envisaged and is already complete. In addition, Nicolai will obviously step down from all AKO boards and will no longer serve as AKO Chairman, as previously envisaged. Part of his economic interest in the firm will be transferred to other partners of AKO, with the remainder going to the AKO Foundation.

Neither we nor Nicolai had foreseen this outcome at the time of our December announcement, but we are confident that it will not have a meaningful impact on AKO's operations or its future success. When Nicolai steps back from AKO in Q3, Patrick Hargreaves, who has acted as co-CEO for the past year, will become AKO's CEO. Gorm Thomassen, co-founder of AKO, will continue to manage the European funds as CIO alongside another AKO veteran, Mike Yates. Gorm and Mike have taken increasing responsibility for stock-picking in the European funds over the past several years, and have made all investment decisions for those funds this year. The AKO Global funds have also demonstrated over the past six years that the AKO investment processes and philosophy can be successfully implemented without Nicolai's involvement.

Against the backdrop of the coronavirus outbreak, which is currently bringing unprecedented challenges to communities and businesses worldwide, we want to assure investors that AKO continues to operate as normal. In a difficult year for markets, the funds have also held up relatively well so far, with the flagship AKO Fund +0.2% vs MSCI Europe -22.6% YTD.\* As before, we remain very confident that we have the right processes, the right philosophy and the right leadership in every role to continue to thrive as an organisation and to deliver attractive long-term returns for our investors.

#### The AKO Team

\* YTD performance data internally estimated by AKO Capital as at close of business March 25.

AKO Fund +0.2%

AKO Global Fund -5.5%

AKO European Long-only Fund -19.4% vs benchmark -22.6%

AKO Global Long-only Fund -22.1% vs. benchmark -22.2%

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