

ANORA

Q4 2021

Financial Statements Bulletin

JANUARY–DECEMBER 2021





About this report

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. Arcus has been consolidated to Anora as of 1 September 2021 and is reported as the fourth segment of Anora.

Anora's new reporting segments according to the future operating model will be: Wine, Spirits and Industrial. Reporting according to these begins as of Q1 22.

The financial figures in the official sections of the report are based on Anora's financial figures and the comparison figures have not been restated for the merger. The figures in brackets refer to the comparison period, i.e., the same period in the previous year, unless otherwise stated.

The report includes a section with stand-alone financial information for illustrative purposes on pages 6-8. This information is only provided temporarily and to help make a comparison of the underlying business to the previous year for Altia and Arcus, respectively. The merger has not been taken into account in the figures presented in this section.

Pro forma financial information for Q4 and the full year 2021 is presented in Appendix 2 on page 44.

This financial statements bulletin has been prepared in accordance with the International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting as approved by the EU. The figures in the report are unaudited. A reconciliation of alternative key ratios to IFRS figures is presented in the Appendix 1 on page 42.

Strong full-year 2021, Q4 impacted by lower sales in monopolies and increasing costs

Pro forma financial information

- Q4 2021: net sales EUR 205.6 (196.5) million and comparable EBITDA 30.6 (36.3) million
- January-December 2021: net sales EUR 665.0 (627.7) million and comparable EBITDA 101.0 (98.3) million

Q4 2021 compared to Q4 2020

- Reported net sales increased by 93.1% to EUR 205.6 (106.5) million; growth in constant currencies 88.7%
- The Finland & Exports segment's net sales were EUR 37.7 (34.4) million
- The Scandinavia segment's net sales were EUR 47.2 (46.4) million; decrease in constant currencies 0.8%
- Altia Industrial's net sales were EUR 29.9 (25.7) million
- Arcus segment's net sales were EUR 90.7 (-) million
- Comparable EBITDA was EUR 31.4 (19.0) million, 15.3% (17.9%) of net sales
- Reported EBITDA was EUR 31.3 (13.5) million, 15.2% (12.7%) of net sales
- Net cash flow from operating activities was EUR 57.6 (50.2) million
- Net debt / comparable EBITDA was 1.8 (-0.1)

January-December 2021 compared to January-December 2020

- Reported net sales increased by 39.7% to EUR 478.2 (342.4) million; growth in constant currencies 38.3%
- Comparable EBITDA was EUR 71.7 (52.4) million, 15.0% (15.3%) of net sales
- Items affecting comparability were EUR -8.8 (-12.1) million, mainly relating to the merger of Altia and Arcus
- Reported EBITDA was EUR 62.9 (40.3) million, 13.1% (11.8%) of net sales

Dividend proposal

Anora's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.45 per share be paid for the financial year 2021. In its proposal the Board has considered former Altia's dividend policy to pay 60% or more of the result for the period as a dividend to the shareholders. Anora's financial targets including a dividend policy will be set in connection with the on-going strategy process.

Guidance

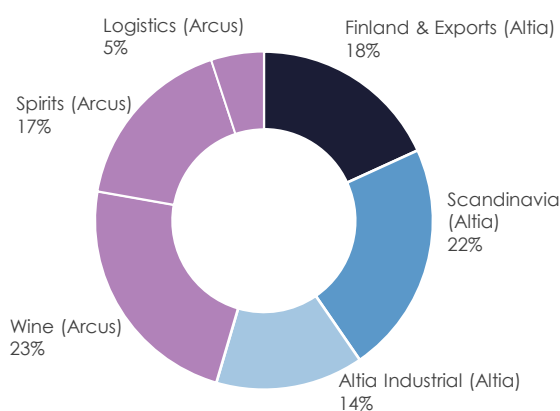
Anora's comparable EBITDA in 2022 is expected to be between EUR 75-85 million. This corresponds to the pre-pandemic level and takes into account the annual impact of EUR 4.6 million of the divestment of Anora brands due to the merger. More information on page 25.

Key figures

	Q4 21	Q4 20	2021	2020
Net sales, EUR million	205.6	106.5	478.2	342.4
Comparable EBITDA, EUR million	31.4	19.0	71.7	52.4
% of net sales	15.3	17.9	15.0	15.3
EBITDA, EUR million	31.3	13.5	62.9	40.3
Comparable operating result, EUR million	23.6	14.8	51.2	35.0
% of net sales	11.5	13.9	10.7	10.2
Operating result, EUR million	23.5	9.3	42.4	22.9
Result for the period, EUR million	17.2	7.3	31.2	17.8
Earnings per share, EUR	0.25	0.20	0.67	0.49
Net cash flow from operating activities, EUR million	57.6	50.2	50.8	56.1
Net debt / comparable EBITDA	1.8*	-0.1	1.8*	-0.1
Personnel end of period	1 055	637	1 055	637

*If calculated using pro forma figures, net debt / comparable EBITDA would have been 1.2 for 2021.

Q4 21: Net sales by segment



Q4 21: Comparable EBITDA by segment EUR million



CEO Pekka Tennilä:



2021 was a historical year for us with the start of Anora's journey as the leading wine and spirits brand house in the Nordics, and the global industry forerunner in sustainability. After the closing of the merger in September, we have successfully re-structured our organisation and continued to serve our partners and customers well. The work to capture the net synergies of EUR 8-10 million has continued as planned with several initiatives to drive efficiencies and find new growth opportunities across our markets.

During 2021, the COVID-19 restrictions in on-trade and travelling continued to impact our market environment in a significant way. Supported by extraordinary high sales volumes in monopoly stores, we are reporting strong results for 2021: net sales on a pro forma basis grew by 6% to EUR 665 million and comparable EBITDA on a pro forma basis grew by 3% to EUR 101 million. I am extremely proud and thankful for the great achievements that our employees have reached, and for the true dedication and resilience they have shown during this exceptional year.

In Q4, we saw the wine and spirits market returning to normal which was reflected also as lower monopoly volumes compared to the high volumes in Q4 last year. Our net sales on a pro forma basis grew, supported by the gradual opening of the restricted sales channels and the higher contract manufacturing volumes. In this quarter, we were also faced with a historically sharp increase in input costs, with specifically the cost of barley reaching a record-high level. Comparable EBITDA, on a pro forma basis, declined mainly due to higher input costs and more investments in marketing of our brands.

In sustainability, one of the topics that we have high on our priority list is to secure a safe workplace for our employees, and we aim for zero accidents at work. We continuously monitor and develop our processes and routines to prevent accidents, and we actively promote a safety culture at our plants. This work has given great results in 2021: at the Gjelleråsen plant no injuries were reported and the Koskenkorva Distillery was granted The Year Award in Starch Europe's Safety Program.

For the year 2022 we expect Anora's comparable EBITDA to be between EUR 75-85 million which corresponds to the pre-pandemic level and takes into account the annual impact of EUR 4.6 million of the divestment of Anora brands due to the merger. In 2022, we expect the volumes in the monopolies to be significantly lower than in 2020 and 2021 as the lifting of COVID-19 restrictions result in higher on-trade, border trade and duty-free sales, and input costs to remain at a high level.

The newly formed Anora is the Nordic market leader in wine and spirits with #1 position across many categories and segments. We believe that we are uniquely positioned to serve our customers and consumer in the Nordics, and beyond, with our strong brands portfolio, strong route-to-market skills and pioneering position in sustainability. We have already started to work on Anora's strategy, which will define our growth and equity story going forward, and will be finalized during the summer. I am excited about the future and look forward to continuing working closely with our partners, customers, suppliers and other stakeholders in the year ahead.

Stand-alone information on Altia for illustrative purposes

In Q4, Altia's reported net sales increased by 7.9% and were EUR 114.9 (106.5) million. In constant currencies, net sales increased by 6.8%. Comparable EBITDA was EUR 16.3 (19.0) million, 14.2% (17.9%) of net sales.

In 2021, Altia's net sales increased by 5.8% and were EUR 362.3 (342.4) million. In constant currencies, net sales increased by 4.4%. Comparable EBITDA was EUR 51.8 (52.4) million, 14.3% (15.3%) of net sales.

ALTIA: NET SALES BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports	37.7	34.4	9.8	122.5	117.2	4.5
Scandinavia	47.2	46.4	1.7	129.8	123.9	4.7
Altia Industrial	29.9	25.7	16.4	110.0	101.2	8.7
Altia, total	114.9	106.5	7.9	362.3	342.4	5.8

ALTIA: NET SALES BY PRODUCT CATEGORY

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits	37.9	35.3	7.4	129.0	119.1	8.3
Wine	46.1	44.6	3.4	119.5	119.5	0.0
Other beverages	0.9	0.9	0.0	3.8	2.5	52.0
Industrial products and services	29.9	25.7	16.4	110.0	101.2	8.7
Altia, total	114.9	106.5	7.9	362.3	342.4	5.8

ALTIA: COMPARABLE EBITDA BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports	7.0	6.0	16.3	21.0	19.8	6.1
Scandinavia	7.7	9.5	-19.5	15.8	14.2	10.7
Altia Industrial	2.5	4.2	-41.5	14.2	17.9	-20.6
Other	-0.8	-0.8	5.5	0.9	0.5	67.6
Altia, total	16.3	19.0	-14.1	51.8	52.4	-1.1
% of net sales	14.2	17.9		14.3	15.3	

More detailed information on Altia's reporting segments is provided in the Segment Review section on pages 14-17.

Stand-alone information on Arcus for illustrative purposes

Figures in this section are based on the stand-alone performance of Arcus. This information is provided temporarily only.

Net sales

ARCUS: NET SALES BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Wine	49.0	52.2	-6.0	187.1	180.1	3.9
Spirits	35.3	36.5	-3.3	106.0	102.9	3.1
Logistics	10.7	9.8	8.5	37.3	34.6	7.8
Other*	-4.4	-5.0	-13.4	-19.3	-20.4	-5.2
Arcus, total	90.7	93.5	-3.0	311.1	297.1	4.7

* Elimination of Group internal sales between segments and IFRS 15 adjustment.

In Q4, Arcus' reported net sales decreased by 3.0% and were EUR 90.7 (93.5) million. In constant currencies, net sales declined by 5.9%.

In wine, the overall key driver for the decline in net sales was the lower market volumes in all three monopolies.

Further, in Norway, where the comparison to Q4 20 is particularly tough, the consumer demand for bag-in-boxes was lower. Despite a good performance of own wine brands, net sales declined from the previous year. In Finland, the decline in net sales was due to partner portfolio changes. In Sweden, Arcus' net sales were at last year's level.

In spirits, the overall key drivers for the decline in net sales were the lower market volumes in the monopoly markets and the divestment of brands, as required by the competition authorities to close the Altia and Arcus merger, which was completed in Q4. Further, in Norway, where the comparison to Q4 20 is particularly tough, volumes shifted across borders due to less travelling restrictions than in the previous year. Both in Sweden and Finland, net sales were further impacted by partner portfolio changes. The development in Denmark was solid, driven by growth in aquavit, and the recovery of travel retail continued. Shipments to Germany declined in order to right-size local inventories.

In logistics, the distributed volume was 17.0 million litres, a decline of 10.9% from Q4 20. This was a result of lower sales to the monopoly while volumes to on-trade increased. Price adjustments and channel mix have contributed positively to net sales and offset the volume decline.

Full year reported net sales for Arcus increased by 4.7% and were EUR 311.1 (297.1) million, which was a good development against a tough comparison year and in a market with a less positive effect from COVID-19. In constant currencies, net sales grew by 0.6%.

Comparable EBITDA

ARCUS: COMPARABLE EBITDA BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Wine	8.3	9.9	-16.5	32.4	26.8	20.8
Spirits	6.7	8.3	-18.7	16.3	17.6	-7.6
Logistics	-0.3	-0.7	57.6	-0.4	0.2	-361.6
Other*	0.4	1.2	-65.5	5.4	5.5	-2.9
Arcus, total	15.1	18.6	-19.0	53.6	50.1	7.0
% of net sales	16.6	19.9		17.2	16.9	

*IFRS 16 adjustment and unallocated HQ costs.

In Q4, the comparable EBITDA was EUR 15.1 (18.6) million, 16.6% (19.9%) of net sales.

In wine, the comparable EBITDA decline was mainly due to lower sales volumes, a product mix with less bag-in-boxes and higher marketing spend than in Q4 20, which is a tough comparison.

In spirits, the comparable EBITDA decline was mainly due to lower sales volumes driven by market development, partner portfolio changes and brand divestments.

In logistics, the comparable EBITDA improved as the favourable channel mix and general price increases have partly offset the higher costs required to handle volumes above designed capacity.

Full year comparable EBITDA was EUR 53.6 (50.1) million, 17.2% (16.9%) of net sales, a strong result compared to the high performance in 2020.

Business events

In Q4, Anora launched a new Norwegian whiskey, Gjoleid Mesterens Utvalgte. The production of the Gjoleid whiskeys started in Norway already in 2010 and this latest addition showcases the important processes essential to create a savoury whiskey flavour. The innovation includes experimentation with, for example, temperature and various barrels and provides a whiskey with a unique flavour composition without decades of maturation.

Further, Anora won two wine tenders at Vinmonopolet for Maison Champy, which is part of its partner Advini, and launched two wines in cans from Pedregosa and a new Barolo under its own wine brand Wongraven.



Financial Review

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. Arcus has been consolidated to Anora as of 1 September 2021. Arcus is reported as the fourth segment of Anora.

The financial figures in the official section of the report are based on Anora's financial figures and the comparison figures have not been restated for the merger.

Seasonality

There are substantial seasonal fluctuations in the consumption of alcoholic beverages impacting the net sales and cash flow of Anora. The company typically generates large amounts of its revenue and cash flow during the fourth quarter of the year, whereas the first quarter of the year is significantly lower. In addition, excise taxes related to the high season at the end of the year are paid in Q1, resulting in large cash outflows. Also, the timing of Easter fluctuating between Q1 and Q2 impacts quarterly sales and profitability.

Net sales and profitability

Arcus has been consolidated to Anora as of 1 September 2021. The full-year 2021 numbers include Arcus numbers for four months only.

Q4

In Q4, net sales increased by 93.1% and were EUR 205.6 (106.5) million. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 90.7 million on net sales. Growth in constant currencies was 88.7%.

Comparable EBITDA, i.e. EBITDA excluding items affecting comparability (IAC), was EUR 31.4 (19.0) million, which was 15.3% (17.9%) of net sales. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 15.1 million on comparable EBITDA. Items affecting comparability totalled EUR -0.1 (-5.5) million and were mainly costs related to the Altia and Arcus merger. Reported EBITDA was EUR 31.3 (13.5) million.

Other operating income amounted to EUR 5.9 (1.8) million, mainly including proceeds from the divestment of brands (trademarks and related inventory) of EUR 3.7 (0.0) million; proceeds from sales of fixed assets EUR 0.0 (0.0) million; income from the sales of mainly steam, energy and water of EUR 0.9 (0.9) million; and rental income of EUR 0.5 (0.4) million.

Employee benefit expenses totalled EUR 28.0 (13.4) million, including EUR 22.0 (10.8) million in wages and salaries. Other operating expenses amounted to EUR 38.0 (21.5) million.

Net financial expenses amounted to EUR 2.8 (1.1) million. The share of profit in associates and joint ventures and income from interests in joint operations totalled EUR 0.4 (0.1) million.

Income tax expense was EUR 3.9 (0.9) million.

The result for the period amounted to EUR 17.2 (7.3) million, and earnings per share were EUR 0.25 (0.20).

January-December

In 2021, net sales increased by 39.7% and were EUR 478.2 (342.4) million. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 115.8 million on net sales. Growth in constant currencies was 38.3%.

Comparable EBITDA, i.e. EBITDA excluding items affecting comparability (IAC), was EUR 71.7 (52.4) million, which was 15.0% (15.3%) of net sales. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 19.8 million on comparable EBITDA. Items affecting comparability totalled EUR -8.8 (-12.1) million and were mainly costs related to the Altia and Arcus merger. Reported EBITDA was EUR 62.9 (40.3) million.

Income tax expense was EUR 7.4 (3.5) million, corresponding to an effective tax rate of 19.1% (16.5%).

The result for the period amounted to EUR 31.2 (17.8) million, and earnings per share were EUR 0.67 (0.49).

NET SALES BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports	37.7	34.4	9.8	122.5	117.2	4.5
Scandinavia	47.2	46.4	1.7	129.8	123.9	4.7
Altia Industrial	29.9	25.7	16.4	110.0	101.2	8.7
Arcus	90.7			115.8		
Total	205.6	106.5	93.1	478.2	342.4	39.7

NET SALES BY PRODUCT CATEGORY

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits						
Spirits – Altia	37.9	35.3	7.4	129.0	119.1	8.3
Spirits – Arcus	31.4			39.3		
Wine						
Wine – Altia	46.1	44.6	3.4	119.5	119.5	0.0
Wine – Arcus	49.5			64.0		
Other beverages	0.9	0.9	0.0	3.8	2.5	52.0
Industrial products and services	29.9	25.7	16.4	110.0	101.2	8.7
Logistics (Arcus)	9.9			12.6		
Total	205.6	106.5	93.1	478.2	342.4	39.7

COMPARABLE EBITDA BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports	7.0	6.0	16.3	21.0	19.8	6.1
Scandinavia	7.7	9.5	-19.5	15.8	14.2	10.7
Altia Industrial	2.5	4.2	-41.5	14.2	17.9	-20.6
Arcus	15.1			19.8		
Other	-0.8	-0.8	5.5	0.9	0.5	67.6
Total	31.4	19.0	65.3	71.7	52.4	36.8
% of net sales	15.3	17.9		15.0	15.3	

ITEMS AFFECTING COMPARABILITY

EUR million	Q4 21	Q4 20	2021	2020
Comparable EBITDA	31.4	19.0	71.7	52.4
Net gains or losses from business and assets disposals	4.1	-	3.7	-
Costs for closure of business operations and restructurings	-0.5	-	-0.5	-0.3
Costs related to the closed voluntary pension scheme	-	-	-	-0.5
Costs related to the merger of Altia and Arcus	-3.1	-5.5	-11.2	-11.4
Inventory fair valuation	-0.6	-	-0.8	-
Other major corporate projects	0.0	-	0.0	-
Total items affecting comparability	-0.1	-5.5	-8.8	-12.1
EBITDA	31.3	13.5	62.9	40.3

Cash flow and balance sheet

Arcus has been consolidated to Anora as of 1 September 2021. The full-year 2021 cash flow numbers include Arcus numbers for four months only and balance sheet numbers are as at 31 December 2021.

In Q4, the net cash flow from operations totalled EUR 57.6 (50.2) million. In January–December, net cash flow from operations totalled EUR 50.8 (56.1) million. The decline in net cash flow from operations was driven by the development in net working capital. The net working capital development was negative due to the gradual recovery of travel retail, exports, and on-trade channels increasing receivables, and the calendar effect in VAT and excise tax payables. The receivables sold, mainly former Altia's monopoly receivables, amounted to EUR 81.4 (91.9) million at the end of the reporting period.

At the end of the reporting period, the Group's net debt amounted to EUR 126.0 (-3.9) million. The increase in net debt was due to the Altia and Arcus merger as the balance sheet of former Arcus included significant lease liabilities due to IFRS 16 standard relating mainly to Gjelleråsen plant and bank debt. Cash and cash equivalents amounted to EUR 168.9 (130.7) million, while the interest-bearing debt amounted to EUR 295.0 (126.8) million. The gearing ratio at the end of the reporting period was 24.8% (-2.5%), while the equity ratio was 41.2% (34.3%). The reported net debt to comparable EBITDA was 1.8 (-0.1) times. Anora Group's liquidity position was strong throughout the period.

The Group has a revolving credit facility of EUR 60.0 (60.0) million, of which EUR 0.0 (0.0) million was in use at the end of the reporting period. The Group has two overdraft facilities, NOK 800 million and EUR 10 million. The nominal value of commercial papers issued amounted to EUR 20.0 (40.0) million at the end of the reporting period.

The total in the consolidated balance sheet was EUR 1 233.3 (455.6) million at the end of the period.

In Q4, gross capital expenditure totalled EUR 2.4 (2.3) million. During the period, the capital expenditure was allocated mainly to replacement investments and to improve energy efficiency and work safety.

BALANCE SHEET KEY FIGURES

	2021	2020
Reported net debt / comparable EBITDA	1.8*	-0.1
Borrowings, EUR million	162.6	116.1
Net debt, EUR million	126.0	-3.9
Equity ratio, %	41.2	34.3
Gearing, %	24.8	-2.5
Capital expenditure, EUR million	-5.4	-7.0
Total assets, EUR million	1 233.3	455.6

*If calculated using pro forma figures, net debt / comparable EBITDA would have been 1.2 for 2021.

Market development

During most of Q4, societies were reopened with lighter COVID-19 restrictions. The channel mix was normalising with a good recovery in on-trade and travel retail, which is reflected in the monopoly volumes declining from the record-high levels in Q4 20. Due to the new variant of COVID-19 spreading at high speed, new strict restrictions were implemented, and uncertainty was high at the end of the quarter. During the pandemic, the monopoly volumes have been extraordinarily strong and the 2021 volumes remained well above the 2019 levels, despite the lower volumes in the second half.

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC MONOPOLIES

% change compared to previous year	Q4 21	Q4 20	2021	2020
Nordics, total sales volumes*	-7.3	+18.6	-0.2	+17.1
Spirits	-3.7	+21.6	+3.0	+18.5
Wine	-7.9	+18.1	-0.8	+16.9
Finland, total sales volumes	-9.3	+14.8	-4.3	+13.7
Spirits	-6.0	+13.2	-2.8	+10.4
Wine	-10.4	+15.4	-4.9	+15.0
Sweden, total sales volumes	-3.8	+9.7	+0.1	+10.0
Spirits	+0.2	+19.5	+6.1	+18.8
Wine	-4.3	+8.6	-0.6	+9.2
Norway, total sales volumes	-12.6	+45.7	+2.2	+40.4
Spirits	-6.1	+37.9	+6.7	+32.1
Wine	-13.9	+47.2	+1.5	+41.8

*) Nordics in total refers to combined data for Finland, Sweden and Norway.

Finland

In Q4, the Finnish retail monopoly's spirits and wine sales volumes were down by 9.3% from the same period last year. The spirits category declined by 6.0%. Liqueurs grew while other categories declined. The wine category declined by 10.4%, driven by a decline in all categories.

Norway

In Q4, the Norwegian retail monopoly's spirits and wine volumes were down by 12.6% from the same period last year. The spirits category declined by 6.1%, driven by a decline in all other categories except liqueurs and other spirits. The wine category declined by 13.9%, driven by red, white and rosé wines, while sparkling grew.

Sweden

In Q4, the Swedish retail monopoly's spirits and wine volumes were down by 3.8% from the same period last year. The spirits category was at last year's level, supported by good development in liqueurs, aquavit and rum. The wine category declined by 4.3%, driven by a decline in all other categories except sparkling and glöggs.

Denmark

In Q4, the spirits volumes in off-trade declined by 1.9%. Aquavit and candy shots grew, and vodka was slightly above last year's level.

In 2021, the spirits volumes in off-trade grew by 4.6% with vodka, gin, rum, liqueur and candy shots driving growth.

Sources: Finland, Sweden and Norway, sales volumes by litres, Alko, Systembolaget, Vinmonopolet. Denmark Nielsen IQ.



Segment review

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. Arcus has been consolidated to Anora as of 1 September 2021.

The segments in this financial report are Finland & Exports, Scandinavia, Altia Industrial and Arcus.

Finland & Exports

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

	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Net sales, EUR million	37.7	34.4	9.8	122.5	117.2	4.5
Comparable EBITDA, EUR million	7.0	6.0	16.3	21.0	19.8	6.1
Comparable EBITDA, % of net sales	18.6	17.6		17.2	16.9	
Personnel end of period	93	95		93	95	

NET SALES BY PRODUCT CATEGORY

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits	22.3	19.4	14.9	73.4	67.6	8.6
Wine	14.9	14.6	2.1	46.9	48.3	-2.9
Other beverages	0.5	0.4	25.0	2.2	1.3	69.2
Total	37.7	34.4	9.8	122.5	117.2	4.5

Net sales

In Q4, net sales in the Finland & Exports segment grew by 9.8% and were EUR 37.7 (34.4) million. Growth was driven by the good recovery of travel retail, exports and on-trade, and the positive sales development in the Baltics, while monopoly sales were lower. Sales to the monopoly declined mainly due to the overall lower market volumes and the weaker development of own wine brands. However, total wine sales grew as a result of the recovery in travel retail. The solid development continued in the Finnish grocery trade channel.

Full-year net sales grew by 4.5% and were EUR 122.5 (117.2) million. Growth was mainly driven by the higher spirits sales in travel retail and exports, offsetting the decline in wine sales. Wine sales were impacted by lower volumes of own wine brands, especially in bag-in-boxes where the volumes in 2020 were high, and partner portfolio changes in Q2 20.

Comparable EBITDA

In Q4, the comparable EBITDA was EUR 7.0 (6.0) million, 18.6% (17.6%) of net sales. The improvement was driven by the increased volumes in travel retail and exports, which have offset the impact of lower monopoly sales and the increased marketing spend due to a higher activity level compared with Q4 20 when COVID-19-related cost savings were in place.

The full-year comparable EBITDA was EUR 21.0 (19.8) million, 17.2% (16.9%) of net sales. The recovery of travel retail and exports volumes have offset the negative impact of declined monopoly sales and higher marketing spend.

Business events

Anora aims to expand its spirits brands to new markets. In Q4, the award-winning Larsen Aqua Ignis was launched in the US and Germany, and Koskenkorva Vodka and Valhalla were introduced in Switzerland. Anora's legendary brand, Jaloviina, celebrates its 90th anniversary in 2022 and, for that occasion, a limited edition was launched. A new prosecco was launched in collaboration with a well-known Finnish social media community, Huono Äiti, and a new listing was won for Los Intocables red wine bag-in-box.

Scandinavia

The Scandinavia segment comprises former Altia's import, sale and marketing of wines, spirits and other beverages in Sweden, Norway and Denmark.

	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Net sales, EUR million	47.2	46.4	1.7	129.8	123.9	4.7
Comparable EBITDA, EUR million	7.7	9.5	-19.5	15.8	14.2	10.7
Comparable EBITDA, % of net sales	16.2	20.5		12.1	11.5	
Personnel end of period	77	77		77	77	

NET SALES BY PRODUCT CATEGORY

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits	15.6	15.9	-1.9	55.6	51.5	8.0
Wine	31.2	30.0	4.0	72.6	71.2	2.0
Other beverages	0.4	0.5	-20.0	1.6	1.2	33.3
Total	47.2	46.4	1.7	129.8	123.9	4.7

Net sales

In Q4, reported net sales in the Scandinavia segment grew by 1.7% and were EUR 47.2 (46.4) million. In constant currencies, net sales declined by 0.8%. The divestment of brands, as required by the competition authorities to close the Altia and Arcus merger, was completed in Q4 and explains the decline in the segment's spirits sales compared with the previous year. In Sweden, net sales of both spirits and wine grew, driven by a strong Blossa season in the monopoly and grocery trade, new partners and novelties, and the strong recovery of on-trade. In Norway, net sales grew, driven by the recovery of on-trade and higher spirits sales. In Denmark, net sales declined due to the impact of the brand divestment.

Full-year net sales grew by 4.7% and were EUR 129.8 (123.9) million. Growth in constant currencies was 0.9%. Net sales grew in all markets (Sweden, Norway and Denmark) driven by higher spirits sales, the recovery of on-trade and revenue management. Lower volumes in certain wine brands in Sweden, the divestment of brands and partner portfolio changes in Q2 20 have impacted net sales.

Comparable EBITDA

In Q4, the comparable EBITDA was EUR 7.7 (9.5) million, 16.2% (20.5%) of net sales. The decline is mainly due to the brand divestments and the increased marketing spend due to a higher activity level compared with Q4 20 when COVID-19-related cost savings were in place. Product mix, strong Blossa season, and revenue management contributed positively.

The full-year comparable EBITDA was EUR 15.8 (14.2) million, 12.1% (11.5%) of net sales. The improvement was driven by a positive product mix, revenue management and a favourable currency exchange rate, which have offset the impact of higher marketing spend and the brand divestments.

Business events

Anora is taking an active role in transforming the no- and low-alcoholic category. In Q4, the O.P. Anderson Distillery's alcohol-free snaps was launched in Sweden and awarded at the Spirits Business Low and No Masters. A new partner in Norway, De Kuyper Royal Distiller has world-leading brands in different categories, such as Peachtree and De Kuyper's liqueurs.

Altia Industrial

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

	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Net sales, EUR million	29.9	25.7	16.4	110.0	101.2	8.7
Comparable EBITDA, EUR million	2.5	4.2	-41.5	14.2	17.9	-20.6
Comparable EBITDA, % of net sales	8.3	16.5		12.9	17.6	
Personnel end of period	374	384		374	384	

Net sales

In Q4, net sales in the Altia Industrial segment grew by 16.4% and were EUR 29.9 (25.7) million. Growth was mainly driven by the higher contract manufacturing volumes compared to the previous year and pricing due to the increased cost of barley. In starch and feed net sales development was positive supported by pricing while volumes were below last year's level. In technical ethanol net sales were stable despite slightly lower volumes.

Full-year net sales grew by 8.7% and were EUR 110.0 (101.2) million. Growth was mainly driven by the higher contract manufacturing volumes and pricing due to the increased cost of barley.

Comparable EBITDA

In Q4, the comparable EBITDA was EUR 2.5 (4.2) million, 8.3% (16.5%) of net sales. The decline was due to the record-high cost of barley, the higher cost of imported ethanol, and higher operating expenses in logistics.

Full-year comparable EBITDA was EUR 14.2 (17.9) million, 12.9% (17.6%) of net sales. Increased raw material prices, both for barley and imported ethanol, and higher operating expenses in logistics have impacted negatively, while the higher contract manufacturing volumes contributed positively.

Production volumes and key projects

In Q4, the Rajamäki alcoholic beverage plant in Finland produced 14.8 (14.9) million litres of spirits and wine.

To mitigate the impact of the record-high cost of barley, the Koskenkorva Distillery's running speed was lowered in Q4, compared with Q4 20. As a result, in Q4, 49.8 (53.8) million kilos of grain were used at the plant, while full-year consumption was 208.5 (214.1) million kilos. In Q4, grain spirits production, including technical ethanol, was 5.7 (6.2) million kilos, starch production was 13.8 (15.6) million kilos, and feed component production was 16.0 (16.8) million kilos.

During the period, the capital expenditure was allocated mainly to replacement investments and to improve energy efficiency and work safety.

Arcus

The Arcus segment comprises former Arcus Wine, Spirits and Logistics (Vectura) business areas. Spirits and Wine handle product development, imports, sales and marketing, respectively. All production of spirits, and bottling of wine and spirits, are part of the Spirits business area. Vectura handles distribution in Norway and offers distribution services to producers, agents and importers of wine, spirits, beer, and other beverages.

Arcus has been consolidated to Anora as of 1 September 2021. In Q4, the positive impact on net sales was EUR 90.7 million and on comparable EBITDA EUR 15.1 million.

	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Net sales, EUR million	90.7			115.8		
Comparable EBITDA, EUR million	15.1			19.9		
Comparable EBITDA, % of net sales	16.6			17.2		
Personnel end of period	427			427		

NET SALES BY PRODUCT CATEGORY

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits	31.4			39.3		
Wine	49.5			64.0		
Logistics	9.9			12.6		
Total	90.7			115.8		

* Elimination of Group internal sales between segments and IFRS 15 adjustment.

More detailed information on Arcus performance in Q4 21 is provided in the stand-alone section on pages 7-8.



Key events in Q4

- 15 October: Anora announces future operating model
- 18 November: Anora publishes historical pro forma financial information
- 25 November: Anora Interim Report January-September 2021: Strong start for Anora – integration progressing according to plan, solid business performance
- 25 November: Anora Group Plc applies for delisting regarding the secondary listing of Anora shares on the Oslo Stock Exchange
- 1 December: Delisting application approved regarding the secondary listing of Anora Group Plc on the Oslo Stock Exchange; last day of trading on the Oslo Stock Exchange is 30 December 2021
- 8 December: Composition of Anora's Shareholders' Nomination Board

Anora share

Anora's shares are listed on the Nasdaq Helsinki. All shares carry one vote and have equal voting rights. The trading code of the shares is "ANORA", and the ISIN code is FI4000292438.

Following the completion of the Altia and Arcus merger, Anora shares were temporarily dual-listed on the Oslo Stock Exchange during 1 September-31 December 2021. The last trading day was 30 December 2021. The shares that are still registered in VPS are not tradable until the shareholder converts the shares to Euroclear Finland. Shareholders have been informed about the conversion possibility and information has been available on Anora's website.

Share information

At the end of the reporting period, Anora Group Plc's share capital amounted to EUR 61 500 000 and the number of issued shares was 67 553 624. The number of shares issued increased by 31 413 139 shares during the year following the completion of the Altia and Arcus merger.

SHARE PERFORMANCE, NASDAQ HELSINKI

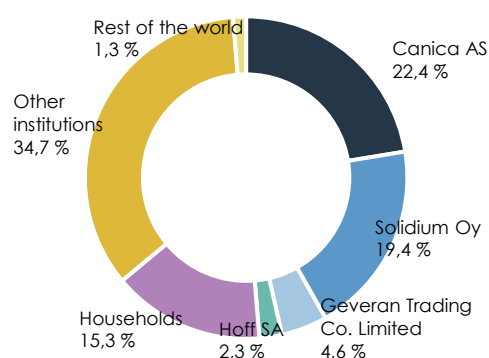
	2021	2020
Closing price on the last day of trading, EUR	10.86	9.98
Highest price, EUR	12.00	10.40
Lowest price, EUR	9.62	7.01
Volume	13 204 788	10 559 865
Market capitalisation, EUR million	733.6	360.7

Shareholder structure

At the end of the period, Anora had 25 297 registered shareholders in Euroclear Finland and 724 registered shareholders in VPS.

Illustration of Anora's ownership structure

The chart provides an illustration of Anora's ownership structure, including the largest shareholders based on information provided to the company. In the Euroclear Finland data, the shareholdings of Canica AS, Geveran Trading Co. Limited and HOFF SA are included in the nominee-registered shares.



OWNERSHIP STRUCTURE BY SECTOR AT THE END OF THE PERIOD

Sector	Number of shares	% of shares
Public sector	17 194 538	25.5
Financial and insurance corporations	35 114 882	52.0
Households	10 327 589	15.3
Non-financial corporations	3 163 858	4.7
Non-profit institutions	875 587	1.3
Rest of the world	877 170	1.3
Total	67 553 624	100.0
Nominee-registered shares	34 382 098	50.9

MAIN SHAREHOLDERS REGISTERED IN EUROCLEAR FINLAND

Shareholder	Number of shares	% of shares
1 Solidium Oy	13 097 481	19.4
2 Ilmarinen Mutual Pension Insurance Company	1 613 300	2.4
3 Varma Mutual Pension Insurance Company	1 300 000	1.9
4 WestStar Oy	1 099 705	1.6
5 Elo Mutual Pension Insurance Company	680 000	1.0
6 Veritas Pension Insurance Company Ltd.	456 653	0.7
7 Danske Invest Finnish Equity Fund	306 443	0.5
8 Säästöpankki Pienyhtiöt	255 370	0.4
9 Savolainen Heikki Antero	247 113	0.4
10 Tapiola Trendi Investment fund	215 772	0.3
Total	19 271 837	28.5

Source for shareholder data: Euroclear Finland

Flagging notifications in Q4

On 25 November, the State of Finland and Solidium Oy notified that the State of Finland had transferred all its 13 097 481 shares in Anora to Solidium Oy.

Governance

Shareholders' Nomination Board

On 8 December 2021, the composition of Anora's Shareholders' Nomination Board was announced. The members of the Shareholders Nomination Board represent Anora's three largest shareholders. The shareholders have appointed the following members:

- Stein Erik Hagen, Canica AS, Chairman of the Shareholders' Nomination Board
- Petter Söderström, Solidium Oy
- Anne Lise E. Gryte, Gevean Trading Co. Limited

In addition, Michael Holm Johansen and Sanna Suvanto-Harsaae, Chairman and Vice Chairman of Anora's Board of Directors act as expert members in the Nomination Board.

Merger integration

The Altia and Arcus merger was completed on 1 September 2021. The integration work has progressed according to plan and on schedule. To date, the run-rate of already realised cost synergies was EUR 5.1 million of the annual EBITDA net synergy of EUR 8-10 million. 80% of the net synergies are expected to be realised within two years. Post-closing integration costs are estimated to be EUR 7-9 million in 2021-2022.

In Anora's Industrial and Logistics operations, greater volumes and economies of scale are expected to drive productivity. Projects to insource third party logistics operations were started in Norway, Finland and Sweden during Q4 2021. Consolidation of logistics operations are proceeding as planned and is expected to be completed in phases during 2022.

The focus on people processes continued throughout Q4 with building organisation structures and teams according to business and legal requirements. Executive Management Team focused on building a strong Anora culture with continuous dialogue and input from the organisations.

In wines, Anora will continue to build and expand upon the already successful former Arcus owned Vingruppen operating model. Entrepreneurial-driven wine import companies will provide the best possible service and maximize the business opportunities to all of Anora wine partners in the Nordic monopoly markets.

In spirits, strong innovation, product development and marketing and sales organisations have been established to support the growth of Anora's extensive brand portfolio, including own and partner spirits brands, in the three strong independent commercial units in the monopoly markets.

The divestment of brands as required by competition authorities to close the transaction was completed on 1 October 2021, with an estimated annual impact on EBITDA of EUR 4.6 million. The divestment did not affect the net synergy target.

Personnel

On 31 December 2021, Anora Group had 1 055 (637) employees, of whom 393 (378) were in Finland, 159 (115) in Sweden, 21 (4) in Denmark, 365 (23) in Norway, 32 (34) in Latvia, 58 (58) in Estonia, 24 (25) in France and 3 in Germany. The increase in personnel is due to the Altia and Arcus merger. The average number of personnel in 2021, including the average number of personnel for Arcus during September-December 2021, was 799 (650) employees.

After the closing of the merger in September, Anora initiated collaborative dialogues on organisational changes with employees and union representatives in Finland, Sweden, and Norway. The company offered versatile career opportunities to employees, and there were only minor reductions in the number or personnel. The new organisation started on 1 January 2022. Employee representation in the Board of Directors was established in 2021, and two employees from the combined company were elected to the Board.

Sustainability

Integration of sustainability data and processes is ongoing and the Financial Statements Bulletin for 2021 contains divided information. Read more of Anora's sustainability approach at anora.com/sustainability.

Striving for carbon neutral production

The Koskenkorva Distillery's own bioenergy plant has enabled a 58% reduction in CO₂ emissions by the end of 2021 compared to the 2014 baseline. Also, a near 100% recycling and recovery rate at the Koskenkorva, Rajamäki and Gjelleråsen plants was achieved. At Gjelleråsen, 89% of energy comes from renewable sources, while 11% is derived from LPG (liquefied petroleum gas). Anora's goal is to continue to reduce the reliance on LPG on the journey towards carbon neutral production.

As part of Anora's efforts to protect groundwater areas and improve biodiversity in the Anora-owned forest areas around Rajamäki, a new forest management plan was finalised. The area – which covers the equivalent of 1,500 football fields of forests – stores 827,320 tons of carbon, 80% of which is sequestered in soil and 20% in trees. According to the forest management plan, the stored carbon will remain sequestered and kept at the same level or even marginally increased by 2041.

KEY KPIS DURING THE PERIOD

	2021	2020
Total water use (m³)		
Gjelleråsen	42 320	40 167
Rajamäki (beverage plant)	141 073	120 109
Koskenkorva	331 020	433 368
Total	514 413	593 644
Total energy MWh		
Gjelleråsen	11 925	10 551
Rajamäki (beverage plant and industrial production)	21 094	19 056
Koskenkorva	131 020	132 271
Total	164 039	161 878

Anora aims at a 20% reduction in the amount of wastewater utilised in its Finnish operations by 2025. To support this goal, a pilot scheme was initiated at the Koskenkorva plant to identify key sources for water circulation in the process water system. In the ongoing pilot at the Rajamäki facility, a liquid waste project in bottling operations was begun to decrease the amount of wastewater. Concrete actions to reduce freshwater use included the installation of flow meters to the main waterlines.

Supporting a responsible drinking culture

In the former Altia's sustainability roadmap, launched in 2019, the goal was set to increase the portion of low-alcohol and non-alcoholic drinks (alternative named 'no-low' drinks) in former Altia's product portfolio to 10% by 2030. In 2021, 16% of this portfolio consisted of low- and non-alcoholic products, including several new launches in Q4 such as the O.P. Anderson alcohol-free snaps and a new low alcohol glögg, Attitude Cola.

During 2021, Anora implemented a recipe change to lower the sugar content in over 10 of its products. As a result, the use of sugar at Rajamäki plant (g/produced litre) was 4.6% lower in 2021 compared to 2019, a reduction of 215,000 kg.

Leading in eco-friendly packaging

Anora is the industry leader in sustainable packaging in the Nordics. The goal is to increase the use of PET plastic in Anora's packaging portfolio, due to its recyclability and lower carbon footprint compared to glass, as well as to increase the ratio of recycled plastic material or rPET in Anora's PET bottles to 100% by 2030, compared to the EU requirement of 30% by 2030. By the end of Q4, 32% of Anora's beverage packaging across the entire operations was made from PET plastic.

In November, Anora reached an important milestone at the Gjelleråsen plant, as the final approval for the PET bottle formats were received for the Nordic-wide recycling deposit system. Thanks to the utilisation of PET bottles and its circular economy efforts, the facility was awarded the Plastløftprisen 2021 in the packaging recycling category by Green Dot Norway earlier in 2021.

Promoting an inclusive and safe workplace

The COVID-19 pandemic continued to impact occupational health and safety (OHS) at Anora. The Nordic office personnel moved back to working remotely in the final quarter following instructions from local authorities, and production facilities practiced safe distancing, enhanced hygiene awareness, and the use of masks. Despite the pandemic continuing, throughout former Altia's operations the sickness absence rate remained at the same 4%-level (4%) as the previous year, while in former Arcus' Norwegian operations – including logistics company Vectura – the sickness absence rate decreased to 4.8% (6.2%).

Anora's main OHS goal is to reduce accidents at work; by 2030 the company aims to have zero absences due to accidents at work (lost time incidence frequency or LTIF = 0). For former Altia's operations, the LTIF at the end of 2021 improved from the previous year to 5 (7). Furthermore, total accidents (LTI) in 2021 were 6 (8), a considerable improvement compared to the previous reporting period. In former Arcus' Norwegian operations – including Vectura – there were 8 (9) accidents (LTI) in 2021. There were no fatal work-related accidents in 2021 (0) across Anora's entire operations.

In October, the efforts to improve work safety at the Koskenkorva Distillery were granted The Year Award in Starch Europe's Safety Program. The award is given to plants with a full calendar year without lost time incidents (LTI).

Short-term risks and uncertainties

The most significant uncertainties in the company's operations relate to the overall economic development and its impacts on consumption, to the competitive environment, and to the effects of alcohol taxation and legislation on consumer behaviour. Unexpected and unforeseen disruptions in supply chain, production and deliveries form the major short-term risks related to operations, as well as sudden and significant changes in prices of raw materials, especially related to barley.

Comment on the uncertainties and impacts due to the war in Ukraine: *The most significant uncertainties due to the war in Ukraine relate to an escalation of the already existing global supply chain disruptions, to the supply of grain, and to further price increases across all input costs. The war in Ukraine may cause volatility in contract manufacturing volumes. Foreign exchange rates may be affected significantly by the volatile situation on the global capital markets.*

The impact of the suspension of exports to Russia, as announced on 28 February 2022, is not material on Group level. Anora's Baltic operations have suspended purchases of raw materials from Russia and Belarussia.

The Anora Group Risk Management Policy is based on the Altia legacy risk management policy. However, due to the Altia and Arcus merger that took place on 1 September 2021, Anora is in the process of integrating Altia and Arcus risk management policies into one common Anora risk management policy. Hence, currently risks are managed according to the Altia and Anora legacy risk management policies. Risk management is aimed at supporting the implementation of the Group's strategy, the identification of risks and methods for reducing the probability and impacts of risks, as well as ensuring business continuity. Risks may arise from internal or external events.

Outlook for 2022

Market outlook

In 2022, the volumes in the monopolies are expected to be significantly lower than in 2020 and 2021 as the lifting of COVID-19 restrictions result in higher on-trade, border trade and duty-free sales. Input costs are expected to remain at a high level.

Guidance

Anora's comparable EBITDA in 2022 is expected to be between EUR 75-85 million. This corresponds to the pre-pandemic level and takes into account the annual impact of EUR 4.6 million of the divestment of Anora brands due to the merger.

Dividend proposal

According to the financial statements on 31 December 2021, the parent company's distributable funds amount to EUR 118 063 196.87 including profit for the period of EUR 6 564 235.73.

There have been no significant changes to the parent company's financial position after the end of the financial year.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.45 per share be paid for the financial year 2021. In its proposal the Board has considered former Altia's dividend policy to pay 60% or more of the result for the period as a dividend to the shareholders. Anora's financial targets including a dividend policy will be set in connection with the on-going strategy process.

Annual General Meeting 2022

Anora Group Plc's Annual General Meeting 2022 is planned to be held on 11 May 2022. The notice to and instructions for the AGM are published on Anora's website.

Events after the period

On 17 January 2022, the proposals by Anora's Shareholders' Nomination Board to Anora's Annual General Meeting 2022 on the number of members, composition and remuneration of the Board of Directors were announced.

Helsinki, 9 March 2022

Anora Group Plc

Board of Directors

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Conference call

CEO Pekka Tennilä and CFO Sigmund Toth will present the report on the same day at 11:00 am EET.

Link

The presentation will be held as a Microsoft Teams Meeting. We recommend that participants join the event using the online meeting option: [Join meeting here](#)

It is also possible to dial-in to the meeting about 5 minutes earlier at the following numbers:

- FI: +358 9 2310 6678
- NO: +47 21 40 41 04
- SE: +46 8 502 428 54
- UK: +44 20 7660 8309
- US: +1 917-781-4622
- Conference ID: 562 150 307#

Q&A

Questions to the management can be sent through the Teams chat.

Presentation material

The presentation material will be shared in the online meeting and it can be downloaded on Anora's website at: www.anora.com/investors

On-demand recording

A recording of the event will be available later on Anora's website.

Financial calendar

Anora will publish financial reports in 2022 as follows:

- 19 May: Interim Report for January-March 2022
- 1 September: Half-Year Report for January-June 2022
- 24 November: Interim Report for January-September 2022

Anora Group Plc's Annual General Meeting (AGM) 2022 is planned to be held on Wednesday 11 May 2022. The Board of Directors will summon the AGM later

The Annual Report 2021 including the financial statements, Board of Directors' report, the Corporate Governance statement and the remuneration report will be published in English and Finnish on Anora's website in week 16. The Annual Report includes also the Sustainability Report.

Financial statements and notes

CONSOLIDATED INCOME STATEMENT

EUR million	Q4 21	Q4 20	2021	2020
Net sales	205.6	106.5	478.2	342.4
Other operating income	5.9	1.8	10.5	6.2
Materials and services	-114.2	-59.8	-266.1	-192.5
Employee benefit expenses	-28.0	-13.4	-69.6	-49.1
Other operating expenses	-38.0	-21.5	-90.2	-66.6
Depreciation, amortisation and impairment	-7.8	-4.3	-20.5	-17.4
Operating result	23.5	9.3	42.4	22.9
Finance income	0.8	0.0	1.2	0.2
Finance expenses	-3.6	-1.1	-6.7	-3.1
Share of profit in associates and joint ventures and income from interests in joint operations	0.4	0.1	1.7	1.2
Result before taxes	21.1	8.2	38.6	21.3
Income tax expense	-3.9	-0.9	-7.4	-3.5
Result for the period	17.2	7.3	31.2	17.8
Result for the period attributable to:				
Owners of the parent	17.2	7.3	31.2	17.8
Non-controlling interests	0.1	-	0.1	-
Earnings per share for the result attributable to owners of the parent, EUR				
Basic and diluted	0.25	0.20	0.67	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q4 21	Q4 20	2021	2020
Result for the period	17.2	7.3	31.2	17.8
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	-0.2	0.2	-0.2	0.2
Related income tax	0.0	-0.0	0.0	-0.0
Total	-0.1	0.2	-0.1	0.2
Items that may be reclassified to profit or loss				
Cash flow hedges	0.8	-0.4	3.2	0.2
Financial assets at fair value through other comprehensive income	-	-	2.5	-
Translation differences	3.5	4.2	5.6	1.8
Income tax related to these items	-0.2	0.1	-0.7	-0.0
Total	4.1	3.9	10.7	2.0
Other comprehensive income for the period, net of tax	4.0	4.1	10.6	2.2
Total comprehensive income for the period	21.2	11.4	41.8	20.0
Total comprehensive income attributable to:				
Owners of the parent	21.1	11.4	41.6	20.0
Non-controlling interests	0.1	-	0.1	-

CONSOLIDATED BALANCE SHEET

EUR million	31 Dec 2021	31 Dec 20
ASSETS		
Non-current assets		
Goodwill	277.8	81.4
Other intangible assets	196.7	20.7
Property, plant and equipment	71.3	58.9
Right-of-use assets	125.7	10.2
Investments in associates and joint ventures and interests in joint operations	16.3	9.1
Financial assets at fair value through other comprehensive income	0.7	1.4
Other receivables	0.1	-
Deferred tax assets	1.8	1.4
Total non-current assets	690.3	183.2
Current assets		
Inventories	139.7	92.3
Contract assets	0.2	0.2
Trade and other receivables	232.8	46.8
Current tax assets	1.3	2.4
Cash and cash equivalents	168.9	130.7
Total current assets	543.0	272.3
Total assets	1 233.3	455.6
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	61.5	60.5
Invested unrestricted equity fund	336.8	1.2
Fair value reserve	0.0	0.6
Legal reserve	0.4	0.1
Hedge reserve	1.7	-0.9
Translation differences	-15.0	-20.5
Retained earnings	121.6	115.3
Equity attributable to owners of the parent	507.0	156.3
Non-controlling interests	0.9	-
Total equity	507.9	156.3
Non-current liabilities		
Deferred tax liabilities	48.4	16.8
Borrowings	136.1	69.6
Non-current liabilities at fair value through profit or loss	1.3	-
Lease liabilities	120.8	7.0
Other liabilities	0.0	-
Employee benefit obligations	3.0	1.1
Total non-current liabilities	309.6	94.5
Current liabilities		
Borrowings	26.5	46.5
Lease liabilities	11.6	3.7
Trade and other payables	374.4	152.6
Contract liabilities	0.4	0.5
Current tax liabilities	2.8	1.5
Total current liabilities	415.7	204.8
Total liabilities	725.4	299.2
Total equity and liabilities	1 233.3	455.6

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q4 21	Q4 20	2021	2020
Cash flow from operating activities				
Result before taxes	21.1	8.2	38.6	21.3
Adjustments				
Depreciation, amortisation and impairment	7.8	4.3	20.5	17.4
Share of profit in associates and joint ventures income from investments in joint operations	-0.4	-0.1	-1.7	-1.2
Net gain on sale of non-current assets	-3.8	-0.0	-3.8	-0.0
Finance income and costs	2.8	1.1	5.5	2.9
Other adjustments	-0.8	0.2	0.1	0.4
Adjustments total	5.6	5.6	20.6	19.4
Change in working capital				
Change in inventories, increase (-) / decrease (+)	16.3	13.1	9.6	0.2
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	-53.3	-0.2	-64.8	7.7
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	70.5	26.2	55.9	16.8
Change in working capital	33.5	39.1	0.7	24.7
Interest paid	-1.8	-0.4	-3.7	-1.6
Interest received	0.2	0.0	0.3	0.1
Other finance income and expenses paid	-0.6	-0.7	-1.6	-1.4
Income taxes paid	-0.4	-1.7	-4.1	-6.4
Financial items and taxes	-2.7	-2.7	-9.1	-9.3
Net cash flow from operating activities	57.6	50.2	50.8	56.1
Cash flow from investing activities				
Payments for property, plant and equipment and intangible assets	-2.4	-2.3	-5.4	-7.0
Proceeds from sale of property, plant and equipment and intangible assets	0.1	0.1	0.2	0.3
Proceeds from financial assets at fair value through other comprehensive income	-	-	3.4	-
Proceeds received from assets held for sale	-1.9	-	16.6	-
Interest received from investments in joint operations	-	-	0.9	0.9
Dividends received	-	-	0.2	0.2
Net cash flow from investing activities	-4.2	-2.2	15.9	-5.6
Cash flow from financing activities				
Changes in commercial paper program	-10.0	10.0	-20.0	40.0
Repayment of borrowings	-0.1	-	-6.6	-6.5
Repayment of lease liabilities	-2.8	-1.0	-6.2	-3.7
Dividends paid and other distributions of profits	-	-7.6	-27.1	-15.2
Net cash flow from financing activities	-12.8	1.4	-59.9	14.6
Change in cash and cash equivalents	40.5	49.4	6.8	65.1
Cash and cash equivalents at the beginning of the period	129.7	77.4	130.7	64.2
Cash and cash equivalents received in merger	-	-	33.2	-
Translation differences on cash and cash equivalents	-1.2	3.9	-1.7	1.4
Change in cash and cash equivalents	40.5	49.4	6.8	65.1
Cash and cash equivalents at the end of the period	168.9	130.7	168.9	130.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Invested unrestricted equity fund	Fair value reserve	Legal reserve	Hedge reserve	Translation differences	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Equity at 1 January 2020	60.5	1.2	0.6	0.1	-1.0	-22.1	111.9	151.2	-	151.2
Total comprehensive income										
Result for the period	-	-	-	-	-	-	17.8	17.8	-	17.8
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	0.2	-	-	0.2	-	0.2
Translation differences	-	-	-	-	-	1.6	0.3	1.8	-	1.8
Remeasurements of post-employment benefit obligations	-	-	-	-	-	-	0.2	0.2	-	0.2
Total comprehensive income for the period	-	-	-	-	0.2	1.6	18.3	20.0	-	20.0
Transactions with owners										
Dividend distribution	-	-	-	-	-	-	-15.2	-15.2	-	-15.2
Share based payments	-	-	-	-	-	-	0.3	0.3	-	0.3
Total transactions with owners	-	-	-	-	-	-	-14.9	-14.9	-	-14.9
Equity at 31 December 2020	60.5	1.2	0.6	0.1	-0.9	-20.5	115.3	156.3	-	156.3
Equity at 1 January 2021	60.5	1.2	0.6	0.1	-0.9	-20.5	115.3	156.3	-	156.3
Total comprehensive income										
Result for the period	-	-	-	-	-	-	31.0	31.0	0.1	31.2
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	2.6	-	-	2.6	-	2.6
Financial assets at fair value through other comprehensive income	-	-	-0.6	-	-	-	3.2	2.5	-	2.5
Translation differences	-	-	-	-	-	5.5	0.1	5.6	0.0	5.6
Remeasurements of post-employment benefit obligations	-	-	-	-	-	-	-0.1	-0.1	-	-0.1
Total comprehensive income for the period	-	0.0	-0.6	-	2.6	5.5	34.2	41.6	0.1	41.8
Merger										
Merger consideration	1.0	336.4	-	-	-	-	-	337.4	0.8	338.1
Transaction costs on share issue	-	-0.8	-	-	-	-	-	-0.8	-	-0.8
Total merger	1.0	335.5	-	-	-	-	-	336.6	0.8	337.3
Transactions with owners										
Dividend distribution	-	-	-	-	-	-	-27.1	-27.1	-	-27.1
Share-based payments	-	-	-	-	-	-	-0.4	-0.4	-	-0.4
Total transactions with owners	-	-	-	-	-	-	-27.5	-27.5	-	-27.5
Transfer to reserve	-	-	-	0.3	-	-	-0.3	0.0	-	0.0
Equity at 31 December 2021	61.5	336.8	0.0	0.4	1.7	-15.0	121.6	507.0	0.9	507.9

Accounting principles

The financial statement bulletin has been prepared in accordance with the International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting as approved by the EU.

All the figures have been rounded and consequently the sum of individual figures can deviate from the presented aggregate figures.

The Group adopts the guidance on alternative performance measures issued by the European Securities and Market Authority (ESMA). In addition to key ratios, the Group releases other commonly used alternative key ratios mainly derived from the statement of comprehensive income and consolidated balance sheet. In addition to IFRS and alternative key ratios, the adjusted alternative key ratios are used by adding or deducting items affecting comparability

Altia and Arcus merged on 1 September 2021. In the consolidated financial statements, the merger has been accounted for as a business combination using the acquisition method with Altia determined as the acquirer of Arcus. The consolidated financial statements include Arcus's income statement from 1 September 2021 onwards and statement of financial position as of 31 December 2021. Therefore, the historical information of Altia Group does not give a comparable base for financial information of the present combined company. More information of the merger is disclosed in Changes in Group structure.

Due to the merger, Anora Group is in the process of integrating Altia and Arcus treasury policies into one common Anora Treasury Policy. Currently the Group is following two separate treasury policies of ex-Altia and ex-Arcus until the year end 2021. The Altia accounting policy for the financial instruments is disclosed in the 2020 consolidated financial statements. The main difference in two policies is ex-Arcus do not apply hedge accounting.

Non-controlling interests' share of profit after tax is shown on a separate line after the Group's profit for the year. Non-controlling interests' share of equity is shown on a separate line as part of the Group's equity. In some subsidiaries with non-controlling interests, there are sales options related to the non-controlling interests, where the Group does not have control of the non-controlling interests before the options are exercised, nor does it have control of whether the options are exercised, or when this exercise may take place. The value of such options is recognised as obligations at fair value in the balance sheet, and reduces the non-controlling share of equity. This means that only income statement and balance sheet items related to non-controlling interests where the minority does not have sales options related to the interests are presented in the consolidated income statement and balance sheet.

Segment information

The reportable segments of Anora in these consolidated financial statements consist of Finland & Exports, Scandinavia, Altia Industrial, and Arcus. As the merger was completed 1 of September 2021 and the new operating model of Anora has not yet been implemented, Arcus is reported as one segment.

Critical accounting estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. The Group's most significant area in which the management has exercised judgement is related to the revenue recognition, and impairment provision of trade receivables and useful lives of intangible assets and parameters used in impairment testing, lease accounting and pension obligations. Other critical future assumptions and anticipated uncertainties at the reporting date, which pose a significant risk of resulting in material changes in the carrying amounts of assets and liabilities within the next financial year are related to deferred taxes and uncertain tax positions.

The valuation of assets acquired and liabilities assumed in business combinations requires management judgement to determine the appropriate valuation techniques and inputs for fair value measurements, such as discount rate. The management believes that the used estimates and assumptions are sufficiently reasonable for determining fair values. Due to the Altia and Arcus merger, related new acquired trademarks and harmonization of accounting principles, the management have re-estimated the useful lives of marketing related intangible assets as follows:

- Trademarks with indefinite useful life: not amortized
- Trademarks with definite useful life: 0–50 years
- Company Brands with definite useful life: 5 years

As of 31 December 2021, the following exchange rates have been used in translation of income and financial position figures from subsidiaries:

KEY EXCHANGE RATES IN EUROS

		Average rate	31 Dec 2021 End rate	Average rate	31 Dec 2020 End rate
Swedish krona	SEK	10.1562	10.2503	10.4815	10.0343
Norwegian krone	NOK	10.1639	9.9888	10.7821	10.4703
Danish krone	DKK	7.4368	7.4364	7.4534	7.4409

Seasonality

There are substantial seasonal fluctuations in the consumption of alcoholic beverages impacting the net sales and cash flow of Anora. The company typically generates large amounts of its revenue and cash flow during the fourth quarter of the year, whereas the first quarter of the year is significantly lower. In addition, excise taxes related to the high season at the end of the year are paid in Q1, resulting in large cash outflows at the beginning of the next year. Also, the timing of Easter fluctuating between Q1 and Q2 impacts quarterly sales and profitability.

Changes in Group structure

It was announced on 29 September 2020 that Altia and Arcus will be combined through as a tax neutral statutory cross-border absorption merger of Arcus into Altia. On 23 July 2021, Altia and Arcus received all regulatory approvals for the Merger, and the Boards of Directors of Altia and Arcus resolved on 25 August 2021 to complete the Merger in accordance with the merger plan and combination agreement entered into on 29 September 2020. The merger was registered with the Finnish Trade Register on 1 September 2021, and the name of the combined company was changed to Anora Group Plc.

The merger forms a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Anora has a broad portfolio of iconic brands, including Koskenkorva, Linie, Larsen, Skagerrak, Chill Out, Ruby Zin, Wongraven, O.P. Anderson, and Falling Feather. Anora's key brands are exported to over 30 markets globally. Together with the partners, Anora brings the world of drinks to the Nordics. Anora's strong partner portfolio includes noted wines, such as Masi, Laroche, Penfolds, Louis Roederer and Fumees Blanches, as well as well-known spirits brands, like Jack Daniels, Fireball, Fernet Branca, Jose Cuervo, and Underberg. Anora's business operations also include world-class industrial operations in distillation, bottling, and logistics services, as well as the production of technical ethanol products, neutral potable ethanol, feed components and barley starch.

Anora targets EBITDA net synergies of around EUR 8-10 million annually, which are to be achieved through cost synergies in sourcing, manufacturing, logistics, and SG&A, as well as through revenue synergies from home markets and beyond. Most of the synergies are expected to be achieved within approximately two years from the completion of the merger. The combination is also expected to create long-term positive effects that will continue to materialise even after this period.

MERGER CONSIDERATION

The shareholders of Arcus received as a merger consideration 0.4618 merger consideration shares for each share owned in Arcus. The total number of issued shares as merger consideration was 31 413 139 new shares which increased the total number of Anora shares to 67 553 624 shares. The shares were admitted to trading on Nasdaq Helsinki Ltd and on the Oslo Bors as of 1 of September 2021. The secondary listing on the Oslo Bors was for a four-month transitional period and ended 31.12.2021

EUR million	
Merger consideration shares*	337.4
Total consideration	337.4

* Based on 31 413 139 shares issued at closing price of EUR 10.74 of Altia share on 31st of August 2021 in Nasdaq Helsinki

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

EUR million	
Intangible assets	181.0
Property, plant and equipment	15.5
Right of use assets	114.2
Investments in associates and joint ventures and interests in joint operations	6.5
Financial assets at fair value through OCI	0.0
Deferred tax asset	2.4
Other non-current receivables	0.0
Inventory	61.7
Trade and other receivables	115.8
Cash and cash equivalents	33.2
Assets held for sale	3.0
Borrowings	-73.3
Other non-current liabilities	0.0
Lease liabilities	-119.7
Deferred tax liabilities	-32.9
Employee benefit obligations	-1.7
Liabilities at fair value through profit or loss	-1.1
Trade and other payables	-159.6
Total net assets acquired	144.9
Non-controlling interest	-0.8
Goodwill	193.2
Total consideration	337.4

The table above summarises the recognised fair values of assets and liabilities assumed. The accounting of the merger is still provisional pending the finalisation of the valuation of the assets acquired and liabilities assumed. The identified intangible assets relate to brand portfolios, customer relationships and company brands. Fair values for the intangible assets have been determined using appropriate valuation methods including the relief from royalty method for brand portfolios and company brands and multi-period excess earnings method for the customer relationships. The amortisation periods for these intangible assets vary between 5 to 50 years. Some spirit trademarks have indefinite lifetime. Goodwill is attributable to market share, synergies, workforce and future growth potential. The transaction costs of EUR 9.8 million in total 2021 and 2020 incurred by Anora Group in connection with the merger primarily consist of financial, legal and advisory costs and are included in other operating expenses in the income statement and in cash flow from operating activities. The costs for the issuance of the merger consideration shares amounted to EUR 0.8 million (net of taxes) and have been deducted from invested unrestricted equity fund in 2021. The value of non-controlling interest is assumed to reflect its fair value.

Since the date of acquisition, the acquired entity has contributed EUR 115.8 million to the revenue and EUR 13.3 million to the operating profit of the Group. If the business combination had taken place at the beginning of the year, the Group revenue would have been approximately EUR 665.0 million and operating profit approximately EUR 64.0 million after additional amortization from the fair value adjustments to intangible assets

Impacts of COVID-19 on Group financial position

COVID-19 may impact Anora's financial position in many ways and increase the uncertainty related to the values of its assets. Due to this, Anora has assessed the impact of the pandemic on its financial position and has considered the values of assets and liabilities that include critical accounting estimates and require management judgement. The identified and expected effects have been taken into consideration in the reported figures and in the forecasts requiring management judgement.

The value of the inventory is monitored on a regular basis also for slow moving items. COVID-19 has not had a material impact on the value of inventory.

The credit risk of trade receivables and the amount of expected credit losses has been analysed at the end of each reporting period. Overdue receivables have been assessed on a customer level and expected default rates have been taken into consideration in the valuation. Based on the review no material adverse impacts on the value of trade receivables have been identified.

Segment information

QUARTERLY NET SALES BY SEGMENT

EUR million	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20
Finland & Exports	37.7	30.7	31.1	23.0	34.4	29.8	29.2	23.8
Scandinavia	47.2	29.3	29.1	24.2	46.4	27.4	28.1	22.0
Altia Industrial	29.9	29.0	26.6	24.5	25.7	29.4	23.8	22.4
Arcus	90.7	25.1						
Total	205.6	114.0	86.8	71.7	106.5	86.6	81.0	68.2

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports						
Net sales, total	37.8	34.5	9.7	123.0	117.7	4.5
Net sales, internal	-0.1	-0.1	0.5	-0.4	-0.5	-13.0
Net sales, external	37.7	34.4	9.9	122.5	117.2	4.5
Scandinavia						
Net sales, total	47.4	46.6	1.9	130.5	124.4	4.9
Net sales, internal	-0.2	-0.2	59.0	-0.7	-0.5	40.0
Net sales, external	47.2	46.4	1.6	129.8	123.9	4.7
Altia Industrial						
Net sales, total	40.9	38.0	7.7	147.5	143.1	2.9
Net sales, internal	-11.0	-12.3	-10.7	-37.4	-41.9	-10.6
Net sales, external	29.9	25.7	16.6	110.0	101.2	8.6
Arcus						
Net sales, total	90.8			115.9		
Net sales, internal	-0.1			-0.1		
Net sales, external	90.7			115.8		
Group						
Net sales, total	216.9	119.1	82.1	516.7	385.2	34.2
Net sales, internal	-11.3	-12.6	-10.5	-38.6	-42.9	-10.1
Net sales, external	205.6	106.5	93.1	478.2	342.4	39.7

NET SALES BY PRODUCT CATEGORY (IFRS 15)

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Spirits						
Spirits – Altia	37.9	35.3	7.4	129.0	119.1	8.3
Spirits – Arcus	31.4			39.3		
Wine						
Wine – Altia	46.1	44.6	3.4	119.5	119.5	0.0
Wine – Arcus	49.5			64.0		
Other beverages	0.9	0.9	0.0	3.8	2.5	52.0
Industrial products and services	29.9	25.7	16.4	110.0	101.2	8.7
Logistics (Arcus)	9.9			12.6		
Other	0.0			0.0		
Total	205.6	106.5	93.1	478.2	342.4	39.7

COMPARABLE EBITDA BY SEGMENT

EUR million	Q4 21	Q4 20	Change, %	2021	2020	Change, %
Finland & Exports	7.0	6.0	16.3	21.0	19.8	6.1
Scandinavia	7.7	9.5	-19.5	15.8	14.2	10.7
Altia Industrial	2.5	4.2	-41.5	14.2	17.9	-20.6
Arcus	15.1			19.8		
Other	-0.8	-0.8	5.5	0.9	0.5	67.6
Total	31.4	19.0	65.3	71.7	52.4	36.8
% of net sales	15.3	17.9		15.0	15.3	

QUARTERLY COMPARABLE EBITDA BY SEGMENT

EUR million	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20
Finland & Exports	7.0	5.2	5.3	3.5	6.0	5.5	5.5	2.8
Scandinavia	7.7	3.5	2.9	1.7	9.5	1.9	2.9	-0.1
Altia Industrial	2.5	6.0	3.6	2.1	4.2	6.5	4.9	2.2
Arcus	15.1	4.8						
Other	-0.8	0.7	0.6	0.4	-0.8	0.7	-0.1	0.7
Total comparable EBITDA	31.4	20.2	12.3	7.7	19.0	14.6	13.2	5.5
Items affecting comparability	-0.1	-3.3	-2.2	-3.2	-5.5	-5.9	-0.7	-0.1
EBITDA	31.3	16.9	10.1	4.6	13.5	8.8	12.6	5.4
Depreciation and amortisation and impairment	-7.8	-5.0	-3.8	-3.9	-4.3	-4.3	-4.4	-4.4
Operating result	23.5	11.9	6.3	0.7	9.3	4.5	8.2	1.0

Notes to the financial statements

PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

EUR million	Intangible assets	Goodwill	Property, plant and equipment	Right-of-use assets	Total
Acquisition cost at 1 January 2021	151.1	123.0	252.9	17.5	544.4
Acquisition of subsidiaries	201.1	195.4	41.0	147.6	585.1
Additions	1.0	-	4.6	5.1	10.7
Disposals	-15.4	-	-0.2	-0.4	-16.0
Effect of movement in exchange rates	3.5	8.9	1.1	3.7	17.1
Acquisition cost at 31 December 2021	341.4	327.3	299.3	173.4	1 141.4
Accumulated depreciation, amortisation and impairment losses at 1 January 2021	-130.4	-41.6	-194.0	-7.2	-373.2
Acquisition of subsidiaries	-20.1	-2.2	-25.4	-33.5	-81.3
Depreciation and amortisation	-5.9	-	-8.1	-6.5	-20.5
Accumulated depreciation and amortisation on disposals and transfers	11.7	-	0.1	0.3	12.1
Effect of movement in exchange rates	0.1	-5.8	-0.6	-0.8	-7.2
Accumulated depreciation and amortisation and impairment losses at 31 December 2021	-144.7	-49.5	-228.0	-47.8	-470.0
Carrying amount at 1 January 2021	20.7	81.4	58.9	10.2	171.3
Carrying amount at 31 December 2021	196.7	277.8	71.3	125.7	671.4
Acquisition cost at 1 January 2020	148.1	128.3	247.9	14.1	538.4
Additions	0.5	-	4.4	0.8	5.7
Disposals	-0.0	-	-0.8	-0.1	-0.9
Effect of movement in exchange rates	-2.2	-13.9	-0.2	-0.2	-16.5
Acquisition cost at 31 December 2020	146.4	114.4	251.3	14.6	526.7
Accumulated depreciation, amortisation and impairment losses at 1 January 2020	-123.0	-48.2	-187.0	-3.7	-361.8
Depreciation and amortisation	-4.5	-	-6.1	-2.6	-13.1
Accumulated depreciation and amortisation on disposals and transfers	0.0	-	0.7	0.1	0.7
Effect of movement in exchange rates	2.2	13.5	0.1	0.1	15.9
Accumulated depreciation, amortisation and impairment losses at 31 December 2020	-125.2	-34.7	-192.3	-6.2	-358.3
Carrying amount at 1 January 2020	25.2	80.1	60.9	10.4	176.6
Carrying amount at 31 December 2020	21.2	79.8	59.1	8.4	168.4

RELATED PARTY TRANSACTIONS

The following transactions have taken place with related parties:

EUR million	2021	2020
Sales of goods and services		
Associates, joint ventures and joint operations	0.9	1.0
Other companies considered related parties	78.9	83.1
Total sales of goods and services	79.8	84.0
Purchases of goods and services		
Associates, joint ventures and joint operations	6.5	1.7
Other companies considered related parties	3.8	1.7
Total purchases of goods and services	10.2	3.4
Receivables		
Associates, joint ventures and joint operations	0.1	-
Other companies considered related parties	1.1	0.9
Total receivables	1.2	0.9
Payables		
Associates, joint ventures and joint operations	1.7	0.5
Other companies considered related parties	0.5	0.2
Total payables	2.2	0.7

The Company's related parties include the subsidiaries, associated companies, joint ventures and joint operations. Related party transactions include such operations that are not eliminated in the Group's consolidated financial statements. Related party also include the Board of Directors, the CEO, the members of the Executive Management Team and their family members as well as entities controlled or jointly controlled by these persons. In addition, entities that are controlled or jointly controlled by, or are associates of the State of Finland, are related parties of Anora. Anora has applied the exemption to report only material transactions with the Finnish government related entities. Transactions with related parties are entered into on market terms. Anora has related party transactions on a continuous basis with its major customer Alko. Transactions with Alko have been presented above under Other companies considered related parties.

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

EUR million	31 Dec 2021	31 Dec 2020
Investments in associated companies and joint ventures:		
At the beginning of the reporting period	1.5	1.2
Acquisition of subsidiaries	6.5	-
Share of result for the period	0.7	0.3
Translation differences	-0.1	-
At the end of the reporting period	8.7	1.5
Financial summary of associated companies and joint ventures:		
Assets	46.6	8.7
Liabilities	20.4	3.3
Net assets	26.2	5.4
Net sales	29.9	16.4
Result for the period	2.0	1.3

COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	31 Dec 2021	31 Dec 2020
Collaterals given on behalf of Group companies		
Mortgages	18.5	18.5
Guarantees	9.1	3.8
Total collaterals	27.6	22.3
Commitments		
Short-term and low value lease obligations		
Less than one year	0.1	0.1
Between one and five years	0.1	0.1
Other commitments	19.1	19.1
Total commitments	19.3	19.4
Assets not recognised in the balance sheet		
Emission allowances, kilotons	31 Dec 2021	31 Dec 2020
Emission allowances received	22.6	26.4
Excess emission allowances from the previous period	10.9	4.0
Realised emissions	-19.9	-19.6
Total emission allowances	13.5	10.9
Fair value of emission allowances (EUR million)	1.1	0.3

CLASSIFICATION AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR million	Derivatives , hedge accounting	Fair value through profit or loss	Amortised cost	Fair value through other comprehen- -sive income	Carrying amounts of items in the balance sheet	Fair value	Level
Non-current financial assets							
Investments in associates and receivables from interests in joint operations	-	-	16.3	-	16.3	16.3	
Unquoted shares	-	-	-	0.7	0.7	0.7	3
Other non-current receivables	-	-	0.1	-	0.1	0.1	
Current financial assets							
Trade and other receivables	-	-	220.1	-	220.1	220.1	
Derivative instruments/Forward exchange contracts	0.4	0.1	-	-	0.5	0.5	2
Derivative instruments/Commodity derivatives	2.3	-	-	-	2.3	2.3	2
Cash and cash equivalents	-	-	168.9	-	168.9	168.9	
Financial assets at 31 December 2021	2.7	0.1	405.3	0.7	408.8	408.8	
Financial assets at 31 December 2020	0.7	0.0	181.6	1.4	183.8	183.8	
Non-current financial liabilities							
Borrowings	-	-	136.1	-	136.1	136.1	2
Lease liabilities	-	-	120.8	-	120.8	120.8	2
Non-current at fair value through profit or loss	-	1.3	-	-	1.3	1.3	3
Other liabilities	-	-	0.0	-	0.0	0.0	
Current financial liabilities							
Borrowings	-	-	26.5	-	26.5	26.5	2
Lease liabilities	-	-	11.6	-	11.6	11.6	2
Trade and other payables	-	-	97.2	-	97.2	97.2	
Derivative instruments/Interest rate derivatives	0.5	-	-	-	0.5	0.5	2
Derivative instruments/Forward exchange contracts	0.0	0.0	-	-	0.0	0.0	2
Financial liabilities at 31 December 2021	0.5	1.3	392.2	-	394.1	394.1	
Financial liabilities at 31 December 2020	1.8	0.2	156.4	-	158.3	158.3	

The levels 1-3 of fair value hierarchy reflect the significance of inputs used in determining the fair values. In level one, fair values are based on public quotations of identical financial instruments. In level two, the inputs used in determining the fair values are based on quoted market rates and prices observable for the asset or liability in question directly (i.e. price) or indirectly on discounted future cash flows. Fair values of other financial assets and liabilities in level two reflect their carrying value. In level three, the fair values of assets and liabilities are based on inputs that are not based on observable market data for all significant variables, and instead are, to a significant extent, based on management estimates and their use in generally accepted valuation techniques. The reported fair value level is based on the lowest level of input information that is significant in determining the fair value.

LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

EUR million	31 Dec 2021	31 Dec 2020
Book value at the beginning of the period	-	-
Additions in period	1.1	-
Changes in value during period	0.2	-
Interest during period	0.0	-
Translation differences	0.0	-
Book value at the end of the period	1.3	-
Non-current liability	1.3	-
Current liability	-	-
Total liabilities through profit and loss	1.3	-

Share based payments

The Board of Directors of Altia decided on 17 August 2021 to adjust the structure of the Altia Performance share plan 2019-2021 and 2020-2022 from a shares and cash based settlement to a cash based settlement due to the Altia and Arcus merger. The participants will receive a cash settlement compensation based on a prorated target setting for a relative total shareholder return of Altia's share and earnings per share. The earning period of the plan 2020-2022 had been modified to 2 years and two months instead of 3 years. The payments will be made in January 2022 and April 2022. If the individual's employment with Anora Group terminates before the payment date of the reward, the individual is, as a main rule, not entitled to any reward based on the plan. The total liability of these plans at the balance sheet as at 31.12.2021 was EUR 2.0 million.

Appendix 1

KEY RATIOS

		2021	2020	2019
Income statement				
Net sales	EUR million	478.2	342.4	359.6
Comparable EBITDA	EUR million	71.7	52.4	44.8
(% of net sales)	%	15.0	15.3	12.4
EBITDA	EUR million	62.9	40.3	43.1
Comparable operating result (EBIT)	EUR million	51.2	35.0	26.8
(% of net sales)	%	10.7	10.2	7.5
Operating result	EUR million	42.4	22.9	25.1
Result before taxes	EUR million	38.6	21.3	24.6
Result for the period	EUR million	31.2	17.8	18.4
Items affecting comparability	EUR million	-8.8	-12.1	-1.7
Balance sheet				
Cash and cash equivalents	EUR million	168.9	130.7	64.2
Total equity	EUR million	507.9	156.3	151.2
Borrowings	EUR million	162.6	116.1	82.6
Invested capital	EUR million	670.5	272.4	233.8
Profitability				
Return on equity (ROE)	%	9.3	11.6	12.2
Return on invested capital (ROI)	%	7.4	7.7	8.5
Financing and financial position				
Net debt	EUR million	126.0	-3.9	28.9
Gearing	%	24.8	-2.5	19.1
Equity ratio	%	41.2	34.3	37.8
Net cash flow from operating activities	EUR million	50.8	56.1	52.6
Net debt/comparable EBITDA		1.8	-0.1	0.6
Share-based key ratios				
Earnings / share (Basic and diluted)	EUR	0.67	0.49	0.51
Equity / share	EUR	7.52	4.33	4.18
Dividend per share	EUR	0.45*	0.75	0.42
Dividend/earnings	%	67.6*	152.2	82.6
Effective dividend yield	%	4.1*	7.5	5.1
Price/Earnings		16.3	20.3	16.1
Closing share price on the last day of trading	EUR	10.86	9.98	8.18
Highest share price	EUR	12.00	10.40	8.22
Lowest share price	EUR	9.62	7.01	7.08
Market value of shares at the end of period	EUR million	733.6	360.7	295.6
Number of shares outstanding at the end of period		67 553 624	36 140 485	36 140 485
Personnel				
Personnel end of period		1 055	637	632

*Board's proposal

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM) TO IFRS FIGURES AND ITEMS AFFECTING COMPARABILITY (IAC)

EUR million	Q4 21	Q4 20	2021	2020
Items affecting comparability				
Net gains or losses from business and assets disposals	4.1	-	3.7	-
Cost for closure of business operations and restructurings	-0.5	-	-0.5	-0.3
Costs related to the closed voluntary pension scheme	-	-	-	-0.5
Costs related to the merger of Altia and Arcus	-3.1	-5.5	-11.2	-11.4
Inventory fair valuation	-0.6	-	-0.8	-
Other major corporate projects	0.0	-	0.0	-
Total items affecting comparability	-0.1	-5.5	-8.8	-12.1
Comparable EBITDA				
Operating results	23.5	9.3	42.4	22.9
Less:				
Depreciation, amortisation and impairment	7.8	4.3	20.5	17.4
Total items affecting comparability	0.1	5.5	8.8	12.1
Comparable EBITDA	31.4	19.0	71.7	52.4
% of net sales	15.3	17.9	15.0	15.3
Comparable EBIT				
Operating results	23.5	9.3	42.4	22.9
Less:				
Total items affecting comparability	0.1	5.5	8.8	12.1
Comparable EBIT	23.6	14.8	51.2	35.0
% of net sales	11.5	13.9	10.7	10.2

THE DEFINITIONS AND REASONS FOR THE USE OF FINANCIAL KEY INDICATORS

Key figures	Definition	Reason for the use
EBITDA	Operating result before depreciation and amortization	EBITDA is the indicator to measure the performance of the Group.
EBITDA margin, %	EBITDA / Net sales	
Comparable operating result	Operating result excluding items affecting comparability	Comparable EBITDA, comparable EBITDA margin, comparable operating result and comparable operating margin are presented in addition to EBITDA and operating result to reflect the underlying business performance and to enhance comparability from period to period. Anora believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods.
Comparable operating margin, %	Comparable operating result / Net sales	
Comparable EBITDA	EBITDA excluding items affecting comparability	
Comparable EBITDA margin, %	Comparable EBITDA / Net sales	
Items affecting comparability	Material items outside normal business, such as net gains or losses from business and assets disposals, impairment losses, cost for closure of business operations and restructurings, major corporate projects including direct transaction costs related to business acquisitions and the merger, merger related integration costs, expenses arising from the fair valuation of inventories in connection with merger, voluntary pension plan change, and costs related to other corporate development.	
		Comparable EBITDA is an internal measure to assess performance of Anora and key performance measure at segment level together with Net Sales.
		Comparable EBITDA is commonly used as a base for valuation purposes outside the Company and therefore important measure to report regularly.
Invested capital	Total equity + Borrowings	Base for ROI measure.
Return on equity (ROE), %	Result for the period (rolling 12 months) / Total equity (average of reporting period and comparison period)	This measure can be used to evaluate how efficiently Anora has been able to generate results in relation to the total equity of the Company.
Return on invested capital (ROI), %	(Result for the period + Interest expenses) (rolling 12 months) / (Total equity + Non-current and current borrowings) (average of reporting period and comparison period)	This measure is used to evaluate how efficiently Anora has been able to generate net results in relation to the total investments made to the Company.
Borrowings	Non-current borrowings + Current borrowings	Net debt is an indicator to measure the total external debt financing of the Group.
Net debt	Borrowings + non-current and current lease liabilities – cash and cash equivalents	
Gearing, %	Net debt / Total equity	Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's indebtedness. Important measure for the loan portfolio.
Equity ratio, %	Total equity / (Total assets – Advances received)	Equity / assets ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's capital used in the operations.
Net debt / Comparable EBITDA	Net debt / Comparable EBITDA	
Earnings / share	Result for the period attributable to shareholders of the parent company/Average number of shares during the period	
Equity / share	Equity attributable to shareholders of the parent company / Share- issue adjusted number of shares at the end of period	
Dividend / share	Dividend distribution for period / Number of shares (basic) at the end of period	
Dividend / earnings, %	Dividend/share / Earnings/share	
Effective dividend yield, %	Dividend/share / Price of share at the end of the accounting period	
Price / earnings	Price of share at the end of accounting period / Earnings/share	
Market value of outstanding shares	The number of shares at the end of accounting period x the price of the share at the end of accounting period	

Appendix 2: Pro forma financial information for Q4 21

To illustrate the effects of the merger of Altia and Arcus, and to facilitate the comparability of Anora's financial information, Anora presents the following unaudited pro forma financial information. The pro forma information is presented for illustrative purposes only and addresses a hypothetical situation as if the merger of Altia and Arcus had been completed on 1 January 2019. Therefore, it is not necessarily indicative of what Anora's historical financial performance actually would have been had the merger been completed as of the date indicated and does not purport to project the operating results of Anora as of any future date.

The pro forma information is based on the historical financial information of Altia and Arcus prepared in accordance with IFRS and adjusted for the impacts of the merger.

Anora has published unaudited pro forma financial information for the full-year 2019, 2020, and H1 2021 on 18 November 2021, and for Q3 2021 in connection with the Q3 Interim Report on 25 November 2021. Information is available at: www.anora.com/investors.

PRO FORMA KEY FIGURES

	Q4 21	Q4 20	2021	2020
Net sales, EUR million	205.6	196.5	665.0	627.7
Comparable EBITDA, EUR million	30.6	36.3	101.0	98.3
% of net sales	14.9	18.5	15.2	15.7
EBITDA, EUR million	32.3	35.6	95.2	96.3
Operating result, EUR million	24.5	27.7	64.0	64.4
Result for the period, EUR million	18.0	20.2	43.1	47.6
Earnings per share, basic, EUR	0.26	0.30	0.63	0.70

PRO FORMA CONSOLIDATED INCOME STATEMENT

EUR million	Q4 21	Q4 20	2021	2020
Net sales	205.6	196.5	665.0	627.7
Other operating income	5.9	1.8	10.7	6.5
Materials and services	-113.6	-108.2	-367.0	-350.9
Employee benefit expenses	-27.6	-24.9	-95.7	-89.9
Other operating expenses	-38.0	-29.7	-117.8	-97.0
Depreciation, amortisation and impairment	-7.8	-8.0	-31.2	-32.0
Operating result	24.5	27.7	64.0	64.4
Finance income	0.8	0.9	4.3	10.9
Finance expenses	-3.6	-4.1	-15.2	-17.5
Share of profit in associates and joint ventures and income from interests in joint operations	0.4	0.5	1.6	1.5
Result before taxes	22.1	24.9	54.7	59.2
Income tax expense	-4.1	-4.7	-11.6	-11.7
Result for the period	18.0	20.2	43.1	47.6
Result for the period attributable to:				
Owners of the parent	17.9	20.1	42.7	47.3
Non-controlling interests	0.1	0.1	0.4	0.3
Earnings per share for the result attributable to owners of the parent, EUR				
Basic and diluted	0.26	0.30	0.63	0.70

RECONCILIATION OF PRO FORMA ALTERNATIVE PERFORMANCE MEASURES (APM) TO PRO FORMA IFRS FIGURES AND PRO FORMA ITEMS AFFECTING COMPARABILITY (IAC)

EUR million	Q4 21	Q4 20	2021	2020
Items affecting comparability				
Net gains or losses from business and assets disposals	4.0	-	3.7	-
Cost for closure of business operations and restructurings	-0.5	-0.2	-0.7	-1.0
Costs related to the closed voluntary pension scheme	-	-	-	-0.5
Costs related to the merger of Altia and Arcus *	-2.7	-	-8.7	-
Inventory fair valuation	-	-	-	-
Other major corporate projects	0.0	-0.5	-0.9	-0.5
Total items affecting comparability	1.7	-0.7	-5.8	-2.0
Comparable EBITDA				
Operating result	24.5	27.7	64.0	64.4
Less:				
Depreciation, amortisation and impairment	7.8	8.0	31.2	32.0
Total items affecting comparability	-1.7	0.7	5.8	2.0
Comparable EBITDA	30.6	36.3	101.0	98.3
% of net sales	14.9	18.5	15.2	15.7

* Includes merger related transaction costs and integration costs

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Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Our market-leading portfolio consists of our own iconic Nordic brands and a wide range of prominent international partner wines and spirits. We export to over 30 markets globally. Anora Group also includes Anora Industrial and logistics company Vectura. In 2021, Anora's pro forma net sales were EUR 665 million and the company employs about 1,100 professionals. Anora's shares are listed on Nasdaq Helsinki.