ANORA

Q3 2021

Interim Report

JANUARY–SEPTEMBER 2021

About this report

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. In Anora's first financial report, Arcus has been consolidated to Anora as of 1 September 2021. Arcus is reported for as the fourth segment of Anora. Anora's new segments according to the future operating model will be announced later and 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 provided temporarily only 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.

Changes in reporting. As of this interim report, Anora will publish Q1 and Q3 Interim Reports prepared according to IAS 34 standard instead of Q1 and Q3 Business Reviews. The figures in the Interim Report are unaudited. Reconciliation of alternative key ratios to IFRS figures is presented in the Appendix 1 on page 43.

Pro forma financial information for Q3 21 is presented in the Appendix 2 on page 45. Anora published unaudited pro forma financial information for the full-year 2019, 2020, and H1 21 on 18 November 2021.

Strong start for Anora – integration progressing according to plan, solid business performance

- The merger of Altia and Arcus to form Anora was completed on 1 September 2021

Pro forma financial information

- Q3 2021: net sales EUR 165.0 (160.0) million and comparable EBITDA 30.1 (27.8) million
- January-September 2021: net sales EUR 459.4 (431.2) million and comparable EBITDA 70.4 (62.0) million

Q3 2021 compared to Q3 2020

- Reported net sales increased by 31.6% to EUR 114.0 (86.6) million; growth in constant currencies 30.7%
- The Finland & Exports segment's net sales were EUR 30.7 (29.8) million
- The Scandinavia segment's net sales were EUR 29.3 (27.4) million; growth in constant currencies 4.0%
- Altia Industrial's net sales were EUR 29.0 (29.4) million
- Arcus segment's net sales were EUR 25.1 (-) million
- Comparable EBITDA was EUR 20.2 (14.6) million, 17.7% (16.9%) of net sales
- Items affecting comparability were EUR -3.3 (-5.9) million mainly relating to the merger of Altia and Arcus
- Reported EBITDA was EUR 16.9 (8.8) million, 14.7% (10.1 %) of net sales
- Net cash flow from operating activities was EUR -5.1 (-4.4) million
- Net debt / comparable EBITDA (rolling 12 months) was 2.9 (0.7)

January-September 2021 compared to January-September 2020

- Reported net sales increased by 15.5% to EUR 272.5 (235.9) million; growth in constant currencies 14.0%
- Comparable EBITDA was EUR 40.2 (33.4) million, 14.8% (14.2%) of net sales
- Items affecting comparability were EUR -8.7 (-6.6) million mainly relating to the merger of Altia and Arcus
- Reported EBITDA was EUR 31.6 (26.8) million, 11.6% (11.4%) of net sales

Guidance

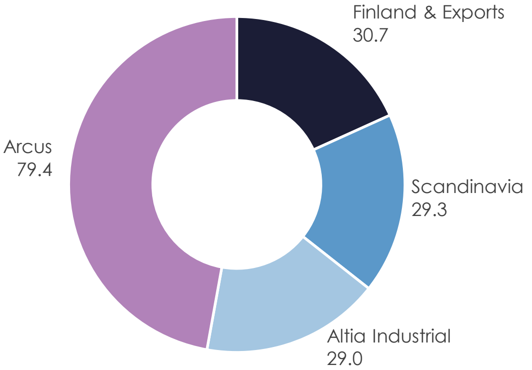
- Anora is not providing guidance for 2021, but the short-term outlook has been updated, page 27

KEY FIGURES

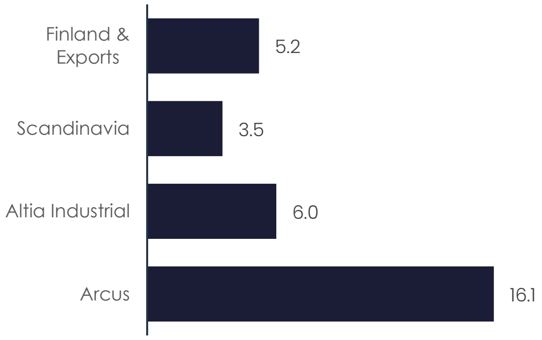
	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Net sales, EUR million	114.0	86.6	272.5	235.9	342.4
Comparable EBITDA, EUR million	20.2	14.6	40.2	33.4	52.4
% of net sales	17.7	16.9	14.8	14.2	15.3
EBITDA, EUR million	16.9	8.8	31.6	26.8	40.3
Comparable operating result, EUR million	15.2	10.3	27.6	20.3	35.0
% of net sales	13.3	11.9	10.1	8.6	10.2
Operating result, EUR million	11.9	4.5	18.9	13.7	22.9
Result for the period, EUR million	8.7	3.1	14.0	10.5	17.8
Earnings per share, EUR	0.19	0.08	0.35	0.29	0.49
Net cash flow from operating activities, EUR million	-5.1	-4.4	-6.7	5.9	56.1
Net debt / comparable EBITDA	2.9*	0.7	2.9*	0.7	-0.1
Personnel end of period	1 100	654	1 100	654	637

**If calculated using pro forma figures, net debt / comparable EBITDA would have been 1.6 for Q3 21 and 1.6 for Q1-Q3 21.*

Net sales by segment, EUR million



Comparable EBITDA by segment, EUR million



The Q3 figures in the charts above are based on the stand-alone financial information for illustrative purposes presented on pages 6-8.

CEO Pekka Tennilä:

We had a historical and exciting third quarter with the completion of the merger of Altia and Arcus on 1 September when Anora was formed. Anora is a leading wine and spirits brand house in the Nordics, and we are a global forerunner in sustainability in our industry. As one company, we have a stronger position to pursue growth opportunities both in and outside the Nordics and we are well positioned to create value for our stakeholders.

I am very pleased that Anora has been well received and the feedback among our customers and partners has been welcoming. It has been inspiring to meet our people across the organisation and to see their strong commitment and enthusiasm. An important milestone was to announce Anora's future operating model in October when we also made the first leadership nominations. The work to structure our operations continues and we expect to be ready by the end of December. Despite the transformation, we have been able to perform at a high level and deliver strong results.

I want to extend my thanks to all employees for their great work, resilience, and achievements during this time of transition.

Integration has started well and is progressing according to plan and on schedule. We are committed to the previously announced annual EBITDA net synergy target of EUR 8-10 million and we continue to expect that 80% of the net synergies are to be realised within 2 years.

When looking at Altia and Arcus stand-alone development in Q3, we can see that both companies have performed very well. During Q3, Covid-19 restrictions have been lifted and we have seen the travel retail and on-trade channels recovering gradually. As a result, the volumes in the monopolies have declined from the previous year yet are still at a higher level than before the pandemic.

In the former Altia, net sales in Q3 improved, driven by the growth in spirits sales in Finland & Exports and Scandinavia segments, and supported by favourable currency exchange rates. In Altia Industrial, net sales declined slightly despite the good recovery of contract manufacturing volumes.

In the former Arcus, the comparison against Q3 20 is particularly tough due to the Covid-19 effect. The reported net sales growth in Q3 was supported by favourable currency exchange rates. Net sales in wine in the large Swedish and Norwegian markets were at last year's level, while net sales in spirits were slightly below last year's level.

Mitigating climate change continues to be a high priority for us. Our own bio-energy plant at the Koskenkorva Distillery enables a high energy self-sufficiency and our modern production plant in Gjelleråsen already uses geothermal and renewable energy. We are taking further steps towards reaching carbon neutral production and our new sustainability targets will be set for the Group during 2022.

Looking forward, the fourth quarter of the year and the Christmas season are very important for us and we are well prepared. In aquavits, our strong combined offering of traditional brands such as Linie and O.P. Anderson are complemented with both original and novelty Christmas aquavits. In the other Christmas season big seller, glöggs, our wide offering includes exciting novelties under the Blossa brand, including launches in the no-low category as well as more traditional glöggs.

We are not providing guidance for 2021 but have updated our short-term outlook. Societies are returning to normal which is expected to impact our channel mix with the on-trade and travel retail growing share of sales. In the Industrial segment, barley market prices are expected to remain at a high level due to the historically poor crop in Finland, and a global imbalance between the demand for and supply of grain. We also see significant cost pressure in other raw materials. We continue to carefully monitor the development of Covid-19 and to implement necessary precautions for the health and safety of our employees.

Stand-alone information on Altia for illustrative purposes

In Q3, Altia's reported net sales increased by 2.7% and were EUR 89.0 (86.6) million. In constant currencies, net sales increased by 1.8%. Comparable EBITDA was EUR 15.4 (14.6) million, 17.3% (16.9%) of net sales.

In January-September, Altia's net sales increased by 4.9% and were EUR 247.5 (235.9) million. In constant currencies, net sales increased by 3.4%. Comparable EBITDA was EUR 35.5 (33.4) million, 14.3% (14.2%) of net sales.

ALTIA: NET SALES BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports	30.7	29.8	2.7	84.8	82.8	2.4	117.2
Scandinavia	29.3	27.4	7.0	82.6	77.5	6.5	123.9
Altia Industrial	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Altia, total	**89.0**	**86.6**	**2.7**	**247.5**	**235.9**	**4.9**	**342.4**

ALTIA: NET SALES BY PRODUCT CATEGORY

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits	33.0	30.6	7.8	91.2	83.8	8.8	119.1
Wine	25.7	26.1	-1.5	73.4	74.9	-2.0	119.5
Other beverages	1.3	0.5	160.0	2.8	1.7	64.7	2.5
Industrial products and services	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Altia, total	**89.0**	**86.6**	**2.7**	**247.5**	**235.9**	**4.9**	**342.4**

ALTIA: COMPARABLE EBITDA BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports	5.2	5.5	-5.2	14.0	13.8	1.6	19.8
Scandinavia	3.5	1.9	78.6	8.1	4.7	71.8	14.2
Altia Industrial	6.0	6.5	-7.9	11.7	13.6	-14.1	17.9
Other	0.7	0.7	6.6	1.7	1.3	30.3	0.5
Altia, total	**15.4**	**14.6**	**5.2**	**35.5**	**33.4**	**6.2**	**52.4**
% of net sales	17.3	16.9		14.3	14.2		15.3

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

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 and figures include the full period.

Net sales

ARCUS: NET SALES BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Wine	48.0	46.7	3.0	138.1	127.6	8.0	180.1
Spirits	26.8	25.8	4.0	70.7	66.2	6.7	102.9
Logistics	9.6	9.1	5.1	26.6	24.7	7.9	34.6
Other*	-5.1	-5.9	-14.7	-14.9	-15.3	-2.8	-20.4
Arcus, total	**79.4**	**75.7**	**4.9**	**220.4**	**203.2**	**8.5**	**297.1**

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

In Q3, Arcus' reported net sales increased by 4.9% and were EUR 79.4 (75.7) million. Favourable currency exchange rates impacted reported net sales, in constant currencies net sales were at last year's level.

In wine, the volumes in the monopolies declined from the previous year as markets started to normalise following the lifting of Covid-19 restrictions. The reported growth includes a positive effect from a favourable currency exchange rate. In Sweden, Arcus' net sales were at last year's level despite challenges at the distribution partner in the beginning of the quarter. In Norway, although the comparison to Q3 20 is particularly tough, net sales were at last year's level with higher revenue per litre as the premiumisation trend continued and more bottles than bag-in-boxes were sold. In Finland, net sales declined mainly due to partner portfolio changes and lower volumes to the monopoly.

In spirits, the markets were gradually normalising as Covid-19 restrictions were lifted. The reported growth includes a positive effect from a favourable currency exchange rate. Sales were slightly positive in Norway driven by earlier tender wins. In Sweden, net sales were at last year's level with a new tender launch in vodka as an important contributor to offset changes in partner portfolio and decline in other categories. In Finland, net sales were negatively impacted by partner portfolio changes. Spirits net sales were positively impacted by improved shipments to Germany and the recovery of travel retail.

In logistics, the distributed volume was 16.5 million litres, a decline of 5.2% from Q3 20. This is a result of lower sales to the monopoly whereas volumes to on-trade increased. The reported net sales growth includes a positive effect from a favourable currency exchange rate. Price adjustments and channel mix have contributed positively to net sales and partly offset the decline in volume.

In January-September, Arcus' reported net sales increased by 8.5% and were EUR 220.4 (203.2) million. Growth in constant currencies was 3.5%.

Comparable EBITDA

ARCUS: COMPARABLE EBITDA BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Wine	9.2	7.3	25.0	24.0	16.9	42.0	26.8
Spirits	4.5	4.7	-2.5	9.6	9.2	4.2	17.9
Logistics	0.3	0.6	-55.3	-0.1	0.9	-113.5	0.2
Other*	2.1	1.5	35.6	2.1	4.3	-50.8	5.5
Arcus, total	**16.1**	**14.1**	**13.8**	**35.6**	**31.3**	**13.8**	**50.4**
% of net sales	20.2	18.6		16.2	15.4		17.0

**IFRS 16 adjustment and unallocated HQ costs.*

In Q3, comparable EBITDA was EUR 16.1 (14.1) million, 20.2% (18.6%) of net sales.

In wine, the comparable EBITDA improvement was driven by a significantly better gross margin in Norway and Sweden due to favourable currency exchange rates when sourcing wine in EUR and USD. In addition, the strong performance of own brands contributed positively to the margins.

In spirits, the comparable EBITDA decline was related to an unfavourable mix due to shifts of sales to lower margin markets and products, and partner portfolio changes in Sweden and Finland.

In logistics, the comparable EBITDA decline was related to increased staffing to manage deliveries to the monopoly and increased costs for external warehousing and repairs and maintenance.

In January-September, comparable EBITDA was EUR 35.6 (31.3) million, 16.2% (15.4%) of net sales.

Business events

In Q3, there were several tender wins for partner brands. In Norway, examples include a red wine from Ken Forrester Vineyards (Advini Group) and an “orange” wine from Mas Janeil one of famous Francois Lurton wine estates. In Sweden, an example was the tender win for DiSaronno liqueur brand.

Arcus has the best-selling Christmas red wine in Norway, and the 11th edition of the Hyggevin was launched with a new seasonal Christmas design.

Ahead of the important aquavit season, several Christmas aquavits were launched, among which are the original Christmas aquavit, Gilde Juleaquavit, which comes with a new design and liquid every year and Gammel Opland Juleaquavit and Løiten Juleaquavit.

Financial Review

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. In Anora's first financial report, Arcus has been consolidated to Anora as of 1 September 2021. Arcus is reported for 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 and the official 2021 numbers in this section include Arcus numbers for the month of September only.

Q3

In Q3, net sales increased by 31.6% and were EUR 114.0 (86.6) million. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 25.1 million on net sales. Growth in constant currencies was 30.7%.

Comparable EBITDA, i.e. EBITDA excluding items affecting comparability (IAC), was EUR 20.2 (14.6) million, which was 17.7% (16.9%) of net sales. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 4.8 million on comparable EBITDA. Items affecting comparability totalled EUR -3.3 (-5.9) million and were mainly costs related to the Altia and Arcus merger. Reported EBITDA was EUR 16.9 (8.8) million.

Other operating income amounted to EUR 1.6 (1.5) million, mainly including proceeds from sales of fixed assets of EUR 0.0 (0.0) million; income from the sales of mainly steam, energy and water of EUR 0.8 (0.8) million; and rental income of EUR 0.4 (0.3) million.

Employee benefit expenses totalled EUR 16.0 (12.8) million, including EUR 12.5 (10.1) million in wages and salaries. Other operating expenses amounted to EUR 19.7 (17.9) million.

Net financial expenses amounted to EUR 1.3 (0.8) million. The share of profit in associates and joint ventures and income from interests in joint operations totalled EUR 0.3 (0.1) million.

Income tax expense was EUR 2.1 (0.7) million, corresponding to an effective tax rate of 19.5% (19.3%).

The result for the period amounted to EUR 8.7 (3.1) million, and earnings per share were EUR 0.19 (0.08).

January-September

In January-September, net sales increased by 15.5% and were EUR 272.5 (235.9) million. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 25.1 million on net sales. Growth in constant currencies was 14.0 %.

Comparable EBITDA, i.e. EBITDA excluding items affecting comparability (IAC), was EUR 40.2 (33.4) million, which was 14.8% (14.2%) of net sales. Arcus has been consolidated to Anora as of 1 September 2021, having a positive impact of EUR 4.8 million on comparable EBITDA. Items affecting comparability totalled EUR -8.7 (-6.6) million and were mainly costs related to the Altia and Arcus merger. Reported EBITDA was EUR 31.6 (26.8) million.

NET SALES BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports	30.7	29.8	2.7	84.8	82.8	2.4	117.2
Scandinavia	29.3	27.4	7.0	82.6	77.5	6.5	123.9
Altia Industrial	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Arcus	25.1	-	-	25.1	-	-	-
Total	**114.0**	**86.6**	**31.6**	**272.5**	**235.9**	**15.5**	**342.4**

NET SALES BY PRODUCT CATEGORY

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits							
Spirits – Altia	33.0	30.6	7.8	91.2	83.8	8.8	119.1
Spirits – Arcus	7.9			7.9			
Wine							
Wine – Altia	25.7	26.1	-1.5	73.4	74.9	-2.0	119.5
Wine – Arcus	14.5			14.5			
Other beverages	1.3	0.5	154.6	2.8	1.7	64.7	2.5
Industrial products and services	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Logistics (Arcus)	2.7			2.7			
Other	0.0			0.0			
Total	**114.0**	**86.6**	**31.6**	**272.5**	**235.9**	**15.5**	**342.4**

COMPARABLE EBITDA BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports	5.2	5.5	-5.2	14.0	13.8	1.6	19.8
Scandinavia	3.5	1.9	78.6	8.1	4.7	71.8	14.2
Altia Industrial	6.0	6.5	-7.9	11.7	13.6	-14.1	17.9
Arcus	4.8			4.8			
Other	0.7	0.7	6.6	1.7	1.3	30.3	0.5
Total	**20.2**	**14.6**	**37.7**	**40.2**	**33.4**	**20.5**	**52.4**
% of net sales	17.7	16.9		14.8	14.2		15.3

ITEMS AFFECTING COMPARABILITY

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Comparable EBITDA	**20.2**	**14.6**	**40.2**	**33.4**	**52.4**
Net gains or losses from business and assets disposals	-0.1	-	-0.3	-	-
Costs for closure of business operations and restructurings	-	-	-	-0.3	-0.3
Costs related to the closed voluntary pension scheme	-	-	-	-0.5	-0.5
Costs related to the merger of Altia and Arcus	-3.0	-5.9	-8.1	-5.9	-11.4
Inventory fair valuation	-0.2	-	-0.2	-	-
Other major corporate projects	0.0	-	0.0	-	-
Total items affecting comparability	**-3.3**	**-5.9**	**-8.7**	**-6.6**	**-12.1**
EBITDA	**16.9**	**8.8**	**31.6**	**26.8**	**40.3**

Items affecting comparability are presented in appendix 1 on page 43.

Cash flow and balance sheet

Arcus has been consolidated to Anora as of 1 September 2021. The numbers in this section include Arcus cash flow numbers for the month of September only and balance sheet as at 30 September 2021.

In Q3, net cash flow from operations totalled EUR –5.1 (-4.4) million. In January–September, net cash flow from operations totalled EUR -6.7 (5.9) 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 amounted to EUR 52.8 (50.3) million at the end of the reporting period.

At the end of the reporting period, the Group's net debt amounted to EUR 172.7 (37.4) 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 129.7 (77.4) million, while the interest-bearing debt amounted to EUR 302.3 (114.9) million. The gearing ratio at the end of the reporting period was 35.5% (24.5%), while the equity ratio was 42.5% (37.1%). The reported net debt to comparable EBITDA was 2.9 (0.7) 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 30.0 (30.0) million at the end of the reporting period.

The total in the consolidated balance sheet was EUR 1 163.7 (410.6) million at the end of the period.

In January–September, gross capital expenditure totalled EUR 3.0 (4.6) 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

	Q1-Q3 21	Q1-Q3 20	2020
Reported net debt / comparable EBITDA	2.9*	0.7	-0.1
Borrowings, EUR million	173.0	106.1	116.1
Net debt, EUR million	172.7	37.4	-3.9
Equity ratio, %	42.5	37.1	34.3
Gearing, %	35.5	24.5	-2.5
Capital expenditure, EUR million	-3.0	-4.6	-7.0
Total assets, EUR million	1 163.7	410.6	455.6

**If calculated using pro forma figures, net debt / comparable EBITDA would have been 1.6 for Q1-Q3 21.*

Market development

In Q3, the market volumes in the Nordic monopolies declined by 2.8% from the same period last year. Spirits grew by 0.7%, while wine declined by 3.3%. In the comparison period, the monopoly volumes were historically high due to Covid-19, but as the Covid-19 restrictions have been gradually lifted and societies have reopened, consumers have shifted purchases from the monopolies to on-trade and travel retail. However, the volumes in Q3 21 were still higher than in Q3 19.

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC MONOPOLIES

% change compared to previous year	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Nordics, total sales volumes*	**-2.8**	**18.2**	**2.4**	**16.5**	**17.1**
Spirits	0.7	20.0	5.8	17.2	18.5
Wine	-3.3	17.9	1.9	16.4	16.9
Finland, total sales volumes	**-4.8**	**10.9**	**-2.4**	**13.3**	**13.7**
Spirits	-2.9	8.0	-1.6	9.4	10.4
Wine	-5.5	12.0	-2.7	14.8	15.0
Sweden, total sales volumes	**-2.5**	**10.5**	**1.3**	**10.2**	**10.0**
Spirits	1.6	20.6	8.5	18.5	18.8
Wine	-3.0	9.5	0.6	9.4	9.2
Norway, total sales volumes	**-1.9**	**48.7**	**8.6**	**38.2**	**40.4**
Spirits	4.5	41.3	12.8	29.5	32.1
Wine	-2.8	50.0	8.0	39.6	41.8

) Nordics in total refers to combined data for Finland, Sweden and Norway.* ***Sources:* *Finland, Sweden and Norway, sales volumes by litres, Alko, Systembolaget, Vinmonopolet. Denmark Nielsen IQ.*

Finland

In Q3, the Finnish retail monopoly's spirits and wine sales volumes were down by 4.8% from the same period last year. The spirits category declined by 2.9%, driven by the large vodka/viina category, while volumes in liqueur and tequila grew. The wine category declined by 5.5%. The large red and white wine categories declined, while growth was strong in both rosé and sparkling wines.

Sweden

In Q3, the Swedish retail monopoly's spirits and wine volumes were down by 2.5% from the same period last year. The spirits category grew by 1.6%, driven by growth in liqueurs, rum, gin and aquavit. The volumes in whiskey and vodka/viina declined. The wine category declined by 3.0%, driven mainly by red wine. White and rosé wines also declined, while sparkling wine grew.

Norway

In Q3, the Norwegian retail monopoly's spirits and wine volumes were down by 1.9% from the same period last year. The spirits category grew by 4.5%, driven by liqueurs, gin, vodka/viina and other spirits. Aquavit volumes were flat, while the whiskey category declined. The wine category declined by 2.8%, driven by red wine, while white, rosé, and sparkling wines grew.

Denmark

In Q3, the spirits volumes in off-trade grew by 2% (16%). This growth was led by the vodka and gin categories.

Segment review

The merger of Altia and Arcus to form Anora Group Plc was completed on 1 September 2021. In Anora's first financial report, Arcus has been consolidated to Anora as of 1 September 2021.

The segments in Anora's first 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.

	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Net sales, EUR million	30.7	29.8	2.7	84.8	82.8	2.4	117.2
Comparable EBITDA, EUR million	5.2	5.5	-5.2	14.0	13.8	1.6	19.8
Comparable EBITDA, % of net sales	17.0	18.4		16.5	16.6		16.9
Personnel end of period	93	90		93	90		95

NET SALES BY PRODUCT CATEGORY

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits	18.9	17.7	6.8	51.1	48.2	6.0	67.6
Wine	11.1	11.8	-5.9	32.0	33.7	-5.0	48.3
Other beverages	0.7	0.3	94.6	1.7	0.9	88.9	1.3
Total	**30.7**	**29.8**	**2.7**	**84.8**	**82.8**	**2.4**	**117.2**

Net sales

In Q3, net sales in the Finland & Exports segment increased by 2.7% and were EUR 30.7 (29.8) million. This sales growth was driven by the higher spirits sales in travel retail and exports following the lifting of Covid-19 restrictions. Wine sales declined due to lower sales volumes of own wine brands to the monopoly, especially in bag-in-boxes where volumes in Q3 20 were strong. In the on-trade channel, sales grew from the previous year despite Covid-19 restrictions still being in place partly during the period. The overall development of the Finnish grocery trade has been strong supporting a continued solid net sales growth. In the Baltics, the stable development in the domestic grocery trade continued while harbour trade and border trade were below the previous year.

In January-September, net sales increased by 2.4% and were EUR 84.8 (82.8) million. The higher spirits sales in travel retail and exports have compensated for the decline in wine sales. Wine sales were impacted by lower volumes and partner portfolio changes in Q2 20.

Comparable EBITDA

In Q3, comparable EBITDA was EUR 5.2 (5.5) million, 17.0% (18.4%) of net sales. Despite the positive product mix, the comparable EBITDA declined mainly due to higher marketing expenses compared with Q3 20 when Covid-19-related cost savings were implemented.

In January–September, comparable EBITDA was EUR 14.0 (13.8) million, 16.5% (16.6%) of net sales. This improvement was due to higher sales at almost identical margins.

Business events

In Q3, Anora had tender wins for own brands in both spirits and wine. Examples in spirits include Koskenkorva 24% Organic and Koskenkorva Herbs & Citrus, which also won a Gold medal in the Spirits Business' Liqueur Masters (herbal category). The Loyalty wine brand won a tender for a Portuguese white wine in a pouch, and the Expedition wine brand won a tender for an Austrian Grüner Veltliner in a PET.

A new partner, Quintessential Brands, is one of the leading gin producers in the world and strengthens Anora's portfolio of premium gins and Irish whiskeys.

In grocery trade, the launches include a Jaloviina Cola RTD under the legendary Jaloviina brand and a selection of beers from new partners to support growth in the channel.

Scandinavia

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

	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Net sales, EUR million	29.3	27.4	7.0	82.6	77.5	6.5	123.9
Comparable EBITDA, EUR million	3.5	1.9	78.6	8.1	4.7	71.8	14.2
Comparable EBITDA, % of net sales	11.8	7.1		9.8	6.1		11.5
Personnel end of period	77	76		77	76		77

NET SALES BY PRODUCT CATEGORY

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits	14.1	12.9	9.3	40.1	35.6	12.6	51.5
Wine	14.6	14.3	2.1	41.4	41.2	0.5	71.2
Other beverages	0.6	0.2	200.0	1.1	0.7	57.1	1.2
Total	**29.3**	**27.4**	**7.0**	**82.6**	**77.5**	**6.5**	**123.9**

Net sales

In Q3, reported net sales in the Scandinavia segment increased by 7.0% and were EUR 29.3 (27.4) million. Growth in constant currencies was 4.0%. Net sales grew in all markets (Sweden, Norway, and Denmark). In Sweden, net sales growth was driven by higher spirits sales to the monopoly, a strong recovery of the on-trade channel after Covid-19 restrictions, and a favourable currency exchange rate. In Norway, net sales grew both in the monopoly and on-trade channels and driven mainly by higher spirits sales.

In January–September, the reported net sales increased by 6.5% and were EUR 82.6 (77.5) million. Growth in constant currencies was 1.9%. Net sales grew in all markets (Sweden, Norway, and Denmark) driven by higher spirits sales. Wine sales have been negatively impacted by partner portfolio changes in Q2 20 and by lower volumes in certain brands in Sweden.

Comparable EBITDA

In Q3, comparable EBITDA was EUR 3.5 (1.9) million, 11.8% (7.1%) of net sales. In January–September, comparable EBITDA was EUR 8.1 (4.7) million, 9.8% (6.1%) of net sales. The improvement in Q3 and year-to-date was driven by the positive portfolio mix, revenue management, and a favourable currency exchange rate.

Business events

Several new innovations were launched in Q3 such as the new own wine brands Yoko, Luigi di Grasso, and Kein Name Riesling. The Chill Out wine brand has gone through a thorough rebranding to respond better to consumer trends, and the first product to be launched after the rebranding is a Chill Out Riesling in a light-weight glass bottle. From among the partner brands, the non-alcoholic Pinot Noir wine from Leitz was launched in Norway.

In spirits, new tender wins at Vinmonopolet included Arctic Italian Citrus Gin, O.P. Organic Gin Blood Orange and Koskenkorva Ginger. Two whiskeys from Distell were launched through the order assortment in Sweden.

Glöggs are an important part of Christmas traditions and are consumed at Christmas lunches, parties, and gatherings both at home and outside. The market-leading glögg brand Blossa has a strong offering of both traditional flavours and exciting novelties such as non-alcoholic Blossa Hantverksglögg and Blossa Sparkling & Spices Classic Red. The non-alcoholic wine-based Blossa Glöggs are the first products to be produced with the liquid dealcoholisation equipment that was taken into use at Rajamäki earlier this year.

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.

	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Net sales, EUR million	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Comparable EBITDA, EUR million	6.0	6.5	-7.9	11.7	13.6	-14.1	17.9
Comparable EBITDA, % of net sales	20.7	22.2		14.6	18.0		17.6
Personnel end of period	409	407		409	407		384

Net sales

In Q3, Altia Industrial's net sales decreased by 1.4% and were EUR 29.0 (29.4) million. The contract manufacturing volumes have continued a good recovery in Q3. The development in starch and feed was stable supported by pricing due to the higher cost of barley. Technical ethanol volumes were below last year's level. Despite a stable underlying business, reported net sales declined compared to last year due to the extraordinary sale of cognac inventory in Q3 20.

In January–September, net sales increased by 6.0% and were EUR 80.1 (75.5) million. Growth was mainly driven by the higher contract manufacturing volumes.

Comparable EBITDA

In Q3, comparable EBITDA was EUR 6.0 (6.5) million, 20.7% (22.2%) of net sales. The higher contract manufacturing volumes have only partly offset the negative impact from the higher price level of barley and purchased ethanol compared with the previous year. The lower operating expenses compared to Q3 20 had a positive impact on year-on-year comparability.

In January–September, comparable EBITDA was EUR 11.7 (13.6) million, 14.6% (18.0%) of net sales.

Production volumes and key projects

In Q3, the Rajamäki alcoholic beverage plant in Finland produced 17.4 (17.4) million litres of spirits and wine.

The Koskenkorva Distillery has been running at full capacity during Q3, and 52.6 (53.1) million kilos of grain were used at the plant, while year-to-date consumption has been 158.7 (160.5) million kilos. In Q3, grain spirits production, including technical ethanols, was 6.0 (5.6) million kilos, starch production was 16.1 (16.6) million kilos, and feed component production was 16.6 (16.5) million kilos.

During the period, the capital expenditure was allocated mainly to replacement investments and to improve energy efficiency and work safety. The Koskenkorva Distillery has taken important steps towards carbon neutral production with installations of a new heat recovery system starting in Q3. The heat pump project aims to increase heat circulation within the distillery and the target is to reduce steam power generation by 10% and respectively slightly higher reduction in CO_2 emissions at the Koskenkorva Distillery. The new heat pump system is expected to be taken into use during Q2 22.

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, having a positive impact of EUR 25.1 million on net sales and EUR 4.8 million on comparable EBITDA.

	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Net sales, EUR million	25.1			25.1			
Comparable EBITDA, EUR million	4.8			4.8			
Comparable EBITDA, % of net sales	19.0			19.0			
Personnel end of period	436			436			

NET SALES BY PRODUCT CATEGORY

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits	7.9			7.9			
Wine	14.5			14.5			
Logistics	2.7			2.7			
Other*	-0.0			0.0			
Total	**25.1**			**25.1**			

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

More detailed information on Arcus performance in Q3 21 is provided in the stand-alone section on pages 6-8.

Key events in Q3

- 23 July: Altia and Arcus have agreed on brand divestments – all regulatory approvals for the merger received, completion expected during the third quarter of 2021
- 18 August: Altia Plc Half-Year Report January-June 2021: Good net sales growth in Q2, merger expected to be completed on 1 September 2021
- 18 August: Appointments in the future Anora Group Plc's Executive Management Team – Merger expected to be completed on 1 September 2021
- 25 August: Altia and Arcus will complete the merger of Arcus into Altia; The Board of Directors of Altia has resolved on the payment of an extra dividend
- 30 August: Listing application approved for the temporary secondary listing of Anora Group Plc on the Oslo Stock Exchange
- 1 September: Merger of Altia and Arcus has been registered and the combination of Altia's and Arcus' business operations completed – Anora Group has been formed
- 3 September: Anora Group Plc: Employee representation on Anora's Board of Directors and organisational meeting of the Board of Directors
- 3 September: Anora reschedules publication of the Q3 2021 report and announces financial calendar for 2022
- 22 September: Anora Group Plc: Employee representation on Anora's Board of Directors – representative for the Finnish employees elected

Anora share

Anora's shares are listed on the Nasdaq Helsinki and were dual-listed on the Oslo Stock Exchange at the completion of the merger on 1 September 2021. All shares carry one vote and have equal voting rights. The trading code of the shares is "ANORA", and the ISIN code is FI4000292438.

The listing on the Oslo Stock Exchange is planned to end on 31 December 2021 after which the trading in Oslo also ends. Anora's share can be converted from Norway to Finland, i.e. between the Norwegian Central Securities Depository VPS and Euroclear Finland.

Issued shares and share capital

As merger consideration, the shareholders of Arcus received 0.4618 new shares in Altia for each share registered as held in Arcus upon completion of the merger. Arcus' shareholders received in aggregate shares representing approximately a 46.5% ownership in Anora. The aggregate number of the new shares issued in Altia in connection with the merger was 31 413 139 shares. The share capital of Altia was increased by EUR 1 019 621.64 in connection with the registration of the execution of the merger. The merger consideration shares were registered at the Finnish Trade Register on 1 September 2021.

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.

Dividend payment

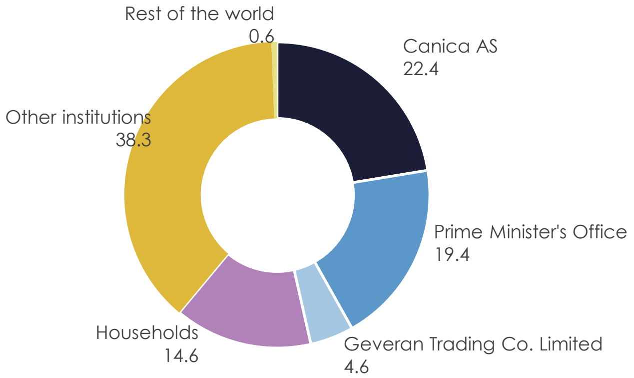
The Board of Directors of former Altia resolved on the payment of an extra dividend to former Altia shareholders based on the authorisation granted by the Annual General Meeting. The dividend amounted to EUR 0.40 per share, and the dividend record date was 27 August 2021 and the payment date was 3 September 2021.

Shareholders

At the end of September 2021, Anora had 24 471 registered shareholders in Euroclear Finland and 2 724 registered shareholders in VPS.

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

Illustration of Anora's ownership structure



OWNERSHIP STRUCTURE BY SECTOR AT THE END OF THE PERIOD

Sector	Number of shares	% of shares
Public sector	17 122 374	25.3
Financial and insurance corporations	36 188 104	53.6
Households	9 880 377	14.6
Non-financial corporations	3 132 619	4.6
Non-profit institutions	818 001	1.2
Rest of the world	412 149	0.6
Total	**67 533 624**	**100.0**
Nominee-registered shares	35 161 072	52.1

Source: Euroclear Finland

MAIN SHAREHOLDERS REGISTERED IN EUROCLEAR FINLAND

	Shareholder	Number of shares	% of shares
1	Prime Minister's Office	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.	406 818	0.6
7	Danske Invest Finnish Equity Fund	330 000	0.5
8	Säästöpankki Pienyhtiöt	255 370	0.4
9	Savolainen Heikki Antero	238 113	0.4
10	FIM Fenno Sijoitusrahasto	208 866	0.3
	Total	**19 229 653**	**28.5**

Source: Euroclear Finland

MAIN SHAREHOLDERS REGISTERED IN EURONEXT VPS

	Shareholder	Number of shares	% of shares
1	Hoff SA	1 522 554	2.3
2	The Northern Trust Comp, London Br	831 240	1.2
3	Danske Invest Norske Instit. II.	748 211	1.1
4	Sundt AS	705 827	1.0
5	Nordea Bank ABP, Fil	458 773	0.7
6	VPF DNB AM Norske Aksjer	450 898	0.7
7	Goldman Sachs Int. - Equity	343 594	0.5
8	Danske Invest Norske Aksjer Inst	337 454	0.5
9	Nordnet Bank AB	281 588	0.4
10	Ola Rustad AS	246 685	0.4
	Total	**5 926 824**	**8.8**

Source: Euronext VPS

Share trading

During July-September, the highest share price of Anora's share on the Nasdaq Helsinki was EUR 11.50 and the lowest price was EUR 9.62. The closing price on 30 September 2021 was EUR 10.02.

Trading of Anora's share on the Oslo Stock Exchange commenced on 1 September 2021. During September, the highest share price was NOK 113.40 and the lowest price was NOK 94.20. The closing price on 30 September 2021 was NOK 100.00.

On 30 September 2021, the market capitalisation was approximately EUR 675.0 million.

Flagging notifications in Q3

- On 1 September, the State of Finland notified of their ownership falling below the threshold of 30, 25, and 20% with a holding of 19.39%.
- On 2 September, Stein-Erik Hagen notified that the ownership of his controlled corporation Canica AS had exceeded the threshold of 20% with a holding of 22.41%.
- On 10 September, Lazard Asset Management LLC notified of their ownership falling below the threshold of 5% with a holding of 2.73% of which 0.59% are shares with voting rights attached.

Group structure

The statutory cross-border absorption merger of Arcus ASA into Altia Plc was registered with the Finnish Trade Register on the effective date of the merger, 1 September 2021. As a result of the registration of the completion of the Merger, Altia Plc's name was changed to Anora Group Plc and Arcus ASA was dissolved.

Governance

Board of Directors

Anora's Board of Directors consist of the following persons:

- Michael Holm Johansen, Chairman
- Sanna Suvanto-Harsaae, Vice Chairman
- Kirsten Ægidius, member
- Ingeborg Flønes, member
- Sinikka Mustakari, member
- Jyrki Mäki-Kala, member
- Nils Selte, member
- Torsten Steenholt, member
- Arne Larsen, member, employee representative (Norway)
- Jussi Mikkola, member, employee representative (Finland)

In its organisational meeting, the Board elected members of the Audit and Human Resources Committees as follows:

- **Audit Committee:** Jyrki Mäki-Kala (chairman), Ingeborg Flønes, Nils Selte and Sanna Suvanto-Harsaae.
- **Human Resources Committee:** Michael Holm Johansen (chairman), Kirsten Ægidius, Sinikka Mustakari and Torsten Steenholt

The Board of Directors has assessed that all members of the Board of Directors are independent of the company with the exceptions of Ingeborg Flønes, Arne Larsen and Jussi Mikkola. Ingeborg Flønes is the CEO of Hoff SA and Arne Larsen and Jussi Mikkola are employed by the Anora Group. Furthermore, all members of the Board of Directors, with the exception of Sinikka Mustakari and Nils Selte, are independent of the company's significant shareholders. Sinikka Mustakari holds an office in the Ownership Steering Department of the Finnish Prime Minister's Office and Nils Selte is the CEO of Canica AS.

Executive Management Team

Anora's Executive Management Team consists of the following persons:

- Pekka Tennilä, CEO
- Sigmund Toth, CFO
- Janne Halttunen, SVP, Wine
- Henrik Bodekaer Thomsen, SVP, Spirits
- Kirsi Puntila, SVP, International
- Hannu Tuominen, SVP, Anora Industrial
- Kirsi Lehtola, SVP, Chief HR Officer (CHRO)

Merger integration

The Altia and Arcus merger was completed on 1 September 2021 to form a leading wine and spirits brand house in the Nordics and a global beverage industry forerunner in sustainability. As one company, Anora has a stronger financial position to pursue growth opportunities both in and outside the Nordics and is uniquely positioned to create value for its stakeholders.

Anora offers excellent opportunities both for its customers, partners and employees. With a broader portfolio of iconic brands, innovation expertise and award-winning sustainability work Anora can provide greater value to its customers. Anora has a superior offering to its partners through the unique understanding of the Nordic consumer, the enhanced route-to-market and a strong local salesforce in its home markets. In Anora's Industrial and Logistics operations, greater volumes and economies of scale are expected to drive productivity.

To date, the integration has progressed according to plan and on schedule. The run-rate of already realised cost synergies is EUR 2.7 million. 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 annual EBITDA net synergy target 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.

Personnel

At the end of the period, Anora Group employed 1 100 (654) persons, of whom 428 (397) were employed in Finland, 369 (23) in Norway, 165 (113) in Sweden, 57 (58) in Estonia, 33 (34) in Latvia, 24 (25) in France, 21 (4) in Denmark and 3 (-) in Germany.

Anora has initiated collaborative dialogues with employees and union representatives in Finland, Sweden and Norway on 16 September 2021 and Anora continues to negotiate locally about future organisational changes, roles and reporting lines. The negotiations and the impact on personnel and the organisations in the three countries are estimated to be finalised by the end of December.

Share-based incentive programme

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. Read more on page 41.

Sustainability

Integration of sustainability data and processes is ongoing and the Q3 report contains divided information. Read more of Anora's sustainability approach at anora.com/sustainability.

Striving for carbon neutral production

During the period, the **Rajamäki beverage plant** has completed both material efficiency and energy efficiency surveys to identify improvement areas. Circular economy has been raised as one of the plant's main priorities. Workshops have been held to find ways to decrease the use of fresh water. A project for decreasing liquid waste in production is ongoing.

The **Koskenkorva Distillery's** energy self-sufficiency continues improving and in Q3 it was 69.4%, with YTD being record high at 68.8% versus last year 65.4%. The Koskenkorva Distillery has taken important steps towards carbon neutral production with installations of a new heat recovery system starting in Q3. The heat pump project aims to increase heat circulation within the distillery and the target is to reduce steam power generation by 10% and respectively slightly higher reduction in CO2 emissions at the Koskenkorva Distillery. The new heat pump system is expected to be taken into use during Q2 22. Recycling and the re-use rate at the circular economy based Koskenkorva Distillery was 99% during the period.

KEY KPIS DURING THE PERIOD

	Q1-Q3 21	Q1-Q3 20
Total water use (m³)		
Gjelleråsen	32 120	30 424
Rajamäki (beverage plant)	108 264	88 575
Koskenkorva	255 953	335 352
Total	**396 337**	**454 351**
Total energy MWh		
Gjelleråsen	8 725	7 603
Rajamäki (beverage plant and industrial production)	18 139	16 007
Koskenkorva	97 470	100 054
Total	**124 334**	**123 664**

The KPI's above include Anora's three biggest production plants: Gjelleråsen, Koskenkorva, and Rajamäki. The warm summer increased water use in cooling and the cold winter energy in heating at Rajamäki. Koskenkorva figures are affected by two regular and one longer maintenance break, one in each quarter, and the effect of Covid-19 in hand sanitizer production in the previous year.

Supporting a responsible drinking culture

During the quarter, Anora launched a Jaloviina low-alcoholic novelty, Jaloviina Cola 5%, and seven 0% or low-alcoholic variants of Blossa Glögg to provide consumers with responsible no-low options for the Christmas period. The non-and low-alcoholic wine-based Blossa Glöggs are the first products to be produced with the liquid dealcoholisation equipment that was taken into use at Rajamäki earlier this year.

Leading in eco-friendly packaging

Recycling compatibility and the reduction of CO_2 emissions remains at the core of Anora's packaging portfolio development. By end of the quarter, 90% of the former Altia's PET bottle portfolio were rPET bottles made with 25% of recycled plastic.

At Gjelleråsen bottle capsules have been changed to one plastic capsule type for all main bottle formats. This has brought increased efficiency in production and Anora expects 85% of the PET products to be applicable for the Nordic deposit systems by the end of the year.

Promoting an inclusive and safe workplace

During Q3, the **Koskenkorva Distillery** was 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).

At the **Rajamäki beverage plant,** Human Factor trainings have been started and a new work risk assessment model has been implemented in use.

Arcus Norway, Vingruppen Norway, and Vectura rolling 12 months **sickness absence** was 4.6%. Former Altia (all sites and countries) sickness absence during Q3 was 3.88% YTD.

During Q3, a study issued by Oxfam was published on **working conditions in wine farming in Italy**. The results showed challenges at wine-estates in following the code of conduct regarding working conditions and human rights, for example. None of the wine-estates that received allegations were linked to Anora's supply chainAnora will anyhow pay particular attention to the wine supply chain in Italy through amfori BSCI work and visits.

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, as well as the effects of alcohol taxes and legislation on consumer behaviour. Unexpected and unforeseen disruptions in 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.

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 2021

Market outlook

The development of the Group's business operations and profitability are affected by the competitive environment, the overall economic outlook and changes in alcohol taxation and regulation. Uncertainty related to changes in consumer buying behaviour and consumer demand continues. In addition, overall fluctuations of direct product costs affect the Group's profitability.

Short-term outlook

Anora has updated its short-term outlook but is not providing guidance for 2021.

Societies are returning to normal, which is expected to impact Anora's channel mix with on-trade and travel retail growing share of sales. In the Industrial segment, barley market prices are expected to remain at high levels due to the historically poor crop in Finland, and a global imbalance between the demand for and supply of grain. There is also significant cost pressure in other raw materials. Anora continues to carefully monitor the development of Covid-19 and to implement necessary precautions for the health and safety of its employees.

Financial calendar

Anora will publish financial reports in 2022 as follows:

- 10 March: Financial Statements Bulletin for 2021
- 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

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.

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

Events after the period

On 1 October 2021, Anora completed the divestment of brands as announced on 23 July 2021. Galatea AB acquired Altia's aquavit brands Skåne Akvavit, Hallands Fläder, and Brøndums and the cognac brand Grönstedts along with Arcus' aquavit brand Akevitt Spesial and the spirits brands S.P.R.T. and Dworek.

Anora's future operating model was announced on 15 October 2021. As of 1 January 2022, Anora's four business areas will be: Wine, Spirits, International, and Anora Industrial. The reporting segments will be announced later.

Helsinki, 24 November 2021
Anora Group Plc
Board of Directors

Financial statements and notes

CONSOLIDATED INCOME STATEMENT

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Net sales	**114.0**	**86.6**	**272.5**	**235.9**	**342.4**
Other operating income	1.6	1.5	4.7	4.4	6.2
Materials and services	-63.1	-48.7	-151.9	-132.7	-192.5
Employee benefit expenses	-16.0	-12.8	-41.6	-35.7	-49.1
Other operating expenses	-19.7	-17.9	-52.2	-45.1	-66.6
Depreciation, amortisation and impairment	-5.0	-4.3	-12.7	-13.1	-17.4
Operating result	**11.9**	**4.5**	**18.9**	**13.7**	**22.9**
Finance income	0.1	0.0	0.3	0.3	0.2
Finance expenses	-1.4	-0.8	-3.0	-2.0	-3.1
Share of profit in associates and joint ventures and income from interests in joint operations	0.3	0.1	1.3	1.2	1.2
Result before taxes	**10.8**	**3.8**	**17.5**	**13.1**	**21.3**
Income tax expense	-2.1	-0.7	-3.4	-2.6	-3.5
Result for the period	**8.7**	**3.1**	**14.0**	**10.5**	**17.8**
Result for the period attributable to:					
Owners of the parent	8.7	3.1	14.0	10.5	17.8
Non-controlling interests	0.0	-	0.0	-	-
Earnings per share for the result attributable to owners of the parent, EUR					
Basic and diluted	0.19	0.08	0.35	0.29	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Result for the period	**8.7**	**3.1**	**14.0**	**10.5**	**17.8**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-	-	-	-	0.2
Related income tax	-	-	-	-	-0.0
Total	**-**	**-**	**-**	**-**	**0.2**
Items that may be reclassified to profit or loss					
Cash flow hedges	1.4	0.6	2.4	0.6	0.2
Financial assets at fair value through other comprehensive income	-0.1	-	2.5	-	-
Translation differences	2.2	-0.7	2.1	-2.3	1.8
Income tax related to these items	-0.3	-0.1	-0.5	-0.1	-0.0
Total	**3.2**	**-0.2**	**6.6**	**-1.9**	**2.0**
Other comprehensive income for the period, net of tax	**3.2**	**-0.2**	**6.6**	**-1.9**	**2.2**
Total comprehensive income for the period	**11.9**	**2.9**	**20.6**	**8.6**	**20.0**
Total comprehensive income attributable to:					
Owners of the parent	11.9	2.9	20.6	8.6	20.0
Non-controlling interests	0.0	-	0.0	-	-

CONSOLIDATED BALANCE SHEET

EUR million	30 Sep 2021	30 Sep 2020	31 Dec 20
ASSETS			
Non-current assets			
Goodwill	275.7	79.8	81.4
Other intangible assets	196.4	21.2	20.7
Property, plant and equipment	71.4	59.1	58.9
Right-of-use assets	123.1	8.4	10.2
Investments in associates and joint ventures and interests in joint operations	16.0	9.0	9.1
Financial assets at fair value through other comprehensive income	0.7	1.4	1.4
Other receivables	0.0	-	-
Deferred tax assets	3.4	1.4	1.4
Total non-current assets	**686.7**	**180.3**	**183.2**
Current assets			
Inventories	155.4	104.4	92.3
Contract assets	0.1	-	0.2
Trade and other receivables	174.8	45.8	46.8
Current tax assets	4.2	2.7	2.4
Cash and cash equivalents	129.7	77.4	130.7
Total current assets	**464.1**	**230.3**	**272.3**
Assets held for sale	**12.9**	**-**	**-**
Total assets	**1 163.7**	**410.6**	**455.6**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	60.5	60.5
Invested unrestricted equity fund	336.8	1.2	1.2
Fair value reserve	0.0	0.6	0.6
Legal reserve	0.4	0.1	0.1
Hedge reserve	1.1	-0.6	-0.9
Translation differences	-18.4	-24.4	-20.5
Retained earnings	104.6	115.0	115.3
Equity attributable to owners of the parent	**486.0**	**152.5**	**156.3**
Non-controlling interests	**0.8**	**-**	**-**
Total equity	**486.7**	**152.5**	**156.3**
Non-current liabilities			
Deferred tax liabilities	49.7	16.2	16.8
Borrowings	136.6	69.6	69.6
Non-current liabilities at fair value through profit or loss	1.1	-	-
Lease liabilities	118.1	5.2	7.0
Other liabilities	0.0	-	-
Employee benefit obligations	2.8	1.3	1.1
Total non-current liabilities	**308.4**	**92.4**	**94.5**
Current liabilities			
Borrowings	36.5	36.4	46.5
Lease liabilities	11.2	3.6	3.7
Trade and other payables	317.9	123.2	152.6
Contract liabilities	0.3	-	0.5
Current tax liabilities	2.8	2.5	1.5
Total current liabilities	**368.6**	**165.8**	**204.8**
Total liabilities	**676.9**	**258.1**	**299.2**
Total equity and liabilities	**1 163.7**	**410.6**	**455.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Cash flow from operating activities					
Result before taxes	**10.8**	**3.8**	**17.5**	**13.1**	**21.3**
Adjustments					
Depreciation, amortisation and impairment	5.0	4.3	12.7	13.1	17.4
Share of profit in associates and joint ventures income from investments in joint operations	-0.3	-0.1	-1.3	-1.2	-1.2
Net gain on sale of non-current assets	-0.0	-0.0	-0.0	-0.0	-0.0
Finance income and costs	1.3	0.8	2.7	1.7	2.9
Other adjustments	0.8	0.1	0.9	0.2	0.4
Adjustments total	**6.9**	**5.1**	**15.0**	**13.8**	**19.4**
Change in working capital					
Change in inventories, increase (-) / decrease (+)	1.9	-3.6	-6.7	-13.0	0.2
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	-7.1	-4.0	-11.5	7.9	7.7
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	-15.8	-3.9	-14.6	-9.4	16.8
Change in working capital	**-21.0**	**-11.4**	**-32.8**	**-14.5**	**24.7**
Interest paid	-1.0	-0.4	-1.8	-1.2	-1.6
Interest received	0.1	0.0	0.1	0.1	0.1
Other finance income and expenses paid	-0.2	-0.3	-1.0	-0.7	-1.4
Income taxes paid	-0.7	-1.1	-3.7	-4.7	-6.4
Financial items and taxes	**-1.8**	**-1.8**	**-6.4**	**-6.6**	**-9.3**
Net cash flow from operating activities	**-5.1**	**-4.4**	**-6.7**	**5.9**	**56.1**
Cash flow from investing activities					
Payments for property, plant and equipment and intangible assets	-1.0	-2.1	-3.0	-4.6	-7.0
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.0	0.0	0.2	0.3
Proceeds from financial assets at fair value through other comprehensive income	3.4	-	3.4	-	-
Advance payments received from assets classified as held for sale	18.6	-	18.6	-	-
Interest received from investments in joint operations	-	-	0.9	0.9	0.9
Dividends received	-	-	0.2	0.2	0.2
Net cash flow from investing activities	**20.9**	**-2.1**	**20.1**	**-3.4**	**-5.6**
Cash flow from financing activities					
Changes in commercial paper program	-	-15.0	-10.0	29.9	40.0
Repayment of borrowings	-0.8	-0.8	-6.5	-6.5	-6.5
Repayment of lease liabilities	-1.5	-0.9	-3.4	-2.6	-3.7
Dividends paid and other distributions of profits	-14.5	-	-27.1	-7.6	-15.2
Net cash flow from financing activities	**-16.7**	**-16.7**	**-47.0**	**13.2**	**14.6**
Change in cash and cash equivalents	**-1.0**	**-23.2**	**-33.7**	**15.7**	**65.1**
Cash and cash equivalents at the beginning of the period	98.0	101.2	130.7	64.2	64.2
Cash and cash equivalents received in merger	33.2	-	33.2	-	-
Translation differences on cash and cash equivalents	-0.6	-0.6	-0.5	-2.5	1.4
Change in cash and cash equivalents	-1.0	-23.2	-33.7	15.7	65.1
Cash and cash equivalents at the end of the period	**129.7**	**77.4**	**129.7**	**77.4**	**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	-	-	-	-	-	-	10.5	10.5	-	10.5
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	0.4	-	-	0.4	-	0.4
Translation differences	-	-	-	-	-	-2.3	-0.0	-2.3	-	-2.3
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**0.4**	**-2.3**	**10.5**	**8.6**	**-**	**8.6**
Transactions with owners										
Dividend distribution	-	-	-		-	-	-7.6	-7.6	-	-7.6
Share based payments	-	-	-	-	-	-	0.2	0.2	-	0.2
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-7.4**	**-7.4**	**-**	**-7.4**
Equity at 30 September 2020	**60.5**	**1.2**	**0.6**	**0.1**	**-0.6**	**-24.4**	**115.0**	**152.5**	**-**	**152.5**
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	-	-	-	-	-	-	14.0	14.0	0.0	14.0
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	1.9	-	-	1.9	-	1.9
Financial assets at fair value through other comprehensive income	-	-	-0.6	-	-	-	3.2	2.5	-	2.5
Translation differences	-	-	-	-	-	2.1	0.0	2.1	0.0	2.1
Total comprehensive income for the period	**-**	**-**	**-0.6**	**-**	**1.9**	**2.1**	**17.2**	**20.6**	**0.0**	**20.6**
Merger										
Merger consideration	1.0	336.4	-	-	-	-	-	337.4	0.8	338.2
Transaction costs on share issue	-	-0.8	-	-	-	-	-	-0.8	-	-0.8
Total merger	**1.0**	**335.6**	**-**	**-**	**-**	**-**	**-**	**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 30 September 2021	**61.5**	**336.8**	**0.0**	**0.4**	**1.1**	**-18.4**	**104.6**	**486.0**	**0.8**	**486.7**

Accounting principles

The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and IAS 34 Interim Financial Reporting as approved by the EU. This interim report should be read together with the annual financial statements for the year ended 31 December 2020.

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 30 September 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 30 September 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	30 Sep 2021 End rate	Average rate	30 Sep 2020 End rate
Swedish krona	SEK	10.1557	10.1683	10.5779	10.5713
Norwegian krone	NOK	10.2165	10.1650	10.8067	11.1008
Danish krone	DKK	7.4366	7.4360	7.4569	7.4462

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 is for a four-month transitional period.

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 25.1 million to the revenue and EUR 3.0 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 459.4 million and operating profit approximately EUR 39.6 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

NET SALES BY SEGMENT

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

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports							
Net sales, total	30.8	30.0	2.6	85.1	83.2	2.3	117.7
Net sales, internal	-0.1	-0.2	-23.7	-0.3	-0.4	-16.2	-0.5
Net sales, external	**30.7**	**29.8**	**2.7**	**84.8**	**82.8**	**2.4**	**117.2**
Scandinavia							
Net sales, total	29.5	27.5	7.1	83.0	77.9	6.6	124.4
Net sales, internal	-0.2	-0.1	17.8	-0.4	-0.3	31.2	-0.5
Net sales, external	**29.3**	**27.4**	**7.0**	**82.6**	**77.5**	**6.5**	**120.7**
Altia Industrial							
Net sales, total	40.1	41.0	-2.2	106.6	105.1	1.3	143.1
Net sales, internal	-11.1	-11.6	-4.2	-26.5	-29.6	-10.6	-41.9
Net sales, external	**29.0**	**29.4**	**-1.2**	**80.1**	**75.5**	**5.9**	**123.9**
Arcus							
Net sales, total	25.1			25.1			
Net sales, internal							
Net sales, external	**25.1**			**25.1**			
Group							
Net sales, total	125.4	98.5	27.3	299.8	266.2	12.6	385.2
Net sales, internal	-11.4	-11.9	-4.2	-27.2	-30.3	-10.2	-42.9
Net sales, external	**114.0**	**86.6**	**31.6**	**272.5**	**235.9**	**15.5**	**342.4**

NET SALES BY PRODUCT CATEGORY (IFRS 15)

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Spirits							
Spirits – Altia	33.0	30.6	7.8	91.2	83.8	8.8	119.1
Spirits – Arcus	7.9			7.9			
Wine							
Wine – Altia	25.7	26.1	-1.5	73.4	74.9	-2.0	119.5
Wine – Arcus	14.5			14.5			
Other beverages	1.3	0.5	154.6	2.8	1.7	64.7	2.5
Industrial products and services	29.0	29.4	-1.4	80.1	75.5	6.0	101.2
Logistics (Arcus)	2.7			2.7			
Other	0.0			0.0			
Total	**114.0**	**86.6**	**31.6**	**272.5**	**235.9**	**15.5**	**342.4**

COMPARABLE EBITDA BY SEGMENT

EUR million	Q3 21	Q3 20	Change, %	Q1-Q3 21	Q1-Q3 20	Change, %	2020
Finland & Exports	5.2	5.5	-5.2	14.0	13.8	1.6	19.8
Scandinavia	3.5	1.9	78.6	8.1	4.7	71.8	14.2
Altia Industrial	6.0	6.5	-7.9	11.7	13.6	-14.1	17.9
Arcus	4.8			4.8			
Other	0.7	0.7	6.6	1.7	1.3	30.3	0.5
Total	**20.2**	**14.6**	**37.7**	**40.2**	**33.4**	**20.5**	**52.4**
% of net sales	17.7	16.9		14.8	14.2		15.3

EUR million	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20
Finland & Exports	5.2	5.3	3.5	6.0	5.5	5.5	2.8
Scandinavia	3.5	2.9	1.7	9.5	1.9	2.9	-0.1
Altia Industrial	6.0	3.6	2.1	4.2	6.5	4.9	2.2
Arcus	4.8						
Other	0.7	0.6	0.4	-0.8	0.7	-0.1	0.7
Total comparable EBITDA	**20.2**	**12.3**	**7.7**	**19.0**	**14.6**	**13.2**	**5.5**
Items affecting comparability	-3.3	-2.2	-3.2	-5.5	-5.9	-0.7	-0.1
EBITDA	**16.9**	**10.1**	**4.6**	**13.5**	**8.8**	**12.6**	**5.4**
Depreciation and amortisation and impairment	-5.0	-3.8	-3.9	-4.3	-4.3	-4.4	-4.4
Operating result	**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	0.7	-	2.6	1.2	4.4
Transfer to assets classified as held for sale	-12.2	-	-	-	-12.2
Disposals	-0.0	-	-0.1	-0.2	-0.2
Effect of movement in exchange rates	1.2	4.3	0.3	1.2	7.1
Transfers between items	-0.0	-	0.0	-	0.0
Acquisition cost at 30 September 2021	**341.8**	**322.8**	**296.7**	**167.3**	**1 128.6**
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	-3.6	-	-5.8	-3.4	-12.7
Transfer to assets classified as held for sale	8.5	-	-	-	8.5
Accumulated depreciation and amortisation on disposals and transfers	0.0	-	0.0	0.1	0.1
Effect of movement in exchange rates	0.2	-3.3	-0.2	-0.3	-3.6
Accumulated depreciation and amortisation and impairment losses at 30 September 2021	**-145.5**	**-47.1**	**-225.3**	**-44.3**	**-462.1**
Carrying amount at 1 January 2021	**20.7**	**81.4**	**58.9**	**10.2**	**171.3**
Carrying amount at 30 September 2021	**196.4**	**275.7**	**71.4**	**123.1**	**666.5**
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 30 September 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 30 September 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 30 September 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	Q1-Q3 21	Q1-Q3 20	2020
Sales of goods and services			
Associates, joint ventures and joint operations	0.6	0.5	1.0
Other companies considered related parties	55.6	55.8	83.1
Total sales of goods and services	**56.1**	**56.3**	**84.0**
Purchases of goods and services			
Associates, joint ventures and joint operations	3.9	1.3	1.7
Other companies considered related parties	2.8	1.1	1.7
Total purchases of goods and services	**6.7**	**2.4**	**3.4**
Receivables			
Associates, joint ventures and joint operations	0.2	-	-
Other companies considered related parties	0.9	1.8	0.9
Total receivables	**1.1**	**1.8**	**0.9**
Payables			
Associates, joint ventures and joint operations	0.3	0.3	0.5
Other companies considered related parties	0.2	0.0	0.2
Total payables	**0.5**	**0.3**	**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	30 Sep 2021	30 Sep 2020	31 Dec 2020
Investments in associated companies and joint ventures:			
At the beginning of the reporting period	1.5	1.2	1.2
Acquisition of subsidiaries	6.5	-	-
Share of result for the period	0.4	0.3	0.3
Translation difference	0.1	-	-
At the end of the reporting period	**8.5**	**1.5**	**1.5**
Financial summary of associated companies and joint ventures:			
Assets	43.3	9.2	8.7
Liabilities	17.8	4.0	3.3
Net assets	25.6	5.2	5.4
Net sales	14.9	12.3	16.4
Result for the period	1.2	1.0	1.3

COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Collaterals given on behalf of Group companies			
Mortgages	18.5	18.5	18.5
Guarantees	3.4	4.5	3.8
Total collaterals	**21.9**	**23.0**	**22.3**
Commitments			
Short-term and low value lease obligations			
Less than one year	0.1	0.1	0.1
Between one and five years	0.1	0.1	0.1
Other commitments	16.7	18.4	19.1
Total commitments	**17.0**	**18.6**	**19.4**
Assets not recognised in the balance sheet			
Emission allowances, kilotons	**30 Sep 2021**	**30 Sep 2020**	**31 Dec 2020**
Emission allowances received	22.6	26.4	26.4
Excess emission allowances from the previous period	10.9	4.0	4.0
Realised emissions	-14.1	-14.7	-19.6
Total emission allowances	**19.4**	**15.7**	**10.9**
Fair value of emission allowances (EUR million)	1.2	0.4	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 comprehensive 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	-	-	16.0	-	16.0	16.0	
Unquoted shares	-	-	-	0.0	0.7	0.7	3
Other non-current receivables	-	-	0.0	-	0.0	0.0	
Current financial assets							
Trade and other receivables	-	-	162.1	-	162.1	162.1	
Derivative instruments/Forward exchange contracts	0.1	0.0	-	-	0.1	0.1	2
Derivative instruments/Commodity derivatives	1.9	-	-	-	1.9	1.9	2
Cash and cash equivalents	-	-	129.7	-	129.7	129.7	
Financial assets at 30 September 2021	**2.0**	**0.0**	**307.9**	**0.7**	**310.6**	**310.6**	
Financial assets at 30 September 2020	0.4	0.1	127.9	1.4	129.9	129.9	
Non-current financial liabilities							
Borrowings	-	-	136.6	-	136.6	136.6	2
Lease liabilities	-	-	118.1	-	118.1	118.1	2
Non-current at fair value through profit or loss	-	1.1	-	-	1.1	1.1	3
Other liabilities	-	-	0.0	-	0.0	0.0	
Current financial liabilities							
Borrowings	-	-	36.5	-	36.5	36.5	2
Lease liabilities	-	-	11.2	-	11.2	11.2	2
Trade and other payables	-	-	75.8	-	75.8	75.8	
Derivative instruments/Interest rate derivatives	0.6	-	-	-	0.6	0.6	2
Derivative instruments/Forward exchange contracts	0.0	0.0	-	-	0.1	0.1	2
Financial liabilities at 30 September 2021	**0.7**	**1.2**	**378.1**	**-**	**379.9**	**379.9**	
Financial liabilities at 30 September 2020	1.1	0.0	139.4	-	140.6	140.6	

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	30 Sep 2021	30 Sep 2020	31 Dec 2020
Book value at the beginning of the period	-	-	-
Acquisition of subsidiaries	1.1	-	-
Changes in value during period	0.0	-	-
Interest during period	0.0	-	-
Translation differences	0.0	-	-
Book value at the end of the period	**1.1**	**-**	**-**
Current liability	1.1	-	-
Non-current liability	-	-	-
Total liabilities through profit and loss	**1.1**	**-**	**-**

ASSETS HELD FOR SALE

EUR million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Trademarks	6.3	-	-
Inventory	6.6	-	-
Total Assets held for sale	**12.9**	**-**	**-**

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 30.9.2021 was EUR 1.7 million.

Appendix 1

KEY RATIOS

		Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Income statement						
Net sales	EUR million	114.0	86.6	272.5	235.9	342.4
Comparable EBITDA	EUR million	20.2	14.6	40.2	33.4	52.4
(% of net sales)	%	17.7	16.9	14.8	14.2	15.3
EBITDA	EUR million	16.9	8.8	31.6	26.8	40.3
Comparable operating result (EBIT)	EUR million	15.2	10.3	27.6	20.3	35.0
(% of net sales)	%	13.3	11.9	10.1	8.6	10.2
Operating result	EUR million	11.9	4.5	18.9	13.7	22.9
Result before taxes	EUR million	10.8	3.8	17.5	13.1	21.3
Result for the period	EUR million	8.7	3.1	14.0	10.5	17.8
Items affecting comparability	EUR million	-3.3	-5.9	-8.7	-6.6	-12.1
Balance sheet						
Cash and cash equivalents	EUR million			129.7	77.4	130.7
Total equity	EUR million			486.7	152.5	156.3
Borrowings	EUR million			173.0	106.1	116.1
Invested capital	EUR million			659.8	258.5	272.4
Profitability						
Return on equity (ROE), rolling 12 months	%			6.7	14.3	11.6
Return on invested capital (ROI), rolling 12 months	%			5.1	9.1	7.7
Financing and financial position						
Net debt	EUR million			172.7	37.4	-3.9
Gearing	%			35.5	24.5	-2.5
Equity ratio	%			42.5	37.1	34.3
Net cash flow from operating activities	EUR million	-5.1	-4.4	-6.7	5.9	56.1
Net debt/comparable EBITDA				2.9	0.7	-0.1
Share-based key ratios						
Earnings / share (Basic and diluted)	EUR	0.19	0.08	0.35	0.29	0.49
Equity / share	EUR			7.21	4.22	4.33
Number of shares outstanding at the end of period		67 553 624	36 140 485	67 553 624	36 140 485	36 140 485
Personnel						
Personnel end of period		1 100	654	1 100	654	637

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

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Items affecting comparability					
Net gains or losses from business and assets disposals	-0.1	-	-0.3	-	-
Cost for closure of business operations and restructurings	-	-	-	-0.3	-0.3
Costs related to the closed voluntary pension scheme	-	-	-	-0.5	-0.5
Costs related to the merger of Altia and Arcus	-3.0	-5.9	-8.1	-5.9	-11.4
Inventory fair valuation	-0.2	-	-0.2	-	-
Other major corporate projects	0.0	-	0.0	-	-
Total items affecting comparability	**-3.3**	**-5.9**	**-8.7**	**-6.6**	**-12.1**
Comparable EBITDA					
Operating results	11.9	4.5	18.9	13.7	22.9
Less:					
Depreciation, amortisation and impairment	5.0	4.3	12.7	13.1	17.4
Total items affecting comparability	3.3	5.9	8.7	6.6	12.1
Comparable EBITDA	**20.2**	**14.6**	**40.2**	**33.4**	**52.4**
% of net sales	17.7	16.9	14.8	14.2	15.3
Comparable EBIT					
Operating results	11.9	4.5	18.9	13.7	22.9
Less:					
Total items affecting comparability	3.3	5.9	8.7	6.6	12.1
Comparable EBIT	**15.2**	**10.3**	**27.6**	**20.3**	**35.0**
% of net sales	13.3	11.9	10.1	8.6	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 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.
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 iness combinations, voluntary pension plan change, and costs related to other corporate development.	
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	Borrowings + non-current and current lease liabilities – cash and cash equivalents	Net debt is an indicator to measure the total external debt financing of the Group.
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	

Appendix 2: Pro forma financial information for Q3 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 including the basis of preparation of pro forma information on 18 November 2021 which is available on www.anora.com/investors.

PRO FORMA KEY FIGURES

	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Net sales, EUR million	165.0	160.0	459.4	431.2	627.7
Comparable EBITDA, EUR million	30.1	27.8	70.4	62.0	98.3
% of net sales	18.2	17.4	15.3	14.4	15.7
EBITDA, EUR million	28.2	27.8	63.0	60.7	96.3
Operating result, EUR million	20.5	19.9	39.6	36.7	64.4
Result for the period, EUR million	14.4	13.9	25.1	27.4	47.6
Earnings per share, basic, EUR	0.21	0.20	0.37	0.40	0.70

PRO FORMA CONSOLIDATED INCOME STATEMENT

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Net sales	165.0	160.0	459.4	431.2	627.7
Other operating income	1.6	1.6	4.8	4.6	6.5
Materials and services	-91.1	-89.4	-253.4	-242.8	-350.9
Employee benefit expenses	-20.3	-21.6	-68.0	-65.0	-89.9
Other operating expenses	-27.1	-22.8	-79.8	-67.3	-97.0
Depreciation, amortisation and impairment	-7.7	-8.0	-23.4	-24.0	-32.0
Operating result	**20.5**	**19.9**	**39.6**	**36.7**	**64.4**
Finance income	1.8	0.5	3.5	10.0	10.9
Finance expenses	-4.4	-3.2	-11.6	-13.4	-17.5
Share of profit in associates and joint ventures and income from interests in joint operations	0.3	0.2	1.2	1.0	1.5
Result before taxes	**18.3**	**17.3**	**32.6**	**34.3**	**59.2**
Income tax expense	-3.9	-3.4	-7.5	-7.0	-11.7
Result for the period	**14.4**	**13.9**	**25.1**	**27.4**	**47.6**
Result for the period attributable to:					
Owners of the parent	14.3	13.8	24.9	27.2	47.3
Non-controlling interests	0.1	0.1	0.2	0.2	0.3
Earnings per share for the result attributable to owners of the parent, EUR					
Basic[1]	0.21	0.20	0.37	0.40	0.70

1 Pro forma earnings per share has been calculated by dividing the pro forma result for the period attributable to owners of the parent by the pro forma weighted average number of shares outstanding of 67,553,624 shares as if 31,413,139 merger consideration shares had been outstanding during the periods presented.

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

EUR million	Q3 21	Q3 20	Q1-Q3 21	Q1-Q3 20	2020
Items affecting comparability					
Net gains or losses from business and assets disposals	-0.1	-	-0.3	-	-
Cost for closure of business operations and restructurings	0.0	0.0	-0.2	-0.8	-1.0
Costs related to the closed voluntary pension scheme	-	-	-	-0.5	-0.5
Costs related to the merger of Altia and Arcus *	-1.0	-	-6.0	-	-
Inventory fair valuation	-	-	-	-	-
Other major corporate projects	-0.7	-0.0	-0.9	-0.1	-0.5
Total items affecting comparability	**-1.8**	**0.0**	**-7.4**	**-1.3**	**-2.0**
Comparable EBITDA					
Operating result	20.5	19.9	39.6	36.7	64.4
Less:					
Depreciation, amortisation and impairment	7.7	8.0	23.4	24.0	32.0
Total items affecting comparability	1.8	-0.0	7.4	1.3	2.0
Comparable EBITDA	**30.1**	**27.8**	**70.4**	**62.0**	**98.3**
% of net sales	18.2	17.4	15.3	14.4	15.7

* includes merger related transaction costs and integration costs

ANORA GROUP PLC

Kaapeliaukio 1

P.O. Box 350, 00101 Helsinki

+358 207 013 013

www.anora.com

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 2020, Anora's pro forma net sales were EUR 628 million and the company employs about 1,100 professionals. Anora's shares are listed on Nasdaq Helsinki and Euronext Oslo.