



ANORA

Q3 2023

Interim Report

JANUARY–SEPTEMBER 2023

9 November 2023



About this report

Anora Group Plc was formed when the merger of Altia and Arcus was completed on 1 September 2021.

The figures in brackets refer to the comparison period, i.e., the same period in the previous year, unless otherwise stated.

This 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. The figures in the report are unaudited. A reconciliation of alternative key ratios to IFRS figures is presented in appendix 1.

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Anora's Interim Report January–September 2023

Q3: Price increases and cost cuts partly offset the decline in comparable EBITDA. The divestment of Larsen was successfully completed, strengthening net debt and cash flow.

Q3 in brief

- Net sales were EUR 173.0 (181.9) million, down by 4.9%. The one-off capital gain of EUR 12.2 million from the divestment of Larsen was reported under other operating income, which amounted to EUR 14.3 million.
- EBITDA was EUR 28.9 (21.8) million, or 16.7% (12.0%) of net sales, up by 32.4%.
- Comparable EBITDA was EUR 20.2 (23.4) million, or 11.7% (12.8%) of net sales, down by 13.5%.
- Net cash flow from operating activities was EUR -13.8 (7.3) million.
- Earnings per share EUR 0.21 (0.12).

January-September in brief

- Net sales were EUR 515.3 (481.1) million, growth of 7.1%.
- EBITDA was 45.6 (49.0) million, or 8.8% (10.2%) of net sales, down by 7.0%.
- Comparable EBITDA was EUR 41.1 (55.3) million, or 8.0% (11.5%) of net sales, down by 25.5%.
- Net cash flow from operating activities was EUR 35.2 (-36.4) million.
- Earnings per share EUR 0.06 (0.21).
- Net debt/comparable EBITDA (rolling 12 months) was 3.5x (3.6x).

Key figures

EUR million	Q3 23	Q3 22	Change	Q1-Q3 23	Q1-Q3 22	Change	2022
Net sales	173.0	181.9	-4.9%	515.3	481.1	7.1%	702.7
Comparable EBITDA	20.2	23.4	-13.5%	41.1	55.3	-25.5%	76.1
% of net sales	11.7	12.8		8.0	11.5		10.8
EBITDA	28.9	21.8	32.4%	45.6	49.0	-7.0%	67.9
Comparable operating result	11.8	14.4	-17.8%	15.9	30.7	-48.2%	42.9
% of net sales	6.8	7.9		3.1	6.4		6.1
Operating result	20.5	12.8	59.7%	20.4	24.5	-16.9%	34.7
Result for the period	14.0	7.9	76.9%	4.3	14.4	-70.1%	18.1
Earnings per share, EUR	0.21	0.12	73.1	0.06	0.21	-69.7%	0.26
Net cash flow from operating activities	-13.8	7.3		35.2	-36.4		-0.4
Net debt / comparable EBITDA (LTM)	3.5	3.6		3.5	3.6*		4.0
Personnel end of period	1,249	1,212	3.1%	1,249	1,212	3.1%	1,251

* If including Globus Wine LTM figures, net debt/comparable EBITDA (LTM) would have been approx. 3.4 for Q1-Q3/22.

Guidance

In 2023, Anora's comparable EBITDA is expected to be EUR 70-78 million. The guidance was lowered on 15 August 2023. The key reasons for lowering the guidance were that the forecasted profitability of Globus Wine for 2023 was significantly lower than originally expected, and that the weakening of Swedish Krona and Norwegian Krone had a significant negative impact on Anora's profits during the first half of the year, especially in the Wine segment.

Short-term risks and uncertainties, including volatility in currencies, price elasticity, such as risks related to significant price increases, and the big seasonal impact of the last quarter of the year have been discussed on pages 16 and 24.

CEO Jacek Pastuszka:

“In my short time as the new CEO of Anora, I have already had the opportunity to start onboarding by meeting many new colleagues. I can only say that I am impressed by their expertise and passion to serve our customers. I am convinced that this continued customer focus combined with enhanced efficiency will enable us to deliver on our targets and strategy, which were launched at last year’s Capital Markets Day.

Towards the end of Q3, we carried out major price adjustments in the monopoly pricing window. We started to see the first results from the initiated price increases and also previously announced cost cuts. However, we still experienced a negative impact on sales and profitability due to lost partners in Wine and weaker currencies. The estimated impact of weaker currencies, particularly in the Wine segment, was about EUR 3.4 million in Q3 and EUR 9.5 million during the first nine months.

Comparable EBITDA for the quarter was EUR 20.2 million, compared to EUR 23.4 million in the previous year. For January–September, comparable EBITDA decreased from EUR 55.3 million to EUR 41.1 million. While our comparable EBITDA declined, the reported EBITDA improved to EUR 28.9 million in Q3 due to the one-off capital gain from the Larsen divestment.

Price increases late in the quarter and recent movements in currencies have given some tailwind lately. To improve profitability, a cost savings programme was launched in Q2, with a target of EUR 6 million in annual savings. A positive impact from the programme has already been seen, approximately two thirds of the savings were achieved by the end of Q3. The barley and fuel prices were also below the previous year.

Net sales in Q3 declined by 4.9% to EUR 173 million. Anora's own wine and International Spirits had a good growth in sales, while partner wines in Sweden saw the steepest decline. For the first nine months, net sales were EUR 515.3 million, showing a growth of 7.1%. Globus Wine is reported as part of Anora’s Wine segment as of 1 July 2022.

In the Wine segment, Anora’s own wines continued to perform well, growing by 11.5% in local currencies in Q3 and continued to gain market share. The partner business struggled, both declining in net sales and losing market share. The good performance of our own wines and the wines of our new partners only partly compensated for the impact of the currency exchange rates and previous partner losses in Sweden in particular. The share of Anora’s own wine products has increased significantly since the acquisition of Globus Wine. Globus Wine continued to gain market shares in the retail customer segment in Denmark. Cooperation with Globus Wine has also been beneficial in preparation for the potential legislative changes in the Finnish wine market allowing grocery outlets to sell wine allowed by the legislation.

In the Spirits segment, net sales were flat due to the weak currency exchange rates of the NOK and SEK and a volume decline in the Monopoly markets. In local currencies, net sales improved from the previous year by 3.9%. The relative share of international sales increased to 35.1% (34.9%). Koskenkorva sales continued growing but slower than in the very strong first half. The brand represented approximately 15% of our total spirit sales. The market shares increased in Sweden and Norway and declined slightly in Finland.

The Industrial segment sales decreased driven by lower volume and prices in the Industrial products business, mainly caused by lower starch and feed sales. The weak outlook for starch in the pulp and paper industry led to lower grain consumption at the Koskenkorva distillery.

Looking ahead to the rest of this year, our full-year guidance remains valid. We remain highly focused on executing our strategy and improving our profitability and efficiency. This includes the savings programme, price adjustments, and a focus on reducing net working capital and improving inventory turnover.”





Business Review

Anora has three reportable segments: Wine, Spirits, and Industrial.

Wine segment

The Wine segment develops, markets and sells partner wines and Anora's own wine brands to customers in the Nordic monopoly markets. Globus Wine is reported as part of Anora's Wine segment as of 1 July 2022.

Spirits segment

The Spirits segment develops, markets and sells both Anora's own spirits brands and partner brands to customers in Finland, Sweden, Norway, Estonia, Latvia, Denmark, and Germany. The Spirits segment also includes global duty free and travel retail sales and exports to markets not listed here.

Industrial segment

The Industrial segment comprises Anora's industrial business – industrial products and services, the logistics company Vectura, and internal supply chain operations. Of the total net sales of the Industrial segment, approximately 40-60 per cent is typically internal sales.

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.

Anora Group

	Q3 23	Q3 22	Change,%	Q1-Q3 23	Q1-Q3 22	Change,%	2022
Net sales (external), EUR million	173.0	181.9	-4.9	515.3	481.1	7.1	702.7
Gross profit, EUR million	83.0	76.6	8.3	218.6	210.2	4.0	299.3
Gross margin, % of net sales	48.0	42.1		42.4	43.7		42.6
Comparable EBITDA, EUR million	20.2	23.4	-13.5	41.1	55.3	-25.5	76.1
Comparable EBITDA margin, % of net sales	11.7	12.8		8.0	11.5		10.8

Group net sales Q3

In Q3, Anora Group's net sales were EUR 173.0 million. Anora reported one time capital gain of EUR 12.2 million of sales of Larsen Cognac business under other operating income. The consolidated income statement includes Larsen's income statement until 29 september 2023.

Net sales were 4.9% below the Q3 2022 net sales (EUR 181.9 million). Net sales declined mainly due to weaker currencies and lost partners in Wine, partly offset by price increases in September. Net sales were negatively impacted by currency exchange rates, especially the weakening of the NOK and SEK.

Group net sales January-September

In January–September, Anora Group's net sales were EUR 515.3 million, 7.1% higher than the January–September 2022 net sales. The increase in net sales compared to the previous year is due to Globus Wine being reported as part of Anora's Wine segment as of 1 July 2022. Net sales were also positively impacted by the international sales in Spirits, while the weaker currencies had a negative impact.

Group comparable EBITDA Q3

In Q3, Anora Group's comparable EBITDA was EUR 20.2 (23.4) million or 11.7% (12.8%) of net sales. The comparable EBITDA was burdened mainly by the unfavourable currency exchange rates, and high input costs. The gross impact of the weakening of the NOK and SEK was approximately EUR 3.4 million. Price increases were implemented as of September, the full impact of which will be seen over the next quarters.

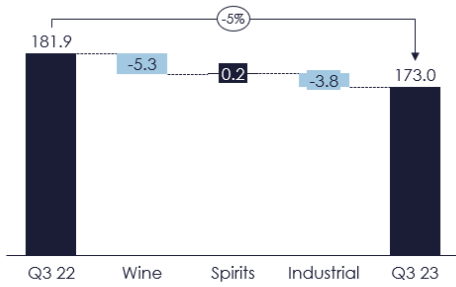
Group comparable EBITDA January-September

In January–September, Anora Group's comparable EBITDA was EUR 41.1 (55.3) million, or 8.0% (11.5%) of net sales.

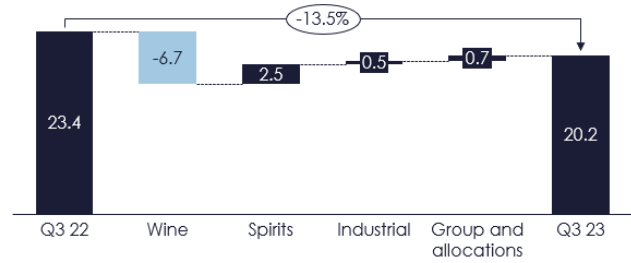
The comparable EBITDA was burdened mainly by the unfavourable currency exchange rates and high input costs. The gross impact of the weakening of the NOK and SEK was approximately EUR 9.5 million.

A savings programme mainly in marketing and operating costs was started in Q2. The aim of the programme is EUR 6 million for the full year, and approximately two thirds of the savings were achieved by the end of Q3.

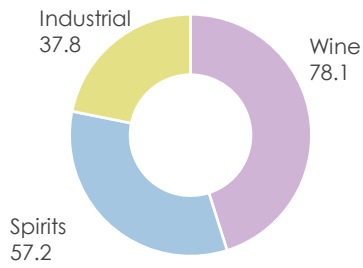
Q3 NET SALES (EXTERNAL), EUR MILLION



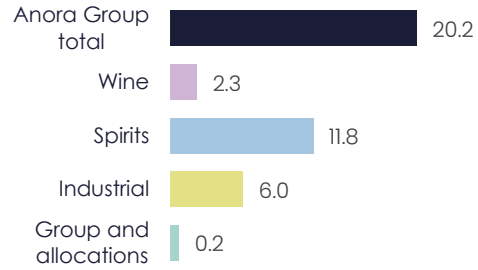
Q3 COMPARABLE EBITDA, EUR MILLION



Q3 NET SALES (EXTERNAL), EUR MILLION



Q3 COMPARABLE EBITDA, EUR MILLION





	Q3 23	Q3 22	Change,%	Q1-Q3 23	Q1-Q3 22	Change,%	2022
Net sales, EUR million	78.1	85.1	-8.3	232.9	208.7	11.6	316.6
Gross profit, EUR million	19.4	26.5	-26.9	59.2	62.9	-5.9	93.5
Gross margin, % of net sales	24.8	31.1		25.4	30.1		29.5
Comparable EBITDA, EUR million	2.3	9.0	-75.0	2.2	16.7	-87.0	23.5
Comparable EBITDA margin, % of net sales	2.9	10.6		0.9	8.0		7.4

Net sales in Q3

In Q3 2023, net sales in the Wine segment decreased by 8.3% to EUR 78.1 (85.1) million compared to last year. Net sales decreased mainly due to weak currency exchange rates for the SEK and NOK and previously lost partners in Sweden. Own wines performed well in the local currencies in all markets.

In Sweden, Anora's net sales declined due to the weak currency exchange rate of the SEK and previous partner losses. In the local currency, sales were down by 4.2%. Anora lost market share in Sweden due to the previously lost partner business, while its own wines gained market share. The lost business has been partly replaced by new partners such as AdVini and Treasury Wine Estates. In September, the implemented price increases partly compensated for the loss of partner sales.

In Norway, net sales declined due to the weak currency exchange rate of the NOK, while losing market shares in both own and partner wines. In the local currency net sales still increased by 3.8% in a declining market. In Finland, net sales increased due to price increases and new listings. Anora's market share decreased. The overall monopoly sales continued to decline in Finland. In Denmark, Globus Wine was able to increase its net sales by 10.9% in a declining market, further increasing its market share, and strengthening its position as the leading wine company in Denmark.

Comparable EBITDA in Q3

In Q3, the comparable EBITDA was EUR 2.3 (9.0) million, or 2.9% (10.6%) of net sales. The decline was mainly due to lower gross profit, half of which was driven by higher input costs mainly due to weaker currencies, and the rest due to lost partners with higher profitability and lower gross margin in Globus Wine.

Price increases in the monopolies were implemented as of September, the full impact of which will be seen over the next quarters.

Events and new products in Q3

During the period, Anora had significant growth from new own wines launched earlier this year. In September Anora launched Blossa 23, a limited edition annual glögg that celebrates its 20th anniversary, as well as relaunched Blossa Winter Apple from 2004. For the first time ever, the Blossa annual glögg was also launched as an alcohol-free variant available in Sweden and Finland. Anora also introduced new partner wines in Sweden, such as Penfolds and Anselmo Mendes. Globus wine expanded its Italian brands Ragnatela and Veronia in several sizes.

January-September 2023

In January–September, net sales increased by 11.6% to EUR 232.9 (208.7) million. The increase in net sales compared to the previous year is due to Globus Wine being reported as part of Anora's Wine segment as of 1 July 2022. Net sales were negatively impacted by unfavourable currency exchange rates and previously lost partners in Sweden. The negative impact of the exchange rates on net sales was approximately EUR 14 million.

In January–September, comparable EBITDA was EUR 2.2 (16.7) million, or 0.9% (8.0%) of net sales. The decline in EBITDA was mainly due to lower gross margin, driven by higher input costs due to weaker currencies, but also as a result of previously lost partners with higher profitability. Price increases have only partly offset the higher input costs, resulting in a decline in the gross margin.

The market share comments are based on value data. Internal net sales, see page 27.

Spirits

	Q3 23	Q3 22	Change,%	Q1-Q3 23	Q1-Q3 22	Change,%	2022
Net sales, EUR million	57.2	57.2	0.0	164.5	161.5	1.9	233.8
Gross profit, EUR million	24.5	24.7	-0.9	68.0	71.3	-4.6	102.4
Gross margin, % of net sales	42.8	43.2		41.3	44.1		43.8
Comparable EBITDA, EUR million	11.8	9.2	28.0	25.2	26.3	-4.1	37.8
Comparable EBITDA margin, % of net sales	20.6	16.1		15.3	16.3		16.2

Net sales in Q3

In Q3 2023, net sales of the Spirits segment remained at the previous year's level, amounting to EUR 57.2 (57.2) million.

The net sales was flat due to the weak currency exchange rates of the NOK and SEK and a volume decline in the Monopoly markets. In local currencies, net sales improved from the previous year by 3.9%. Relative share of international sales increased to 35.1% (34.9%). Koskenkorva sales continued growing but slower than in the very strong first half.

In Sweden, net sales decreased by 2.6%, but increased by 6.3% in the local currency. Anora's market share increased slightly. Anora's market share in the vodka category grew strongly, but gin struggled.

In Norway, net sales declined by 9.1% due to the currency effect, but increased by 4.1% in the local currency. Anora's market share grew in a declining market, driven by liqueur, whiskey, tequila and aquavit gaining market shares.

In Finland net sales increased by 5.3%, driven by growth in the grocery channel. The impact of the grocery expansion led to growth in alcohol free and low alcohol beverages. The impact of price increases was clear in the monopoly as volumes contracted but net sales grew. Anora's market share slightly increased. Jaloviina and Leijona performed extremely well due to new launches.

In the international markets, Baltics led the double-digit growth. In Denmark, sales decreased, but gross profit increased due to the profitability focus in the market.

Comparable EBITDA in Q3

In Q3, the comparable EBITDA of Spirits increased to EUR 11.8 (9.2) million, or 20.6% (16.1%) of net sales. The improvement of comparable EBITDA was mainly due to the price increases and additional cost control. Price increases in the monopolies were implemented as of September, the full impact of which will be seen over the next quarters.

Events in Q3

Important new launches in Q3 were Kron Vodka Rhubarb in Sweden as well as Koskenkorva Climate Action and Dirty Opland Aquavit in Norway. In Finland, there were several new launches, such as Leijona Capri Lemonello, Leijona Namu and Koskenkorva Winterapple as well as new non and low-alcoholic products in groceries.

In Global Travel, Koskenkorva Climate Action was named as the "Best Spirits Product (under €40)" at the prestigious TR Business Awards 2023 in Cannes during the TFWA Global Travel Retail exhibition, while Skagerrak and Valhalla Herb Liqueur Shot received "Highly Recommended" honours in the same category.

January-September 2023

In January–September, net sales increased by 1.9% to EUR 164.5 (161.5) million. The growth was led by the international sales which also improved its gross margin. The negative impact of the exchange rates on net sales was approximately EUR 7.5 million.

In January–September, comparable EBITDA decreased to EUR 25.2 (26.3) million, or 15.3% (16.3%) of net sales, due to weaker currencies.

The market share comments are based on value data. Net sales including internal sales, see p 27.

Industrial

	Q3 23	Q3 22	Change,%	Q1-Q3 23	Q1-Q3 22	Change,%	2022
Net sales external, EUR million	37.8	41.6	-9.2	117.8	114.5	2.9	160.0
Net sales internal, EUR million	33.2	36.9	-9.9	91.0	92.3	-1.4	125.5
Net sales (total), EUR million	71.0	78.5	-9.5	208.8	206.8	1.0	285.5
Gross profit, EUR million	30.4	30.6	-0.7	90.2	89.8	0.5	123.5
Gross margin, % of net sales	42.8	39.0		39.9	43.4		43.2
Comparable EBITDA, EUR million	6.0	5.5	9.7	14.4	12.9	11.5	17.7
Comparable EBITDA margin, % of net sales	8.5	7.0		6.9	6.3		5.9

Net sales in Q3

In Q3 2023, the Industrial segment's total net sales decreased to EUR 71.0 (78.5) million. External net sales decreased by 9.2% to EUR 37.8 (41.6) million.

In industrial products, net sales were negatively impacted by the decreased starch sales volumes and lower demand from pulp and paper industry. Feed volumes were down from Q3 2022, whereas ethanol volumes remained flat.

In industrial services, net sales decreased due to lower volume. In Vectura, net sales were flat in local currency, but negatively impacted by the NOK currency exchange rate.

Comparable EBITDA in Q3

In Q3, the comparable EBITDA of Industrial segment was EUR 6.0 (5.5) million, or 8.5% (7.0%) of net sales.

Comparable EBITDA increased due to successful pricing strategy in industrial products and Vectura and lower barley price.

Production and key projects in Q3

The decreasing demand for starch from the pulp and paper industry kept Koskenkorva Distillery's production running at a lower speed than in the first nine months of 2022.

The record-high cost of barley seen in 2022 is now declining and the prices were below the corresponding period previous year.

January-September 2023

In January–September, Industrial segment's net sales total increased by 1.0% to EUR 208.8 (206.8) million. The growth was driven by higher sales prices. Internal sales decreased mainly due to weak NOK.

In January–September, comparable EBITDA was EUR 14.4 (12.9) million, or 6.9% (6.3%) of net sales.

Comparable EBITDA increased due to successful pricing strategy in industrial products and Vectura. In the corresponding period in 2022, sales also included CO₂ emissions sales of EUR 1.2 million.

Market development in Q3 2023

During Q3 2023, sales volume in the Nordics declined by 2.7% overall, with spirits decreasing by 3.6% and wine by 2.6% compared to the same period last year. All countries faced challenges in their respective markets compared to the previous year.

Compared to pre-pandemic levels in 2019, Norway and Sweden experienced growth, with increases of 14.8% and 3.4% respectively, while Finland saw a decline in volume in Q3 2023.

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC

% change compared to previous year	Q3 2023	Q3 2022	Q1-Q3 23	Q1-Q3 22	2022
Nordics, total sales volumes	-2.7	-6.8	-2.2	-9.5	-8.4
Spirits	-3.6	-7.0	-4.0	-7.8	-7.3
Wine	-2.6	-6.8	-1.9	-9.8	-8.6
Finland, total sales volumes	-3.4	-8.1	-3.9	-10.4	-9.9
Spirits	-4.0	-5.2	-3.9	-6.4	-6.6
Wine	-3.2	-9.3	-3.8	-11.9	-11.1
Sweden, total sales volumes	-2.5	-1.9	-1.4	-3.8	-3.6
Spirits	-2.2	-3.1	-2.5	-4.7	-4.6
Wine	-2.5	-1.7	-1.3	-3.7	-3.4
Norway, total sales volumes	-1.4	-20.3	-2.1	-20.2	-18.1
Spirits	-3.6	-19.7	-5.3	-16.0	-15.4
Wine	-1.1	-20.4	-1.6	-20.8	-18.5
Denmark, total sales volumes	-3.8	-3.4	-2.8	-10.6	-8.4
Spirits	-5.5	-2.6	-5.3	-6.4	-4.6
Wine	-3.5	-3.5	-2.5	-11.1	-9.1

Sales volumes by litres. Sales volumes include monopoly sales in Finland, Sweden and Norway, and sales in Denmark. Does not include on-trade. Sources: Alko, Systembolaget, Vinmonopolet, Nielsen IQ.

Finland

In Q3, Alko sold a total of 17.2 million liters, which marks a decline of 3.4% compared to the same period last year. Spirits declined by 4.0% and wines by 3.2%. In January–September, the total market declined by 3.9% in volume compared to the same period last year.

Within spirits, the negative trend is primarily driven by the decline in the two highest volume sub-categories: unflavoured vodka and unflavoured spirits (both categories have shown heavy decline since 2021).

In wines, all sub-categories declined in volume compared to the previous year. Notably, sparkling wine showed a substantial decrease of 7.6% in Q3 2023.

Norway

In Q3, the overall sales volume in Vinmonopolet declined by 1.4% in comparison to Q3 2022. Spirits are down 3.6%, driven by an overall decline in all big categories. There are still some post-COVID trends visible in Q3, as increased travelling and cross-border sales are the reasons behind the total decline. Another explanation for the decline is the reduced purchasing power by households, due to increased interest rates and in general more expensive living in Norway. In January–September, the total market declined by 2.1% in volume compared to the same period last year.

Wine is trending slowly back towards pre-COVID levels, the sales volume of wine decreased by 1.1% in Q3 in comparison to Q3 2022. Norwegian consumers still favour categories "light and bright", a trend seen over several years, ones such as white wine, sparkling wine, rosé wine, beer, siders and alcohol-free. White wine was growing small numbers in Q3 and was up by 0.4%.

In general, warm summer weather is typically positive for most categories and a great driver for growth in Q3. This summer however, especially in the south of Norway, the weather was rather cold in July and August. Cold summers also push Norwegians to travel abroad, seeking the sun and buying their wine and spirits elsewhere.

Sweden

In Q3, the overall sales volume in Systembolaget declined by 2.5% in comparison to Q3 2022. In spirits, the overall sales volume declined by 2.2% driven by cognac, gin, and aquavit. Vodka and liqueurs have the strongest momentum in off-trade. In on-trade there is an overall decline driven by gin and American whiskey.

Total wine has decreased in Q3 by 2.5%, mainly driven by rosés and white wines. No wine category has increased from to the previous year. Red wine is almost flat while white, rosé and sparkling are down in Q3. Rosé is decreasing due to poor summer weather in July and partly August, opposite to Q2.

Within red wines France and Italy are taking shares and within whites Spain and Portugal are declining.

Within sparkling there is a decline for Italy and an increase for Spain in shares. Prosecco is declining while cava is showing growth due to many new products entering the market both in fixed and ordering assortment. France is growing, which is explained by crémant while champagne is losing share due to the economic situation and less money available for consumption.

Within white wines the decrease is higher in bottles than bag-in-boxes. In rosés bag-in-boxes are taking shares from bottles, especially from Spain.

Denmark

In Q3, the total market declined by 3.8% in volume in comparison to Q3 2022. In January–September, the total market declined by 2.8% in volume compared to the same period last year.

Only sales of white wine are increasing in both value and volume, both during the quarter and in January–September. Red wine is still under pressure and the main reason for the total market not performing better.

Discount retailers like Netto and REMA 1000 are gaining market shares.

Globus Wine's market share gain is a mix of increasing sales of the established Globus Wine products, the products launched last year picking even better as well as new product launches.

Financial review

Financial items, result for the period and cash flow

In Q3, other operating income amounted to EUR 14.3 (3.5) million, with the majority coming from the one-off gain of EUR 12.2 million from the divestment of Larsen, sales of steam, energy and water of EUR 1.0 (1.2) million, income from insurance compensation EUR 0.0 (1.1) million and rental income of EUR 0.3(0.3) million.

Net financial expenses amounted to EUR 5.8 (2.9) million, due to increase in interest rates.

The earnings per share were EUR 0.21 (0.12), driven by the extraordinary gain from the Larsen divestment.

In Q3, the net cash flow from operations totalled EUR -13.8 (7.3) million. Net working capital improved to EUR 2.0 (84.0) million. Inventory decreased to EUR 184.8 (204.4) million. The effect Larsen divestment was EUR 31.4 million. The receivables sold amounted to EUR 97.2 (35.2) million at the end of the reporting period.

In January–September, the net cash flow from operations totalled EUR 35.2 (-36.4) million. Cash flow developed positively due to the Larsen divestment and continued sales of receivables.

In January–September, gross capital expenditure totalled EUR 9.3 (6.5) million. During the period, the capital expenditure was allocated mainly to replacement investments and to improve work safety and energy efficiency.

Financing and balance sheet

At the end of the reporting period, the Group's net debt amounted to EUR 219.5 (315.7) million. The decrease in net debt was due primarily to the sale of Larsen business. Cash and cash equivalents amounted to EUR 166.8 (76.8) million, while the interest-bearing debt including lease liabilities amounted to EUR 386.3 (392.5) million. The gearing ratio at the end of the reporting period was 48.0% (65.8%), while the equity ratio was 38.5% (39.0%). The reported net debt to comparable EBITDA was 3.5 (3.6) times. Anora Group's liquidity position was strong throughout the period.

The Group has a revolving credit facility of EUR 150.0 (60.0) million of which EUR 0.0 (0.0) million was in use at the end of the reporting period.

The total in the consolidated balance sheet was EUR 1 186.2 (1 230.8) million at the end of the period.

BALANCE SHEET KEY FIGURES

	Q1-Q3 23	Q1-Q3 22	2022
Reported net debt / comparable EBITDA (rolling 12 months)	3.5	3.6	4.0
Borrowings, EUR million	258.0	256.7	247.5
Interest-bearing net debt, EUR million	219.5	315.7	300.9
Equity ratio, %	38.5	39.0	37.0
Gearing, %	48.0	65.8	62.5
Capital expenditure, EUR million	9.3	6.5	10.7
Total assets, EUR million	1,186.2	1,230.8	1,301.3



Sustainability

During Q3, Anora has been making preparations to be compliant with the new EU regulation on sustainability reporting, CSRD. Anora has started a data discovery project and conducted a gap analysis to compare the current reporting and the European Sustainability Reporting Standard requirements. The preparations will continue with the double-materiality analysis during Q4.

Planet

Our logistics changed from using diesel to biodiesel during Q3 in the truck routes between Finland and Estonia, Finland and Latvia and Estonia and Latvia. The CO₂ footprint of biodiesel is 80% lower than that of normal diesel.

People

YTD Q3, Anora's **total sickness absence rate** was 4.9% (5.3%) and lost time injury frequency **LTIF** 5.3 (7.0). Both KPIs are for our own employees; LTIF does not include commuting. Figures do not yet include Globus Wine.

In our human rights work in the value chain, we concentrate on rum in spirits category, due to the material human right risks. In August, we conducted an amfori BSCI audit to Demerera Distilleries in Guyana. The rum distillery received the best result (A) in the audit.

Product

In Q3 Anora launched a low-alcoholic wine novelty in Sweden: Apes & Grapes Crisp & Floral 7% bag-in-box. Saaremaa 4.5% RTD's were launched in Finland.

KEY ESG KPIS DURING THE PERIOD

	YTD Q3 23	YTD Q3 22	FY 2022
Total water use (m3)			
Gjelleråsen, Norway	29,240	28,528	37,714
Rajamäki, Finland (beverage plant)	107,031	90,784	119,173
Globus Wine, Denmark	21,303	20,607	28,060
Koskenkorva, Finland*	386,459	282,213	411,354
Total	544,033	422,132	596,301
Total energy MWh			
Gjelleråsen, Norway	7,798	8,061	11,000
Rajamäki, Finland (beverage plant and industrial production)	16,701	16,621	24,229
Globus Wine, Køge Denmark	2,392	1,367	3,520
Koskenkorva, Finland	91,974	92,095	124,867
Total	118,865	118,144	163,616

The KPI's above include Anora's four biggest production plants: Gjelleråsen, Koskenkorva, Rajamäki and Køge.

* Change in reporting perimeter between Anora and A-Rehu in March 2022.

Personnel

Anora Group employed 1,249 (1,212) persons at the end of the period and on average 1,285 (1,134) persons during January–September 2023.

PERSONNEL BY COUNTRY AT THE END OF THE PERIOD

	30 September 23	30 September 22	31 December 2022
Finland	424	419	414
Norway	367	342	370
Sweden	171	166	165
Denmark	180	158	174
Estonia	66	65	68
Latvia	32	33	33
France	-	23	22
Germany	9	6	5
Total	1,249	1,212	1,251

Key events in Q3

Changes in Anora's Executive Management Team

On 25 August 2023 Anora announced that Risto Gaggl has been appointed as Senior Vice President, Industrial and member of the Executive Management Team as of 1 January 2024. Risto Gaggl joined Anora on 1 October 2023. Hannu Tuominen, current Senior Vice President, Industrial will retire at the end of December 2023.

Anora announced on 25 October 2023 that M.Sc. (Econ.) Jacek Pastuszka (born 1963) has been appointed as the new CEO of Anora Group Plc effective immediately. More information can be found under "Events after the period".

Anora share

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

SHARE PERFORMANCE, NASDAQ HELSINKI

	Q1-Q3 23	Q1-Q3 22	2022
Closing price on the last day of trading, EUR	4.49	6.80	7.36
Highest price, EUR	7.69	11.04	11.04
Lowest price, EUR	4.17	6.62	6.62
Volume	12,004,812	10,186,825	13,082,762
Market capitalisation, EUR million	303.3	459.4	497.2

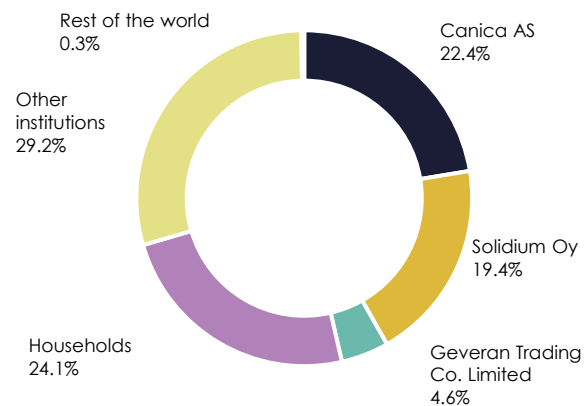
LARGEST SHAREHOLDERS REGISTERED IN EUROCLEAR FINLAND ON 30 SEPTEMBER 2023

	Shareholder	Number of shares	% of shares
1	Solidium Oy	13,097,481	19.4
2	Varma Mutual Pension Insurance Company	2,031,240	3.0
3	Ilmarinen Mutual Pension Insurance Company	1,290,000	1.9
4	WestStar Oy	1,199,705	1.8
5	Elo Mutual Pension Insurance Company	641,000	0.9
6	Veritas Pension Insurance Company Ltd.	383,569	0.6
7	Savolainen Heikki Antero	328,966	0.5
8	OP Life Assurance Company Ltd	270,392	0.4
9	Rantalainen-Yhtiöt Oy	180,000	0.3
10	Eriksson Trygve	180,000	0.3
	10 largest in total	19,602,353	29.0

Shareholders

At the end of the reporting period, Anora had 28,829 (27,503) registered shareholders in Euroclear Finland.

The chart provides an illustration of Anora's ownership structure including the largest shareholders based on information provided to the company. In the Euroclear Finland data, the shareholdings of Canica AS and Geveran Trading Co. Limited are included in the nominee-registered shares. The foreign and nominee registered holdings accounted together for 40.7% of the shares.



Flagging notifications

There were no flagging notifications during January-September 2023.

>>> Visit our website for updated information about the Anora share and shareholders: www.anora.com/en/investors

Short-term risks and uncertainties

There have been no material changes in Anora's short-term risks and uncertainties and risk management reported in the Report by the Board of Directors presented in the Annual Report of 2022. Those risks and uncertainties are still valid.

The most significant uncertainties in the company's operations relate to the overall economic development and its impacts on consumption, to the competitive environment, and to the effects of potential regulatory changes in areas such as alcohol taxation, excise taxation and legislation on consumer behaviour. The elevated inflation levels in Anora's operating countries pose several risks and may lead to a recession within the operating area and also more widely as a result of the weakening economic sentiment and consumer spending. Foreign exchange rates and interest rates may be affected significantly by the volatile situation on the global capital markets.

Unexpected and unforeseen disruptions in the supply chain, production and deliveries are major short-term risks related to operations, as well as sudden and significant changes in the prices of raw materials. In addition, the short-term risks relate to the integration of acquired businesses, as well as related finance processes. Risks can be caused by internal or external events.

Also the more unstable geopolitical environment could also negatively affect Anora's operating environment and infrastructure in these countries. The most significant uncertainties relate to an escalation of the already existing global supply chain disruptions, to the supply of grain, and to further price increases across all input costs. The same applies to the risk of rising energy and fuel prices. Possible problems with the availability and cost of raw materials, labour, energy and fuel may impact the operating environment in the near future. These risks have already partly materialised. Also wage inflation has gradually increased. The geopolitical unrest may also cause volatility in contract manufacturing volumes. The impact of the suspension of exports to Russia, as announced in February 2022, is not material on the Group level. Furthermore, Anora's Baltic operations have suspended purchases of raw materials from Russia and Belarus.

Cyber risks have also increased lately and government authorities have warned of an increasing number of cyber-attacks. There have been concrete cases of cyber-attacks on business enterprises and government authorities. Anora has improved the company's cyber security operations and technologies continuously and is well prepared against cyber security threats. However, it cannot be excluded that also Anora could face cyber-attacks with potential impact on operations.

The aim of risk management is to support the implementation of the group's strategy, the identification of risks and methods to reduce the probability and effects of risks, and to ensure business continuity.

Annual General Meeting and decisions by the Board

Anora Group Plc's Annual General Meeting (AGM) was held in Helsinki on 19 April 2023.

The AGM adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2022. The AGM approved the proposal by the Board of Directors to pay a dividend of EUR 0.22 per share for the financial year 2022. The AGM adopted the Remuneration Report of the governing bodies.

The AGM decided on the remuneration of the members of the Board of Directors elected by the AGM. The AGM approved the number of members of the Board of Directors elected by the AGM to be seven. In addition to the Board members elected by the AGM, Anora's employees have, in accordance with the agreement on employee participation between Anora and the special negotiating body of the employees, elected two members and their deputies to the Board of Directors.

The AGM re-elected PricewaterhouseCoopers Oy as the company's auditor for a term that ends at the close of the next AGM.

The AGM authorized the Board of Directors to resolve on the repurchase of the company's own shares. In addition, the AGM authorized the Board of Directors to resolve on the issuance of shares for the purposes of financing or carrying out corporate acquisitions or other arrangements as well as to resolve on the issuance of shares for remuneration purposes.

Anora's Board of Directors have elected the members of the Audit Committee and Human Resources Committees.

The decisions of the AGM and the members of the Board Committees are presented in the stock exchange release published on 19 April 2023.

Dividend payment

The Annual General Meeting approved the proposal by the Board of Directors to pay a dividend of EUR 0.22 per share for the financial year 2022. The dividend was paid in two instalments. The first instalment of EUR 0.11 per share was paid to shareholders registered in the shareholders' register of the company held by Euroclear Finland Oy on the record date of 21 April 2023, and the second instalment of EUR 0.11 per share shall be paid to shareholders registered in the shareholders' register of the company held by Euroclear Finland Oy on the record date of 18 October 2023. The payment dates of the dividend instalments were 28 April 2023 and 25 October 2023, respectively.

Outlook for 2023

Market outlook

In 2023, the volumes in the monopolies are expected to be significantly lower than during the COVID-19 restrictions. Input costs are expected to remain at a high level.

Guidance

In 2023, Anora's comparable EBITDA is expected to be EUR 70-78 million.

Events after the period

Anora announced on 25 October 2023 that M.Sc. (Econ.) Jacek Pastuszka (born 1963) has been appointed as the new CEO of Anora Group Plc effective immediately. Anora Group Plc's Board of Directors also decided in agreement with Pekka Tennilä that he leaves the position of CEO of Anora Group Plc. Jacek Pastuszka joins Anora after a long career at Carlsberg Breweries, a leading global brewery group, most recently as Executive Vice President of Western Europe, serving also as a member of Carlsberg Group's Executive Committee and contributing to strategic turn-around initiatives. Pastuszka has also held various other regional leadership roles at Carlsberg, such as Executive Vice President of Eastern Europe, CEO of Ringnes in Norway and CEO of Carlsberg Polska. Prior to this, he has been in various commercial and leadership roles in AIG American International Group, Danone and Procter & Gamble.

Anora announced on 23 October 2023 that its three largest shareholders have nominated the following representatives to the Shareholders' Nomination Board: Stein Erik Hagen, Canica AS; Petter Söderström, Solidium Oy and Anne Lise E. Gryte, Geveran Trading Co. Limited.

Helsinki, 8 November 2023
Anora Group Plc
Board of Directors

Contacts

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Conference call

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

Link

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

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

- FI: +358 9 2310 6678
- NO: +47 21 40 41 04
- SE: +46 8 502 428 54
- DK: + 45 32 72 56 80
- UK: +44 20 7660 8309
- US: +1 917-781-4622
- Conference ID: 893 774 793#

Q&A

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

Presentation material

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

On-demand recording

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

Financial calendar

- 14 February 2024: Financial Statement Release for January-December 2023

Q3 2023 Financial statements and notes

CONSOLIDATED INCOME STATEMENT

EUR million	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Net sales	173.0	181.9	515.3	481.1	702.7
Other operating income	14.3	3.5	18.4	8.6	10.9
Materials and services	-104.3	-108.7	-315.0	-279.5	-414.3
Employee benefit expenses	-24.0	-22.9	-76.0	-69.3	-93.8
Other operating expenses	-30.2	-31.9	-97.0	-91.9	-137.6
Depreciation, amortisation and impairment	-8.4	-9.0	-25.2	-24.6	-33.2
Operating result	20.5	12.8	20.4	24.5	34.7
Finance income	6.0	1.1	17.9	3.5	5.6
Finance expenses	-11.8	-4.1	-35.0	-11.0	-17.5
Share of profit in associates and joint ventures and income from interests in joint operations	-0.2	-0.4	0.6	0.5	0.6
Result before taxes	14.5	9.5	3.8	17.5	23.4
Income tax expense	-0.4	-1.6	0.5	-3.1	-5.3
Result for the period	14.0	7.9	4.3	14.4	18.1
Result for the period attributable to:					
Owners of the parent	14.0	7.9	4.2	14.3	17.9
Non-controlling interests	0.0	0.0	0.1	0.1	0.2
Earnings per share for the result attributable to owners of the parent, EUR					
Basic	0.21	0.12	0.06	0.21	0.26
Diluted	0.20	0.12	0.06	0.21	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Result for the period	14.0	7.9	4.3	14.4	18.1
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	-	-	-	-	0.1
Related income tax	-	-	-	-	-0.0
Total	-	-	-	-	0.1
Items that may be reclassified to profit or loss					
Cash flow hedges	-1.4	1.8	-5.8	8.6	3.1
Translation differences	6.8	-6.5	-16.3	-18.9	-16.9
Income tax related to these items	0.3	-0.3	1.0	-1.7	-0.7
Total	5.7	-5.0	-21.1	-12.0	-14.5
Other comprehensive income for the period, net of tax	5.7	-5.0	-21.1	-12.0	-14.4
Total comprehensive income for the period	19.7	2.9	-16.8	2.4	3.7
Total comprehensive income attributable to:					
Owners of the parent	19.7	2.9	-16.7	2.4	3.5
Non-controlling interests	0.1	0.0	-0.1	0.0	0.2

CONSOLIDATED BALANCE SHEET

	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	300.9	304.8	310.5
Other intangible assets	208.7	227.5	226.1
Property, plant and equipment	71.2	77.2	76.7
Right-of-use assets	119.6	128.2	136.8
Investments in associates and joint ventures and interests in joint operations	20.1	20.9	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.0	0.0	0.0
Deferred tax assets	0.6	0.6	0.6
Total non-current assets	721.8	760.0	772.1
Current assets			
Inventories	184.8	204.4	186.2
Trade and other receivables	101.5	184.2	247.7
Current tax assets	11.3	5.4	3.9
Cash and cash equivalents	166.8	76.8	91.4
Total current assets	464.3	470.8	529.2
Total assets	1186.2	1230.8	1301.3
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	61.5	61.5
Invested unrestricted equity fund	336.8	336.8	336.8
Legal reserve	0.0	0.5	0.5
Hedge reserve	-0.6	8.6	4.2
Translation differences	-47.9	-34.8	-33.0
Retained earnings	106.8	106.6	110.7
Equity attributable to owners of the parent	456.5	479.1	480.5
Non-controlling interests	0.6	0.7	0.9
Total equity	457.1	479.8	481.4
Non-current liabilities			
Deferred tax liabilities	52.6	58.0	57.3
Borrowings	214.7	130.3	216.0
Non-current liabilities at fair value through profit or loss	0.5	0.7	0.6
Lease liabilities	116.7	124.3	132.4
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.4	2.8	2.7
Total non-current liabilities	386.8	316.1	409.1
Current liabilities			
Borrowings	43.4	126.4	31.5
Lease liabilities	11.6	11.6	12.4
Trade and other payables	284.7	294.0	364.6
Current tax liabilities	2.6	2.8	2.3
Total current liabilities	342.2	434.8	410.9
Total liabilities	729.0	750.9	819.9
Total equity and liabilities	1186.2	1230.8	1301.3

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Cash flow from operating activities					
Result before taxes	14.5	9.5	3.8	17.5	23.4
Adjustments					
Depreciation, amortisation and impairment	8.4	9.0	25.2	24.6	33.2
Share of profit in associates and joint ventures income from investments in joint operations	0.2	0.4	-0.6	-0.5	-0.6
Net gain on sale of non-current assets	-12.2	-0.0	-13.0	-0.5	-0.9
Finance income and costs	5.8	2.9	17.1	7.5	11.9
Other adjustments	0.2	-0.0	0.8	-0.2	-0.1
Adjustments total	2.4	12.3	29.6	30.8	43.5
Change in working capital					
Change in inventories, increase (-) / decrease (+)	1.3	-12.6	-33.5	-44.7	-29.2
Change in trade and other receivables, increase (-) / decrease (+)	10.3	34.0	128.4	65.6	0.0
Change in trade and other payables, increase (+) / decrease (-)	-34.9	-30.4	-65.7	-88.0	-15.6
Change in working capital	-23.2	-9.0	29.2	-67.0	-44.8
Interest paid	-7.8	-3.1	-20.0	-7.4	-11.8
Interest received	3.1	0.8	7.6	1.4	2.7
Other finance income and expenses paid	-1.1	-1.0	-6.1	-1.9	-2.6
Income taxes paid	-1.5	-2.2	-9.0	-9.8	-10.7
Financial items and taxes	-7.4	-5.5	-27.4	-17.7	-22.4
Net cash flow from operating activities	-13.8	7.3	35.2	-36.4	-0.4
Cash flow from investing activities					
Payments for property, plant and equipment and intangible assets	-3.7	-1.0	-9.3	-6.5	-10.7
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.1	0.8	0.7	1.2
Proceeds from financial assets at fair value through other comprehensive income	0.0	-	0.0	-	-
Proceeds received from disposals of subsidiaries and business operations (net of cash)	52.9	-	52.9	-	-
Acquisitions of subsidiaries and business operations	-	-85.9	-	-85.9	-85.9
Interest received from investments in joint operations	0.0	-	0.9	0.9	0.9
Dividends received	0.0	-	0.2	0.1	0.1
Net cash flow from investing activities	49.3	-86.8	45.6	-90.7	-94.3
Cash flow from financing activities					
Changes in commercial paper program	-11.9	6.9	11.9	19.9	10.0
Proceeds from borrowings	-	-	-	85.0	293.5
Repayment of borrowings	-0.8	-18.7	-1.5	-24.5	-234.9
Repayment of lease liabilities	-2.7	-3.1	-8.3	-8.7	-12.0
Dividends paid and other distributions of profits	0.0	-	-7.6	-30.4	-30.4
Net cash flow from financing activities	-15.3	-14.9	-5.5	41.3	26.2
Change in cash and cash equivalents	20.2	-94.4	75.3	-85.7	-68.5
Cash and cash equivalents at the beginning of the period	144.5	172.8	91.4	168.9	168.9
Translation differences on cash and cash equivalents	2.1	-1.6	0.0	-6.4	-9.0
Change in cash and cash equivalents	20.2	-94.4	75.3	-85.7	-68.5
Cash and cash equivalents at the end of the period	166.8	76.8	166.8	76.8	91.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Invested un-restricted equity fund	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 2022	61.5	336.8	0.4	1.7	-15.0	121.6	507.0	0.9	507.9
Total comprehensive income									
Result for the period	-	-	-	-	-	14.3	14.3	0.1	14.4
Other comprehensive income (net of tax)									
Cash flow hedges	-	-	-	6.9	-	-	6.9	-	6.9
Translation differences	-	-	-	-	-19.8	1.0	-18.8	-0.1	-18.9
Total comprehensive income for the period	-	-	-	6.9	-19.8	15.3	2.4	0.0	2.4
Transactions with owners									
Dividend distribution	-	-	-	-	-	-30.5	-30.5	-0.2	-30.7
Share based payment	-	-	-	-	-	0.2	0.2	-	0.2
Total transactions with owners	-	-	-	-	-	-30.2	-30.2	-0.2	-30.5
Transfer to reserve	-	-	0.1	-	-	-0.1	0.0	-	0.0
Equity at 30 September 2022	61.5	336.8	0.5	8.6	-34.8	106.6	479.1	0.7	479.8
Equity at 1 January 2023	61.5	336.8	0.5	4.2	-33.0	110.7	480.5	0.9	481.4
Total comprehensive income									
Result for the period	-	-	-	-	-	4.2	4.2	0.1	4.3
Other comprehensive income (net of tax)									
Cash flow hedges	-	-	-	-4.8	-	-	-4.8	-	-4.8
Translation differences	-	-	-	-	-14.9	-1.2	-16.1	-0.2	-16.3
Total comprehensive income for the period	-	-	-	-4.8	-14.9	3.0	-16.7	-0.1	-16.8
Transactions with owners									
Dividend distribution	-	-	-	-	-	-7.4	-7.4	-0.1	-7.6
Share-based payments	-	-	-	-	-	0.1	0.1	-	0.1
Total transactions with owners	-	-	-	-	-	-7.3	-7.3	-0.1	-7.4
Transfer to reserve	-	-	-0.5	-	-	0.5	0.0	-	0.0
Equity at 30 September 2023	61.5	336.8	0.0	-0.6	-47.9	106.8	456.5	0.6	457.1

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 2022.

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.

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 critical accounting estimates and assumptions are disclosed in the 2022 consolidated financial statements.

KEY EXCHANGE RATES IN EUROS

		Average rate Q1-Q3 2023	30 Sep 2023 end rate	Average rate Q1-Q3 2022	30 Sep 2022 end rate
Swedish krona	SEK	11.4951	11.5325	10.5476	10.8993
Norwegian krone	NOK	11.4208	11.2535	10.0295	10.5838
Danish krone	DKK	7.4492	7.4571	7.4397	7.4365

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

SALE OF DISPOSAL GROUP

Anora Group sold its Larsen cognac business to International Beverage Holdings limited as at 29th of September 2023. The disposal includes Anora's brands Larsen, Renault, Monopol and ibis as well as the company's subsidiary Larsen S.A.S with its production site in Cognac, France and Anora's eaux-de vie maturation stock. The criteria for a disposal group set in IFRS 5 Non current assets held for sale and discontinued operations was met during Q3 2023.

The following table reflects the net assets sold in 2023, including disposal consideration

EUR million	30/09/2023
The carrying amounts of assets and liabilities sold as at the date of sale	
Goodwill	2.8
Other intangible assets	2.2
Property plant and equipment	4.2
Inventory	31.4
Trade and other receivables	1.7
Cash and cash equivalents	4.2
Total assets	46.4
Deferred tax liabilities	0.1
Employee benefit obligation	0.1
Trade and other payables	1.3
Total liabilities	1.5
Net assets sold	44.9
Total disposal consideration in cash	58.5
Transaction costs	-1.3
Total capital gain	12.2

GLOBUS WINE ACQUISITION

On July 1, 2022 Anora completed the acquisition on Globus Wine A/S, the leading wine company in Denmark. The acquired business is reported as part of Anora's Wine segment as of July 1, 2022. The provisional amounts recognized on the date of the merger have been adjusted within 12 months after the date of acquisition, to reflect new information obtained about facts and circumstances that existed at the date of acquisition. The final amounts are presented in the table below.

FINAL AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES

EUR million	
Other intangible assets	44.3
Property, plant and equipment	7.7
Right-of-use assets	18.7
Inventory	20.9
Trade and other receivables	15.6
Cash and cash equivalents	0.1
Total assets	107.3
Interest bearing liabilities	36.6
Deferred tax liabilities	10.9
Trade and other liabilities	20.2
Total liabilities	67.7
Net assets total	39.6
Goodwill	40.6
Consideration	80.2
Consideration, paid in cash	80.2

Segment information

The reportable segments of Anora in these consolidated financial statements consist of Wine, Spirits, and Industrial.

The new operating model took effect on 1 January 2022.

The Board of Directors of Anora has been determined as the group's chief operative decision maker being responsible for allocating resources, deciding on strategy and assessing performance of the operating segments. The reportable segments are based on Anora's operating structure and internal reporting to the CODM used to assess the performance of the segments.

For internal reporting purposes, reporting on the segment profit is based on internal measures of gross profit and comparable EBITDA derived as follows:

- Net sales and direct segment expenses including costs of goods sold reported within the Gross Profit and Comparable EBITDA segment profit measures are measured and reported under the same accounting principles as in the consolidated accounts.
- Expenses allocated to the segments related to shared function costs or business support services expenses comprise costs such as centralized marketing costs, IT infrastructure related costs, shared support services, headquarter costs including finance and treasury, communication, legal and human resource related costs as well as certain warehousing and service fees. For internal reporting purposes these cost allocations are based on budgeted amounts and variances from budgeted amounts are presented under column "Group and allocations" and can result in either incurred overruns or savings compared to budgeted amounts. These variances are not allocated to the segments for internal reporting purposes.
- The group and allocations column represents, in addition to the budget variances, certain unallocated headquarter costs.

The reportable segments comprise the following:

Wine

The Wine segment develops, markets and sells partner wines and Anora's own wine brands to customers in the Nordic monopoly markets. Globus Wine is reported as part of Anora's Wine segment as of 1 July 2022.

Spirits

The Spirits segment consists of the business areas Spirits and International. The Spirits business area develops, markets and sells both Anora's own spirits brands and partner brands to customers in the Nordic monopoly markets. The International business area consists of Anora's own operations in Estonia, Latvia, Denmark and Germany, as well as global duty free and travel retail, and exports.

Industrial

The Industrial segment comprises Anora's industrial business – industrial products and contract manufacturing, the logistics company Vectura and supply chain operations.

EXTERNAL NET SALES BY SEGMENT

EUR million	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Wine	78.1	81.6	73.3	104.2	83.3	69.1	53.1
Spirits	57.2	58.7	48.6	71.9	57.0	59.2	44.9
Industrial	37.8	42.4	37.7	45.5	41.6	37.4	35.5
Total	173.0	182.7	159.5	221.6	181.9	165.7	133.4

COMPARABLE EBITDA BY SEGMENT

EUR million	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Wine	2.3	-1.3	1.2	6.9	9.0	4.6	3.1
Spirits	11.8	7.6	5.8	11.5	9.2	9.0	8.1
Industrial	6.0	5.9	2.5	4.8	5.5	4.1	3.3
Group allocation	0.2	0.8	-1.6	-2.2	-0.5	1.2	-1.4
Total	20.2	13.0	7.9	20.9	23.4	18.9	13.0

A reconciliation of alternative key ratios to IFRS figures is presented in appendix 1.

SEGMENTS Q3 2023

	Wines	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	78.1	57.2	37.8	0.0	0.0	173.0
Net sales internal	0.0	0.0	33.2	0.0	-33.2	0.0
Total Net Sales	78.1	57.2	71.0	0.0	-33.2	173.0
Other operating income external	0.0	0.0	1.8	12.6	0.0	14.3
Other operating income internal	-0.4	0.0	3.9	6.7	-10.2	0.0
Total Other operating income	-0.4	0.0	5.6	19.2	-10.2	14.3
Materials and services	-58.3	-32.7	-46.2	-0.3	33.2	-104.3
Gross profit	19.4	24.5	30.4	18.9	-10.1	83.0
Other operating expenses	-18.5	-12.7	-25.9	-7.1	10.1	-54.1
EBITDA	0.8	11.8	4.5	11.8	0.0	28.9
Items affecting comparability	1.4	0.0	1.6	-11.6	0.0	-8.7
Comparable EBITDA	2.3	11.8	6.0	0.2	0.0	20.2
EBITDA						28.9
Depreciations						-8.4
Operating profit						20.5
Gross margin %	24.8%	42.8%	42.8%			48.0%
Comparable EBITDA margin %	2.9%	20.6%	8.5%			11.7%

SEGMENTS Q3 2022

	Wines	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	83.3	57.0	41.6	0.0	0.0	181.9
Net sales internal	1.8	0.2	36.9	0.0	-38.9	0.0
Total Net Sales	85.1	57.2	78.5	0.0	-38.9	181.9
Other operating income external	0.7	0.0	2.7	0.0	0.0	3.5
Other operating income internal	0.1	0.0	1.7	9.1	-10.8	0.0
Total Other operating income	0.8	0.0	4.4	9.1	-10.8	3.5
Materials and services	-59.4	-32.5	-52.3	-0.9	36.3	-108.7
Gross profit	26.5	24.7	30.6	8.2	-13.4	76.6
Other operating expenses	-17.5	-15.9	-24.9	-9.9	13.4	-54.8
EBITDA	9.0	8.8	5.7	-1.7	0.0	21.8
Items affecting comparability	0.0	0.4	-0.2	1.2	0.0	1.5
Comparable EBITDA	9.0	9.2	5.5	-0.5	0.0	23.4
EBITDA						21.8
Depreciations						-9.0
Operating profit						12.8
Gross margin %	31.1%	43.2%	39.0%			42.1%
Comparable EBITDA margin %	10.6%	16.1%	7.0%			12.8%

SEGMENTS Q1-Q3/2023

	Wines	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	232.9	164.5	117.8	0.0	0.0	515.3
Net sales internal	0.0	0.0	91.0	0.0	-91.0	0.0
Total Net Sales	232.9	164.5	208.8	0.0	-91.0	515.3
Other operating income external	0.0	0.0	5.6	12.8	0.0	18.4
Other operating income internal	0.0	0.0	11.6	20.1	-31.7	0.0
Total Other operating income	0.0	0.0	17.2	32.9	-31.7	18.4
Materials and services	-173.8	-96.5	-135.8	0.0	91.0	-315.0
Gross profit	59.2	68.0	90.2	32.9	-31.7	218.6
Other operating expenses	-60.1	-43.4	-77.9	-23.3	31.7	-173.0
EBITDA	-1.0	24.6	12.4	9.6	0.0	45.6
Items affecting comparability	3.2	0.6	2.0	-10.2	0.0	-4.5
Comparable EBITDA	2.2	25.2	14.4	-0.6	0.0	41.1
EBITDA						45.6
Depreciations						-25.2
Operating profit						20.4
Gross margin %	25.4%	41.3%	39.9%			42.4%
Comparable EBITDA margin %	0.9%	15.3%	6.9%			8.0%

SEGMENTS Q1-Q3/2022

	Wines	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	205.5	161.1	114.5	0.0	0.0	481.1
Net sales internal	3.2	0.5	92.3	0.0	-96.0	0.0
Total Net Sales	208.7	161.5	206.8	0.0	-96.0	481.1
Other operating income external	0.7	0.0	7.7	0.2	0.0	8.6
Other operating income internal	0.3	-0.1	4.2	28.2	-32.6	0.0
Total Other operating income	1.0	-0.1	11.9	28.4	-32.6	8.6
Materials and services	-146.9	-90.2	-128.9	-1.9	88.4	-279.5
Gross profit	62.9	71.3	89.8	26.4	-40.2	210.2
Other operating expenses	-46.4	-45.1	-76.3	-33.7	40.2	-161.2
EBITDA	16.5	26.2	13.6	-7.3	0.0	49.0
Items affecting comparability	0.2	0.1	-0.6	6.5	0.0	6.2
Comparable EBITDA	16.7	26.3	12.9	-0.7	0.0	55.3
EBITDA						49.0
Depreciations						-24.6
Operating profit						24.5
Gross margin %	30.1%	44.1%	43.4%			43.7%
Comparable EBITDA margin %	8.0%	16.3%	6.3%			11.5%

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 2023	374.4	353.3	311.7	194.0	1,233.4
Additions	2.0	-	7.3	0.3	9.5
Disposals	-7.1	-2.8	-11.0	-0.9	-21.7
Effect of movement in exchange rates	-11.7	-14.1	-3.0	-9.5	-38.3
Acquisition cost at 30 September 2023	357.6	336.4	305.0	183.9	1,182.9
Accumulated depreciation, amortisation and impairment losses at 1 January 2023	-148.3	-42.8	-235.0	-57.2	-483.4
Depreciation and amortisation	-8.5	-	-7.3	-9.4	-25.2
Accumulated depreciation and amortisation on disposals and transfers	4.9	-	6.7	0.2	11.8
Effect of movement in exchange rates	3.0	7.3	1.9	2.2	14.4
Accumulated depreciation, amortisation and impairment losses at 30 June 2023	-148.9	-35.5	-233.8	-64.3	-482.4
Carrying amount at 1 January 2023	226.1	310.5	76.7	136.8	750.1
Carrying amount at 30 September 2023	208.7	300.9	71.2	119.6	700.5
Acquisition cost at 1 January 2022	341.4	327.3	299.3	173.4	1,141.4
Acquisition of subsidiaries	44.6	37.6	7.7	18.7	108.5
Additions	1.5	-	6.4	0.1	8.0
Disposals	-0.4	-	-0.5	-0.0	-0.9
Effect of movement in exchange rates	-13.3	-17.9	-2.8	-9.1	-43.2
Acquisition cost at 30 September 2022	373.8	347.0	310.1	183.0	1,213.7
Accumulated depreciation, amortisation and impairment losses at 1 January 2022	-144.7	-49.5	-228.0	-47.8	-470.0
Depreciation and amortisation	-7.6	-	-7.1	-9.8	-24.5
Accumulated depreciation and amortisation on disposals and transfers	0.4	-	0.4	-	0.8
Effect of movement in exchange rates	5.6	7.3	1.8	2.8	17.7
Accumulated depreciation, amortisation and impairment losses at 30 September 2022	-146.3	-42.2	-232.8	-54.8	-476.1
Carrying amount at 1 January 2022	196.7	277.8	71.3	125.7	671.4
Carrying amount at 30 September 2022	227.5	304.8	77.2	128.2	737.7

RELATED PARTY TRANSACTIONS

The following transactions have taken place with related parties:

EUR million	Q1-Q3 23	Q1-Q3 22	2022
Sales of goods and services			
Associates, joint ventures and joint operations	0.8	0.8	0.6
Other companies considered related parties	52.7	51.0	73.2
Total sales of goods and services	53.5	51.7	73.8
Purchases of goods and services			
Associates, joint ventures and joint operations	4.9	4.7	6.4
Other companies considered related parties	2.5	2.6	4.0
Total purchases of goods and services	7.3	7.3	10.5
Receivables			
Associates, joint ventures and joint operations	0.3	0.1	0.2
Other companies considered related parties	5.4	6.8	5.2
Total receivables	5.6	6.9	5.4
Payables			
Associates, joint ventures and joint operations	0.7	0.7	1.1
Other companies considered related parties	0.1	0.1	0.5
Total payables	0.8	0.8	1.7

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 2023	30 Sep 2022	31 Dec 2022
Investments in associated companies and joint ventures:			
At the beginning of the reporting period	13.1	8.7	8.7
Additions	-	5.0	5.0
Share of result for the period	-0.3	-0.4	-0.3
Transfer to subsidiary shares	-	-0.0	-0.3
Dividend	-0.2	-0.1	-0.1
Translation difference	-0.1	0.1	0.1
At the end of the reporting period	12.5	13.3	13.1
Financial summary of associated companies and joint ventures:			
Assets	43.4	43.7	45.4
Liabilities	19.1	16.6	18.7
Net assets	24.3	27.1	26.7
Net sales	22.4	18.5	26.2
Result for the period	-1.6	-1.1	-1.9

COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Collaterals given on behalf of Group companies			
Mortgages	18.5	18.5	18.5
Guarantees	9.7	9.4	9.3
Total collaterals	28.2	27.9	27.8
Commitments			
Short-term and low value lease obligations			
Less than one year	0.2	0.1	0.2
Between one and five years	0.3	0.1	0.3
Other commitments	3.7	17.6	18.1
Total commitments	4.2	17.8	18.6
Assets not recognised in the balance sheet			
Emission allowances, kilotons			
30 Sep 2023			
Emission allowances received	22.6	22.6	22.6
Excess emission allowances from the previous period	2.0	13.5	13.5
Sold emission allowances	-	-13.0	-13.0
Realised emissions	-16.0	-15.1	-21.1
Total emission allowances	8.6	8.0	2.0
Fair value of emission allowances (EUR million)	0.4	0.7	0.2

An insurance claim relating to the acquisition of Globus Wine

Anora made a claim during Q2 under the warranties and indemnity insurance policy taken in connection with the acquisition of Globus Wine. Anora thus has a contingent asset in the form a potential insurance compensation.

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							
Receivables from interests in joint operations	-	-	7.6	-	7.6	7.6	
Unquoted shares	-	-	-	0.7	0.7	0.7	3
Other non-current receivables	-	-	0.0	-	0.0	0.0	
Current financial assets							
Trade and other receivables	-	-	100.9	-	100.9	100.9	
Derivative instruments/Forward exchange contracts	0.1	0.0	-	-	0.1	0.1	2
Derivative instruments/Commodity derivatives	0.5	-	-	-	0.5	0.5	2
Cash and cash equivalents	-	-	166.8	-	166.8	166.8	
Financial assets at 30 September 2023	0.6	0.0	275.2	0.7	276.5	276.5	
Financial assets at 30 September 2022	11.5	0.4	257.2	0.7	269.8	269.8	
Non-current financial liabilities							
Borrowings	-	-	214.7	-	214.7	214.7	2
Lease liabilities	-	-	116.7	-	116.7	116.7	2
Non-current liabilities at fair value through profit or loss	-	0.5	-	-	0.5	0.5	3
Other liabilities	-	-	0.0	-	0.0	0.0	
Current financial liabilities							
Borrowings	-	-	43.4	-	43.4	43.4	2
Lease liabilities	-	-	11.6	-	11.6	11.6	2
Trade and other payables	-	-	69.5	-	69.5	69.5	
Derivative instruments/Interest rate derivatives	-	-	-	-	-	-	2
Derivative instruments/Forward exchange contracts	0.1	0.7	-	-	0.8	0.8	2
Financial liabilities at 30 September 2023	0.1	1.3	455.8	-	457.1	457.1	
Financial liabilities at 30 September 2022	0.0	0.7	463.9	-	464.6	464.6	

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 2023	30 Sep 2022	31 Dec 2022
Book value at the beginning of the period	0.6	1.3	1.3
Changes in value during period	-0.1	-0.6	-0.6
Interest during period	0.0	0.0	0.0
Translation differences	-0.0	-0.1	-0.1
Book value at the end of the period	0.5	0.7	0.6
Non-current liability	0.5	0.7	0.6
Current liability	-	-	-
Total liabilities through profit and loss	0.5	0.7	0.6

Appendix 1

KEY RATIOS

		Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Income statement						
Net sales	EUR million	173.0	181.9	515.3	481.1	702.7
Comparable EBITDA	EUR million	20.2	23.4	41.1	55.3	76.1
(% of net sales)	%	11.7	12.8	8.0	11.5	10.8
EBITDA	EUR million	28.9	21.8	45.6	49.0	67.9
Comparable operating result (EBIT)	EUR million	11.8	14.4	15.9	30.7	42.9
(% of net sales)	%	6.8	7.9	3.1	6.4	6.1
Operating result	EUR million	20.5	12.8	20.4	24.5	34.7
Result before taxes	EUR million	14.5	9.5	3.8	17.5	23.4
Result for the period	EUR million	14.0	7.9	4.3	14.4	18.1
Items affecting comparability	EUR million	8.7	-1.5	4.5	-6.2	-8.2
Balance sheet						
Cash and cash equivalents	EUR million	166.8	76.8	166.8	76.8	91.4
Total equity	EUR million	457.1	479.8	457.1	479.8	481.4
Non-controlling interest	EUR million	0.6	0.7	0.6	0.7	0.9
Borrowings	EUR million	258.0	256.7	258.0	256.7	247.5
Invested capital	EUR million	715.2	736.5	715.2	736.5	728.9
Profitability						
Return on equity (ROE), rolling 12 months	%			1.7	6.5	3.6
Return on invested capital (ROI), rolling 12 months	%			4.5	5.8	4.2
Financing and financial position						
Net debt	EUR million	219.5	315.7	219.5	315.7	300.9
Gearing	%	48.0	65.8	48.0	65.8	62.5
Equity ratio	%	38.5	39.0	38.5	39.0	37.0
Net cash flow from operating activities	EUR million	-13.8	7.3	35.2	-36.4	-0.4
Net debt/comparable EBITDA, rolling 12 months				3.5	3.6	4.0
Share-based key ratios						
Earnings / share Basic	EUR	0.21	0.12	0.06	0.21	0.26
Earnings / share Diluted	EUR	0.20	0.12	0.06	0.21	0.26
Equity / share	EUR	6.77	7.10	6.77	7.10	7.13
Number of shares outstanding at the end of period		67,553,624	67,553,624	67,553,624	67,553,624	67,553,624
Personnel						
Personnel end of period		1,249	1,212	1,249	1,212	1,251
Average number of personnel		1,285	1,134	1,285	1,134	1,159

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

EUR million	Q3 23	Q3 22	Q1-Q3 23	Q1-Q3 22	2022
Items affecting comparability					
Net gains or losses from business and assets disposals	12.2	-	13.0	0.5	0.8
Cost for closure of business operations and restructurings	-2.5	0.0	-4.2	-0.0	-0.1
Costs related to the closed voluntary pension scheme	-	-	-	-	0.3
Costs related to the merger of Altia and Arcus	-0.2	-0.5	-0.9	-4.0	-4.6
Inventory fair valuation	0.0	-0.6	-0.3	-1.8	-2.0
Other major corporate projects	-0.8	-0.5	-3.2	-0.9	-2.6
Total items affecting comparability	8.7	-1.5	4.5	-6.2	-8.2
Comparable EBITDA					
Operating result	20.5	12.8	20.4	24.5	34.7
Less:					
Depreciation, amortisation and impairment	8.4	9.0	25.2	24.6	33.2
Total items affecting comparability	-8.7	1.5	-4.5	6.2	8.2
Comparable EBITDA	20.2	23.4	41.1	55.3	76.1
% of net sales	11.7	12.8	8.0	11.5	10.8
Comparable EBIT					
Operating result	20.5	12.8	20.4	24.5	34.7
Less:					
Total items affecting comparability	-8.7	1.5	-4.5	6.2	8.2
Comparable EBIT	11.8	14.4	15.9	30.7	42.9
% of net sales	6.8	7.9	3.1	6.4	6.1

THE DEFINITIONS AND REASONS FOR THE USE OF FINANCIAL KEY INDICATORS

Key figures	Definition	Reason for the use
Gross profit	Total net sales + total operating income - material and services	Gross profit is the indicator to measure the performance
Gross margin, %	Gross profit / Total net sales	
EBITDA	Operating result before depreciation and amortization	EBITDA is the indicator to measure the performance of the Group.
EBITDA margin, %	EBITDA / Net sales	
Comparable operating result	Operating result excluding items affecting comparability	Comparable EBITDA, comparable EBITDA margin, comparable operating result and comparable operating margin are presented in addition to EBITDA and operating result to reflect the underlying business performance and to enhance comparability from period to period. Anora believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods.
Comparable operating margin, %	Comparable operating result / Net sales	
Comparable EBITDA	EBITDA excluding items affecting comparability	
Comparable EBITDA margin, %	Comparable EBITDA / Net sales	
Items affecting comparability	Material items outside normal business, such as net gains or losses from business and assets disposals, impairment losses, cost for closure of business operations and restructurings, major corporate projects including direct transaction costs related to business acquisitions and the merger, merger related integration costs, expenses arising from the fair valuation of inventories in connection with merger combinations, voluntary pension plan change, and costs related to other corporate development.	Comparable EBITDA is an internal measure to assess performance of Anora and key performance measure at segment level together with Net Sales. Comparable EBITDA is commonly used as a base for valuation purposes outside the Company and therefore important measure to report regularly.
Invested capital	Total equity + Borrowings	Base for ROI measure.
Return on equity (ROE), %	Result for the period (rolling 12 months) / Total equity (average of reporting period and comparison period)	This measure can be used to evaluate how efficiently Anora has been able to generate results in relation to the total equity of the Company.
Return on invested capital (ROI), %	(Result for the period + Interest expenses) (rolling 12 months) / (Total equity + Non-current and current borrowings) (average of reporting period and comparison period)	This measure is used to evaluate how efficiently Anora has been able to generate net results in relation to the total investments made to the Company.
Borrowings	Non-current borrowings + Current borrowings	
Net debt	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	

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Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Our market-leading portfolio consists of our own iconic Nordic brands and a wide range of prominent international partner wines and spirits. We export to over 30 markets globally. Anora Group also includes Anora Industrial and logistics company Vectura. In 2022, Anora's pro forma net sales were EUR 703 million and the company employs about 1 250 professionals. Anora's shares are listed on the Nasdaq Helsinki.