ANORA

Q1 2022

Interim Report

JANUARY–MARCH 2022

About this report

Anora Group Plc was formed when the merger of Altia and Arcus was completed on 1 September 2021. Arcus has been consolidated to Anora as of 1 September 2021. The **Q1 21 official IFRS comparison figures** include former Altia only. The **full year 2021 official IFRS figures** also include former Arcus for four months as of 1 September 2021.

As of 1 January 2022, Anora has **three reportable segments:** Wine, Spirits and Industrial. To help the comparison, historical pro forma financial information ("Pro forma") for the new segments was published on 13 May 2022. This is clearly indicated in text, tables or charts when referring to historical pro forma figures.

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 on page 31.

Content:

Anora's Interim Report January-March 2022

Solid net sales development in turbulent times

Q1 22 in brief

- Net sales were EUR 133.4 million, 0.6% below the Q1 21 pro forma net sales of EUR 134.2 million
- Comparable EBITDA was EUR 13.0 million or 9.8% of net sales (Q1 21 pro forma: EUR 16.7 million or 12.4%)
- Net cash flow from operating activities was EUR -38.6 (-0.3) million
- Earnings per share EUR 0.03 (Q1 21 pro forma: 0.04)
- Net debt/comparable EBITDA (rolling 12 months) was 2.2 (0.2)
- The normalising of the channel mix in the monopoly countries and the late timing of Easter in Q2 this year have impacted beverage sales

Guidance

Guidance remains unchanged: Anora's comparable EBITDA in 2022 is expected to be between EUR 75-85 million. This corresponds to the pre-pandemic level and takes into account the annual impact of EUR 4.6 million of the divestment of Anora brands due to the 2021 merger. More information on page 16.

Key figures

	Q1 22	Q1 21 IFRS	2021
Net sales, EUR million	133.4	71.7*	478.2
Comparable EBITDA, EUR million	13.0	7.7*	71.7
% of net sales	9.8	10.8*	15.0
EBITDA, EUR million	11.9	4.6	62.9
Comparable operating result, EUR million	5.2	3.9	51.2
% of net sales	3.9	5.4	10.7
Operating result, EUR million	4.1	0.7	42.4
Result for the period, EUR million	2.1	0.7	31.2
Earnings per share, EUR	0.03	0.02*	0.67
Net cash flow from operating activities, EUR million	-38.6	-0.3	50.8
Net debt / comparable EBITDA (rolling 12 months)	2.2**	0.2	1.8
Personnel end of period	1 085	652	1 055

* Q1 21 pro forma: net sales EUR 134.2 million; comparable EBITDA EUR 16.7 million or 12.4% of net sales; EPS EUR 0.04 (see page 25).
** Net debt / comparable EBITDA (rolling 12 months) calculated with pro forma comparable EBITDA was 1.7.

CEO Pekka Tennilä:

Anora's first year as a combined company started off with underlying business developing largely in line with our expectations, despite the turbulence in our operating environment.

For wine and spirits, we saw markets returning to normal during the first quarter, as expected. Volumes in the monopolies have declined, as restrictions were lifted in all markets. Consumption has shifted back to on-trade, travel retail and border trade, and the recovery of these sales channels has been good or even strong.

The significant increase of input costs that we experienced already at the end of last year has further accelerated due to the war in Ukraine. To mitigate this cost inflation, we have increased prices in all sales channels and across both beverage and industrial products. Price increases were implemented already at the end of last year and continued in the first quarter, but in the current inflationary environment, we will need to continue with further price increases throughout the rest of the year.

For the first quarter, Anora's net sales were EUR 133.4 million, which was slightly below last year's pro forma net sales of EUR 134.2 million. This year beverage sales in Q1 were impacted by the later timing of Easter sales occuring in Q2 rather than in Q1 as last year. Further, wine sales declined in line with the declining market volumes, while spirits sales grew thanks to the recovery of travel retail. On the industrial side price increases due to the high raw material costs supported net sales development positively. Profitability weakened in Q1 due to the price increases only partly offsetting high input costs, and the lower wine sales. Comparable EBITDA reached EUR 13.0 million, or 9.8% of net sales.

Our post-merger integration work has progressed as planned and on schedule. During the first quarter, we have achieved an important milestone with the consolidation of logistics volumes. We have completed the projects to insource third party logistics operations in both Norway and Finland, while Sweden is expected to be completed during Q3 22. The run-rate of annualised net synergies at the end of Q1 22 was EUR 1.9 million, including the annual impact of EUR 4.6 million from the divestment of brands.

We strongly condemn Russia's war against Ukraine and respect all sanctions that have been set. When the war started, we reacted quickly and suspended exports to Russia, and in our Baltic operations we suspended purchases of raw materials from Russia and Belarus. Discontinuing exports to Russia does not have a material impact on Group net sales, but due to the war, global supply chain disruptions and constraints in the supply of grain have further increased.

We are working hard to secure the availability of raw materials. Currently, the biggest concerns are with the availability of barley, bulk wine and glass bottles, in particular. In our supply chain operations, the teams are doing continuity planning and working very closely with our partners and suppliers.

During the previous two years, when the pandemic impacted our operating environment significantly, we were able to adapt and respond quickly to changes. This proves the strength of our stable business and the resilience and strong commitment of our employees – we are in a strong position to manage through these challenging times. I want to take this opportunity to thank all Anora employees for their hard work during the start of the year.

Looking forward, the operating environment continues to be unstable, and while it is difficult to foresee all impacts on our business, we will continue to focus on growth and invest in our brands as well as to build the market together with our partners and customers. Meanwhile, work on Anora's growth strategy progresses, and we look forward to discussing Anora's future growth ambitions and sustainability roadmap in our first Capital Markets Day planned to be held in the autumn.

For the rest of the year, we reiterate our guidance: we expect Anora's comparable EBITDA in 2022 to be between EUR 75-85 million.

Business Review

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

Pro forma financial information

Historical pro forma financial information for the new segments was published on 13 May 2022.

In this Business Review section pro forma information is used as the comparison data both for the Group and the segments. To facilitate the comparability of Anora segment level and Group information, historical pro forma financial information was published on 18 November 2021, 25 November 2021 and 10 March 2022.

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

	Q1 22	Q1 21 PF	Change, %	2021 PF
Net sales (external), EUR million	133.4	134.2	-0.6	665.0
Gross profit, EUR million	60.4	62.6	-3.6	308.7
Gross margin, % of net sales	45.2	46.7		46.4
Comparable EBITDA, EUR million	13.0	16.7	-21.8	101.0
Comparable EBITDA margin, % of net sales	9.8	12.4		15.2

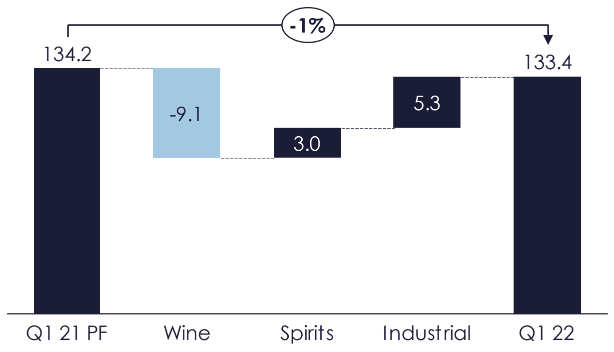
Group net sales

In Q1, Anora Group's net sales were to EUR 133.4, 0.6% below the Q1 21 pro forma net sales of 134.2 million.

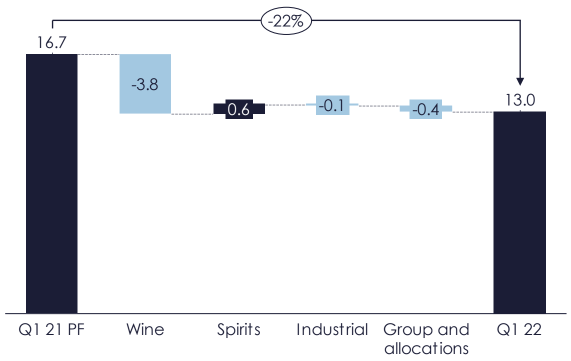
Group comparable EBITDA

In Q1, Anora Group's comparable EBITDA was EUR 13.0 million or 9.8% of net sales (Q1 21 pro forma: EUR 16.7 million or 12.4% of net sales).

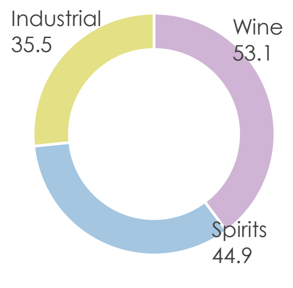
NET SALES (EXTERNAL), EUR MILLION



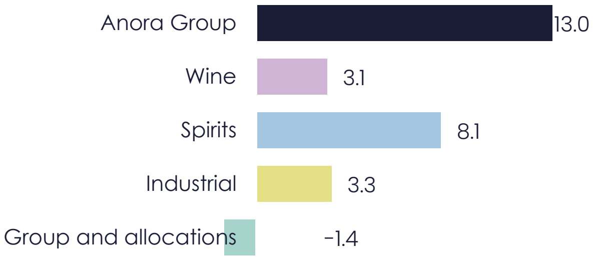
COMPARABLE EBITDA, EUR MILLION



NET SALES (EXTERNAL) BY SEGMENT, EUR MILLION



COMPARABLE EBITDA BY SEGMENT, EUR MILLION



In the table and charts PF indicates pro forma.

Wine

The Wine segment develops, markets and sells partner wines and Anora's own wine brands to customers in the Nordic monopoly markets.

	Q1 22	Q1 21 PF	Change, %	2021 PF
Net sales (total), EUR million	53.2	62.2	-14.5	302.9
Gross profit, EUR million	16.2	19.1	-15.3	97.8
Gross margin, % of net sales	30.4	30.7		32.3
Comparable EBITDA, EUR million	3.1	6.8	-55.1	39.5
Comparable EBITDA margin, % of net sales	5.8	11.0		13.1

Net sales

In Q1, net sales declined by 14.5% to EUR 53.2 (62.2) million compared to the previous year.

Across all markets, the net sales decline was mainly driven by the lower monopoly volumes which on average declined by 14%. Volumes declined due to the late timing of Easter – with sales occuring in Q2 instead of Q1 as last year – and the consumption returning to the on-trade and DFTR following the lifting of Covid restrictions. Anora's sales volumes were also impacted by out-of-stock mainly for own wine brands due to global supply chain challenges.

In Sweden, Anora's monopoly sales declined more than the market and the overall market share was down from the previous year. The decline of bag-in-box volumes and partner portfolio changes had a negative impact on sales. The recovery of the on-trade channel has been very strong with sales in Q1 above the pre-pandemic level.

In Norway, Anora's monopoly sales declined more than the market and the overall market share was down from the previous year. The lower volumes in red wine and bag-in-boxes as well as partner portfolio changes had a negative impact on sales. The on-trade channel has recovered well.

In Finland, Anora's monopoly sales declined more than the market and the overall market share was down from the previous year. The on-trade channel has recovered well.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 3.1 (6.8) million, or 5.8% (11.0%) of net sales. The lower sales and higher marketing costs impacted comparable EBITDA negatively. Price increases have partly offset the higher material costs resulting in a gross margin at last year's level. Marketing costs increased due to the higher activity level.

Events in Q1 22

Anora started collaboration with a leading Italian wine producer – Zonin 1821 – with distribution in all Nordic monopolies and on-trade. In addition, new products with permanent monopoly distribution were launched for Anora's wine partners such as Signature Rosé in Sweden, Bird's Tree bag-in-box in Finland and J.P. Chenet Ice Rosé in Norway.

New products in Q1 were also launched for Anora's own wine brands, Chill Out Riesling bag-in-box in Norway and Wine Tunes in Finland.

In the table *PF* indicates pro forma. In the text *DFTR* refers to the duty-free travel retail sales channel. Net sales include internal sales see p25.
The *market share* comments are based on value data.

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.

	Q1 22	Q1 21 PF	Change, %	2021 PF
Net sales (total), EUR million	44.9	41.9	7.1	224.8
Gross profit, EUR million	20.1	19.2	4.6	108.8
Gross margin, % of net sales	44.8	45.8		48.4
Comparable EBITDA, EUR million	8.1	7.5	7.7	47.5
Comparable EBITDA margin, % of net sales	18.0	17.9		21.1

Net sales

In Q1, net sales increased by 7.1% to EUR 44.9 (41.9) million compared to the previous year.

The net sales growth was driven by the International business area. Monopoly volumes declined due to the late timing of Easter – with sales occuring in Q2 instead of Q1 as last year – and the consumption returning to the on-trade and DFTR following the lifting of Covid restrictions.

The divestment of brands, as required by the competition authorities to close the Altia and Arcus merger, affects a comparison to the previous year for Norway and Sweden, in particular.

In Finland, Anora gained overall market share with good development in liqueur and tequila. Both on-trade and grocery trade showed positive development.

In Norway, Anora also gained overall market share with good development in several categories such as vodka, liqueur and other spirits. The strong recovery of the on-trade contributed positively to sales.

In Sweden, Anora's market share was flat compared to the previous year with good development in categories such as vodka and cognac. The recovery of the on-trade channel has been very strong with sales in Q1 above the pre-pandemic level.

In the International business area, the increased volumes in DFTR and the Baltics, and the good development in Germany and Exports contributed positively to net sales while sales in Denmark was impacted by the late timing of Easter.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 8.1 (7.5) million, or 18.0% (17.9%) of net sales. The improvement in comparable EBITDA was related to the positive sales development of International and lower operating expenses. The annual impact on comparable EBITDA of the divested spirits brands was EUR 4.6 million.

The gross margin declined from the previous year due to the shift in the market and channel mix, but with a positive contribution from price increases.

Events in Q1 22

The line-up of new listings at the monopolies was strong in Q1, and below are only a few of the launches for Anora's own spirits brands:

- Carlow Cutting and Carlow Counting Days – two Irish whiskey-based drinks challenging anything traditional launched in Finland and Sweden
- Ein Aquavit and Glad Akvevitt – new aquavits listed in the order assortment in Norway
- Koskenkorva Hard Juice Red Berries – further building the successful brand expansion into the liqueur category in Finland
- Arctic Gin – a novelty in the popular gin category in Sweden

In the table *PF* indicates pro forma. In the text *DFTR* refers to the duty-free travel retail sales channel. Net sales include internal sales see p25.
The *market share* comments are based on value data and the divested brands have been excluded.

Industrial

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

	Q1 22	Q1 21 PF	Change, %	2021 PF
Net sales (total), EUR million	60.8	54.1	12.4	254.8
Gross profit, EUR million	28.1	26.9	4.3	117.0
Gross margin, % of net sales	46.1	49.7		45.9
Comparable EBITDA, EUR million	3.3	3.4	-2.3	18.0
Comparable EBITDA margin, % of net sales	5.4	6.2		7.1

Net sales

In Q1, net sales increased by 12.4% to EUR 60.8 (54.1) million compared to the previous year of which EUR 35.5 (30.1) million was external net sales.

The net sales growth was driven by contract manufacturing, starch and feed, and Vectura. In contract manufacturing, both volumes and price increases due to high raw material cost contributed to growth. In starch and feed, growth was driven by price increases, while volumes declined followed by the temporary reduction of Koskenkorva Distillery's capacity. In Vectura, sales were positively impacted by the channel shift with higher volumes to the on-trade and lower volumes to the monopoly. In technical ethanol, price increases have been implemented but sales were below last year's level because Q1 21 included a non-recurring volume increase which impacts comparison to the previous year. Market demand for technical ethanol has remained strong in many segments. Anora's Naturet products are used in geothermal heating systems which are increasingly used as they provide a sustainable method to heat buildings.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 3.3 (3.4) million, or 5.4% (6.2%) of net sales. Higher contract manufacturing volumes, price increases and proceeds from the sale of CO_2 emission rights have mitigated the negative impact of the significantly higher raw material costs.

Production and key projects Q1 22

To mitigate the impact of the record-high cost of barley, the Koskenkorva Distillery's running speed was still lowered. As a result, 46.9 (52.9) million kilos of grain were consumed during the first quarter.

During Q1, the average barley market price increased by 77% to 289€/tn (Q1 21: 163€/tn). Historically, over a 5-year period, the average barley market price has been about 161€/tn.

During the period, capital expenditure was allocated mainly to replacement investments and to improve work safety and energy efficiency. Anora will take steps to reduce CO_2 emissions with the new heat recovery system at Koskenkorva Distillery, which is expected to be taken into use in Q2.

In the table *PF* indicates pro forma. Net sales include internal sales see p25.

Market development in Q1 22

The volume development in the monopolies is mainly explained by two factors: the late timing of **Easter sales** this year in Q2 compared to Q1 in the previous year, and the anticipated **normalising of the channel mix** following the lifting of Covid-19 restrictions. Volumes were still above the pre-pandemic level in 2019.

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC MONOPOLIES

% change compared to previous year	Q1 22	Q1 21	2021
Nordics, total sales volumes*	**-13.7**	**18.2**	**-0.2**
Spirits	-10.5	20.6	2.9
Wine	-14.2	17.8	-0.8
Finland, total sales volumes	**-12.1**	**9.9**	**-4.4**
Spirits	-8.2	6.3	-3.0
Wine	-13.6	11.4	-4.9
Sweden, total sales volumes	**-8.6**	**11.5**	**0.1**
Spirits	-8.2	23.8	6.1
Wine	-8.7	10.2	-0.6
Norway, total sales volumes	**-25.5**	**43.6**	**2.2**
Spirits	-17.8	41.8	6.6
Wine	-26.6	43.9	1.5

*) 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 spirits, most categories declined, but with some growth in liqueurs, aquavits and other whiskies.

In wine, volumes declined across all categories. The share of bag-in-boxes has been returning to pre-pandemic levels.

Norway

The positive Covid effect in the monopoly volumes was the strongest in Norway, and hence, the reverse effect can be seen in the negative growth numbers.

In spirits, the overall development was negative, mostly due to decline in whiskies, cognac, gin and aquavit.

In wine, volumes declined across all categories, most significantly in red and white wines.

Sweden

In spirits, the overall development was negative, mostly due to decline in whiskies, gin and aquavit.

In wine, volumes declined across all categories, most significantly in red and white wines. The share of bag-in-boxes has been returning to pre-pandemic levels.

Denmark

The spirits volumes declined by 15% compared to last year, driven by phasing of Easter sales. The category most affected was aqauvit which declined with 35%. Candy shots category was the only exception and showed small growth compared to last year's level.

Financial review

Financial items, result for the period and cash flow

In Q1, other operating income amounted to EUR 2.4 (1.7) million, mainly including income from the sales of emission allowances EUR 0.7 (0.0) million; income from the sales of mainly steam, energy and water of EUR 0.9 (0.9) million; and rental income of EUR 0.4 (0.4) million.

Employee benefit expenses totalled EUR 23.4 (12.9) million, including EUR 18.2 (10.0) million in wages and salaries. Other operating expenses amounted to EUR 25.1 (15.4) million.

Net financial expenses amounted to EUR 2.4 (0.8) million. The share of profit in associates and joint ventures and income from interests in joint operations totalled EUR 0.9 (1.0) million.

Income tax expense was EUR 0.6 (0.2) million, corresponding to an effective tax rate of 21.2% (19.9%).

The result for the period amounted to EUR 2.1 (0.7) million, and earnings per share were EUR 0.03 (0.02).

In Q1, net cash flow from operations totalled EUR -38.6 (-0.3) million. Cash flow from operations was impacted by the change in working capital due to seasonality and the late timing of Easter. In the first quarter, sales are typically lower resulting in lower receivables and excise taxes. The receivables sold amounted to EUR 41.7 (62.0) million at the end of the reporting period.

In Q1, gross capital expenditure totalled EUR 2.9 (0.8) 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 170.5 (9.4) million. The increase in net debt was due to the Altia and Arcus merger as the balance sheet of the 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 118.7 (111.0) million, while the interest-bearing debt including lease liabilities amounted to EUR 289.2 (120.5) million. The gearing ratio at the end of the reporting period was 33.0% (6.5%), while the equity ratio was 44.6% (33.0%). The reported net debt to comparable EBITDA was 2.2 (0.2) 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 800.0 million and EUR 10.0 million. The nominal value of commercial papers issued amounted to EUR 20.0 (40.0) million at the end of the reporting period.

The total in the consolidated balance sheet was EUR 1 160.4 (437.0) million at the end of the period.

BALANCE SHEET KEY FIGURES

	Q1 22	Q1 21	2021
Reported net debt / comparable EBITDA (rolling 12 months)	2.2	0.2	1.8
Borrowings, EUR million	156.3	110.4	162.6
Net debt, EUR million	170.5	9.4	126.0
Equity ratio, %	44.6	33.0	41.2
Gearing, %	33.0	6.5	24.8
Capital expenditure, EUR million	-2.9	-0.8	-5.4
Total assets, EUR million	1 160.4	437.0	1 233.3

The comparison information for the Group for Q1 21 includes former Altia information only.
For the full year 2021 the comparison information also includes former Arcus for four months as of 1 September 2021.

Sustainability

Anora is building a new sustainability roadmap, which will be launched in Q3 2022. Data gathering and the emission calculation for scopes 1–3 started in Q1. Anora is also conducting a materiality analysis to gather stakeholders' views on a wide base.

Anora received its first rating from the S&P Global Corporate Sustainability Assessment in Q1. The score for the first assessment was 29 (21), when the industry average is 27 and the best company's score is 90. In the beverage industry, 85 companies were assessed and Anora was in the 60 percentile.

Striving for carbon neutral production

During the period, the Koskenkorva Distillery heat pump project progressed as planned. This project aims to increase heat circulation within the distillery and the target is to reduce steam power generation by 10% and respectively reduction in CO_2 emissions at the Koskenkorva Distillery. The new heat pump system is expected to be taken into use during Q2 22.

KEY KPIS DURING THE PERIOD

	Q1 22	Q1 21	FY 2021
Total water use (m3)			
Gjelleråsen	9 455	9 665	42 320
Rajamäki (beverage plant)	29 045	29 492	141 073
Koskenkorva	57 143	86 550	331 020
Total	**95 643**	**125 707**	**514 413**
Total energy MWh			
Gjelleråsen	3 443	3 435	11 925
Rajamäki (beverage plant and industrial production)	7 769	9 073	21 094
Koskenkorva	33 070	34 576	131 020
Total	**44 282**	**47 084**	**164 039**

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

Supporting a responsible drinking culture

During the quarter, Anora launched a non-alcoholic 'gin'in Finland, Roti, which was very well received. Anora also promoted Dry January in its group social media channels. Anora continued to support educative programmes also from beginning of 2022: Drink Responsibly in Norway, Talk about Alcohol in Sweden and Raiteen tuki in Finland.

Leading in climate-smart packaging

Minimizing the environmental burden caused by packaging is at the core of Anora's packaging strategy. The reduction of CO_2 emissions is achieved by ensuring all used packaging materials are recycling compatible, encouraging consumers to recycle and by using recycled materials in packages. During Q1 development efforts towards even more sustainable packaging formats were continued and new packaging development launches will be done throughout 2022.

Promoting an inclusive and safe workplace

During Q1, Anora's total **sickness absence** was 6.5% and lost time injury frequency **LTIF** 4.4 (both KPIs are for own employees from former Altia and former Arcus' Norwegian operations, in addition LTIF is excluding commuting).

During Q1, Anora Finland operations was granted Vision Zero Forum 2021 award level II, Approaching world's forefront of occupational safety. Anora safety KPI's were harmonized and targets for the year 2022 were set.

During the quarter, the policies on non-harassment, alcohol consumption and substance abuse were revised. Training on safe behaviours and hygiene guidelines for both internal and external workers in the factories were updated and uploaded to a new platform, improving the tracking of completion. Anora's code of conduct was updated and made available to employees.

The first ever employee survey for Anora was conducted in January. The engagement result was slightly below the benchmark (77 vs 80). One of the main reasons to the lower score was the lack of clarity of objectives, which is linked to the recent merger and the Group strategy still to be published. In addition, work to define and support Anora's culture continued during the quarter.

Personnel

Anora Group employed 1 085 (652) persons at the end of the period and on average 1 078 (641) persons during January–March 2022.

PERSONNEL BY COUNTRY AT THE END OF THE PERIOD

	Q1 22	Q1 21	2021
Finland	415	393	393
Norway	366	22	365
Sweden	169	116	159
Estonia	56	57	58
Latvia	32	34	32
France	23	26	24
Denmark	19	4	21
Germany	5	-	3
Total	**1 085**	**652**	**1 055**

Merger integration

The Altia and Arcus merger was completed on 1 September 2021. The integration work has progressed according to plan and on schedule. The run-rate of annualised net synergies was EUR 1.9 million, including the annual impact of EUR 4.6 million from the divestment of brands. The total annual EBITDA net synergy target remains at EUR 8-10 million, of which 80% is expected to be realized within two years. Post-closing integration costs are estimated to be EUR 7-9 million in 2021-2022.

The focus on people processes continued throughout Q1 with new organization structures and teams according to business and legal requirements. The established teams have been engaged to build the future Anora culture. Organisations have merged into one office location both in Norway and Finland.

In Wine, work has started to create joint on-trade and digital teams to serve all wine companies across all markets.

In Spirits and International, the portfolio strategy work is on-going for the combined spirits portfolio.

In Industrial, greater volumes and economies of scale are expected to drive productivity. The consolidation of logistics operations are proceeding as planned. Projects to insource third party logistics operations were completed in Norway and Finland during Q1, while Sweden is expected to be completed during Q3 2022.

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 22	Q1 21	2021
Closing price on the last day of trading, EUR	8.80	10.64	10.86
Highest price, EUR	11.04	12.00	12.00
Lowest price, EUR	8.45	9.82	9.62
Volume	3 892 060	2 083 179	13 204 788
Market capitalisation, EUR million*	594.5	384.5	733.6

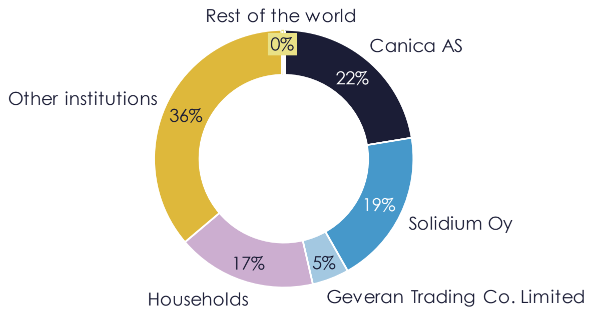
* In connection with the closing of the merger on 1 September 2021, the number of shares issued was increased by 13 204 788 shares.

Shareholders

At the end of the reporting period, Anora had 26 745 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.

ILLUSTRATION OF ANORA'S OWNERSHIP STRUCTURE



Flagging notifications in Q1

There were no flagging notifications during the period.

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

Short-term risks and uncertainties

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

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

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

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

Outlook for 2022

Market outlook

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

Guidance

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

Events after the period

Annual General Meeting

Anora Group Plc's Annual General Meeting (AGM) was held in Helsinki on 11 May 2022. The shareholders and their proxy representatives could only participate in the meeting and exercise their shareholder's rights by voting in advance as well as by submitting counterproposals and asking questions in advance. It was not possible to participate in the meeting in person at the meeting venue. Anora has published video presentations by the Chairman of the Board of Directors and the CEO on the company website.

The AGM adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2021. The AGM approved the proposal by the Board of Directors to pay a dividend of EUR 0.45 per share for the financial year 2021. 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 eight (8). 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.

The decisions of the AGM are presented in more detail in the stock exchange release published on 11 May 2022.

Dividend payment

The Annual General Meeting approved the proposal by the Board of Directors to pay a dividend of EUR 0.45 per share for the financial year 2021. The dividend will be paid on 20 May 2022 to a shareholder registered in the shareholders' register held by Euroclear Finland Oy on the record date of the payment, i.e. 13 May 2022.

Decisions by the Board of Directors

Anora's Board of Directors have elected members of the Audit, Human Resources and Integration Committees. Details are presented in the stock exchange release published on 11 May 2022.

Helsinki, 18 May 2022
Anora Group Plc
Board of Directors

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Conference call

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

Link

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

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

- FI: +358 9 2310 6678
- NO: +47 21 40 41 04
- SE: +46 8 502 428 54
- UK: +44 20 7660 8309
- US: +1 917-781-4622
- Conference ID: 901 660 618#

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

Anora will publish financial reports in 2022 as follows:

- 1 September: Half-Year Report for January-June 2022
- 23 November: Interim Report for January-September 2022

Save-the-date

Capital Markets Day on 6 September 2022

Financial statements and notes

CONSOLIDATED INCOME STATEMENT

EUR million	Q1 22	Q1 21	2021
Net sales	**133.4**	**71.7**	**478.2**
Other operating income	2.4	1.7	10.5
Materials and services	-75.5	-40.5	-266.1
Employee benefit expenses	-23.4	-12.9	-69.6
Other operating expenses	-25.1	-15.4	-90.2
Depreciation, amortisation and impairment	-7.8	-3.9	-20.5
Operating result	**4.1**	**0.7**	**42.4**
Finance income	0.9	0.2	1.2
Finance expenses	-3.3	-1.0	-6.7
Share of profit in associates and joint ventures and income from interests in joint operations	0.9	1.0	1.7
Result before taxes	**2.7**	**0.8**	**38.6**
Income tax expense	-0.6	-0.2	-7.4
Result for the period	**2.1**	**0.7**	**31.2**
Result for the period attributable to:			
Owners of the parent	2.1	0.7	31.0
Non-controlling interests	0.0	-	0.1
Earnings per share for the result attributable to owners of the parent, EUR			
Basic and diluted	0.03	0.02	0.67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 22	Q1 21	2021
Result for the period	**2.1**	**0.7**	**31.2**
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	**-**	**-**	**-0.1**
Items that may be reclassified to profit or loss			
Cash flow hedges	0.7	0.6	3.2
Financial assets at fair value through other comprehensive income	-	-	2.5
Translation differences	6.6	-0.6	5.6
Income tax related to these items	-0.1	-0.1	-0.7
Total	**7.2**	**-0.2**	**10.7**
Other comprehensive income for the period, net of tax	**7.2**	**-0.2**	**10.6**
Total comprehensive income for the period	**9.3**	**0.5**	**41.8**
Total comprehensive income attributable to:			
Owners of the parent	9.2	0.5	41.6
Non-controlling interests	0.0	-	0.1

CONSOLIDATED BALANCE SHEET

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	281.5	80.8	277.8
Other intangible assets	198.5	19.7	196.7
Property, plant and equipment	71.8	57.6	71.3
Right-of-use assets	125.6	9.7	125.7
Investments in associates and joint ventures and interests in joint operations	16.3	9.1	16.3
Financial assets at fair value through other comprehensive income	0.7	1.4	0.7
Other receivables	0.1	0.0	0.1
Deferred tax assets	1.5	1.3	1.8
Total non-current assets	**695.8**	**179.7**	**690.3**
Current assets			
Inventories	151.4	95.9	139.7
Contract assets	0.1	0.1	0.2
Trade and other receivables	191.5	46.9	232.8
Current tax assets	2.9	3.4	1.3
Cash and cash equivalents	118.7	111.0	168.9
Total current assets	**464.6**	**257.3**	**543.0**
Total assets	**1 160.4**	**437.0**	**1 233.3**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	61.5	60.5	61.5
Invested unrestricted equity fund	336.8	1.2	336.8
Fair value reserve	0.0	0.6	0.0
Legal reserve	0.4	0.1	0.4
Hedge reserve	2.3	-0.4	1.7
Translation differences	-8.4	-21.1	-15.0
Retained earnings	123.7	103.4	121.6
Equity attributable to owners of the parent	**516.2**	**144.2**	**507.0**
Non-controlling interests	**0.9**	**-**	**0.9**
Total equity	**517.1**	**144.2**	**507.9**
Non-current liabilities			
Deferred tax liabilities	48.6	16.5	48.4
Borrowings	134.8	63.9	136.1
Non-current liabilities at fair value through profit or loss	1.3	-	1.3
Lease liabilities	121.2	6.5	120.8
Other liabilities	0.0	-	0.0
Employee benefit obligations	3.1	1.1	3.0
Total non-current liabilities	**309.0**	**88.0**	**309.6**
Current liabilities			
Borrowings	21.5	46.5	26.5
Lease liabilities	11.7	3.6	11.6
Trade and other payables	299.8	153.4	374.4
Contract liabilities	0.3	0.3	0.4
Current tax liabilities	0.9	1.1	2.8
Total current liabilities	**334.3**	**204.8**	**415.7**
Total liabilities	**643.3**	**292.8**	**725.4**
Total equity and liabilities	**1 160.4**	**437.0**	**1 233.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1 22	Q1 21	2021
Cash flow from operating activities			
Result before taxes	**2.4**	**0.8**	**38.6**
Adjustments			
Depreciation, amortisation and impairment	7.8	3.9	20.5
Share of profit in associates and joint ventures income from investments in joint operations	-0.9	-1.0	-1.7
Net gain on sale of non-current assets	-0.0	-	-3.8
Finance income and costs	2.4	0.8	5.5
Other adjustments	0.1	-0.1	0.1
Adjustments total	**9.3**	**3.6**	**20.6**
Change in working capital			
Change in inventories, increase (-) / decrease (+)	-9.9	-3.6	9.6
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	46.5	0.4	-64.8
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	-79.9	1.1	55.9
Change in working capital	**-43.4**	**-2.1**	**0.7**
Interest paid	-2.2	-0.5	-3.7
Interest received	0.3	0.0	0.3
Other finance income and expenses paid	-0.8	-0.6	-1.6
Income taxes paid	-4.3	-1.6	-4.1
Financial items and taxes	**-7.0**	**-2.6**	**-9.1**
Net cash flow from operating activities	**-38.6**	**-0.3**	**50.8**
Cash flow from investing activities			
Payments for property, plant and equipment and intangible assets	-2.9	-0.8	-5.4
Proceeds from sale of property, plant and equipment and intangible assets	0.1	-	0.2
Proceeds from financial assets at fair value through other comprehensive income	-	-	3.4
Proceeds received from assets held for sale	-	-	16.6
Interest received from investments in joint operations	0.9	0.9	0.9
Dividends received	-	0.2	0.2
Net cash flow from investing activities	**-1.8**	**0.3**	**15.9**
Cash flow from financing activities			
Changes in commercial paper program	-0.0	-0.0	-20.0
Repayment of borrowings	-5.7	-5.7	-6.6
Repayment of lease liabilities	-2.8	-0.9	-6.2
Dividends paid and other distributions of profits	-	-12.6	-27.1
Net cash flow from financing activities	**-8.6**	**-19.3**	**-59.9**
Change in cash and cash equivalents	**-49.1**	**-19.4**	**6.8**
Cash and cash equivalents at the beginning of the period	168.9	130.7	130.7
Cash and cash equivalents received in merger	-	-	33.2
Translation differences on cash and cash equivalents	-1.2	-0.2	-1.7
Change in cash and cash equivalents	-49.1	-19.4	6.8
Cash and cash equivalents at the end of the period	**118.7**	**111.0**	**168.9**

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 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	-	-	-	-	-	-	0.7	0.7	-	0.7
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	0.4	-	-	0.4	-	0.4
Translation differences	-	-	-	-	-	-0.6	0.0	-0.6	-	-0.6
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**0.4**	**-0.6**	**0.7**	**0.5**	**-**	**0.5**
Transactions with owners										
Dividend distribution	-	-	-		-	-	-12.6	-12.6	-	-12.6
Share based payments	-	-	-	-	-	-	0.1	0.1	-	0.1
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-12.6**	**-12.6**	**-**	**-12.6**
Equity at 31 March 2021	**60.5**	**1.2**	**0.6**	**0.1**	**-0.4**	**-21.1**	**103.4**	**144.2**	**-**	**144.2**
Equity at 1 January 2022	**61.5**	**336.8**	**0.0**	**0.4**	**1.7**	**-15.0**	**121.6**	**507.0**	**0.9**	**507.9**
Total comprehensive income										
Result for the period	-	-	-	-	-	-	2.1	2.1	0.0	2.1
Other comprehensive income (net of tax)										
Cash flow hedges	-	-	-	-	0.6	-	-	0.6	-	0.6
Translation differences	-	-	-	-	-	6.5	0.1	6.6	0.0	6.6
Total comprehensive income for the period	**-**	**0.0**	**0.0**	**-**	**0.6**	**6.5**	**2.1**	**9.2**	**0.0**	**9.3**
Equity at 31 March 2022	**61.5**	**336.8**	**0.0**	**0.4**	**2.3**	**-8.4**	**123.7**	**516.2**	**0.9**	**517.1**

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 2021.

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 1st of September 2021 and the consolidated financial statements of the Group include Arcus from that date onwards. Therefore the historical financial information of Altia does not give a comparable base for financial information of the present combined company. More information of the merger is disclosed in the annual financial statements for the year ended on 31 December 2021. As the merger was completed in September 2021, the provisional amounts recognised will be adjusted within 12 months after the date of the acquisition.

To help the comparison, historical pro forma financial information ("Pro forma") for the new segments was published on 13 May 2022. The pro forma segment figures for 2021 have been used as comparative figures for segments on the following pages' segment tables and the pro forma figures are marked with PF. These pro forma figures are considered non-IFRS measures which should not be viewed as a substitute to the IFRS financial measures.

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 2021 consolidated financial statements.

KEY EXCHANGE RATES IN EUROS

			31 Mar 2022		31 Mar 2021
		Average rate	End rate	Average rate	End rate
Swedish krona	SEK	10.4772	10.3770	10.1627	10.2383
Norwegian krone	NOK	9.8887	9.7110	10.2466	9.9955
Danish krone	DKK	7.4401	7.4379	7.4368	7.4373

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.

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.

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	Q1 22	Q4 21 PF	Q3 21 PF	Q2 21 PF	Q1 21 PF
Wine	53.1	93.0	72.5	74.9	62.2
Spirits	44.9	73.9	57.1	51.7	41.9
Industrial	35.5	38.7	35.5	33.6	30.1
Total	**133.4**	**205.6**	**165.1**	**160.1**	**134.2**

In the table *PF* indicates pro forma.

COMPARABLE EBITDA BY SEGMENT

EUR million	Q1 22	Q4 21 PF	Q3 21 PF	Q2 21 PF	Q1 21 PF
Wine	3.1	13.6	10.3	8.8	6.8
Spirits	8.1	17.0	12.4	10.6	7.5
Industrial	3.3	3.0	7.0	4.7	3.4
Group allocation	-1.4	-3.0	0.4	-0.4	-1.0
Total	**13.0**	**30.6**	**30.1**	**23.6**	**16.7**

In the table *PF* indicates pro forma. A reconciliation of alternative key ratios to IFRS figures is presented in appendix 1 on page 31.

SEGMENTS Q1 22

EUR million	Wine	Spirits	Industrial	Group and allocations	Elimination	Group
Net sales external	53.1	44.9	35.5	0.0		133.4
Net sales internal	0.1	0.0	25.4	0.0	-25.5	
Total net sales	**53.2**	**44.9**	**60.8**	**0.0**	**-25.5**	**133.4**
Other operating income external	0.0	0.0	2.3	0.0		2.4
Other operating income internal	0.1	0.0	0.9	9.6	-10.6	
Total other operating income	**0.1**	**0.0**	**3.3**	**9.6**	**-10.6**	**2.4**
Materials and services	-37.2	-24.8	-36.0	-0.9	23.5	-75.5
Gross profit	**16.2**	**20.1**	**28.1**	**8.7**	**-12.6**	**60.4**
Other indirect expenses	-13.2	-12.1	-24.4	-11.3	12.6	-48.4
EBITDA	**3.0**	**8.0**	**3.6**	**-2.7**	**0.0**	**11.9**
Items affecting comparability	0.1	0.1	-0.4	1.3		1.1
Comparable EBITDA	**3.1**	**8.1**	**3.3**	**-1.4**	**0.0**	**13.0**
EBITDA						**11.9**
Depreciations						-7.8
Operating result						**4.1**
Gross margin % of net sales	30.4 %	44.8 %	46.1 %			45.2 %
Comparable EBITDA margin % of net sales	5.8 %	18.0 %	5.4 %			9.8 %

PRO FORMA SEGMENT INFORMATION FOR Q1 21

EUR million	Wine	Spirits	Industrial	Group and allocations	Elimination	Group PF	Arcus	Merger	Group reported
Net sales external	62.2	41.9	30.1	-0.0	-	134.2	-65.2	2.7	71.7
Net sales internal	0.0	0.1	24.0	-	-24.1	-			
Total net sales	**62.2**	**41.9**	**54.1**	**-0.0**	**-24.1**	**134.2**	**-65.2**	**2.7**	**71.7**
Other operating income external	-	0.0	1.7	0.1	-	1.8	-0.1	-	1.7
Other operating income internal	0.2	-0.1	0.9	9.4	-10.3	-			
Total other operating income	**0.2**	**-0.1**	**2.6**	**9.4**	**-10.3**	**1.8**	**-0.1**	**-**	**1.7**
Materials and services	-43.3	-22.7	-29.8	0.2	22.2	-73.3	34.3	-1.4	-40.5
Gross profit	**19.1**	**19.2**	**26.9**	**9.6**	**-12.2**	**62.6**	**-31.0**	**1.3**	**32.9**
Other indirect expenses	-12.3	-11.8	-23.6	-13.9	12.2	-49.4	23.2	-2.1	28.3
EBITDA	**6.8**	**7.4**	**3.3**	**-4.3**	**0.0**	**13.3**	**-7.8**	**-0.8**	**4.6**
Items affecting comparability	-0.0	0.1	0.0	3.3	-	3.4	-2.1	1.8	3.2
Comparable EBITDA	**6.8**	**7.5**	**3.4**	**-1.0**	**0.0**	**16.7**	**-10.0**	**1.0**	**7.7**
EBITDA						**13.3**	**-7.8**	**-0.8**	**4.6**
Depreciations						-7.8	3.1	0.8	-3.9
Operating result						**5.4**	**-4.7**	**0.0**	**0.7**
Gross margin % of net sales	30.7	45.8	49.7			46.7			45.9
Comparable EBITDA margin % of net sales	11.0	17.9	6.2			12.4			10.7

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 2022	**341.4**	**327.3**	**299.3**	**173.4**	**1 141.4**
Additions	0.3	-	2.4	-	2.8
Disposals	-0.4	-	-0.1	-0.0	-0.6
Effect of movement in exchange rates	4.4	7.1	1.2	4.2	16.8
Acquisition cost at 31 March 2022	**345.6**	**334.4**	**302.8**	**177.6**	**1 160.4**
Accumulated depreciation, amortisation and impairment losses at 1 January 2022	**-144.7**	**-49.5**	**-228.0**	**-47.8**	**-470.0**
Depreciation and amortisation	-2.3	-	-2.3	-3.2	-7.8
Accumulated depreciation and amortisation on disposals and transfers	0.4	-	0.0	-	0.4
Effect of movement in exchange rates	-0.6	-3.4	-0.7	-1.0	-5.7
Accumulated depreciation and amortisation and impairment losses at 31 March 2022	**-147.1**	**-52.9**	**-231.0**	**-52.0**	**-483.0**
Carrying amount at 1 January 2022	**196.7**	**277.8**	**71.3**	**125.7**	**671.4**
Carrying amount at 31 March 2022	**198.5**	**281.5**	**71.8**	**125.6**	**677.4**
Acquisition cost at 1 January 2021	**151.1**	**123.0**	**252.9**	**17.5**	**544.4**
Additions	0.3	-	0.6	0.4	1.4
Disposals	-	-	0.0	-0.0	-0.0
Effect of movement in exchange rates	-0.7	4.5	-0.1	-0.2	3.7
Acquisition cost at 31 March 2021	**150.7**	**127.5**	**253.4**	**17.7**	**549.4**
Accumulated depreciation, amortisation and impairment losses at 1 January 2021	**-130.4**	**-41.6**	**-194.0**	**-7.2**	**-373.2**
Depreciation and amortisation	-1.1	-	-1.9	-0.9	-3.9
Accumulated depreciation and amortisation on disposals and transfers	-	-	0.0	0.0	0.0
Effect of movement in exchange rates	0.5	-5.2	0.0	0.1	-4.6
Accumulated depreciation, amortisation and impairment losses at 31 March 2021	**-131.0**	**-46.8**	**-195.8**	**-8.0**	**-381.6**
Carrying amount at 1 January 2021	**20.7**	**81.4**	**58.9**	**10.2**	**171.3**
Carrying amount at 31 March 2021	**19.7**	**80.8**	**57.6**	**9.7**	**167.8**

RELATED PARTY TRANSACTIONS

The following transactions have taken place with related parties:

EUR million	Q1 22	Q1 21	2021
Sales of goods and services			
Associates, joint ventures and joint operations	0.3	0.1	0.9
Other companies considered related parties	15.3	16.7	78.9
Total sales of goods and services	**15.6**	**16.8**	**79.8**
Purchases of goods and services			
Associates, joint ventures and joint operations	1.4	0.4	6.5
Other companies considered related parties	1.0	0.4	3.8
Total purchases of goods and services	**2.4**	**0.8**	**10.2**
Receivables			
Associates, joint ventures and joint operations	0.1	0.1	0.1
Other companies considered related parties	5.8	3.6	1.1
Total receivables	**5.9**	**3.7**	**1.2**
Payables			
Associates, joint ventures and joint operations	0.5	0.1	1.7
Other companies considered related parties	0.4	0.1	0.5
Total payables	**0.9**	**0.2**	**2.2**

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

ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Investments in associated companies and joint ventures:			
At the beginning of the reporting period	8.7	1.5	1.5
Acquisition of subsidiaries	-	-	6.5
Share of result for the period	0.0	0.0	0.7
Translation difference	0.0	-	-0.1
At the end of the reporting period	**8.7**	**1.6**	**8.7**
Financial summary of associated companies and joint ventures:			
Assets	46.5	8.3	46.6
Liabilities	19.8	2.7	20.4
Net assets	26.7	5.6	26.2
Net sales	3.2	3.4	29.9
Result for the period	-0.1	0.2	2.0

COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Collaterals given on behalf of Group companies			
Mortgages	18.5	18.5	18.5
Guarantees	9.2	3.8	9.1
Total collaterals	**27.7**	**22.3**	**27.6**
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	17.9	17.6	19.1
Total commitments	**18.1**	**17.9**	**19.3**
Assets not recognised in the balance sheet			
Emission allowances, kilotons	**31 Mar 2022**	**31 Mar 2021**	**31 Dec 2021**
Emission allowances received	-	-	22.6
Excess emission allowances from the previous period	13.5	10.9	10.9
Sold emission allowances	-8.0	-	-
Realised emissions	-3.5	-4.6	-19.9
Total emission allowances	**2.0**	**6.3**	**13.5**
Fair value of emission allowances (EUR million)	0.2	0.2	1.1

CLASSIFICATION AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR million	Derivative, 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	-	-	16.3	-	16.3	16.3	
Unquoted shares	-	-	-	0.7	0.7	0.7	3
Other non-current receivables	-	-	0.1	-	0.1	0.1	
Current financial assets							
Trade and other receivables	-	-	176.1	-	176.1	176.1	
Derivative instruments/Forward exchange contracts	0.4	0.1	-	-	0.5	0.5	2
Derivative instruments/Commodity derivatives	3.0	-	-	-	3.0	3.0	2
Cash and cash equivalents	-	-	118.7	-	118.7	118.7	
Financial assets at 31 March 2022	**3.4**	**0.1**	**311.1**	**0.7**	**315.2**	**315.2**	
Financial assets at 31 March 2021	0.6	0.0	161.6	1.4	163.7	163.7	
Non-current financial liabilities							
Borrowings	-	-	134.8	-	134.8	134.8	2
Lease liabilities	-	-	121.2	-	121.2	121.2	2
Non-current at fair value through profit or loss	-	1.3	-	-	1.3	1.3	3
Other liabilities	-	-	0.0	-	0.0	0.0	
Current financial liabilities							
Borrowings	-	-	21.5	-	21.5	21.5	2
Lease liabilities	-	-	11.7	-	11.7	11.7	2
Trade and other payables	-	-	66.9	-	66.9	66.9	
Derivative instruments/Interest rate derivatives	0.3	-	-	-	0.3	0.3	2
Derivative instruments/Forward exchange contracts	0.1	0.1	-	-	0.2	0.2	2
Financial liabilities at 31 March 2022	**0.5**	**1.4**	**356.1**	**-**	**358.0**	**358.0**	
Financial liabilities at 31 March 2021	1.1	0.1	148.1	-	149.3	149.3	

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

LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Book value at the beginning of the period	1.3	-	-
Acquisitions in period	-	-	1.1
Changes in value during period	-	-	0.2
Interest during period	-	-	0.0
Translation differences	0.0	-	0.0
Book value at the end of the period	**1.3**	**-**	**1.3**
Non-current liability	1.3	-	1.3
Current liability	-	-	-
Total liabilities through profit and loss	**1.3**	**-**	**1.3**

Appendix 1

KEY RATIOS

		Q1 22	Q1 21	2021
Income statement				
Net sales	EUR million	133.4	71.7	478.2
Comparable EBITDA	EUR million	13.0	7.7	71.7
(% of net sales)	%	9.8	10.8	15.0
EBITDA	EUR million	11.9	4.6	62.9
Comparable operating result (EBIT)	EUR million	5.2	3.9	51.2
(% of net sales)	%	3.9	5.4	10.7
Operating result	EUR million	4.1	0.7	42.4
Result before taxes	EUR million	2.7	0.8	38.6
Result for the period	EUR million	2.1	0.7	31.2
Items affecting comparability	EUR million	-1.1	-3.2	-8.8
Balance sheet				
Cash and cash equivalents	EUR million	118.7	111.0	168.9
Total equity	EUR million	517.1	144.2	507.9
Non-controlling interest	EUR million	0.9	-	0.9
Borrowings	EUR million	156.3	110.4	162.6
Invested capital	EUR million	673.4	254.6	670.5
Profitability				
Return on equity (ROE), rolling 12 months	%	9.8	11.7	9.3
Return on invested capital (ROI), rolling 12 months	%	8.2	7.1	7.4
Financing and financial position				
Net debt	EUR million	170.5	9.4	126.0
Gearing	%	33.0	6.5	24.8
Equity ratio	%	44.6	33.0	41.2
Net cash flow from operating activities	EUR million	-38.6	-0.3	50.8
Net debt/comparable EBITDA		2.2	0.2	1.8
Share-based key ratios				
Earnings / share (Basic and diluted)	EUR	0.03	0.02	0.67
Equity / share	EUR	7.66	3.99	7.52
Number of shares outstanding at the end of period		67 553 624	36 140 485	67 553 624
Personnel				
Personnel end of period		1 085	652	1 055
Average number of personnel		1 078	641	799

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

EUR million	Q1 22	Q1 21	2021
Items affecting comparability			
Net gains or losses from business and assets disposals	-	-	3.7
Cost for closure of business operations and restructurings	-0.0	-	-0.5
Costs related to the merger of Altia and Arcus	-0.6	-3.2	-11.2
Inventory fair valuation	-0.8	-	-0.8
Other major corporate projects	0.3	-	0.0
Total items affecting comparability	**-1.1**	**-3.2**	**-8.8**
Comparable EBITDA			
Operating results	4.1	0.7	42.4
Less:			
Depreciation, amortisation and impairment	7.8	3.9	20.5
Total items affecting comparability	1.1	3.2	8.8
Comparable EBITDA	**13.0**	**7.7**	**71.7**
% of net sales	9.8	10.8	15.0
Comparable EBIT			
Operating results	4.1	0.7	42.4
Less:			
Total items affecting comparability	1.1	3.2	8.8
Comparable EBIT	**5.2**	**3.9**	**51.2**
% of net sales	3.9	5.4	10.7

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 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 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 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	

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