



ANORA

Q1 2023

Interim Report

JANUARY–MARCH 2023

11 May 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 on page 31.

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Anora's Interim Report January–March 2023

Solid sales growth, EBITDA declined due to currency impacts, increased input costs and higher operating expenses

Q1 23 in brief

- Net sales were EUR 159.5 (133.4) million, growth 19.6%
- Comparable EBITDA was EUR 7.9 (13.0) million or 5.0% (9.8%) of net sales
- Net cash flow from operating activities was EUR 3.6 (-38.6) million
- Earnings per share EUR -0.08 (0.03)
- Net debt/comparable EBITDA (rolling 12 months) was 4.0 (2.2)

Guidance

Guidance remains unchanged: Anora's comparable EBITDA in 2023 is expected to be between EUR 80-90 million.

Key figures

	Q1 23	Q1 22	2022
Net sales, EUR million	159.5	133.4	702.7
Comparable EBITDA, EUR million	7.9	13.0	76.1
% of net sales	5.0	9.8	10.8
EBITDA, EUR million	6.9	11.9	67.9
Comparable operating result, EUR million	-0.7	5.2	42.9
% of net sales	-0.4	3.9	6.1
Operating result, EUR million	-1.7	4.1	34.7
Result for the period, EUR million	-5.6	2.1	18.1
Earnings per share, EUR	-0.08	0.03	0.26
Net cash flow from operating activities, EUR million	3.6	-38.6	-0.4
Net debt / comparable EBITDA (rolling 12 months)	4.0	2.2	4.0
Personnel end of period	1 284	1 085	1 251

CEO Pekka Tennilä:

“I am pleased with our net sales development in Q1 showing organic growth despite of the declining markets and unfavourable exchange rates.

Our comparable EBITDA in Q1 was EUR 7.9 million, 5.0% of net sales. Clearly, it is not at a satisfactory level but corresponded to our expectations in a challenging operating environment. Our key focus for the year is improving profitability with strong initiatives on pricing and cost savings.

Our profitability in Q1 decreased mainly due to the weakening of NOK and SEK. The gross impact of the currency was at level of EUR 4 million, which we were not able to fully compensate with pricing. In addition, our operational costs were significantly higher. During Q1, we implemented the planned price increases to improve our gross margins. The full impact will be seen in Q2, as in Sweden the prices took effect only in March, while in Finland this occurred in April. Our operating costs increased mainly due to the timing of additional maintenance and IT activities in the first quarter. Additionally, travelling and marketing costs have increased since the Covid-19-restrictions were lifted. We are implementing a cost savings programme aiming at EUR 6 million savings for the full year. The results of this programme, as well as the profitability improvement actions being implemented by Globus Wine, will be visible from Q2 onwards.

Our sales growth in Q1, excluding Globus Wine, was 2.3% compared to the previous year. Including Globus Wine, the growth was 20%. There was a small positive impact on our sales due to the timing of Easter. As expected, overall sales volumes have declined in the Nordics. In spirits and wine combined, the market volume declined by almost 3% on average. With rising food and beverage prices we believe that more affordable alcoholic beverages are gaining in popularity. As we have said earlier, we are well positioned for this trend with a strong position in mainstream priced product segments.

In wine, our net sales declined slightly due to the market decline and the currency impact. In local currencies our wine sales, excluding Globus Wine, grew by 3%. Net sales growth including Globus was 38%. In Anora own wines, we continued to increase sales and the market share across all monopoly markets. Globus Wine sales grew by 25%, and we also gained market share in Denmark. In partner wine, the partner losses from last year pulled our sales down.

In spirits, our sales grew by 9%, driven by the continued double-digit growth in our international business. In monopoly countries, we were able to increase both sales and the market share. Our no- and low-alcohol products in grocery retail had a very good start for the year with strong growth compared to last year.

Industrial segment's external sales grew by 6% due to higher average prices, but the outlook for the rest of the year is weakening in volumes due to the decreasing demand for starch.

In our sustainability work, we reached our target of 100% renewable energy use in our production in Finland. In addition, a new heat recovery system at the Koskenkorva Distillery started its full operation in Q1.

In addition to savings and efficiency actions aiming at profitability improvements, we are working on reducing our working capital, primarily by optimising inventory levels by cutting the buffer stocks and by improving our forecasting accuracy. To improve on our cash flow, we have expanded our sale of receivables programme.

We reiterate our guidance: Anora's comparable EBITDA in 2023 will be EUR 80–90 million.”





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% 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

	Q1 2023	Q1 2022	Change, %	2022
Net sales (external), EUR million	159.5	133.4	19.6	702.7
Gross profit, EUR million	64.6	60.4	7.0	299.3
Gross margin, % of net sales	40.5	45.2	-10.4	42.6
Comparable EBITDA, EUR million	7.9	13.0	-39.2	76.1
Comparable EBITDA margin, % of net sales	5.0	9.8	-49.4	10.8

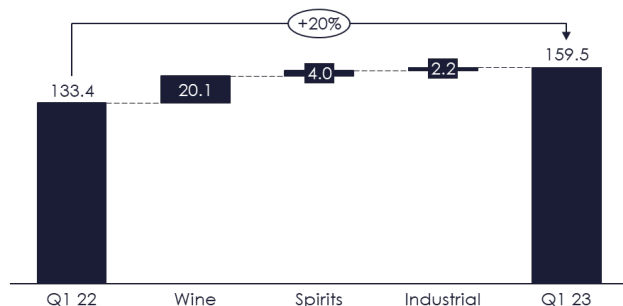
Group net sales

In Q1, Anora Group's net sales were EUR 159.5 million. Net sales were 19.6% above the Q1 2022 net sales of EUR 133.4 million. Net sales were positively impacted by the acquisition of Globus Wine in July 2022, and the increased sales volumes in Spirits and Industrial. Net sales without Globus Wine were EUR 136.5 million, with a growth of 2.3%. Net sales were negatively impacted by currency exchange rates, especially the weakening of NOK and SEK.

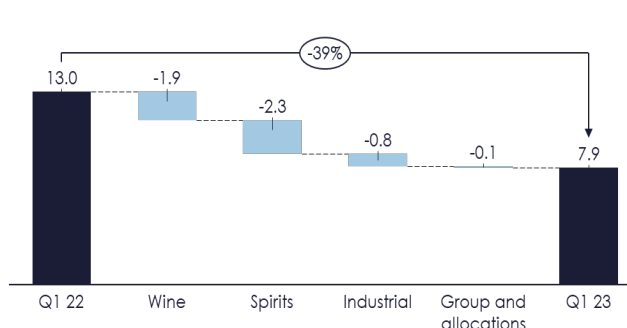
Group comparable EBITDA

In Q1, Anora Group's comparable EBITDA was EUR 7.9 (13.0) million or 5.0% (9.8%) 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 NOK and SEK was more than EUR 4 million. Price increases in the monopolies were implemented in Q1 and early Q2, but the full impact was not yet seen. The implementation of a saving programme mainly in marketing and operating costs was started. The aim of the programme is EUR 6 million for the full year, and the results are expected to be visible from Q2 onwards.

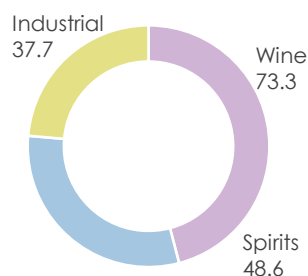
NET SALES (EXTERNAL), EUR MILLION



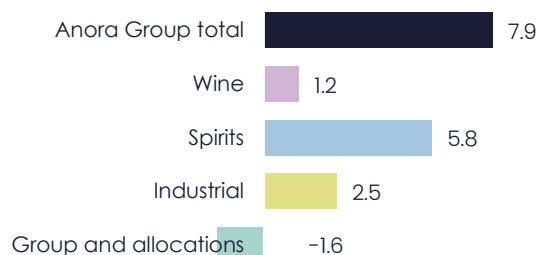
COMPARABLE EBITDA, EUR MILLION



NET SALES (EXT.), EUR MILLION



COMPARABLE EBITDA, EUR MILLION



Wine

	Q1 2023	Q1 2022	Change, %	2022
Net sales, EUR million	73.3	53.2	37.7	316.6
Gross profit, EUR million	20.2	16.2	25.0	93.5
Gross margin, % of net sales	27.6	30.4		29.5
Comparable EBITDA, EUR million	1.2	3.1	-61.3	23.5
Comparable EBITDA margin, % of net sales	1.6	5.8		7.4

Net sales

In Q1 2023, net sales in the Wine segment increased by 37.7% to EUR 73.3 (53.2) million compared to last year. The growth was driven by the acquisition of Globus Wine in July 2022. Net sales excluding Globus Wine decreased by 5.6%, mainly due to weak currency exchange rates for SEK and NOK. Anora own wines performed well in all markets while partner wines declined. The timing of Easter had a small positive impact on sales compared to Q1 2022.

In Sweden, Anora's net sales declined due to the weak currency exchange rate of SEK. In the local currency, sales were at last year's level due to price increases, while volumes declined by 4%. Net sales were positively affected by new launches, and the successful relaunch of Anora's own Chill Out brand. Anora's own wine market share grew. The previously lost partners have been partly replaced by new partners such as AdVini, Allesverloren and André Lurton.

In Norway, net sales declined due to the weakening currency exchange rate of NOK. In the local currency net sales increased by 5% in a declining market, through both price and sales volumes. Anora gained a market share in both own and partner wines.

In Finland, net sales increased due to good on-trade sales and price increases, even as Alko sales continued to decline.

In Denmark, Globus Wine was able to increase its net sales by almost 25% in a declining market, and to further increase its market share, and to strengthen its position as the leading wine company in Denmark.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 1.2 (3.1) million, or 1.6% (5.8%) of net sales. The higher input costs and changes in currency rates impacted comparable EBITDA negatively. Price increases in the monopolies were implemented in Q1 and early Q2, but the full impact was not yet seen. Globus Wine has started a profitability improvement programme which is expected to have a positive impact from Q2 onwards.

Events and new products

During the period, Anora won several important tender wins such as YOKO Rosé, a bottle and Bag-in-Box (BiB) in Norway, KeinName BiB in Finland, La Sangria del Playa in Sweden, and 3 Generation PET Bottle Pinot Noir to be launched in May in Norway. In Finland, Lindemans Riesling Gewürztraminer in BiB was launched in February.

The market share comments are based on value data. Internal net sales, see page 25.



	Q1 2023	Q1 2022	Change, %	2022
Net sales, EUR million	48.9	44.9	8.9	233.8
Gross profit, EUR million	20.3	20.1	1.1	102.4
Gross margin, % of net sales	41.6	44.8		43.8
Comparable EBITDA, EUR million	5.8	8.1	-27.9	37.8
Comparable EBITDA margin, % of net sales	12.0	18.0		16.2

Net sales

In Q1 2023, net sales of the Spirits segment increased by 8.9%, amounting to EUR 48.9 (44.9) million.

In net sales, growth was driven mainly by the international business. In monopolies, sales also increased with a small positive impact from the timing of Easter. The strong growth in local currencies was diluted by the currency exchange rates. Anora increased its market share in all monopoly markets.

In Sweden, net sales remained at last year's level, while in the local currency net sales increased. Growth was driven by vodka and liqueurs with Koskenkorva showing double digit growth. Anora gained market share in a declining market.

In Norway, net sales declined by 5% due to the currency exchange impact of the weak NOK. In the local currency, net sales increased by 5%. Sales growth was achieved by price increases, and good sales volumes of liqueurs, aquavits and Koskenkorva. Anora's market share grew in a declining market as a result of tender wins in 2022.

In Finland, the monopoly sales stayed at last year's level, while on-trade sales increased significantly compared to sales during the Covid-restrictions in Q1 2022. Anora's market share developed positively overall and in most categories.

In the international markets, growing volumes in the Baltics, and the good development in Exports contributed positively to net sales. The travel sales in passenger ships is negatively impacted by many vessels being out of traffic at the moment.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 5.8 (8.1) million, or 12.0% (18.0%) of net sales. The weakening of comparable EBITDA was mainly due to the higher operating expenses. In addition, the weak currency exchange rates and increased input costs impacted the EBITDA negatively. Price increases in the monopolies were implemented in Q1 and early Q2, but the full impact was not yet seen.

Events in Q1

Events in Q1 included promoting Barracuda liqueur in several ski events in Sweden and Finland. New listings in the monopolies include Explorer Red Berries launched in March in Sweden, and Explorer Juniper and Busker whiskey in Norway, and several products in order assortments.

New no- and low-alcohol products were launched for grocery sales in Finland, such as Koskenkorva Pure Passionfruit-Strawberry and Pirske. The growth in this product segment was also supported by the relaunch of the Koskenkorva Vichy range in cans.

The market share comments are based on value data. Net sales including internal sales, see p 25.

Industrial

	Q1 2023	Q1 2022	Change, %	2022
Net sales external, EUR million	37.7	35.5	6.1	160.0
Net sales internal, EUR million	29.9	25.4	17.7	125.5
Net sales (total), EUR million	67.5	60.8	11.0	285.5
Gross profit, EUR million	29.2	28.1	3.8	123.5
Gross margin, % of net sales	43.2	46.1		43.2
Comparable EBITDA, EUR million	2.5	3.3	-24.3	17.7
Comparable EBITDA margin, % of net sales	3.7	5.4		5.9

Net sales

In Q1 2023, the Industrial segment's total net sales amounted to EUR 67.5 (60.8) million. External net sales increased by 6.1% to EUR 37.7 (35.5) million.

In industrial products, net sales increased due to increased sales prices. The starch volume was slightly higher while the feed and ethanol volumes were lower compared to Q1 2022. The demand was strong for Anora's Naturet products for geothermal heating systems, which are increasingly popular as they provide a sustainable method to heat buildings.

Industrial services' net sales increased due to increased input costs passed on through higher prices.

In Vectura, net sales increased in the local currency, but were negatively impacted by the NOK currency exchange rate.

Internal sales increased mainly due to higher material prices.

Comparable EBITDA

In Q1, the comparable EBITDA was EUR 2.5 (3.3) million, or 3.7% (5.4%) of net sales. Comparable EBITDA was negatively impacted by inventory revaluation and higher costs of other operating expenses such as energy, warehousing and maintenance.

Production and key projects

A new heat recovery system at Koskenkorva Distillery was taken into test use in Q4 22, and was in full operation in Q1 23. The new system increases the heat circulation within the distillery and reduces steam power generation by 10%.

The record-high cost of barley seen in 2022 is now normalising. However, due to Anora's purchasing agreements, the lower price of barley will not have a significant impact on production costs before the second half of 2023. At the same time, the decreasing demand for starch from the pulp and paper industry will keep Koskenkorva Distillery's running speed lower than in the first half of 2022.

Market development in Q1 2023

The volume development in the monopolies in the first quarter is mainly explained by two factors: the normalising of the channel mix following the lifting of Covid-19 restrictions, and the timing of Easter increasing the sales slightly in Q1 23.

DEVELOPMENT OF WINE AND SPIRITS SALES VOLUMES IN THE NORDIC

% change compared to previous year	Q1 23	Q1 22	2022
Nordics, total sales volumes*	-2,5	-13,7	-8,4
Spirits	-3,9	-10,5	-7,3
Wine	-2,3	-14,2	-8,6
Finland, total sales volumes	-5,1	-12,1	-9,9
Spirits	-3,6	-8,2	-6,6
Wine	-5,8	-13,6	-11,1
Sweden, total sales volumes	-1,8	-8,6	-3,6
Spirits	-3,0	-8,2	-4,6
Wine	-1,6	-8,7	-3,4
Norway, total sales volumes	-2,1	-25,5	-18,1
Spirits	-5,5	-17,8	-15,4
Wine	-1,5	-26,6	-18,5
Denmark, total sales volumes	-2,8	-17,5	-8,4
Spirits	-4,4	-14,8	-4,6
Wine	-2,6	-17,8	-9,1

Sales volumes by litres. Sources: Alko, Systembolaget, Vinmonopolet, Nielsen IQ.

Finland

In Finland, domestic retail sales are increasing while travel sales are declining. On-trade share is slightly below the pre-Covid level.

In spirits, the negative development is mainly driven by unflavored vodka and spirits, and VS cognac. Positive development was seen in flavored liqueurs as well as white rum and domestic whiskeys.

In wines, red wines continue to decline clearly more than white and sparkling. The volumes in the lower price range declined significantly, while growth can be seen in mid-range and even premium price ranges. In white wines, volumes in the lower price ranges are still relatively high.

The share of Tetra packs continues to grow both in red and white wines. From the green and ethical categories, most growth can be seen in carbon neutral wines and environmentally responsible packages.

Sweden

In Sweden, the overall development in spirits is declining driven by whiskies, gin, and rum, while vodka is showing growth. In Q1, Akvavit was showing a great increase due to the timing of Easter.

In wine, volumes declined in red, white and rosé, while the volumes of sparkling wine increased.

Norway

In Norway, the decrease of spirits sales was driven by a decline in all major categories. This was at least partly due to more traveling and border sales compared to Q1 2022.

Wine is trending back to normal, with sales of Vinmonopolet decreasing by only 1 per cent. However, sales in March includes a small Easter effect. Consumers still favour categories "light and bright", such as white wine, sparkling wine, rosé wine, beer, siders and alcohol-free. Red wine is declining but is still the biggest wine category with close to 59 per cent of the total wine volume.

Denmark

In Denmark, the sales volumes declined in Q1 but with a significantly slower pace than a year ago. The main driver for the declining sales is still red wine, while the white wine volume in Q1 2023 was quite even with the Q1 2022 sales.

In spirits, high inflation has driven consumers to look for price offers and cheaper alternatives in many beverage categories, especially in Gin. Discount stores are gaining market share at the expense of premium supermarkets.

Financial review

Financial items, result for the period and cash flow

In Q1, other operating income amounted to EUR 2.2 (2.4) million, mainly including income from sales of mainly steam, energy and water of EUR 1.0 (0.9) million; sales of fixed assets of EUR 0.3 (0.0) million, rental income of EUR 0.3 (0.4) million; and income from sales of emission allowances EUR 0.0 (0.7) million.

Employee benefit expenses totalled EUR 25.5 (23.4) million, including EUR 20.0 (18.2) million in wages and salaries. Other operating expenses amounted to EUR 32.3 (25.1) million.

Net financial expenses amounted to EUR 5.3 (2.4) million. The share of profit in associates and joint ventures and income from interests in joint operations totalled EUR 1.1 (0.9) million.

Income tax expense was EUR -0.3 (0.6) million.

The result for the period amounted to EUR -5.6 (2.1) million, and earnings per share were EUR -0.08 (0.03).

In Q1, the net cash flow from operations totalled EUR 3.6 (-38.6) million. The cash flow from operations was impacted by the change in working capital due to the extended sales of the receivables program and seasonality. In the first quarter, sales are typically lower, resulting in lower receivables and excise taxes. The receivables sold amounted to EUR 92.8 (41.4) million at the end of the reporting period.

In Q1, gross capital expenditure totalled EUR 2.2 (2.9) 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 285.5 (170.5) million. The increase in net debt was due primarily to the acquisition of Globus Wine which was financed with debt. Cash and cash equivalents amounted to EUR 111.4 (118.7) million, while the interest-bearing debt including lease liabilities amounted to EUR 397.0 (289.2) million. The gearing ratio at the end of the reporting period was 62.2% (33.0%), while the equity ratio was 37.8% (44.6%). The reported net debt to comparable EBITDA was 4.0 (2.2) 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 1 213.2 (1 160.4) million at the end of the period.

BALANCE SHEET KEY FIGURES

	Q1 23	Q1 22	2022
Reported net debt / comparable EBITDA (rolling 12 months)	4.0	2.2	4.0
Borrowings, EUR million	265.7	156.3	247.5
Net debt, EUR million	285.5	170.5	300.9
Equity ratio, %	37.8	44.6	37.0
Gearing, %	62.2	33.0	62.5
Capital expenditure, EUR million	-2.2	-2.9	-10.7
Total assets, EUR million	1 213.2	1 160.4	1 301.3



Sustainability

Anora launched its new sustainability roadmap, Regenerate the Future, in November 2022. The roadmap is divided into three areas – Planet, People and Product. For more on our 2022 achievements, please read our [Sustainability Report 2022](#), published on 23 March 2023.

In Q1, we improved our rating in two key ESG rankings. In Sustainalytics, we moved from high-risk 22.7 to medium-risk 30.2, and in S&P Global we improved from 29 to 39, being in the best quartile of our industry. In Sustainalytics, we improved especially in environmental policy and environmental management systems, while our most material gaps were in the reporting of supply chain management and human capital development. In S&P Global, we improved in all of the three ESG areas, most significantly in the governance & economic dimension. We are targeting constant improvement to achieve a low-risk level, with systematic work both in sustainability processes and reporting.

Planet

Anora moved to 100% renewable energy in Finland in Q1. In the coming years, up to 50% of the energy used at the Koskenkorva Distillery will be local wind-power from the Kalax wind-park. The step to renewable energy follows Anora's roadmap towards a carbon-neutral distillery in 2026, without carbon off-sets.

Anora continues to pave the way for regenerative farming, a set of methods that aim to sequester carbon into fields. Anora organised education for farmers in 2022 and as a result, the number of farmers producing regenerative barley for us increased from 2 to 20. These farmers are expected to provide Anora with over 3.5 million kilos of regeneratively farmed barley in autumn 2023, a significant increase from the 56,000 kilos in 2022.

People

During Q1, Anora's total sickness absence rate was 5.9% (6.5%) and lost time injury frequency LTIF 7.5 (4.4) (both KPIs are for our own employees; LTIF does not include commuting). Figures do not yet include Globus Wine.

In Q1, Anora started to conduct a human rights assessment and commitment to its value chain to respond to the Norwegian Transparency Act and for the up coming EU Corporate Sustainability Due Diligence. As part of the project, we will unify our sustainable procurement practices and create a shared human rights due diligence process.

KEY KPIS DURING THE PERIOD

	Q1 23	Q1 22	2022
Total water use (m3)			
Gjelleråsen, Norway	10 243	9 455	37 714
Rajamäki, Finland (beverage plant)	30 645	29 045	119 173
Globus Wine, Denmark	7 134	5 956	28 060
Koskenkorva, Finland*	123 940	57 143	411 354
Total	171 953	101 599	596 301
Total energy MWh			
Gjelleråsen, Norway	3 230	3 443	11 000
Rajamäki, Finland (beverage plant and industrial production)	8 395	7 769	24 229
Globus Wine, Køge Denmark	1 156	1 022	3 520
Koskenkorva, Finland	32 698	33 070	124 867
Total	45 479	45 304	163 625

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

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

Product

Minimising the environmental burden caused by packaging is at the core of Anora's packaging strategy. During Q1 we continued our development towards 50% rPET in PET bottles for clear spirits.

No-alcohol and low-alcohol products are central for our goal of supporting a responsible drinking culture. In Finland, the retail store allocation of no- and low-alcohol products improved, as the Koskenkorva portfolio saw a significant growth, and the seltzer category growth was also strong.

Personnel

Anora Group employed 1 284 (1 085) persons at the end of the period and on average 1 281 (1 078) persons during January–March 2023.

PERSONNEL BY COUNTRY AT THE END OF THE PERIOD

	Q1 23	Q1 22	2022
Finland	434	415	414
Norway	376	366	370
Sweden	172	169	165
Estonia	69	56	174
Latvia	33	32	68
France	23	23	33
Denmark	168	19	22
Germany	9	5	5
Total	1 284	1 085	1 251

Key events in Q1

Changes in Anora's Executive Management Team

Anora announced on 27 January 2023 that Henrik Bodekær Thomsen, SVP Spirits and member of Anora's Executive Management Team had decided to leave his position to assume other duties within Anora. Kirsi Puntila, SVP International and member of Anora's Executive Management Team was appointed SVP Spirits, in which position she is also responsible of Anora's spirits business in the monopoly markets.

Centres of excellence

In February Anora announced in a press release that it is planning to implement a centre of excellence strategy for its bottling sites in Finland, Norway and Denmark. The strategy of specialisation would enhance expertise and increase efficiency at each of Anora's three main bottling sites. Production of vodka-based spirits is planned to be centralized at the Rajamäki plant in Finland, whereas the Gjelleråsen plant in Norway would focus on aquavits and bitters. In Norway, the change would entail a gradual downsizing of around 40 full-time equivalents over a period of three years. Operational excellence of wine production would be concentrated at the Globus Wine plant in Denmark.

The plan to centralise production is part of the EUR 5–10 million efficiency potential in the supply chain during the strategic period, communicated in Anora's growth strategy. The work has started and is expected to be completed during 2025.

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 23	Q1 22	2022
Closing price on the last day of trading, EUR	5.54	8.80	7.36
Highest price, EUR	7.69	11.04	11.04
Lowest price, EUR	5.16	8.45	6.62
Volume	4 179 800	3 892 060	13 082 762
Market capitalisation, EUR million*	374	594	497

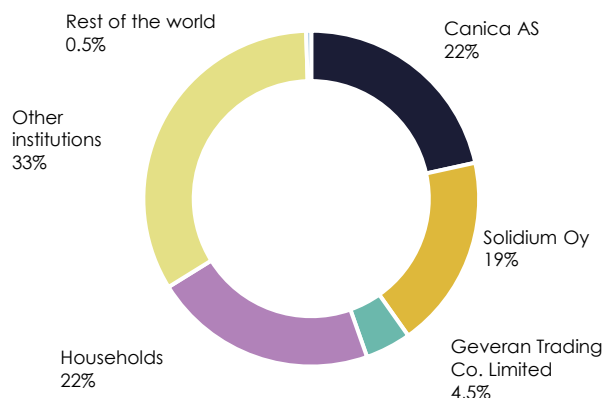
LARGEST SHAREHOLDERS REGISTERED IN EUROCLEAR FINLAND ON 31 MARCH 2023

	Shareholder	Number of shares	% of shares
1	Solidium Oy	13 097 481	19.4
2	Varmia 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.	460 000	0.7
7	Savolainen Heikki Antero	271 816	0.4
8	OP Life Insurance Company Limited	223 877	0.3
9	Mutual Fund Local Tapiola Consumer	195 772	0.3
10	Itikka osuuskunta	178 745	0.3
	10 largest in total	19 589 636	29.4

Shareholders

At the end of the reporting period, Anora had 28 381 (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.



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 the supply chain, production and deliveries, and exposures to IT security events form the major short-term risks related to operations, as well as sudden and significant changes in the prices of raw materials, especially those related to barley. 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.

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 February 2022, is not material on the Group level. Furthermore, Anora's Baltic operations have suspended purchases of raw materials from Russia and Belarus.

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.

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

Anora's comparable EBITDA in 2023 is expected to be between EUR 80-90 million.

Events after the period

Annual General Meeting

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.

The decisions of the AGM are presented in more detail in the stock exchange release published on 19 April 2023.

Decisions by the Board of Directors

Anora's Board of Directors have elected the members of the Audit Committee and Human Resources Committees. Details 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 shall be paid in two instalments. The first instalment of EUR 0.11 per share shall be paid to a shareholder who is registered in the shareholders' register of the company held by Euroclear Finland Oy

on 21 April 2023, and the second instalment of EUR 0.11 per share shall be paid to a shareholder who is registered in the shareholders' register held by Euroclear Finland Oy on 18 October 2023. The payment date of the dividend instalments are 28 April 2023 and 25 October 2023, respectively.

Appointment of Chief Growth Officer

On 21 April, Anora announced that Mikkel Pilemand, a Danish citizen, had been appointed as Chief Growth Officer and member of the Executive Management Team as of 1 May 2023.

Helsinki, 10 May 2023

Anora Group Plc

Board of Directors

Contacts

Petra Gräsbeck, Corporate Communications

tel. +358 40 767 0867

petra.grasbeck@anora.com

Conference call

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

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: 587 568 941#

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 2023 as follows:

- 25 August: Half-Year Report for January-June 2023
- 9 November: Interim Report for January-September 2023

Financial statements and notes

CONSOLIDATED INCOME STATEMENT

EUR million	Q1 23	Q1 22	2022
Net sales	159.5	133.4	702.7
Other operating income	2.2	2.4	10.9
Materials and services	-97.1	-75.5	-414.3
Employee benefit expenses	-25.5	-23.4	-93.8
Other operating expenses	-32.3	-25.1	-137.6
Depreciation, amortisation and impairment	-8.6	-7.8	-33.2
Operating result	-1.7	4.1	34.7
Finance income	4.2	0.9	5.6
Finance expenses	-9.5	-3.3	-17.5
Share of profit in associates and joint ventures and income from interests in joint operations	1.1	0.9	0.6
Result before taxes	-5.9	2.7	23.4
Income tax expense	0.3	-0.6	-5.3
Result for the period	-5.6	2.1	18.1
Result for the period attributable to:			
Owners of the parent	-5.6	2.1	17.9
Non-controlling interests	0.0	0.0	0.2
Earnings per share for the result attributable to owners of the parent, EUR			
Basic and diluted	-0.08	0.03	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 23	Q1 22	2022
Result for the period	-5.6	2.1	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	-3.9	0.7	3.1
Financial assets at fair value through other comprehensive income	-	-	-
Translation differences	-13.9	6.6	-16.9
Income tax related to these items	0.7	-0.1	-0.7
Total	-17.1	7.2	-14.5
Other comprehensive income for the period, net of tax	-17.1	7.2	-14.4
Total comprehensive income for the period	-22.7	9.3	3.7
Total comprehensive income attributable to:			
Owners of the parent	-22.7	9.2	3.5
Non-controlling interests	0.0	0.0	0.2

CONSOLIDATED BALANCE SHEET

EUR million	31 March 2023	31 March 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	305.0	281.5	310.5
Other intangible assets	213.8	198.5	226.1
Property, plant and equipment	74.9	71.8	76.7
Right-of-use assets	123.2	125.6	136.8
Investments in associates and joint ventures and interests in joint operations	20.8	16.3	20.7
Financial assets at fair value through other comprehensive income	0.7	0.7	0.7
Other receivables	0.0	0.1	0.0
Deferred tax assets	0.6	1.5	0.6
Total non-current assets	739.0	695.8	772.1
Current assets			
Inventories	214.7	151.4	186.2
Trade and other receivables	140.7	191.6	247.7
Current tax assets	7.3	2.9	3.9
Cash and cash equivalents	111.4	118.7	91.4
Total current assets	474.1	464.6	529.2
Total assets	1213.2	1160.4	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	0.5	0.4	0.5
Hedge reserve	0.9	2.3	4.2
Translation differences	-46.9	-8.4	-33.0
Retained earnings	105.4	123.7	110.7
Equity attributable to owners of the parent	458.2	516.2	480.5
Non-controlling interests	0.7	0.9	0.9
Total equity	458.9	517.1	481.4
Non-current liabilities			
Deferred tax liabilities	53.8	48.6	57.3
Borrowings	215.3	134.8	216.0
Non-current liabilities at fair value through profit or loss	0.6	1.3	0.6
Lease liabilities	119.4	121.2	132.4
Other liabilities	0.0	0.0	0.0
Employee benefit obligations	2.5	3.1	2.7
Total non-current liabilities	391.5	309.0	409.1
Current liabilities			
Borrowings	50.4	21.5	31.5
Lease liabilities	11.9	11.7	12.4
Trade and other payables	299.2	300.1	364.6
Current tax liabilities	1.3	0.9	2.3
Total current liabilities	362.7	334.3	410.9
Total liabilities	754.3	643.3	819.9
Total equity and liabilities	1 213.2	1 160.4	1 301.3

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1 23	Q1 22	2022
Cash flow from operating activities			
Result before taxes	-5.9	2.4	23.4
Adjustments			
Depreciation, amortisation and impairment	8.6	7.8	33.2
Share of profit in associates and joint ventures income from investments in joint operations	-1.1	-0.9	-0.6
Net gain on sale of non-current assets	-0.3	-0.0	-0.9
Finance income and costs	5.3	2.4	11.9
Other adjustments	-0.7	0.1	-0.1
Adjustments total	11.7	9.3	43.5
Change in working capital			
Change in inventories, increase (-) / decrease (+)	-33.6	-9.9	-29.2
Change in contract assets, trade and other receivables, increase (-) / decrease (+)	92.8	46.5	0.0
Change in contract liabilities, trade and other payables, increase (+) / decrease (-)	-50.4	-79.9	-15.6
Change in working capital	8.8	-43.4	-44.8
Interest paid	-5.3	-2.2	-11.8
Interest received	1.5	0.3	2.7
Other finance income and expenses paid	-2.4	-0.8	-2.6
Income taxes paid	-4.9	-4.3	-10.7
Financial items and taxes	-11.0	-7.0	-22.4
Net cash flow from operating activities	3.6	-38.6	-0.4
Cash flow from investing activities			
Payments for property, plant and equipment and intangible assets	-2.2	-2.9	-10.7
Proceeds from sale of property, plant and equipment and intangible assets	0.3	0.1	1.2
Acquisitions of subsidiaries and business operations	-	-	-85.9
Interest received from investments in joint operations	0.9	0.9	0.9
Dividends received	-	-	0.1
Net cash flow from investing activities	-0.9	-1.8	-94.3
Cash flow from financing activities			
Changes in commercial paper program	18.9	-0.0	10.0
Proceeds from borrowings	-	-	293.5
Repayment of borrowings	-0.8	-5.7	-234.9
Repayment of lease liabilities	-2.9	-2.8	-12.0
Dividends paid and other distributions of profits	-	-	-30.4
Net cash flow from financing activities	15.3	-8.6	26.2
Change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	91.4	168.9	168.9
Translation differences on cash and cash equivalents	2.1	-1.2	-9.0
Change in cash and cash equivalents	18.0	-49.1	-68.5
Cash and cash equivalents at the end of the period	111.4	118.7	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	-	-	-	-	-	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	0.0	6.6	0.0	6.6
Total comprehensive income for the period	-	0.0	-	0.6	6.5	2.1	9.2	0.0	9.3
Equity at 31 March 2022	61.5	336.8	0.4	2.3	-8.4	123.7	516.2	0.9	517.1
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	-	-	-	-	-	-5.6	-5.6	0.0	-5.6
Other comprehensive income (net of tax)									
Cash flow hedges	-	-	-	-3.2	-	-	-3.2	-	-3.2
Translation differences	-	-	-	-	-13.9	0.0	-13.9	0.0	-13.9
Total comprehensive income for the period	-	-	-	-3.2	-13.9	-5.6	-22.7	0.0	-22.7
Transactions with owners									
Dividend distribution	-	-	-	-	-	-	-	-0.1	-0.1
Share based payments	-	-	-	-	-	0.3	0.3	-	0.3
Total transactions with owners	-	-	-	-	-	0.3	0.3	-0.1	0.2
Equity at 31 March 2023	61.5	336.8	0.5	0.9	-46.9	105.4	458.2	0.7	458.9

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	31 Mar 2023 End rate	Average rate	31 Mar 2022 End rate
Swedish krona	SEK	11.2355	11.2805	10.4772	10.3770
Norwegian krone	NOK	11.0912	11.3940	9.8887	9.7110
Danish krone	DKK	7.4416	7.4485	7.44401	7.4379

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. 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	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Wine	73.3	104.2	83.3	69.1	53.1
Spirits	48.6	71.9	57.0	59.2	44.9
Industrial	37.7	45.5	41.6	37.4	35.5
Total	159.5	221.6	181.9	165.7	133.4

COMPARABLE EBITDA BY SEGMENT

EUR million	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Wine	1.2	6.9	9.0	4.6	3.1
Spirits	5.8	11.5	9.2	9.0	8.1
Industrial	2.5	4.8	5.5	4.1	3.3
Group allocation	-1.6	-2.2	-0.5	1.2	-1.4
Total	7.9	20.9	23.2	18.9	13.0

A reconciliation of alternative key ratios to IFRS figures is presented in appendix 1 on page 31.

SEGMENTS Q1 23

EUR million	Wine	Spirits	Industrial	Group and allocations	Elimination	Group
Net sales external	73.3	48.6	37.7	0.0		159.5
Net sales internal		0.3	29.9		-30.2	
Total net sales	73.3	48.9	67.5	0.0	-30.2	159.5
Other operating income external			1.7	0.5		
Other operating income internal	0.4	0.0	1.7	10.3	-12.4	2.2
Total other operating income	0.4	-0.0	3.4	10.8	-12.4	2.2
Materials and services	-53.5	-28.6	-41.8	0.0	26.7	-97.1
Gross profit	20.2	20.3	29.2	10.8	-15.9	64.6
Other indirect expenses	-19.6	-14.7	-26.7	-12.6	15.9	-57.8
EBITDA	0.6	5.7	2.4	-1.8		6.9
Items affecting comparability	0.6	0.2	0.1	0.2		1.1
Comparable EBITDA	1.2	5.8	2.5	-1.6		7.9
EBITDA						6.9
Depreciations						-8.6
Operating result						-1.7
Gross margin % of net sales	27.6 %	41.6 %	43.2 %			40.5 %
Comparable EBITDA margin % of net sales	1.6 %	12.0 %	3.7 %			5.0 %

SEGMENTS Q1 22

EUR million	Wine	Spirits	Industrial	Group and allocations	Eliminations	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 %

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	0.3	-	1.9	0.3	2.4
Disposals	-	-	-0.5	-2.1	-2.6
Effect of movement in exchange rates	-13.6	-14.5	-3.4	-11.8	-43.3
Acquisition cost at 31 March 2023	361.2	338.8	309.7	180.3	1 190.0
Accumulated depreciation, amortisation and impairment losses at 1 January 2023	-148.3	-42.8	-235.0	-57.2	-483.4
Depreciation and amortisation	-2.9	-	-2.3	-3.3	-8.6
Accumulated depreciation and amortisation on disposals and transfers	-	-	0.4	-	0.4
Effect of movement in exchange rates	3.8	9.0	2.1	3.5	18.4
Accumulated depreciation and amortisation and impairment losses at 31 March 2023	-147.4	-33.8	-234.8	-57.1	-473.1
Carrying amount at 1 January 2023	226.1	310.5	76.7	136.8	750.1
Carrying amount at 31 March 2023	213.8	305.0	74.9	123.2	716.9
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, 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

RELATED PARTY TRANSACTIONS

The following transactions have taken place with related parties:

EUR million	Q1 2023	Q1 2022	2022
Sales of goods and services			
Associates, joint ventures and joint operations	0.3	0.3	0.6
Other companies considered related parties	14.9	15.3	73.2
Total sales of goods and services	15.2	15.6	73.8
Purchases of goods and services			
Associates, joint ventures and joint operations	1.5	1.4	6.4
Other companies considered related parties	0.9	1.0	4.0
Total purchases of goods and services	2.4	2.4	10.5
Receivables			
Associates, joint ventures and joint operations	0.2	0.1	0.2
Other companies considered related parties	8.2	5.8	5.2
Total receivables	8.4	5.9	5.4
Payables			
Associates, joint ventures and joint operations	0.5	0.5	1.1
Other companies considered related parties	0.2	0.4	0.5
Total payables	0.8	0.9	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	31 March 2023	31 March 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
Share of result for the period	0.2	0.0	-0.3
Transfer to subsidiary shares	-	-	-0.3
Dividend	-	-	-0.1
Translation difference	-0.0	0.0	0.1
At the end of the reporting period	13.3	8.7	13.1
Financial summary of associated companies and joint ventures:			
Assets	45.0	46.5	45.4
Liabilities	18.6	19.8	18.7
Net assets	26.3	26.7	26.7
Net sales	6.4	3.2	26.2
Result for the period	0.4	-0.1	-1.9

COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	31 March 2023	31 March 2022	31 Dec 2022
Collaterals given on behalf of Group companies			
Mortgages	18.5	18.5	18.5
Guarantees	8.9	9.2	9.3
Total collaterals	27.4	27.7	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	18.9	17.9	18.1
Total commitments	19.4	18.1	18.6
Assets not recognised in the balance sheet			
Emission allowances, kilotons	31 Mar 2023	31 Mar 2022	31 Dec 2022
Emission allowances received*	22.6	-	22.6
Excess emission allowances from the previous period	2.0	13.5	13.5
Adjustments related to prior year's estimates	-0.0	0.0	0.0
Sold emission allowances	-	-8.0	-13.0
Realised emissions	-6.5	-3.5	-21.1
Total emission allowances	18.1	2.0	2.0
Fair value of emission allowances (EUR million)	1.5	0.2	0.2
* Emission allowances for the year 2023 are not yet shown in the account			

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							
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	-	-	123.8	-	123.8	123.8	
Derivative instruments/Interest rates derivatives	0.0	0.0	-	-	0.0	0.0	2
Derivative instruments/Forward exchange contracts	0.7	0.3	-	-	1.0	1.0	2
Derivative instruments/Commodity derivatives	1.9	-	-	-	1.9	1.9	2
Cash and cash equivalents	-	-	111.4	-	111.4	111.4	
Financial assets at 31 March 2023	2.7	0.3	242.8	0.7	246.5	246.5	
Financial assets at 31 March 2022	3.4	0.1	311.1	0.7	315.2	315.2	
Non-current financial liabilities							
Borrowings	-	-	215.3	-	215.3	215.3	2
Lease liabilities	-	-	119.4	-	119.4	119.4	2
Non-current at fair value through profit or loss	-	0.6	-	-	0.6	0.6	3
Other liabilities	-	-	0.0	-	0.0	0.0	
Current financial liabilities							
Borrowings	-	-	50.4	-	50.4	50.4	2
Lease liabilities	-	-	11.9	-	11.9	11.9	2
Trade and other payables	-	-	83.9	-	83.9	83.9	
Derivative instruments/Interest rate derivatives	0.0	-	-	-	0.0	0.0	2
Derivative instruments/Forward exchange contracts	0.1	0.0	-	-	0.1	0.1	2
Financial liabilities at 31 March 2023	0.1	0.6	480.9	-	481.6	481.6	
Financial liabilities at 31 March 2022	0.5	1.4	356.1	-	358.0	358.0	

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

Appendix 1

KEY RATIOS

		Q1 23	Q1 22	2022
Income statement				
Net sales	EUR million	159.5	133.4	702.7
Comparable EBITDA	EUR million	7.9	13.0	76.1
(% of net sales)	%	5.0	9.8	10.8
EBITDA	EUR million	6.9	11.9	67.9
Comparable operating result (EBIT)	EUR million	-0.7	5.2	42.9
(% of net sales)	%	-0.4	3.9	6.1
Operating result	EUR million	-1.7	4.1	34.7
Result before taxes	EUR million	-5.9	2.7	23.4
Result for the period	EUR million	-5.6	2.1	18.1
Items affecting comparability	EUR million	-1.1	-1.1	-8.2
Balance sheet				
Cash and cash equivalents	EUR million	111.4	118.7	91.4
Total equity	EUR million	458.9	517.1	481.4
Non-controlling interest	EUR million	0.7	0.9	0.9
Borrowings	EUR million	265.7	156.3	247.5
Invested capital	EUR million	724.6	673.4	728.9
Profitability				
Return on equity (ROE), rolling 12 months	%	2.1	9.8	3.6
Return on invested capital (ROI), rolling 12 months	%	3.6	8.2	4.2
Financing and financial position				
Net debt	EUR million	285.5	170.5	300.9
Gearing	%	62.2	33.0	62.5
Equity ratio	%	37.8	44.6	37.0
Net cash flow from operating activities	EUR million	3.6	-38.6	-0.4
Net debt/comparable EBITDA		4.0	2.2	4.0
Share-based key ratios				
Earnings / share (Basic and diluted)	EUR	-0.08	0.03	0.26
Equity / share	EUR	6.79	7.66	7.13
Number of shares outstanding at the end of period		67 553 624	67 553 624	67 553 624
Personnel				
Personnel end of period		1 284	1 085	1 251
Average number of personnel		1 281	1 078	1 159

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

EUR million	Q1 23	Q1 22	2022
Items affecting comparability			
Net gains or losses from business and assets disposals	0.3	-	0.8
Cost for closure of business operations and restructurings	-0.2	-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	-0.6	-4.6
Inventory fair valuation	-0.2	-0.8	-2.0
Other major corporate projects	-0.8	0.3	-2.6
Total items affecting comparability	-1.1	-1.1	-8.2
Comparable EBITDA			
Operating results	-1.7	4.1	34.7
Less:			
Depreciation, amortisation and impairment	8.6	7.8	33.2
Total items affecting comparability	1.1	1.1	8.2
Comparable EBITDA	7.9	13.0	76.1
% of net sales	5.0	9.8	10.8
Comparable EBIT			
Operating results	-1.7	4.1	34.7
Less:			
Total items affecting comparability	1.1	1.1	8.2
Comparable EBIT	-0.7	5.2	42.9
% of net sales	-0.4	3.9	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	

ANORA

ANORA GROUP PLC

Kaapeli aukio 1 P.O. Box 350, 00101 Helsinki

+358 207 013 013

www.anora.com

Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Our market-leading portfolio consists of our own iconic Nordic brands and a wide range of prominent international partner wines and spirits. We export to over 30 markets globally. Anora Group also includes Anora Industrial and logistics company Vectura. In 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.