ANORA

Annual Report 2023

This is Anora

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. Our business operations also include world-class industrial operations in distillation, bottling and logistics services. Anora's shares are listed on Nasdaq Helsinki.

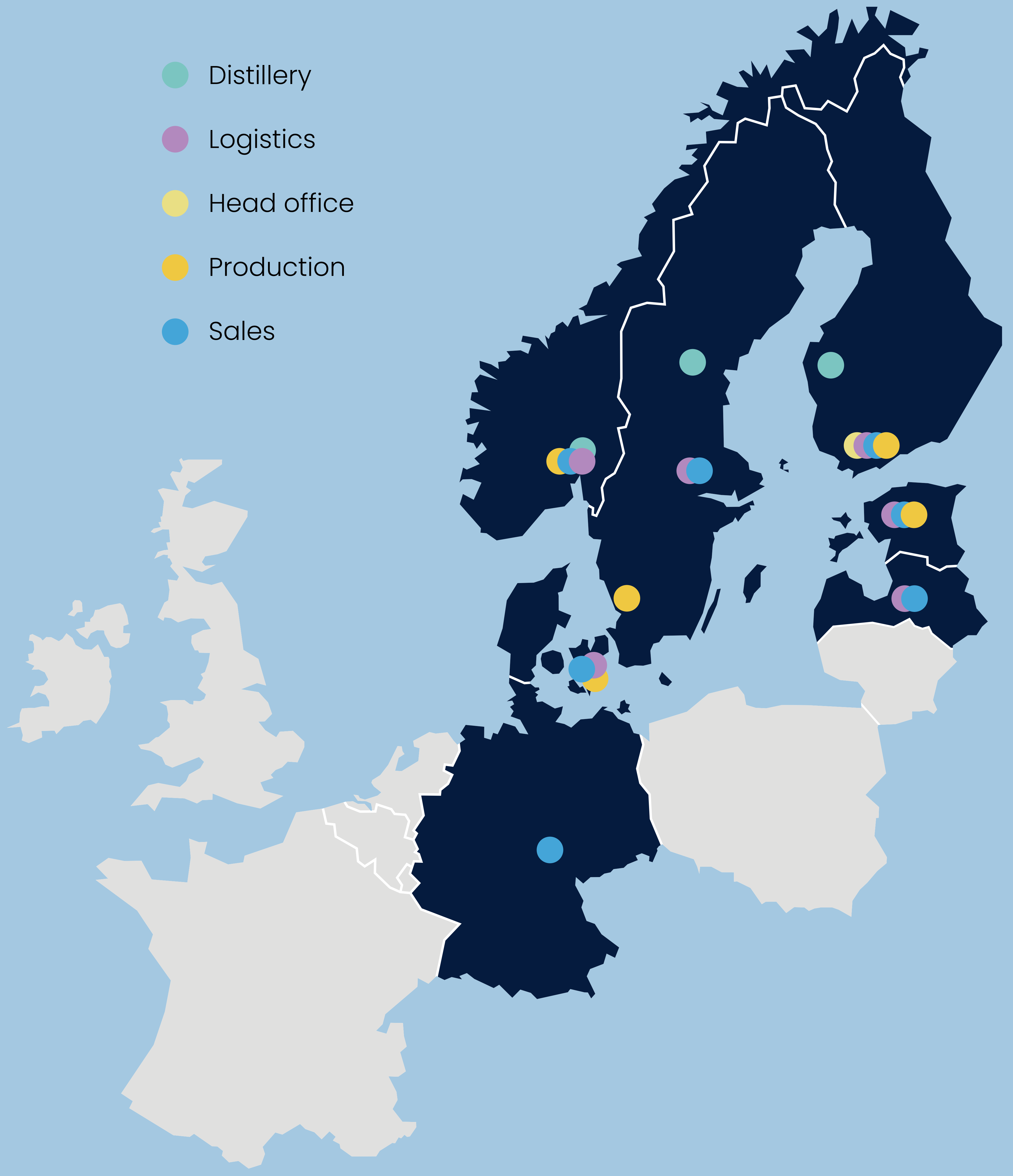
We strive to constantly reduce our environmental impact by developing our production plants and creating more climate-friendly packaging options. Equality and diversity are at the core of our organisational culture, and we want to ensure an inclusive and safe workplace. Through educative programs and by developing no- and low-alcohol products we promote a responsible drinking culture.

Wine
#1

Spirits
#1

Exports to over
30
countries

Nordic leader in
climate-smart packaging



Contents

Anora's year 2023

Financial highlights

Net sales, EUR million	Comparable EBITDA, EUR million	Personnel at year-end	Dividend per share*, EUR	Dividend yield*
726.5	68.2	1,219	0.22	5.0%
Anora sold its Larsen cognac business in France	Number of registered shareholders approximately 28,200	Share ticker: ANORA	ISIN code: FI4000292438	Market cap at year-end, EUR million 295

* Board's proposal

Anora's year 2023 in brief

Overall, 2023 was a challenging year for Anora, marked by multiple market headwinds and weaker financial performance. While remaining highly committed to its long-term growth strategy, Anora has recently intensified focus on profitability and on reducing net debt leverage, in order to also improve dividend capacity going forward.

During the year, Anora executed several actions to renew its operational model and improve margin trajectory, including reorganisation-related change negotiations in Q4 and a cost savings initiative in Q2. Anora is well on track with the targets set out in these initiatives. The year ended in more positive territory and results from these cost cuts and the most recent price increases were visible, supported by lower raw material prices and more stabilised currencies.

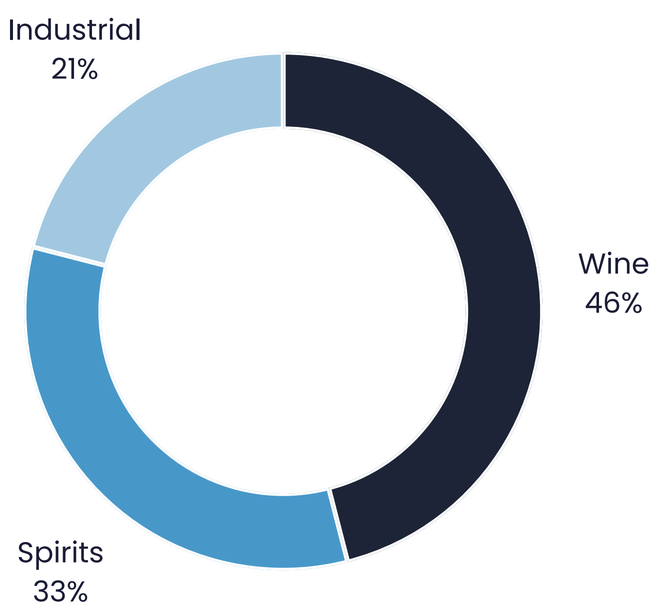
For the full year, net sales were EUR 726.5 million, showing a growth of 3.4%. Globus Wine has been reported as part of Anora's Wine segment as of 1 July 2022. Net sales were also positively impacted by price increases and the international sales in Spirits, while the weaker currencies – especially the weakening of the NOK and SEK – had a negative impact. Partner wines in Sweden declined due to the termination of some contracts earlier in the year and currency impact.

For the full year 2023, comparable EBITDA decreased from EUR 76.1 million to EUR 68.2 million or 9.4% of net sales. The decline in profitability was mainly due to lost partners in the Wine segment, high input costs and weaker currencies. Impairments weakened operating result and parent company distributable funds.

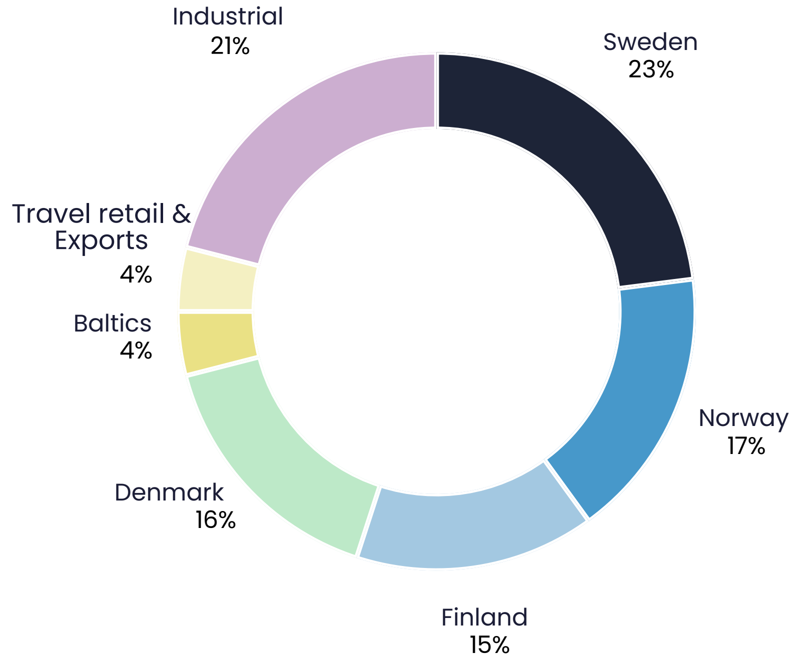
KEY FIGURES

	2023	2022
Net sales, EUR million	726.5	702.7
Comparable EBITDA, EUR million	68.2	76.1
% of net sales	9.4	10.8
EBITDA, EUR million	67.5	67.9
Operating result, EUR million	-31.3	34.7
Result for the period, EUR million	-39.9	18.1
Earnings per share, basic, EUR	-0.59	0.26

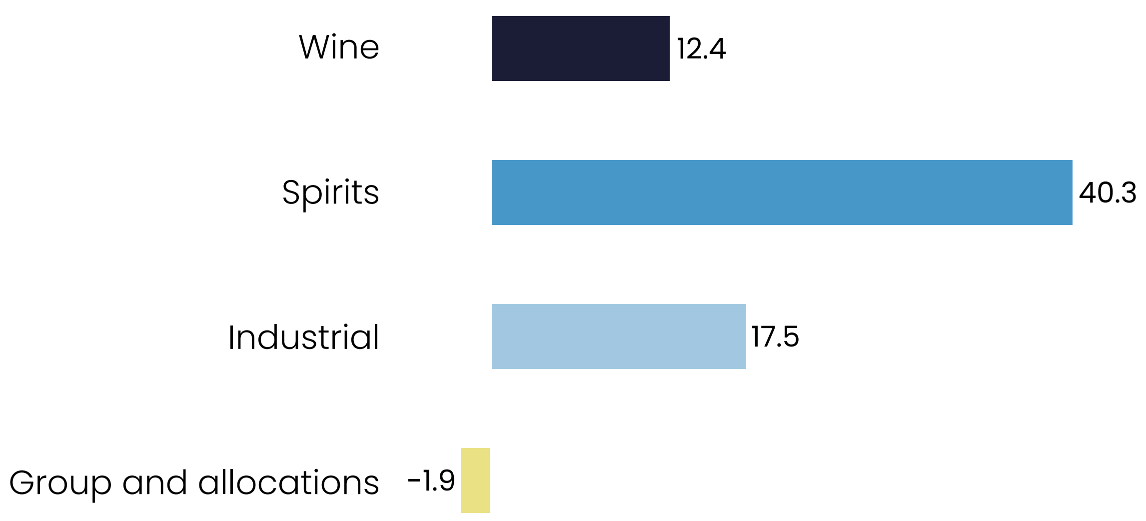
Net sales by segment %



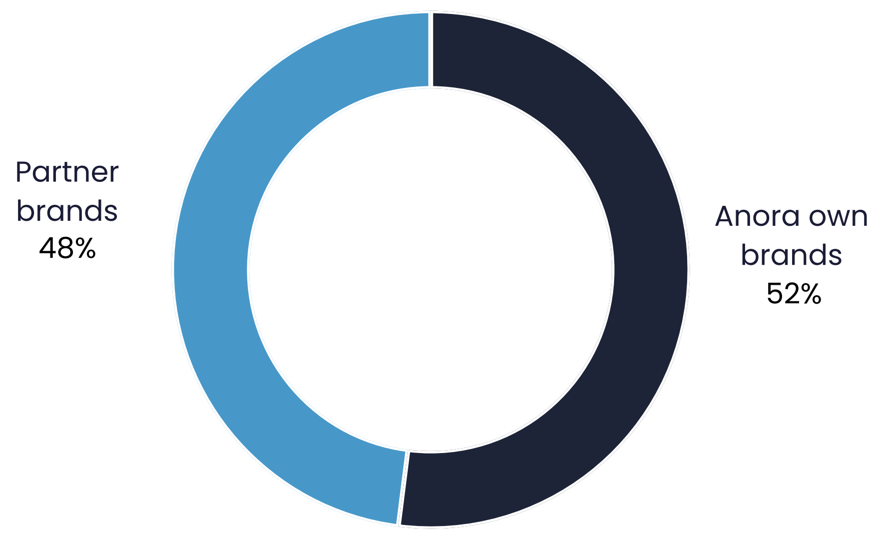
Net sales by country %*



Comparable EBITDA margin by segment
EUR million



Beverage net sales by brand category %*



* Net sales split based on internal reporting

Net sales, EUR million

726.5

Comparable EBITDA, EUR million

68.2

Personnel at year-end

1,219

Dividend per share* EUR

0.22

* Board's proposal

Anora's year 2023

Sustainability highlights

We submitted our science-based emission reduction targets for validation to SBTi in December 2023

In 2023, we reduced our Scope 1-2 fossil emissions by 21% compared to 2022

60%
of our own products' packaging is already climate-smart

The first non-alcoholic version of Blossa annual was launched in 2023

Koskenkorva Distillery shifted to 100% renewable electricity from wind power in the beginning of 2023

Anora made agreements to purchase
2.3 million kg
of regeneratively farmed barley in 2023. Regenerative farming methods aim to turn fields into carbon sinks.

85%
of the energy used at our modern production plant Gjelleråsen is renewable, e.g. geothermal energy

99.8%
waste recycling and recovery rate at our production plants

Business highlights 2023

The divestment of Anora's Larsen cognac business to International Beverage Holdings Limited was successfully completed.

Anora continues as the exclusive distributor of products from the divested brands Larsen, Renault, Monopol and Ibis in the Nordics and Baltics, including duty free and travel retail.

Read more on page 25.

Blossa 23, a limited edition annual glögg launched in September, sold very well.

Anora also launched the first non-alcoholic version of the annual Blossa, as requested by consumers, which also proved to be a success.

Read more about Anora's Wine business on page 16.

Anora's Board of Directors appointed Jacek Pastuszka as Anora's new CEO as of 25 October 2023.

Jacek joined Anora after a long career at Carlsberg Breweries, a leading global brewery group. Prior to this, he has held various commercial and leadership roles in AIG American International Group, Danone and Procter & Gamble.

Read the CEO's comments on Anora's year 2023 on page 9.

Koskenkorva Distillery received the Year Award in Starch Europe's Safety Programme for the third year in a row.

The Year Award is an important recognition for Anora's efforts in developing workplace safety.

Read more about Anora's safety work on page 78.

Anora's key brand Koskenkorva was awarded 11 medals by IWSC, the industry's most respected global community.

The gold medal was awarded to Koskenkorva Vodka Climate Action, the first vodka in the world made from regeneratively farmed barley.

Read more about Anora's Spirits business on page 17.

Anora was named Aquavit Producer of the Year in the International Spirits Challenge 2023.

Anora's portfolio includes iconic aquavit brands, such as LINIE, O.P. Anderson and Aalborg, and our Gjelleråsen facility in Norway specialises in the production of this unique Nordic spirit.

Read more about Anora's state-of-the-art production facilities on page 18.

CEO's review

Overall, 2023 was a challenging year for Anora, marked by multiple market headwinds and weaker financial performance. As communicated before, while remaining highly committed to our long-term growth strategy, we have recently intensified our focus on profitability and on reducing net debt leverage, also to improve our dividend capacity going forward.

" We managed to end the year in a more positive territory and saw results from cost cuts and the most recent price increases."

During the year, we executed several actions to renew our operational model and improve margin trajectory. We launched reorganisation-related change negotiations in Q4 and a cost savings initiative in Q2. We are now well on track with the targets set out in these initiatives. We managed to end the year in a more positive territory and saw results from these cost cuts and the most recent price increases, supported by lower raw material prices and more stabilised currencies.

Net sales increased; profitability declined

Net sales for the full year were EUR 726.5 million, showing a growth of 3.4%. Globus Wine has been reported as part of Anora's Wine segment as of 1 July 2022. Net sales were also positively impacted by price increases and the international sales in Spirits, while the weaker currencies – especially the weakening of the NOK and SEK – had a negative impact. Koskenkorva net sales grew in double-digit figures and represented nearly 15% of our total spirit sales. Partner wines in Sweden declined due to the termination of some contracts earlier in the year and currency impact. As an important note, we have won some important new partners recently, such as South African Spier as well as Charles Smith Wines of The Wine Group.

For the full year 2023, comparable EBITDA decreased from EUR 76.1 million to EUR 68.2 million or 9.4% of net sales. The decline in profitability was mainly due to lost partners in the Wine segment, high input costs and weaker currencies.

Leverage reduced and balance sheet strengthened

Our efforts to reduce our leverage also progressed well. At the end of the year the cash balance was high, supported by lower working capital due to inventory reduction and the Larsen divestment. Our cash and cash equivalents reached EUR 212.7 million. This resulted in lower net debt of EUR 137.5 million, while our net interest-bearing debt / comparable EBITDA ratio was 2.0x, well below our long-term financial target of 2.5x. This also enables our Board of Directors to propose a dividend payment of EUR 0.22 per share for the financial year 2023 to the Annual General Meeting.

As a result of our annual impairment testing, we made impairments of EUR 65.4 million to fixed assets owned and right-of-use assets in Norway following the Centre of Excellence program, weakening the Group operating result to EUR -31.3 (34.7) million. We also impaired the value of shares of our subsidiaries in Denmark mainly due to the weak profitability of Globus Wine, which reduces Anora Group’s distributable funds by EUR 58.7 million to EUR 100.2 million. For shares owned by other Group companies, we made impairments totalling EUR 23.6 million to the values of shares of companies held by Vingruppen in Sweden and Norway due to recent partner losses, reducing the distributable funds of their respective parent companies. The impairments made did not impact loans, cash flows or the financial targets of the Group.

” We submitted our science-based emission reduction targets to be validated by the Science Based Targets initiative.”

Outlook for 2024

In 2024, volumes in our key markets are expected to be slightly lower than in 2023 due to challenging economic conditions.

In the coming year, we remain committed to our near-term actions to halt profitability decline, strengthen our balance sheet and invest in profitable growth. This includes further price adjustments and a continued focus on reducing net working capital and improving inventory turnover. I am convinced that our continued customer focus combined with enhanced efficiency will enable us to deliver on our targets and strategy.

At the end of 2023, we submitted our science-based emission reduction targets to be validated by the Science Based Targets initiative, and we expect to receive the validation for our targets during 2024. This continues our ambitious sustainability work as the forerunners of the industry.

I would like to thank our customers, partners, shareholders and our over 1,200 Anorafolks for their contribution during our journey so far.

Jacek Pastuszka
CEO

Strategy

Our values

The values we have created together are at the centre of our success and the basis for everything we do. Our values are pragmatic enough to encourage our people to take action in the everyday and give us freedom to act and inspire change.

Courage to EXPLORE

We are **passionate** and ambitious to lead the industry. We have the **courage** to challenge the status quo, continuously improving for a better tomorrow.

ENERGY to inspire

We share a can-do attitude and **enjoy** going the extra mile. **Positivity** shines through in everything we do, making us inspiring and fun to **work with**.

EMPOWERING to win

Our dynamic, open and **inclusive** way of working represents a modern Nordic mindset. We take **ownership** of our decisions, giving all of us the freedom to succeed.

Strategy

Our strategy up to 2030: Delivering growth through sustainability

Anora's vision is to be the leading Nordic wine and spirits group delivering growth through sustainability. Our passion takes the best of the Nordics to the world and the best of the world to the Nordics.

We are Anora, let's drink better!

Sustainability is at the heart of our strategy, central to the production of all our grain-based spirits and an integral element in all our decision-making. Sustainability brings us competitive advantage and with our new and ambitious sustainability roadmap we will be among the frontrunners in our industry.

Our growth strategy is built around three strategic choices.

In the monopoly markets of Sweden, Norway and Finland, we aim to grow faster than the market. We want to lead category growth across consumer occasions and channels and thereby strengthen our positions as the leading wine and spirits house in the Nordics.

In Denmark and the Baltics we want to scale our position to cement our regional leadership. In Denmark, we already took a major step in 2022 with the acquisition of Globus Wine, Denmark's leading wine company.

We have high ambitions to grow internationally and to accelerate our business beyond the Nordics with our strong, sustainable hero brands.

Our strategic choices are supported by a set of key enablers.

To strengthen consumer engagement, we will focus and scale investments in our hero brands, build our digital channels and develop occasion-led innovations.

Customer centricity is not only about deepening collaboration with the monopolies but strengthening our position in the grocery trade and becoming the preferred supplier in the on-trade. Global travel retail is a key enabler for international growth.

We will continue to use M&A's to support our growth during our strategy period reaching up to 2030.

We will optimise our supply chain to find further efficiencies and to build the most sustainable operations in our industry.

Our long-term sustainability targets and the roadmap are presented in the Sustainability Report as of page 60 onwards.

Our financial targets for 2030

Our financial targets together with the actual levels achieved in 2022–2023 have been presented in the Board of Directors' statement.

3–5%
Annual net sales growth
Including M&A, majority being organic

16%
Comparable EBITDA margin
Through increased focus on margin accretive business and scale benefits on indirect costs

<2.5x
Net interest-bearing debt / comparable EBITDA
Debt levels may occasionally exceed in connection with M&As

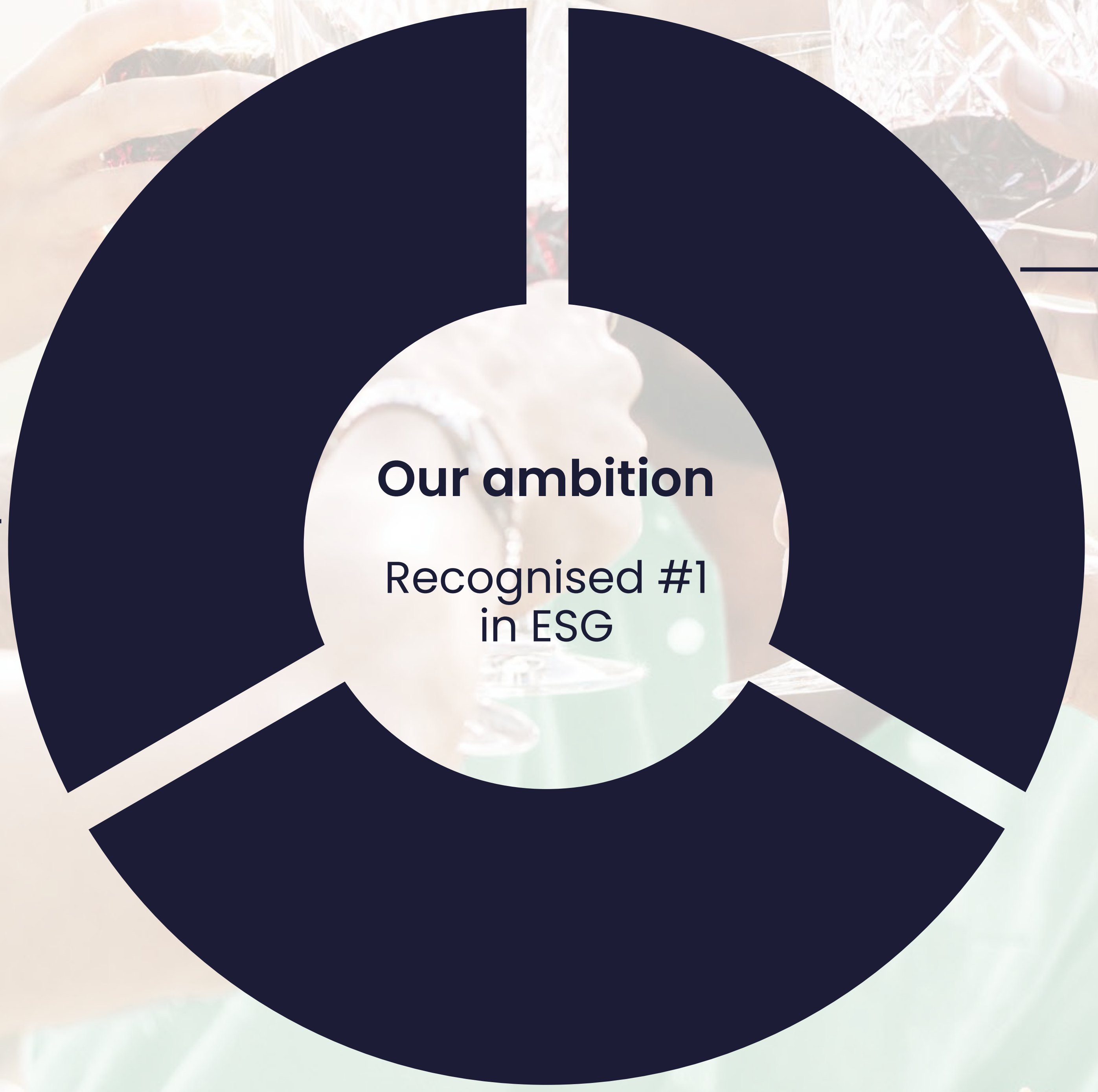
50–70%
Dividend payout ratio
Anora aims to maintain a stable or increasing dividend (% of result for the period)

Strategy

Our growth strategy up to 2030

Lead category growth across consumer occasions and channels the Swedish, Norwegian and Finnish markets as the wine and spirits powerhouse

Scale our position in Denmark and the Baltics to cement our regional leadership



Accelerate beyond the Nordics with strong, sustainable hero brands

Introduction to our segments

Our segments

Anora Group has three reporting segments: Wine, Spirits and Industrial.

Wine

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

Spirits

The Spirits segment develops, markets and sells both Anora's own spirits brands and partner brands to customers in the Nordic monopoly markets. The segment also 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.

Brands

Strong and versatile portfolio of leading own and partner brands

Key Anora brands

Wine

Spirits

Key partner brands

Wine

Spirits

SEGMENT – WINE

Market leader in the Nordics, Denmark, Norway and Finland #1

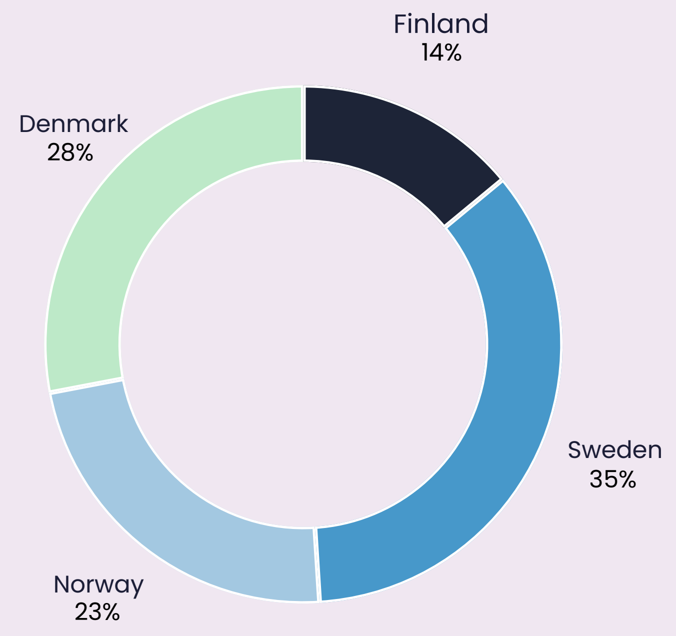
Anora has the largest wine business in the Nordics; it is the only company present in all Nordic markets with its own filling and packing operations, own label wine development and premium partner wine imports.

Anora's **partner wine business** is run by independent wine import companies, grouped under Vingruppen, enabling us to offer a wide wine portfolio to our customers. We aim to build new business by successfully participating in the monopolies' new product searches. We have a strong position in on-trade allowing us to extend the distribution of partner wines in this important channel.

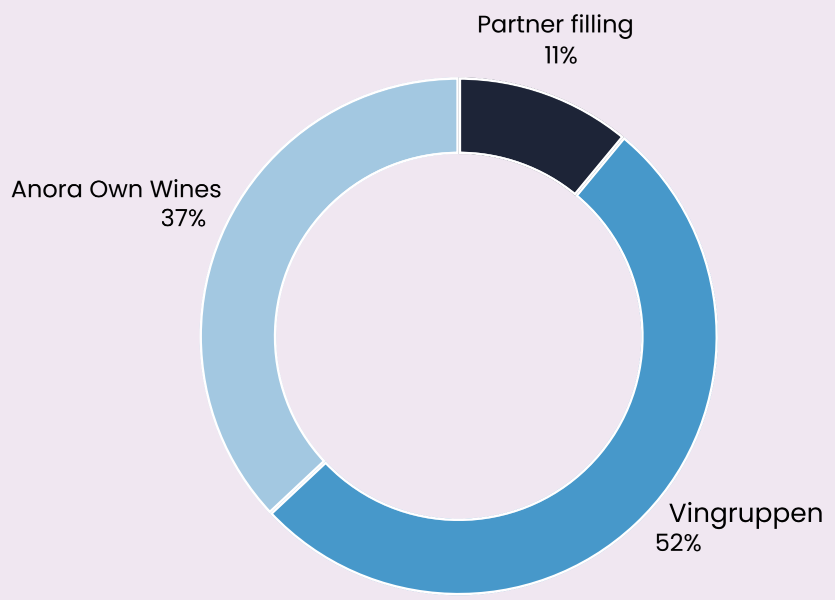
Anora's **own label wine business** produces wines specifically for Nordic consumers. Our own label wines have already been successful in Norway and Finland, and the acquisition of Globus Wine in 2022 made Anora the leading wine company in Denmark with business built solely on own label wine. The biggest Nordic market for own label wines is Sweden, offering Anora significant opportunities for further growth. We also aim to improve our position in Italian wine, as Italy is by far the leading country of origin for wine in the Nordics.

Our filling and packing capabilities fully meet the Nordic monopolies' high sustainability expectations. We offer these resources also to our partners looking to strengthen their offering in sustainable packaging.

Net sales by country %*



Net sales by brand type %*



* Net sales split based on internal reporting

Net sales, total, MEUR	Gross margin, % of net sales	Comparable EBITDA, MEUR
334.3	26.9%	12.4

Our long-term growth priorities
We aim to be the leader in the growing sustainable wine category and win share across markets.

- Grow Vingruppen by focusing on monopoly tenders and on-trade
- Win in the growing market for own label wine in the Nordics
- Scale up our digital platforms to drive growth

Vingruppen – the largest importer of partner wines to the Nordics
Multiple independent wine import companies, long history in the Nordic monopoly markets.

VINGRUPPEN, the wine agency, heyday, Philipson Söderberg, Quaffable Wines, Social Wines, Strøm, Symposium Wines, excellars, Valid Wines, vinordia, vinum, Vinunic, Wennerco, Bibendum, Wine World Sweden

Own label wines – a fast-growing category in the Nordics
Developing, sourcing, filling and marketing wines tailored to the Nordic consumer.

Anora Wine Brands, Bio Logico Organic Farmers, RubyZin, Blossa Glögg, Chill Out, Falling Feather, Wongraven, Il Capolavoro

Market-leading digital platforms are our key channels to drive sales in Sweden and Finland

folkofolk, viinimaa

SEGMENT – SPIRITS

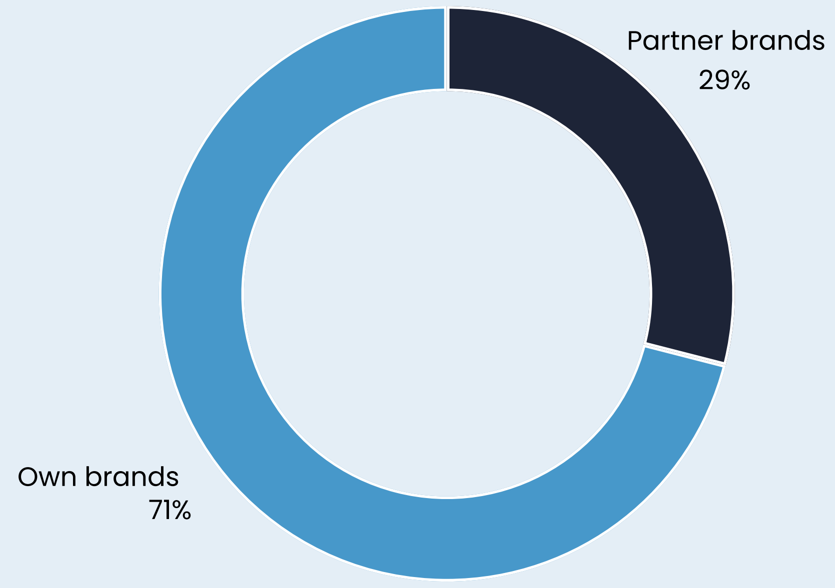
Nordic market leader and a strong challenger internationally

Anora is a market leader in the Nordic region with a unique portfolio of iconic local spirits brands combined with international market-leading partner brands. Anora has ambitious targets for growing its business in the Nordics and expanding into new international markets.

Anora aims to build long-term profitable growth in the monopoly markets. We focus on offering the best route-to-market to **our partners** and growing the shared business in fast-growing categories such as rum, tequila, whiskey and gin. Within our **own spirits portfolio** of over 100 brands we focus and increase our investments on hero brands that have considerable growth potential. We optimise investments on our iconic, well-known, and cherished local brands, that form the basis of our business. Our strong innovation work and partnerships in the RTD (ready-to-drink) and NoLo (no-and low-alcohol) categories represent significant growth opportunities thanks to current consumer trends of health and convenience.

In addition to outgrowing the market in the Nordics, our ambition is to significantly increase the share of our international business, both through organic growth and M&As. We focus on cementing our leadership in Denmark and the Baltics, including expanding in Lithuania. For growth beyond the Nordics, we see attractive opportunities for Koskenkorva, thanks to the brand's strong sustainability focus and inspiring story that resonate well in the growing vodka market. This requires establishing a winning route-to-market through distributors, own operations and/or acquisitions.

Net sales by brand type %*



* Net sales split based on internal reporting

Net sales, total, MEUR	Gross margin, % of net sales	Comparable EBITDA, MEUR
237.0	42.1%	40.3

Our long-term growth priorities

Long-term profitable growth in monopoly markets

- Expand partner business to provide the best and most competitive portfolios for our customers
- Scale our own hero brands
- Optimise local and tactical brands to cover all consumer segments
- Capture share in growing and adjacent categories (RTD and NoLo)

International markets a significant contributor to growth

- Win in the Danish, Estonian and Latvian "open" markets
- Scale up hero brands beyond the Nordics
- Maximise global travel retail and digital growth with increased trial and brand awareness

Monopoly markets

In Finland, Sweden, and Norway, Anora is the leading player with a strong portfolio of iconic own brands and well-known international partner brands.

International markets

In Denmark, the Baltics, and Germany we run our own operations while exporting our brands to some 30 countries through local distributors. Global travel retail provides opportunities for both building brand value for monopolies and expanding into new markets.

Our hero brands

Partner brands perfectly complement our portfolio

SEGMENT – INDUSTRIAL

Funding the growth journey through efficiency

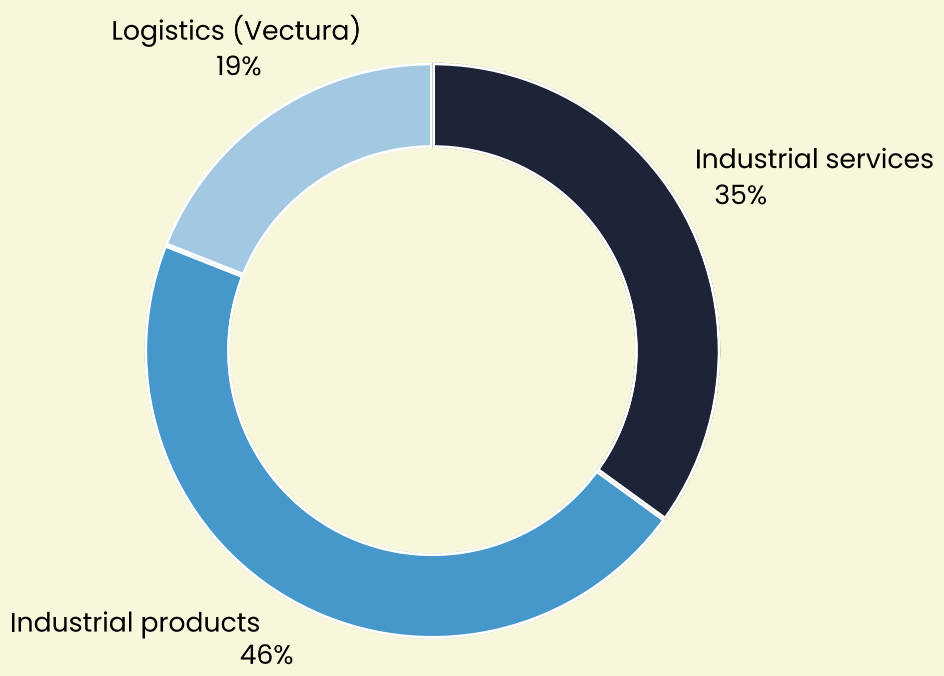
Anora is the biggest producer of wine and spirits in the Nordic region. Our unique and efficient supply chain supports our growth ambitions. We also provide logistics, production and packaging services as well as industrial products to our customers.

Anora's own **logistics centres** form the base for our superior route-to-market. We have integrated and insourced all logistics operations since 2022 and today more than 20% of all deliveries to the Nordic monopolies flow through Anora. In Norway, logistics company Vectura provides **logistics services** also to external customers.

At our modern **bottling plants**, we continuously work on improving productivity and efficiency. We are the leader in climate-smart packaging such as PET plastic bottles and Bag-in-Boxes – all of which have a significantly lower carbon footprint compared to glass bottles. We provide production and packaging services also to external customers, improving capacity utilisation.

Anora's **distilleries** specialise in different spirits categories to meet the needs and requirements of each of these. Most of the grain spirit used in Anora's beverage products is produced at the Koskenkorva Distillery, where the raw material, barley, is utilised fully with no waste. Side-streams of the production process are used to produce starch, feed components and technical ethanols, products sold to industrial customers. Unique distillation and maturation capabilities for aquavit blends are located in Norway and Sweden.

Net sales, external, by product group %*



Net sales, total, MEUR	Gross margin, % of net sales	Comparable EBITDA, MEUR
269.5	44.2%	17.5

Our long-term priorities

- Additional efficiency potential across bottling and logistics sites
- Additional potential is estimated at EUR 5–10 million annually.

Our supply chain

Logistics centres

Largest logistics centres in Finland, Sweden, Norway and Denmark.
Logistics volume: 238 million litres

Bottling plants

World-class bottling plants in Finland, Denmark, Norway, Estonia and France (until end of Sept 2023) for spirits and wines.
Production volume: 136 million litres

Distilleries

Distilleries in Finland, Norway and Sweden.
Production volume: 28 million litres

Operating environment – Trends

Key trends shaping our business

From the development of inspiring brand experiences and novel flavours to climate-smart packaging option, Anora's innovation work is based on our unique understanding of the Nordic consumer. We follow changes in consumer behaviour and evolving trends closely to ensure our broad offering – with its 100 new product launches annually – is at the forefront of the market creating value for our customers, partners, and consumers.

Health-consciousness keeps gaining speed

The increasing focus on both physical and mental health is driving the demand for healthier options for every occasion: products containing less sugar and lower alcohol content, are organic, vegan, and made from natural and more functional ingredients – without compromising on taste and quality. Increasing moderation in alcohol consumption combined with an openness to try new products especially among Gen Z and millennial consumers is driving growth in the no- and low-alcohol (NoLo) category, which grew by 8% in 2019–2023[1], and in ready-to-drink cocktails (RTDs), which are expected to see a CAGR of over 12% between 2022–2027[2].

Read more about how Anora supports a responsible, Nordic drinking culture on page 86.

Sustainability influences purchasing decisions

Questions of environmental and social impacts are increasingly influencing purchasing decisions as consumers are looking to align their choices with their values; in the US, for example, 70%[1] of regular wine drinkers consider sustainability important to them. This means a growing interest
in production processes and different packaging options, ethical certifications, and transparent communication.

Sustainability is at the centre of Anora's strategy, and we are the Nordic leader in climate-smart packaging. Read about our ambitious sustainability work on page 88.

Quality trumps quantity even in times of uncertainty

Premiumisation has been a visible long-term trend, especially in spirits. Though economic uncertainty and the rising cost of living have made consumers more price-conscious and increased the sales of more affordable products, there is more willingness to compromise on quantity rather than quality. Smaller package options and products in so-called accessible premium categories – such as quality crémant and cava wines as opposed to champagne – are attracting interest.

On the other hand, challenging economic times and apprehension about the future also foster a desire for escapism through nostalgic and playful brand experiences that drinks can offer.

Anora's broad portfolio of wines and spirits enables us to offer options for different tastes in every price segment. Read more about Anora's Wine and Spirits businesses on pages 16-17.

[1] Source: IWSR, December 2023
[2] IWSR, October 2023
[3] IWSR

Operating environment

The Nordic wine and spirits market

Sales channels

In the off-trade markets in Finland, Sweden and Norway, most of the wines and spirits are sold through the state retail monopolies (Alko, Systembolaget and Vinmonopolet), which form Anora's largest sales channel. Approximately 90% of the market volumes go through the state retail monopolies.

In the monopoly markets, the grocery trade is a channel for no- and low-alcohol wines and glöggs, ready-to-drink products (RTDs), beers and ciders.

In Denmark and the Baltics, the off-trade market mainly consists of the grocery trade.

The on-trade (HoReCa) channel plays an important role in new product launches and provides Anora with an opportunity to promote and increase customers' brand awareness as well as affect future consumer trends.

Travel retail, comprising airline, sea and border trade, has traditionally been an important channel in the Nordic and Baltic regions, due to price differences between countries caused by different alcohol tax levels and duty-free sales.

All consumer product sales outside Anora's home market are defined as exports. Anora exports alcoholic beverages to approximately 30 countries.

Competitive landscape

Anora competes with global, Nordic and local spirits brands and wine producers as well as importers. Compared to the spirits market, the wine market is fragmented, as there are several smaller producers, importers and distributors.

Market environment

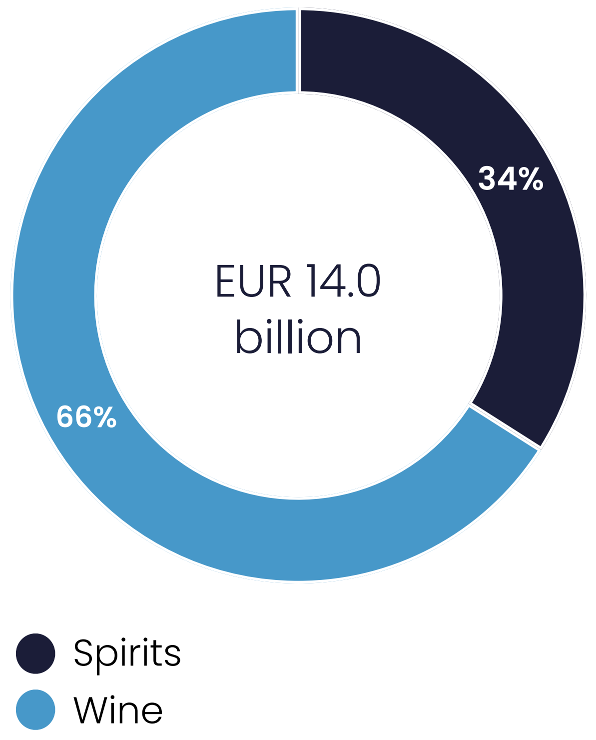
The market environment for 2023 has been presented in the Board of Directors' statement.

Market size and growth

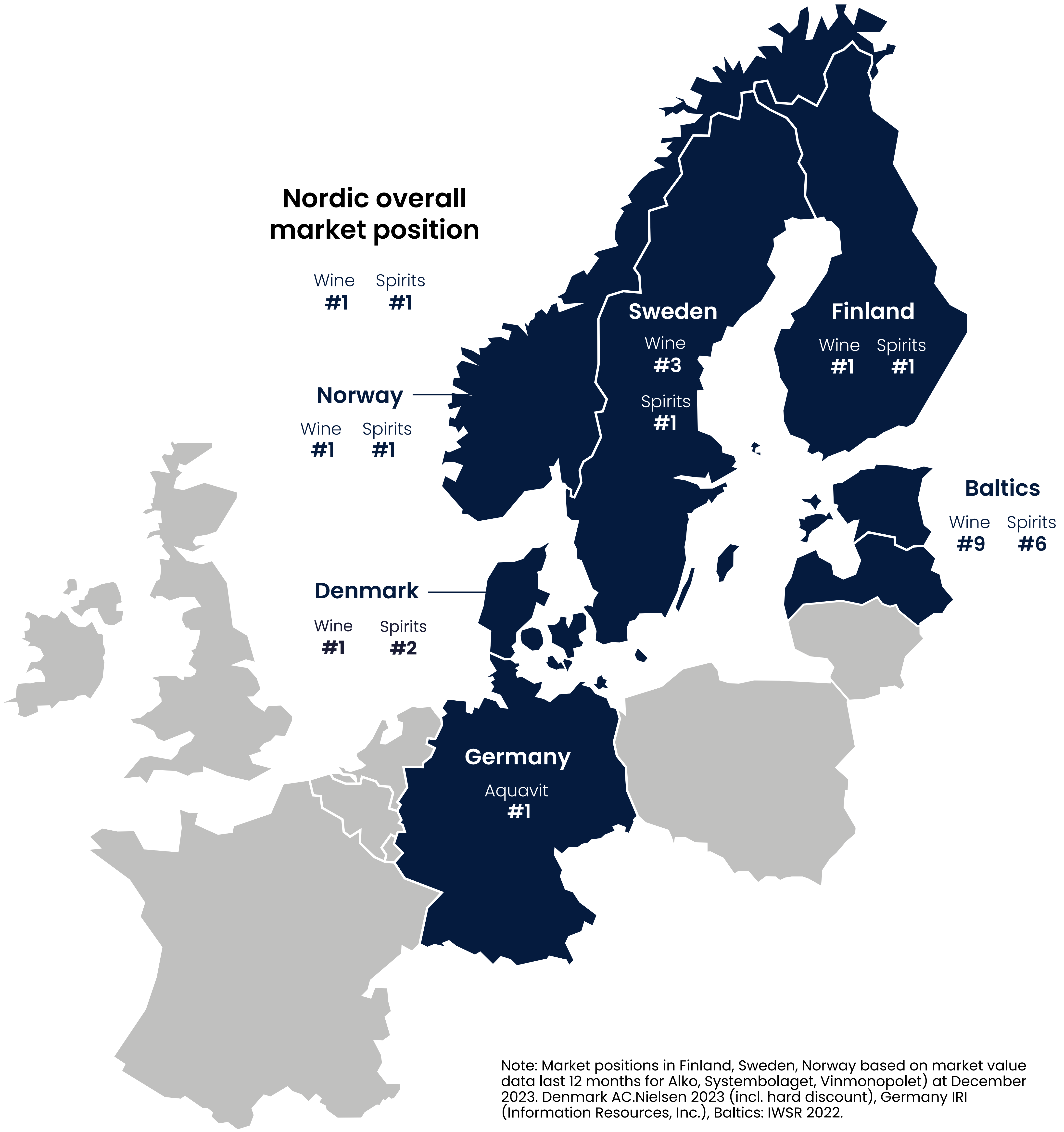
The Nordic wine and spirits market is fairly large with an estimated value of EUR 14.0 billion, of which Wine accounts for about 66% of the volume and spirits for 34%. The market is stable with an expected growth at 1–2% for both wine and spirits. Historically, the wine and spirits market has been fairly non-cyclical, with less impact on average consumption during economic downturns. However, fluctuations can be seen between channels and price points.

As the cost of living is increasing, price is becoming more important purchase criterion for consumers who have traded down for slightly cheaper products. On the other hand, many people are consuming less alcohol than earlier – but then focusing on quality. Anora has a wide assortment to meet demand from a varied group of consumers.

Value of the Nordic wine and spirits market %



Source: GlobalData Plc 2024. The Nordic market refers to Spirits and Wines markets in Finland, Sweden, Norway and Denmark.



Note: Market positions in Finland, Sweden, Norway based on market value data last 12 months for Alko, Systembolaget, Vinmonopolet) at December 2023. Denmark AC.Nielsen 2023 (incl. hard discount), Germany IRI (Information Resources, Inc.), Baltics: IWSR 2022.

Industrial products

Anora produces grain spirit at its Koskenkorva Distillery. Koskenkorva Distillery is also the only producer of barley starch in the world, which is produced as a by-product from the distillation process along with feed components.

A significant part of barley starch is sold to the paper and paperboard industry where it is used as a binding agent. Additionally, barley starch is used as a fermentation and freshness agent in beer production and in other food industry applications.

Feed components are delivered on a continuous basis to A-Rehu Oy's production facility, which is located in the Koskenkorva plant area.

The Koskenkorva Distillery also produces technical ethanol, which is further processed into technical ethanol products at Rajamäki. Technical ethanols are used in geothermal fluids and are sold to various industries – from the pharmaceutical and healthcare to the chemical and techno-chemical industries.

Anora as an investment

Value creation through profitable growth, strong cash flow generation and stable dividends

Higher revenue growth

- Increased revenue growth through market share gains in home markets and international expansion
- M&A to strengthen our capabilities and expand our footprint

Improved margins

- Efficiency gains in production to finance investments and improve margins

Strong cash flow generation

- Well-invested, limited capex needs
- Low and stable working capital

Stable dividends

- Dividend policy reaffirms importance of strong and stable dividend

Information for shareholders

Anora's shares are listed on the Nasdaq Helsinki. All shares carry one vote and have equal voting rights.

Annual General Meeting

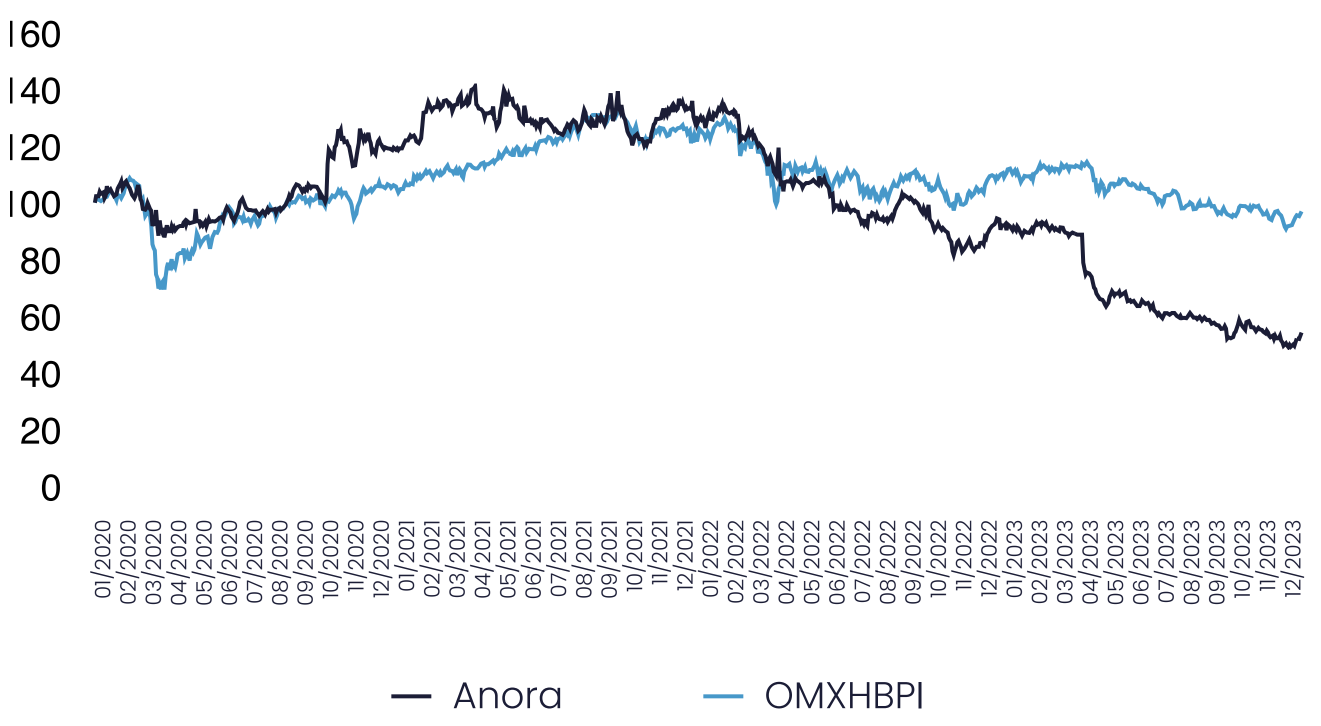
Anora's Annual General Meeting is planned to be held on 17 April 2024 at Dance House in Helsinki. More information can be found in the notice to the meeting which is available at www.anora.com/investors.

Dividend proposal

The Board of Directors proposes that a dividend of EUR 0,22 per share be distributed for the financial period ending 31 December 2023.

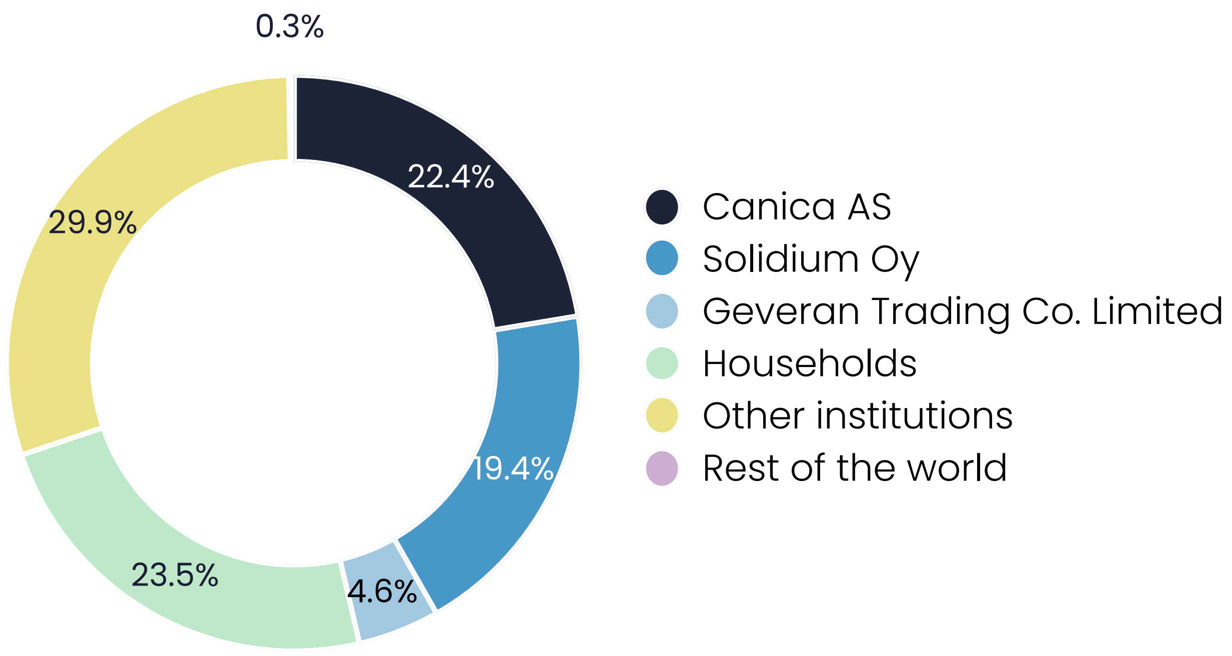
Share price development

Share quotations, index 100 = 1.1.2020



Source: Nasdaq Helsinki

Illustration of Anora's ownership structure 31 Dec 2023*



*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. Rest of the world comprises shareholdings by directly registered foreign shareholders.

KEY FACTS ABOUT ANORA SHARE

		2023	Nasdaq Helsinki
Market:	Nasdaq Helsinki Ltd.	Highest price:	EUR 7.69
Sector:	Food & Beverage/Consumer goods	Lowest price:	EUR 3.98
Trading code:	ANORA	Closing price:	EUR 4.36
ISIN code:	FI4000292438	Market cap:	EUR 294.5 million
Listing date:	23 March 2018	Number of shares:	67,553,624

IMPORTANT DATES RELATED TO THE AGM AND DIVIDEND PAYMENT 2024

5 April	Record date of the AGM
21 March - 12 April	Advance voting
12 April	Registration period ends
17 April	Annual General Meeting
19 April	Proposed record date for the dividend
26 April	Proposed date for the dividend payment

FINANCIAL INFORMATION IN 2024

14 February	Financial Statements Bulletin 2023
week 12	Annual Report 2023
7 May	Interim Report for January–March 2024
20 August	Half-Year Report for January–June 2024
7 November	Interim Report for January–September 2024

Anora applies a silent period of 30 days before the publication of financial reports.

ESG key figures

Our ESG key figures can be found in the table below. Read more in the Sustainability and Governance sections on pages 60 and 105, respectively.

	2023	2022	2021	2020	2019
Environment (E)					
Use of grain (million kg)	174.0	184.3	208.5	214.1	211.5
Self-sufficiency in steam production at Koskenkorva due to own bio power plant	44%	44%	67%	65%	62%
Waste recycling & recovery rate	99.8%	99.8%	99.5%	99.5%	99.5%
Water use (1,000 m^3)	870.4	694.5	575.9	631.3	502.6
Social (S)					
Average alcoholic strength of Anora's own production (% vol.)	30.0	30.2	Former Altia: 31.5% Former Arcus: 24.3%	29.7	31.3
Sickness absence %	5.0	5.3	Former Altia: 4.0 Former Arcus: 4.8	4.0	3.7
Number of accidents in relation to hours worked (lost time injury frequency without commuting)	4.6	7	Former Altia: 5 Former Arcus: 10.5	7	91
Gender balance, total headcount	37%	37%	38%	43%	42%
Governance (G)					
Gender balance, Board of Directors *	43%	50%	50%	43%	43%
Gender balance, Executive Management Team	29%	29%	29%	33%	29%
Board meeting attendance rate (average %)	100%	96%	96%	99%	94%
Board independence **					
Independent of the company	7/7	8/8	7/8	7/7	7/7
Independent of shareholders	5/7	6/8	7/8	6/7	6/7

Gender balance = The percentage of female directors/executives/employees relative to male colleagues in the same groups
Board independence = number of independent (as defined by Finnish Corporate Governance Code) shareholders

* Board members elected by the shareholders. In addition, Anora employees have elected two male members to the Board of Directors.
** Board members elected by the shareholders. In addition, Anora employees have elected two members to the Board of Directors, both of whom are non-independent of the company but independent of shareholders.

Report by the Board of Directors

Report by the Board of Directors 2023

Anora is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability. Anora Group also includes Anora Industrial and logistics company Vectura. Anora's shares are listed on Nasdaq Helsinki.

Overall, the year 2023 was a challenging one for Anora, marked by multiple market headwinds and weak financial performance. During the year, several actions were executed to renew the operational model and improve margin trajectory, such as reorganisation related change negotiations and cost savings. The company is well on track with the targets set out in these initiatives. The year ended in a more positive territory and results were seen from these cost cuts and the most recent price increases, supported by lower raw material prices and more stabilised currencies.

For the full year, net sales were EUR 726.5 million, showing a growth of 3.4%. Globus Wine, Denmark's leading wine company acquired in July 2022, has been reported as part of Anora's Wine segment as of 1 July 2022. For the full year, Anora still experienced a negative impact on net sales and profitability due to lost partners in Wine and weaker currencies.

Due to the challenges described above Anora revised its guidance twice in 2023. Anora first published its guidance for 2023 on 28 February 2023, at which time it was estimated that Anora's comparable EBITDA was expected to be between EUR 80 and 90 million in 2023. Anora revised the above guidance range down to EUR 70-78 million on 15 August 2023, as the forecasted profitability of Globus Wine for 2023 was significantly lower than originally expected, and the weakening of Swedish Krona and Norwegian Krone had had a significant negative impact on Anora's profits during the first half of the year, especially in the Wine segment. According to the latest guidance issued on 18 December 2023, it was estimated that Anora's comparable EBITDA was expected to be between EUR 66-69 million in 2023. The main reasons for lowering the guidance then were weaker profitability of the Wine segment than previously forecasted as well as lower monopoly sales in the fourth quarter.

For the full year 2023, comparable EBITDA decreased from EUR 76.1 million to EUR 68.2 million or 9.4 percent of net sales. In 2022, the comparable EBITDA was negatively affected by an exceptional EUR 3.2 million correction of Globus Wine inventory values due to an accounting error, without impact on inventory volumes.

In 2023, Anora successfully completed the divestment of its Larsen cognac business to International Beverage Holdings Limited. Anora reported one time capital gain of EUR 11.6 million of sales of Larsen Cognac business under other operating income.

KEY RATIOS

	2023	2022
Net sales, EUR million	726.5	702.7
Comparable EBITDA, EUR million	68.2	76.1
% of net sales	9.4	10.8
EBITDA, EUR million	67.5	67.9
Comparable operating result, EUR million	34.8	42.9
% of net sales	4.8	6.1
Operating result, EUR million	-31.3	34.7
Result for the period, EUR million	-39.9	18.1
Earnings per share, EUR	-0.59	0.26
Net cash flow from operating activities, EUR million	135.3	-0.4
Net debt / comparable EBITDA	2.0	4.0
Personnel at end of period	1,219	1,251

At the end of the year the cash balance was very high. Cash and cash equivalents reached EUR 212.7 million, supported by lower working capital due to inventory reduction. This resulted in lower net debt of EUR 137.5 million, while the net interest-bearing debt / comparable EBITDA ratio was 2.0x, well below the long-term financial target of 2.5x.

Anora's business model

Anora's business model is based on offering a complete portfolio of its own brands and a wide range of prominent international partner wines and spirits to its customers in off-trade and on-trade, and in travel retail and exports. Anora also provides services to its partners utilising the company's production, packaging and logistics capacity.

Anora's industrial products – grain spirits, barley starch, technical ethanols and feed components – are produced as by-products from the distillation process and are provided to b-2-b customers in various industries. The logistics company Vectura AS provides logistics services in the Norwegian wine and spirits market.

Anora's integrated operating model creates significant economies of scale in sourcing, production and distribution, and allows the company to take advantage of its shared operations – such as consumer research, innovation, product development and overall knowhow – and use its centralised support functions efficiently.

Market environment in 2023

During 2023, overall sales volumes in the Nordic markets* declined by 2.1% overall, with spirits decreasing by 3.7% and wine by 1.8% compared to the previous year. All countries faced challenges compared to the previous year and the volumes declined in both wine and spirits. After Covid-19 the consumption has shifted back from monopolies to on-trade, travel retail and border trade. Compared to pre-pandemic levels in 2019, monopolies in Norway and Sweden grew by 15.1% and 4.6% in 2023, respectively, while Finland declined by 5.7%.

The availability and cost of raw materials, labour, energy and fuel have already partly impacted the operating environment. Also wage inflation has gradually increased. During the year, price increases were seen during the monopoly pricing windows due to higher input costs. There were also some signs that overall sales has slowed down due to inflation and increased costs of living resulting in consumers partly trading down.

In the Industrial segment, there was uncertainty in the market development of both industrial products and services. The barley and feed prices declined from the previous year's record-high levels. The demand for starch decreased, driven by lower demand from pulp and paper industry. Technical ethanol prices started to show decline during the fourth quarter. Volumes in industrial services decreased compared to the previous year.

Key events

Divestment of Larsen

Anora sold its Larsen cognac business to International Beverage Holdings limited on 29 September 2023. The disposal included Anora's brands Larsen, Renault, Monopol and ibis as well as the company's subsidiary Larsen S.A.S with its production site in Cognac, France and Anora's eaux-de vie maturation stock.

Reorganisation savings programme

As part of Anora's strategy implementation and to improve profitability, Anora launched in November 2023 change negotiations in all of its business segments, Wine, Spirits and Industrial, in order to develop its operational model and structure. Altogether, approximately 650 employees were within the scope of the negotiations. Through efficiencies and an increased focus on strategy, Anora estimated that the planned changes would generate approximately EUR 3–4 million in savings and result in redundancies of approximately 40 employees.

The goal was to strengthen the commercial focus on growth categories, reduce complexity, and find further synergies in line with Anora's 2030 strategy. The plans included commercial operations in Anora's Wine and Spirits segments in the Nordic countries and Anora Industrial's operations in Finland. The changes were additional to the previously announced profitability improvement plans in the Centre of Excellence strategy. Anora is well on track with the targets set out in these initiatives. The change negotiations were started in November and finalised in January 2024.

*The Nordic market sales volumes include overall monopoly sales in Finland, Sweden and Norway, and sales in Denmark. On-trade is excluded. Sales volume change in percent calculated from the change in sales volumes in millions of litres. Sources: Alko, Systembolaget, Vinmonopolet, Nielsen IQ.

Successful launches and awards

Innovations are a key growth driver for Anora. The examples below present the success that Anora's brands have reaped during 2023:

- Important new launches were Kron Vodka Rhubarb in Sweden as well as Koskenkorva Climate Action and Dirty Opland Aquavit in Norway. In Finland, there were several new launches, such as Leijona Capri Lemonello, Leijona Namu and Koskenkorva Winterapple as well as new non and low-alcoholic products in groceries.
- Anora had significant growth from new own wines launched in 2023, such as Il Capolavoro BiB and Sköna Hönan in Sweden, YOKO Rosé BiB and 3 Generation PET Bottle Pinot Noir in Norway and Il Capolavoro bottle in Finland. Globus Wine expanded its Italian brands Ragnatela and Veronia in several sizes.
- In September Anora launched Blossa 23, a limited edition annual glögg that celebrates its 20th anniversary, as well as relaunched Blossa Winter Apple from 2004. For the first time ever, the Blossa annual glögg was also launched as an alcohol-free variant available in Sweden and Finland. The Blossa 23 annual glögg sold very well.
- In Global Travel, Koskenkorva Climate Action was awarded as the "Best Spirits Product (under €40)" at the prestigious TR Business Awards 2023 in Cannes during the TFWA Global Travel Retail exhibition, while Skagerrak and Valhalla Herb Liqueur Shot received "Highly Recommended" honours in the same category.
- Gilde Juleaquavit 2023 won a prestigious silver award in the Global Spirits Design & Packaging Masters in December.
- Xanté was awarded three medals in The Liqueur Masters 2023 (The Spirits Business Awards) in November - one of the most respected spirits competitions in the industry. The prestigious Master Medal was awarded to the original Xanté Cognac & Pear and two gold medals went to the intriguing Xanté Rum & Pear (Fruit liqueurs) and Xanté Passion Fruit & Pear (NoLo).

News in partner wines

Anora's wine portfolio includes a wide range of premium wine from around the world. The partner portfolio develops all the time with new launches or partners to meet consumer trends and demand. In 2023, Anora actively participated in monopoly tenders and began collaboration with Penfolds and Anselmo Mendes in Sweden.

Anora's partner Terre Cevico and Wennerco launched the first ever frizzante-wine "Tutto è Possibile Less Is More" in a PET bottle in the Finnish market. This wine was launched in the monopoly sales to order assortment and has created interest with press and consumers alike.

Other successful launches were Codorniu Ars Collecta Rosé – a new cava from Codorniu launched in Alko in December, which sold over half of its yearly estimate in only three weeks, as well as the seasonal Halloween packages of 19 Crimes Glow. These striking bag-in-box seasonal packages launched by Treasury Wine Estate boosted the sales of these 19 Crimes wines in Alko by 46% in October compared to the previous year.

Events in Industrial

In November 2023, the Koskenkorva Distillery was once again granted The Year Award in the Starch Europe's Safety Programme. This was the third consecutive year when Koskenkorva Distillery has won the said award. The Year Award is awarded to plants plants with a full calendar year without lost time incidents (LTI), and it is an important recognition for Anora's efforts in developing workplace safety.

The new heat recovery system at the Koskenkorva Distillery was taken into use in 2023. The new system will increase heat circulation within the distillery and reduces steam power generation by 10% in the long term. Anora's cooperation with Fortum at the Kalax wind farm in Närpiö is in place and will be continued until 2025. The investment in the heat recovery system and the wind power initiative support Anora's target to reduce CO_2 emissions at the Koskenkorva Distillery. In 2023, the Koskenkorva Distillery's own bioenergy plant achieved self-sufficiency rate of 44 (44) %. The Distillery's CO_2 emissions still followed the strong trend of reduction in CO_2 emissions since 2014.

To mitigate the impact of the high cost of barley, the Koskenkorva Distillery's running speed was lowered during the year. In total, 174,0 (184.3) million kilos of grain were used at the plant. In 2023, the average barley market price was 277.1 €/tn (347.8€/tn), a decrease of 20%.

Strategy and financial targets

Anora's financial targets and the Company's growth strategy and sustainability roadmap for 2022–2030 were introduced at the Capital Markets Day on 29 November 2022. Anora's vision is to be the leading Nordic wine and spirits group delivering growth through sustainability.

Financial targets

The following table presents Anora's financial targets and the progress in them.

Long-term financial targets for 2030		Actual 2023	Actual 2022
Annual net sales growth including M&A, majority being organic	3–5%	3.4%	5.7%
Comparable EBITDA margin through focus on margin accretive business and scale benefits on indirect costs	16%	9.4%	10.8%
Net IB debt / comparable EBITDA (LTM) debt levels may occasionally exceed in connection with M&As	<2.5x	2.0x	4.0x
Dividend pay-out ratio % of result for the period	50–70%	-37.2	83.1%

Dividend policy: Anora aims to maintain a stable or increasing dividend with a dividend payout ratio of 50–70% of the result for the period.

Strategic pillars

Anora's growth strategy is founded on core strategic pillars and has sustainability at its centre:

- Lead category growth across consumer occasions and channels to cement the position as the wine and spirits powerhouse in Sweden, Norway and Finland
- Scale position in Denmark and the Baltics, and beyond the Nordics, build the world's leading sustainable brands from Nordic heroes to international challengers.

Long-term sustainability targets

Anora's long-term sustainability targets are:

- Waiting for science-based targets to be approved: 42% near-term reduction and 90% long-term reduction in total emissions (Scopes 1-2, and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution) and 30.3% reduction in FLAG greenhouse gas emissions by 2030
- A carbon-neutral Koskenkorva Distillery during 2026 and all production by 2030 without carbon compensations
- Increasing the amount of own grain spirit products made from regeneratively farmed barley to 30%
- By 2030 all packages are lightweight, 100% recyclable and of materials from certified sources or from recycled origins.

Identified efficiency potential

Anora is targeting a 5–10 MEUR efficiency potential in the supply chain during its strategic period through the implementation of a centre of excellence strategy for its bottling sites in Finland, Norway and Denmark. According to the plan, the production of vodka-based spirits would be centralised at the Rajamäki plant in Finland, whereas the Gjelleråsen plant in Norway would focus on the distillation, blending and bottling of aquavits and bitters. Operational excellence of wine production would be concentrated at the Globus Wine plant in Denmark. The planned changes would reduce production footprint complexity, improve the utilisation of current production lines and reduce costs. The specialisation is expected to be completed during 2025 and would entail a gradual downsizing of around 40 full-time equivalents over a period of three years in Norway.

Research and development activities

The Group's direct research and development expenditure amounted to EUR 2.3 million in 2023 (EUR 2.2 and 3.5 million in 2022 and 2021, respectively) million and was related to the product development of alcoholic beverages. The R&D expenditure represented 0.3% of net sales in 2023 (0.3% and 0.7% in 2022 and 2021, respectively).

Financial review

Net sales, profitability and result for the period

In 2023, Anora Group's net sales were EUR 726.5 million, an increase of 3.4% from the previous year. The increase in net sales compared to the previous year is due to Globus Wine being reported as part of Anora's Wine segment as of 1 July 2022. Net sales were also positively impacted by price increases and the international sales in Spirits, while the weaker currencies had a negative impact, especially the weakening of the NOK and SEK. The consolidated income statement includes the income statement of the divested business of Larsen until 29 September 2023.

In 2023, Anora Group's comparable EBITDA was EUR 68.2 (76.1) million, or 9.4% (10.8%) of net sales. The decline in profitability was mainly due to lost partners in the Wine segment, high input costs and weaker currencies. The gross profit impact of the weakening of the NOK and SEK was approximately EUR 13.9 million. Since the beginning of November, both SEK and NOK have again started to strengthen. The barley and fuel prices were also below the previous year. Items affecting comparability have been presented on page 58.

Reorganisation related change negotiations were launched in Q4 and a cost savings initiative in Q2. Anora is well on track with the targets set out in these initiatives.

For the full year, employee benefit expenses totalled EUR 103.8 (93.8) million, including EUR 83.0 (74.0) million in wages and salaries. The growth was mostly due to the acquisition of Globus Wine. Other operating expenses amounted to EUR 134.1 (137.6) million.

Result for the period amounted to EUR -39.9 (18.1) million, and earnings per share were EUR -0.59 (0.26).

The below tables illustrate net sales and comparable EBITDA by reporting segments.

NET SALES BY SEGMENT, TOTAL*

EUR million	2023	2022	Change %
Wine	334.3	316.6	5.6
Spirits	237.0	233.8	1.4
Industrial	269.5	285.5	-5.6
Anora Group net sales, external	726.5	702.7	3.4

* Total net sales by segment includes external and internal sales.

COMPARABLE EBITDA BY SEGMENT

EUR million	2023	2022	Change %
Wine	12.4	23.5	-47.7
Spirits	40.3	37.8	6.6
Industrial	17.5	17.7	-1.3
Group allocations	-1.9	-2.8	
Anora Group	68.2	76.1	-10.4
% of net sales	9.4	10.8	

Wine segment

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

In 2023, the net sales for the Wine segment increased by 5.6% to EUR 334.3 (316.6) million. The increase in net sales compared to the previous year is due to Globus Wine being reported as part of Anora's Wine segment as of 1 July 2022. Net sales were negatively impacted by unfavourable currency exchange rates and previously lost partners in Sweden. The negative impact of the exchange rates on net sales was approximately EUR 20.7 million.

In 2023, comparable EBITDA was EUR 12.4 (23.5) million, or 3.7% (7.4%) of net sales. The decline in EBITDA was mainly driven by higher input costs due to weaker currencies, but also as a result of previously lost partners with higher profitability. Own wines performed well in local currencies in all markets. In 2022, the comparable EBITDA was negatively affected by an exceptional EUR 3.2 million correction of Globus Wine inventory values due to an accounting error, without impact on inventory volumes.

Spirits segment

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.

In 2023, the net sales for Spirits increased by 1.4% to EUR 237.0 (233.8) million. The growth was due to price increases and international sales growth. The negative impact of the exchange rates on net sales was approximately EUR 11.3 million.

In 2023, comparable EBITDA increased to EUR 40.3 (37.8) million, or 17.0% (16.2%) of net sales, due to savings in operating expenses.

Industrial segment

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

In 2023, the total net sales for Industrial segment decreased by 5.6% to EUR 269.5 (285.5) million, driven by lower starch and feed sales. External net sales decreased by 3.0% and amounted to EUR 155.1 (160.0) million. Internal sales decreased mostly due to divestment of Larsen.

In 2023, comparable EBITDA was EUR 17.5 (17.7) million, or 6.5% (5.9%) of net sales. Comparable EBITDA decreased mainly due to drop in bottling liters, offset by lower barley price.

Financial items

For the full year 2023, other operating income amounted to EUR 20.3 (10.9) million, with the majority coming from the one-off gain of EUR 11.6 million from the divestment of Larsen, sales of steam, energy and water of EUR 4.0 (4.2) million, income from insurance compensation EUR 0.0 (1.1) million and rental income of EUR 1.4 (1.4) million.

Net financial expenses amounted to EUR 22.8 (11.9) million for the full year 2023, due to increase in interest rates.

An insurance claim relating to the acquisition of Globus Wine

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

Impacts of impairment testing

As a result of annual impairment testing, impairments totalling EUR 65.4 million were made to to fixed assets owned and right-of-use assets at the Gjelleråsen plant of the Industrial segment in Norway due to its loss of volume to other factories following the Centre of Excellence program, as well as at Vectura, which shares the same right-of-use asset and has suffered from poor profitability in recent years. As a result, the Group operating result weakened to EUR -31.3 (34.7) million.

The values of shares of the parent company's subsidiaries in Denmark were also impaired mainly due to weak profitability of Globus Wine. These impairments do not have an impact on the consolidated financial statements but reduce Anora Group Plc's distributable funds by EUR 58.7 million to EUR 100.2 million.

For shares owned by other Group companies, impairments totalling EUR 23.6 million were made to the values of shares of certain companies held by Vingruppen in Sweden and Norway due to recent partner losses, reducing the distributable funds of their respective parent companies.

The impairments made do not impact the loans, cash flows or the financial targets of the Group.

Cash flow and balance sheet

The net cash flow from operations totalled EUR 135.3 (-0.4) million in 2023. The improvement in cash flow from operations was mainly due to lower net working capital than in the previous year. In 2023, the change in working capital contributed to EUR 109.2 (-44.8) million, due to lower inventory levels and increase in the sale of receivables. The Group's net working capital improved to EUR -79.2 (63.7) million at the end of December. The receivables sold amounted to EUR 173.6 (59.4) million at the end of the reporting period. The Larsen divestment also contributed positively to overall cash flows during 2023.

In 2023, gross capital expenditure totalled EUR 12.6 (10.7) million. During the period, the capital expenditure was allocated mainly to replacement investments and to improve work safety and energy efficiency.

At the end of the reporting period, the Group's net debt amounted to EUR 137.5 (300.9) million. The decrease in net debt was due primarily to the sale of Larsen business. The reported net debt to comparable EBITDA was 2.0 (4.0) times.

Anora Group's liquidity position was strong throughout the period. Cash and cash equivalents amounted to EUR 212.7 (91.4) million, while the interest-bearing debt including lease liabilities amounted to EUR 350,2 (392.3) million. The Group has a revolving credit facility of EUR 150.0 (150.0) million of which EUR 0.0 (0.0) million was in use at the end of the reporting period. In December 2023 Anora exercised its first extension option in relation to its credit facilities agreement, thus extending the term loan and revolving credit facilities maturity by one year to December 2026.

The gearing ratio at the end of the reporting period was 33.7% (62.5%), while the equity ratio was 35.9% (37.0%). At the end of the period, the total in the consolidated balance sheet was EUR 1,135.7 (1,301.3) million.

Personnel

Anora Group employed 1,219 (1,251) persons at the end of the period and on average 1,273 (1,159) persons in 2023.

PERSONNEL BY COUNTRY AT THE END OF THE PERIOD

	2023	2022
Finland	416	414
Norway	360	370
Sweden	171	165
Denmark	171	174
Estonia	61	68
Latvia	31	33
France	0	22
Germany	9	5
Total	**1,219**	**1,251**

Anora's values serve as a foundation for building skills and competences of the employees and priorities in their development plans. The revised performance review incorporates elements of well-being and competence embedded in the plan. Anora conducted its first succession planning, assessing competence building based on the values.

Anora wants to ensure an inclusive and safe work environment for all its employees. Anora's work on Diversity, Equity, and Inclusion continued, and Anora's DEI approach was further defined in the renewed Code of Conduct and recruitment policy. The Code of Conduct was updated and disclosed during the year. The code articulates the company's dedication to conducting business reliably, fairly, and following the respective laws and regulations. The dedication is defined in the Code, and it applies to all individuals employed by any Anora Group company.

The annual Anora Tasting employee survey provides valuable information on employees' engagement, leadership, team performance and overall well-being. The survey was conducted in November, followed by reviews of the results, training sessions and action planning that were consistently implemented throughout the organization. Anora is committed to enhancing the well-being of its employees, continuing an external service, Auntie, to support employees' psychological safety and well-being.

Anora's change negotiations that were initiated in November 2023, were concluded in January 2024 in all operating countries. Changes were made in organisational structures to support a stronger commercial focus, reduce complexity, and create synergies in line with Anora's strategy. With the introduction of these new structures, the duties of 37 employees at Anora will end. The new organizations are in place as of February 2024.

EMPLOYEE BENEFIT EXPENSES

EUR million	2023	2022
Wages and salaries	83.0	74.0
Pension expenses		
Defined contribution plans	10.5	9.1
Defined benefit plans	0.1	0.0
Share-based payments	0.0	0.6
Other social expenses	10.2	10.1
Total	**103.8**	**93.8**

In Anora, the total wages and salaries of personnel consists of fixed and variable pay, allowances, short and long-term incentives, and fringe benefits. Employee benefit expenses include personnel related restructuring costs of EUR 4.9 (0.1) million.

Share-based incentive scheme

The Board of Directors of Anora has decided on a new plan period within the share-based long-term incentive scheme for the Company's management and selected key employees. The scheme comprises a Performance Share Plan (also "PSP") for the top management and other key employees and a Restricted Share Plan (also "RSP") as a complementary structure for individually selected key employees in specific situations.

Performance Share Plan (PSP) 2023–2025

The PSP 2023–2025, commenced as of the beginning of 2023 and the potential share rewards thereunder will be paid during H1 2026. The payment of the rewards is conditional on the achievement of the performance targets set by the Board of Directors for the plan.

The performance measures based on which the potential share reward under PSP 2023–2025 will be paid are revenue growth, earnings per share (EPS), the relative total shareholder return of the Company's share and a measure based on the Sustainalytics ESG rating. Eligible for participation in PSP 2023–2025 are approximately 54 individuals, including the members of Anora Group's Executive Management Team.

If the performance targets set for PSP 2023–2025 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 667,000 shares.

Restricted Share Plan (RSP) 2023–2025

The RSP 2023–2025 commenced as of the beginning of 2023 and the potential share rewards thereunder will be paid during H1 2026 at the latest. The aggregate maximum number of shares to be paid based on RSP 2023–2025 is approximately 67,000 shares.

Other terms

The value of the reward payable to participants based on the plans is limited by a share price development-based cutter. Anora Group applies a share ownership recommendation to the members of the company's Executive Management Team. According to this recommendation, each member of Anora Group's Executive Management Team is expected to retain in his/her ownership at least half of the shares received under the share-based incentive plans of the company until the value of his/her share ownership in the company corresponds to at least his/her annual gross base salary.

Anora Group originally announced the establishment of the long-term incentive scheme by a stock exchange release issued on 9 June 2022. The stock exchange release on the 2023-2025 incentive schemes decided by Board of Directors was issued on 21 December 2022. See also "Events after period" for more information on the a new plan period 2024-2026 within the share-based long-term incentive scheme for the management and selected key employees, published in a stock exchange release on 14 February 2024.

Non-Financial Information 2023

Sustainability governance

At Anora, the administrative and governing bodies are the Annual General Meeting, the Board of Directors and the CEO. Anora's highest decision-making power is exercised by the shareholders at the Annual General Meeting. The Board and CEO, with the support of the Audit Committee and the Remuneration and Nomination Committee, are charged with the company's management. The Management Team supports the CEO in steering the company.

Anora's Board of Directors oversees the appropriate governance of sustainability and ESG (Environmental, Social and Governance) criteria within the Anora Group, as well as sustainability management and ESG-related risks. The Board's responsibility is to approve Anora's sustainability strategy, as well as significant sustainability investments.

Anora's Audit Committee regularly discusses sustainability and climate-related matters, for example, as well as climate-related risks and opportunities as part of Anora's TCFD (Task Force on Climate-Related Financial Disclosures) report. The Audit Committee also assists the Board in overseeing the appropriate governance of sustainability and ESG criteria within Anora, as well as sustainability management and ESG-related risks.

Anora's Executive Management Team (EMT) is responsible for the implementation and monitoring of the 2030 Sustainability Roadmap and acts as a steering group. The EMT also discusses targets and finds commitment between units, approves actions and targets within the roadmap, and prepares sustainability investments.

In terms of Anora-wide decision-making forums in place, the Business Area Leadership Teams are responsible for implementing roadmap targets, taking responsibility for investment planning and cascading the roadmap to Anora's operational plans. Sustainability topics are regularly discussed in both EMT as well as Audit Committee meetings.

Anora's Sustainability Director acts as the coordinator to drive the sustainability agenda at Anora and has the responsibility to provide an overview of the roadmap's implementation, and leads, reports and communicates on ESG topics. Sustainability work is coordinated in the Sustainability Working Group, consisting of the leaders of business specific sub-streams of the 2030 Roadmap. Business sustainability roles include a focus on Anora's customer's points of view, as well as audits, certificates and other criteria.

The internal audit for Anora's Sustainability Governance was performed by Anora's internal auditor, Deloitte Oy, in 2023.

During 2023, Anora undertook preparations with regard to the upcoming EU Corporate Sustainability Reporting Directive (CSRD). As one part of this preparation, Anora conducted a new and updated materiality analysis in line with the upcoming directive and double-materiality principle. Based on this analysis, Anora can identify the material sustainability topics it is required to report on based on the new European Sustainability Reporting Standards (ESRS) and can further its preparations for the new reporting requirements that are mandated in 2024.

Other preparative actions included human rights due diligence development as well as working with ESG-related data, calculating science-based targets for Scopes 1-3 and submitting the targets for validation to the SBTi, and overseeing the first external verification of the 2023 sustainability report. In 2024, Anora will focus especially on building the new sustainability report and undertaking a biodiversity assessment as well as conducting climate change-related scenario analyses.

Sustainability management

Anora's sustainability strategy, detailed by the Board, CEO, and management team, is owned by every employee. Our critical policies include the Code of Conduct and Supplier Code of Conduct which align with the OECD Guidelines for Multinational Enterprises and the UN Business and Human Rights principles. Anora's new Human Rights commitment was approved by Anora's Executive Management Team in June 2023. Our management systems, certified to ISO9001:2015, ISO14001:2015 and ISO45001:2018, encompass quality, occupational health, safety, and environmental management.

Materiality & SDGs

Materiality analysis

During 2023, Anora conducted a new and updated materiality analysis in line with the upcoming Corporate Sustainability Reporting Directive (CSRD) and double-materiality principle, considering both the impacts (the inside-out view) and the risks and opportunities (the outside-in view). Based on this analysis, Anora can identify the material sustainability topics it is required to report on based on the European Sustainability Reporting Standards (ESRS) and which applies to Anora from the financial year 2024. This work involved many parts of the organisation and included the input of experts on human resources, environment, human rights, procurement, ethics, finance, strategy, sustainability and public relations.

The new materiality analysis also created a further understanding of the impacts and financial risks and opportunities in Anora's global business and value chain from a short-, medium- and long-term perspective. Risks, impacts and opportunities that exceeded a certain threshold based on their ratings constituted Anora's material sustainability topics. Based on this first double-materiality analysis, the most material topics for Anora were climate change, water, biodiversity, circular economy, own workers and workers in the value chain, end-users, and business conduct.

The new materiality analysis builds on the analysis undertaken in 2022 as a base to Anora's 2030 Sustainability Roadmap.

As part of the 2022 materiality analysis, we conducted 20 in-depth interviews with our external stakeholders, with a focus on our customers and the financial community, as well as an open survey with over 200 answers from employees and external stakeholders including authorities, banks, analysts, investors, consumers, customer companies, industry associations, media, NGOs, owners, political decision-makers and suppliers. The 2023 materiality analysis was supported with additional interviews with a focus on biodiversity and human rights in the value chain.

Based on the materiality analysis, Anora is viewed as having a strong and proactive approach to sustainability, as well as the ability to act as a Nordic frontrunner of the industry in thought leadership and sustainability themes.

As part of the new assessment, a number of topics were determined as material from an ESRS-perspective. These topics will be described and detailed in our 2024 sustainability report, when ESRS and CSRD will be applicable to Anora for the first time. The basis for this report is the material topics with relevant targets valid during 2023.

Sustainable development goals

In addition to conducting an updated materiality analysis, we have divided the matrix into material topics to show how they strongly link to and align with the United Nations Sustainable Development Goals (UN SDGs). Anora currently closely aligns with five SDGs.

3 GOOD HEALTH AND WELL-BEING

Material topics
- Inclusivity diversity, equality
- Responsible drinking culture promotion
- Consumer education on responsible and sustainable choices
- Healthy ingredients
- No- and low-alcoholic products
- Responsible marketing
- High product quality and food safety

SDG 3; 'Good health and well-being'. This significant material topic links to our work around promoting a responsible drinking culture, including responsible marketing, increasing non and low-alcoholic (NoLo) products that support the responsible drinking trend and sober curiosity movement, as well as mitigating the adverse effects that our products have. In addition, high product quality and food safety are also viewed as important topics.

6 CLEAN WATER AND SANITATION

Material topics
- Product's water footprint
- Environmentally sound wastewater handling

SDG 6: 'Clean water and sanitation'. Our production plants operate in areas that do not suffer from water scarcity. However, we are a significant importer of wine and some of the wine cultivation countries suffer of water scarcity, so this is an important material topic for us. We are safeguarding a significant groundwater area in Finland, Rajamäki with groundwater springs we use in our products. We are also working to reduce our own water consumption by implementing advanced wastewater management processes.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material topics
- Waste reduction
- Climate-smart packaging
- Socially responsible sourcing
- Transparency and responsibility in supply chains
- Safe workplace
- Employee development
- Leadership and people management
- Ethical product certificates
- Organic products

SDG 12; 'Responsible consumption and production'. Our focus area here relates to our climate-smart packaging, our circular economy-based production, particularly at our Koskenkorva Distillery, as well as all the certificates for our products, including Fair Trade and Fair for Life.

13 CLIMATE ACTION

Material topics
- GHG emissions from own production
- GHG emissions in supply chains
- New circular production models
- Environmentally responsible sourcing
- Environmental product certificates

SDG 13; 'Climate action'. Our focus here is on our emissions reduction efforts in our own production at our Koskenkorva Distillery, as well as in our value chain, and the fact that we have committed to set science-based targets, and have submitted our targets for validation in 2023.

15 LIFE ON LAND

Material topics
- Regenerative agriculture
- Biodiversity conservation

SDG 15; 'Life on land'. Our material topics related to this SDG are particularly focused on our actions to enhance regenerative farming and biodiversity conservation.

Policies

Anora's vision is to be the leading Nordic wine and spirits group, delivering growth through sustainability. Sustainability is integral to Anora's business strategy. Anora has committed to an ambitious sustainability roadmap to 2030 covering its entire value chain and new areas of its operations. The roadmap is founded on the decade-long focus on sustainability, particularly circular economy-based production, and an extensive materiality assessment, conducted in 2022 and revised and updated in 2023. Anora's sustainability work is built on the main themes of Planet, People and Product.

This disclosure of non-financial information describes, in accordance with the Finnish Accounting Act, Anora's approach to the management of environmental, social, employee and human rights matters, as well as topics related to anti-corruption and bribery, product quality, safety, and sustainability. For more information about Anora's comprehensive sustainability work, see Anora's Sustainability Report 2023.

Our Code of Conduct and our values help us make the right choices and guide our work in a constantly evolving business environment. This delivers the foundations for our long-term success. Anora's compliance system is embedded in our governance model and is designed to strengthen our company performance and a Group-wide culture of integrity at all levels. We follow how this culture is developing with the help of our annual employee survey, Anora Tasting.

Policies, procedures and guidelines form the basis of our compliance programme. We review and update our policies and procedures through an annual policy management process. In addition, with the regulatory environment in constant change, we want to ensure that our Group policies stay relevant and up to date.

With the support of risk management function, each business area, function and unit are responsible for identifying and managing compliance risks related to its own operations. To enhance this process, we utilise the results of annual risk assessments to guide our compliance activities and mitigation actions in businesses and functions.

Together, the risk management function and the businesses update the risk assessments and mitigation actions throughout the year to respond to changes in the risk environment. The progress of these actions is reported to the Audit Committee of the Board of Directors and our businesses on a quarterly, half-year or annual basis.

Environment

One of the main themes in Anora's 2030 sustainability roadmap is Planet. Under this theme, Anora advances it work related to the circular economy model of Koskenkorva Distillery, regenerative farming, environmentally responsible sourcing, emissions from its own operations and value chain, water resources, and biodiversity.

a) Policies and ways of working

Anora manages its approach to environmental matters through various standards, policies and principles.

Anora has a Quality, Safety and Environment policy. This policy is based on Anora's 2030 Sustainability Roadmap, which sets out responsibility targets and is based on UN Sustainable Development Goals. The management and implementation of quality, safety and environmental values is part of our sustainability work and thus are the most paramount for Anora. We are committed to the continuous improvement of our operations. As part of the policy:

- We comply with the laws, regulations and industry codes of the countries in which we operate.
- The Executive Management Team, the management of each function, as well as each employee within their sphere of influence is responsible for implementing these principles.
- We promote these principles in our global supply chain.

Environmental impacts are managed through ISO 14001. The ISO 14001 policy is an international standard, and its requirements provide a framework and guidelines for creating an Environmental Management System (EMS). ISO 14001 is certified in Anora's production plants in Finland and at its headquarters.

The ISO 14001 standard contains the following key elements:

- Environmental policy
- Planning
- Implementation and operation
- Checking and corrective action
- Management review

The standards, policies, and principles relevant to Anora's environmental work include:

- Anora Code of Conduct
- Anora Code of Conduct for Suppliers and Subcontractors
- Quality, Safety and Environment policy
- Anora Procurement policy and Principles of responsible sourcing
- ISO 14001:2015 Environmental Management System, covering Anora's operations in Finland

The most senior level in Anora that is accountable for the implementation of the Quality, Safety and Environment policy is the Executive Management Team.

Anora has made the policy available to potentially affected stakeholders, and stakeholders who need to help implement it. The policy can be found from anora.com/en/sustainability/policies

b) Environmental risks and their management
Environmental risks are assessed regularly as part of the Anora Group's risk management process and as part of Anora's ISO 14001 EMS. In addition to the updated evaluation in the Group's risk management process, Anora has also conducted a separate and revised climate change-related risk and opportunity assessment. More detailed reporting on this can be found in the Disclosure on climate-related risks and opportunities (TCFD) section.

In addition to climate-related risks, other principal environmental risks include natural disasters, possible pollution leaks into the soil or waterways (including groundwater areas), overruns of the waste-water quality limits in Anora's environmental permits, and the costs related to maintaining compliance with increasingly strict environmental legislative regulations, as well as the fines and sanctions resulting from any non-compliance with the said regulations. The risks are managed through various measures, including the management of Anora's operations through the ISO 14001 EMS, regular monitoring of wastewater quality, ownership of land in groundwater areas and the careful monitoring of legislative developments.

c) Outcome and KPIs
During 2023, Anora updated the calculation of the baseline 2021 emissions in its entire value chain (Scopes 1–3), including the addition of acquired Globus Wine on the baseline and calculating the emissions and targets for forest, land, and agriculture (FLAG) sector as well. In December 2023, Anora submitted its targets for validation to the SBTi.

KPI	2023	2022	2021
Total fossil emissions & reduction compared to previous year (Scope 1 and 2)	21,434 tCO_2e -21.0%	27,144 tCO_2e +5.5%	25,737 tCO_2e* -3.2%
Amount of regeneratively farmed barley agreed to be purchased: *Target to increase the share of regeneratively farmed barley to 30% of own grain spirit products by 2030.*	2.3 million kg	0.056 million kg	0.050 million kg
Wastewater volume (1,000 m^3)**: *Target to reduce wastewater volume with 20% by 2030, compared to 2021*	246.6	238	293*
Waste recycling and recovery rate (%)	Koskenkorva, Gjelleråsen, Globus Wine 100%, Rajamäki 99.9%	Koskenkorva, Rajamäki, Gjelleråsen and Globus Wine 100%	Koskenkorva, Cognac, Rajamäki and Tabasalu: 99.5% Gjelleråsen: Approx 100%
Landfill waste (t): *Target to reach zero by 2030*	11.13	11.57	28.18*

All figures displayed are for annual periods of January-December.
*Figures include former Altia and former Arcus
**Globus Wine included in 2023 wastewater figure, excluded in 2022 and 2021

Our commitment on following targets was submitted to the SBTi:

- Near-Term targets: Anora commits to reduce absolute Scope 1–2 and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution 42% by 2030 from 2021 base year.
- Long-Term Targets: Anora commits to reduce absolute Scope 1–2 and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution 90% by 2050 from 2021 base year.
- FLAG targets: Anora commits to reduce absolute scope 3 FLAG (land and forest use) greenhouse gas emissions 30,3% by 2030 from a 2021 base year.

Related to the target of reducing emissions, one of Anora's core ambitions is to have its entire production carbon neutral by 2030 and the Koskenkorva Distillery carbon neutral during 2026 – both without carbon compensations.

Social, employee and human rights
The second main theme in Anora's 2030 sustainability roadmap is People. Anora aspires to be an inclusive and safe workplace that represents the diversity, equity and progressiveness of Nordic culture. Anora aims for zero accidents and a strong safety culture. Continuous work is undertaken to ensure that Anora's value chain is fair and transparent, to source sustainably and protect human rights.

a) Policies and ways of working
Anora is committed to respecting and promoting human rights and international labour standards in accordance with the United Nation's (UN) Universal Declaration of Human Rights and the key conventions of the International Labour Organization (ILO) and expects the same from its suppliers, partners, and subcontractors. Anora wants to ensure safe and healthy working conditions for all its employees and people whose workplace or work conditions can be affected by the company. Anora's work on the area of Diversity, Equity and Inclusion (DEI) is also an important focus area.

Anora's human rights work in its supply chain is governed by the amfori BSCI's Code of Conduct which Anora has adopted throughout its operations. The values and principles of the amfori Code of Conduct have a strong focus on working conditions and human rights. Anora is a direct member of the amfori BSCI to develop responsible sourcing.

Anora has the ISO 45001 certificate in effect across all its operations in Finland (Rajamäki, Koskenkorva, Ruoholahti: Anora HQ). ISO 45001 EMS provides an internationally recognised framework for managing occupational health and safety risks. It enables us to systematically assess hazards and implement risk control measures, leading to reduced workplace injuries, illnesses, and incidents. Adopting the standard shows our employees and external stakeholders that we are committed to worker health, safety, and well-being.

Anora's new human rights commitment, published in 2023, describes our approach to human rights in our value chain and our human rights due diligence process.

Anora's report on the Norwegian Transparency Act, published in 2023, describes our human rights due diligence. It includes information on our human rights assessment and human rights commitment. The report is published in English and Norwegian.

The standards, policies and principles relevant to social, employee and human rights matters include:
- Anora Code of Conduct
- Anora Supplier Code of Conduct
- Quality, Safety and Environment Policy
- Anora Human Rights Commitment
- Anora's Procurement Policy describes our procurement principles, including the responsibility on human rights and environment in the value chain.
- Principles of responsible sourcing
- Non-Harassment Policy
- Anora Policy of Alcohol Consumption for employees
- amfori BSCI Code of Conduct
- ISO 45001:2018 Occupational Health and Safety Management System; covering Anora's operations in Finland.

The most senior level in Anora that is accountable for the implementation of the Quality, Safety and Environment Policy, the Procurement Policy and the Non-Harassment Policy is the Executive Management Team.

Anora has made the policies available to potentially affected stakeholders, and stakeholders who need to help implement them. The policies can be found from anora.com/en/sustainability/policies

b) Employee and human rights risks and their management
The risks are assessed as part of Anora Group's risk management process and as part of Anora's ISO 45001 EMS. The principal employee risks relate to Anora's ability to recruit, develop, motivate, and retain the right know how and succeed in daily leadership, the maintenance of good collaboration practices with employees and their unions, as well as the occurrence of accidents, to manage the risks, Anora develops its employer value proposition, recruitment, and retention, conducts the employee satisfaction survey on an annual basis, and maintains frequent collaboration with unions.

Anora's new Human Rights Policy was approved by Anora's Executive Management Team in June 2023. The Policy will be regularly updated to allow us to also communicate our evolving approach on human rights. Our salient human rights issues arise from our supply chain. Agricultural value chains and some of the geographies we source from are prone to human rights risks and we recognise the need to actively identify possible changes in our own and our suppliers' operating environment which might increase the likelihood of these risks. We are committed to taking regular steps to ensure that we have identified all risks and taking needed measures to eliminate or mitigate the risks.

We conducted a human rights impact assessment with the help of external human rights expertise in 2023 and identified the following actual or potential salient human rights risks in our supply chain:
- Right to health & safety
- Right to freedom of discrimination in employment
- Right to decent work
- Right to freedom of association and collective bargaining
- Forced labour

Where there is potential for adverse impacts on vulnerable people or groups, Anora is committed to taking measures, based on due diligence processes, to avoid causing or contributing to adverse human rights impacts through our own activities (including through our own operations and our supply chain), and to addressing and remediating such impacts when they occur.

At Anora, we are committed to systematically improving our sustainable procurement procedures. We already have in place processes and systems to manage the identified risks:

- Anora Code of Conduct & Code of Conduct for Suppliers and Sub-contractors
- Third-party audits & certificates
- Internal audits & supplier visits
- Risk country profiles to give us a holistic understanding of the human rights situation in our supply chain countries
- Supplier self-assessment tools to both communicate about Anora's commitments and gain a wider understanding of our suppliers' sustainability (incl. human rights) approach
- Human rights training for all employees to share the findings from our impact assessment process and strengthen internal competence.

Our human rights management processes are constantly developing, and we recognise that this is an area which requires active attention.

c) Outcome and KPIs

In 2023, Anora continued to build the organisation and company culture after the merger in 2021. In 2022, Anora unveiled its new company values: Courage to explore; Energy to inspire; and Empowering to win. In 2023, a leadership program pilot group, focusing on the value 'Courage to explore' was successfully launched. The year remained challenging from the People perspective due to the post-merger state of the company and ongoing financial headwinds. Anora worked to increase efforts to support well-being at work by offering several healthcare services. In 2023, Anora conducted its second post-merger Employee Engagement Survey entitled 'Anora Tasting' with a response rate of 83%. The 2023 survey, for example, found that 78% of Anora's employees are very happy with their direct manager.

With regards to occupational health and safety, Anora's goal is to increase the number of safety observations and to reduce the number of absences caused by accidents. During the reporting year, Anora focused on the continual improvement of processes and the unifying of safety measurements across the organisation, as well as training employees on safety topics. Of note, safety data from Globus Wine, acquired in 2022, has been reported internally from the fourth quarter of 2023, but not yet included in Anora Group's total 2023 figures. Germany and Vingruppen Sweden are not included in LTIF figures. The developments were more positive in 2023 compared to the previous year and, for example, Anora's Lost Time Incident Frequency (LTIF) rate was 4.6 in 2023 compared to 7.0 in 2022. There were no fatal work-related accidents during the year.

KPI	2023	2022	2021
Number of amfori BSCI audited suppliers	2	0	0
Increase in the number of safety observations per person**** *Target: three observations per person by 2025*	3.6	2.9	2.6*
Lost Time Incident Frequency (LTIF)**** *Target: 0 by 2030*	4.6	7.0	5** 10.5***

*In former Altia Industrial
**In former Altia
***In former Arcus
****Does not include Globus Wine, Germany or Vingruppen Sweden

Anti-bribery and corruption

Anora has a zero-tolerance policy towards bribery and corruption. The company is committed to operating fairly and to not offering improper benefits to any party. Anora also expects its representatives, consultants, agents, subcontractors, and other business partners to unconditionally refrain from corruptive behaviour when performing services for Anora or on its behalf. Anora does not support, either directly or indirectly, political parties or organisations. In addition, Anora does not participate in financing election campaigns of individual candidates.

a) Policies and ways of working

Anora's Code of Conduct describes the company's commitment to ethical business conduct. Anora updated its Anti-Bribery and Anti-Corruption policies in 2023. Every employee is familiarised with the company's Code of Conduct, including the anti-bribery and corruption activities. Anora has a whistleblowing channel maintained by an independent third party, open to all employees and external stakeholders. All concerns raised, whether through the channel or through other means, are investigated in accordance with an established process to ensure accuracy, anonymity, and fairness.

The standards, policies, and principles relevant to anticorruption and -bribery matters include:

- Anora Code of Conduct
- Anti-Bribery and Corruption Policy
- Whistleblowing channel

The most senior level in Anora that is accountable for the implementation of the Anti-Bribery and Corruption Policy is the Executive Management Team.

Anora has made the policy available to potentially affected stakeholders, and stakeholders who need to help implement it. The policy can be found from anora.com/en/sustainability/policies.

b) Anti-corruption and -bribery risks and their management

The risks are assessed as part of Anora Group's risk management process. The principal risks associated with anti-corruption and bribery matters include, in addition to possible fines and penalties, a reputational risk caused by any act of corruption or bribery, especially related to Anora's key persons and business partners. Given that alcohol is a highly regulated business, obtaining and maintaining the necessary licenses and permits are associated with a risk of corruption or bribery, especially in countries high on the corruption index. Potential non-compliance to the regulation for the marketing of alcoholic beverages also poses risks to Anora's operations. These risks are managed through contractual obligations, third-party due diligence inspections concerning suppliers and distributors where necessary, as well as internal training on Anora's Anti-Bribery and Corruption Policy.

c) Outcome and KPIs

Anora's Code of Conduct was revised and updated during the reporting period. Anora updated its Anti-Bribery and Anti-Corruption -policies in 2023 and launched an anti-bribery and anti-corruption e-learning for all employees working in relevant positions. During 2023, we received four notifications through Anora's whistleblowing channel of which only one required further investigation measures. The notifications mainly concerned HR issues. No abuse of the whistleblowing channel was detected.

KPI	2023	2022	2021
Communication and training on anti-corruption policies	32.5% employees for whom the training was relevant completed the course	Internal communications on anti-corruption policies done	New employees have completed an on-line course. Internal communications have been done.*
Number of cases of misconduct reported through the whistleblowing channel	4	0	0**

*Information includes former Altia. At former Arcus, anti-corruption issues were included in the onboarding process for new employees.
**Figure includes former Altia. The method for reporting grievances differed for former Arcus and the data for 2021 are thus non-conforming. No grievances related to anti-corruption or bribery incidents were reported via former Arcus' internal whistleblowing process in 2021.

Product quality, safety and sustainability

The third main theme in Anora's 2030 sustainability roadmap is Product. Anora's work focuses on advancing climate-smart packaging and increasing the share of sustainable and no- and low-alcohol (NoLo) products in Anora's portfolio. Product quality and safety, as well as a responsible drinking culture and responsible marketing are also Anora's top priorities.

a) Policies and ways of working

Sustainability is incorporated in the strategies of Anora's own brands and product development. Anora actively develops climate-smart packaging, such as Bag-in-Boxes, pouches, tetras, cans, and PET and rPET bottles, as alternative to glass bottles. Related to product quality and safety, the key processes have been defined and the relevant instructions are maintained as part of Anora's management system. Quality indicators, such as customer claims and the proportion of deviations in production, are monitored monthly.

Anora has the ISO 9001 quality management system (QMS) certification in effect. ISO 9001 is a globally recognised standard for quality management. It helps organisations to improve their performance, meet customer expectations and demonstrate their commitment to quality. Its requirements define how to establish, implement, maintain, and continually improve a quality management system. Implementing ISO 9001 means that Anora has put in place effective processes and trained staff to deliver high quality products and services.

The FSSC 22000 v.5.1 Food Safety Management System is a food safety certification scheme based on the existing internationally recognised standard ISO 22000 and complemented by technical standards, such as ISO TS 22002-1 for food manufacturing and ISO TS 22002-4 for packaging manufacturing.

The standards, policies and principles relevant to product quality, safety and sustainability, as well as the marketing and consumption of Anora's products include:

- Code of Conduct
- Quality, Safety and Environment Policy
- Marketing, internal guidelines for responsible marketing
- Responsible Marketing Policy

- ISO 9001:2015 Quality Management System; covering Anora's operations in Finland, the Tabasalu plant in Estonia, and the Gjelleråsen plant in Norway
- FSSC22000 v.5.1 Food Safety Management standard; covering Anora's Rajamäki plant in Finland
- ISO /IEC 17025 Testing and calibration laboratories; covering the laboratory at Gjelleråsen
- Fairtrade certification for Anora Finland and Anora Sweden. Fair for Life certification for Anora Finland and Anora Sweden
- The Koskenkorva Distillery, the Rajamäki alcoholic beverage plant, trading products at the Tabasalu Beverage plant (deliveries and storage) and the distillery in Sundsvall, production plant Gjelleråsen and Globus Wine plant in Køge are certified for organic production.

Anora has made the policy available to potentially affected stakeholders, and stakeholders who need to help implement it. The policy can be found at anora.com/en/sustainability/policies

b) Product quality, safety and sustainability related risks and their management

The principal risks related to the quality and safety of Anora's products relate to the failure in ensuring the quality and safety of the raw materials and finished goods through the supply chain. These can include a failure to comply with hygiene requirements, a lack of consistency in the quality of products, any contamination of products, as well as defects in raw materials or packaging. Such incidents can lead to product recalls or make the company subject to legal claims. As the alcohol business is highly regulated, stricter regulations regarding the marketing and advertising of alcoholic beverages or their taxation, for example, could have an impact on the company's operations.

To manage risks of this type, Anora maintains quality and food safety in accordance with international standards and legal requirements. Anora employs modern methods to ensure the safety of production processes and to eliminate various microbiological, chemical, and physical hazards.

Quality is monitored continuously during production by means of line inspections and testing, as well as the analysis of end products. Instructions and processes are maintained in view of possible recalls and situations are practiced regularly by way of phantom testing. Applicable legislation and any developments therein are reviewed regularly.

c) Outcome and KPIs

KPI	2023	2022	2021
Share of recycled materials in Anora's packaging* *Target: recyclable materials and materials from certified sources or recycled origin used in Anora's packaging: 100% by 2030*	Glass bottles 50% Plastic bottles 22% Bag-in-Boxes 18%	Glass bottles 34% Plastic bottles 21% Bag-in-Boxes 29%	Glass bottles 36% Plastic bottles 16% Bag-in-Boxes 29%
Share of net sales from no- and low-alcohol products** *Target: 5% by 2030*	4%**	4%	No data

*Figures are for Anora's own production and own brands and exclude labels and closures. Former Altia and former Arcus consolidated in 2021, Globus Wine included in 2023 figures.
**Scope: own products, includes wines under 10% abv, spirits under 30% abv, RTDs and non-alcoholic products.

Disclosure on climate-related risks and opportunities (TCFD)

Climate change-related risks and opportunities are considered as part of Anora Group's risk management process, but in 2022, the topic was given more focus and analysed following the recommendations and guidance of the Task Force on Climate-related Financial Disclosures (TCFD). Anora identified climate-related risks and opportunities in a workshop in 2022. The same risks and opportunities remained valid for 2023. During 2023, Anora developed its processes regarding the integration of climate risk management and reporting. Anora will continue the developing process and plans to conduct TCFD-aligned scenario analyses during 2024.

This disclosure follows TCFD's four thematic areas: governance, strategy, risk management, and metrics and targets.

Governance

Anora's Board of Directors approves Anora's sustainability strategy, the 2030 Sustainability Roadmap, and significant sustainability investments. The Board oversees the appropriate sustainability governance within the Group, such as the ESG risk assessment, including climate-related issues. The Board is informed about and discusses sustainability and climate-related issues regularly.

The Audit Committee assists the Board in overseeing the appropriate sustainability governance within the Group, including the management of sustainability work and risks. The Audit Committee and the Board consider sustainability and climate-related issues also when setting performance objectives. Anora's long-term incentive plan includes objectives related to Anora's ESG-ratings and Scope 1-2 fossil CO_2 emissions reductions. The Board also reviews the key sustainability results and ESG-ratings quarterly in business reviews.

Anora has assigned sustainability and climate-related responsibilities to management-level positions. The Executive Management Team and Senior Vice Presidents (SVP) are responsible for the implementation of the sustainability roadmap; discuss targets and ensure commitment in units; approve actions and targets within the roadmap and prepare sustainability investments. The Executive Management Team also monitors climate-related issues through the risk management process.

Business area leadership teams and SVPs are responsible for implementing roadmap targets, planning for investments and bringing the roadmap to the operational plans of their own business areas.

The sustainability working group is a team formed during the sustainability roadmap creation process in 2022 and it includes all business areas. The group discusses areas of improvement, synergies and better collaboration and is responsible for the sub-area targets and actions.

Anora's Sustainability Director has operational oversight of the 2030 Sustainability Roadmap implementation, leads and coordinates reporting and communicating on sustainability topics and according to relevant regulation. The Sustainability Director is part of the extended Executive Management Team and reports to the CEO. The Sustainability Director introduces and presents climate-related issues to the Executive Management Team, the Audit Committee and the Board.

Strategy

Anora has identified climate-related risks in two major categories, transition risks and physical risks as per the TCFD guidance. According to the TCFD guidance, transition risks are risks related to the transition towards carbon-neutral economy. Physical risks arise from the physical impacts of climate change and can be divided into acute or chronic risks.

In its risk assessment, Anora's focus is on the climate-related risks and opportunities that are specifically material for Anora's operations and which Anora can actively mitigate (see the tables 1 & 2 for risks and opportunities).

TABLE 1: CLIMATE-RELATED RISKS

RISK TYPE	**Sustainability standards** Legislation and retailer / monopoly requirements on product validation are increasing with a risk of quick shifts in procurement demands. Anora needs to ensure that its production, partners and suppliers in wine and farming are managing climate issues, in line with the climate standards or certifications relevant to the markets Anora operates in.	**Changing weather conditions** Sudden changes and unpredictable weather (frost, hailstorms, drought, forest fires etc.) are already causing risks for the harvest of Anora's raw materials every year, especially for the wine crops. Anora has operations in different geographical locations where weather conditions also differ.	**Rising average temperatures** In the long term, continuously rising average temperature and, for example, the consequent droughts during peak growth season can affect both the quality and yield of barley and potato in the Nordics.
CATEGORY	Transition risk – market & reputation	Physical risk – acute	Physical risk – chronic
TIME HORIZON	Short / medium / long	Short / medium	Short / medium / long
IMPACT LEVEL	Moderate	Moderate	Moderate
RESPONSE EXAMPLES	Encouraging partners and suppliers to manage climate-related risks, validating performance, and adopting harmonised climate / environmental certification relevant to Anora´s markets. Supporting partners to prepare for the requirements of CSRD and CSDDD in the EU.	Preparing for changes affecting the material supply and working proactively to predict changes in global wine and grain supply chains. Securing new origins and grape varieties to ultimately ensure great wines and spirits in the long run.	Optimising barley varieties for better weather robustness.

TABLE 2: CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY TYPE	**Near market filling** A global shift to a low-carbon economy may impact competitiveness and prices as the demand for fossil-free energy sources increases. Near market filling enables both optimising logistics emissions and using locally preferred sustainable packaging options. Logistics / transportations depends on fossil-fuels but offers many fossil-free alternatives.	**Ethanol production in Koskenkorva** Transitioning towards CO_2-free production in Koskenkorva is an opportunity as it allows more control and access to a full sustainable value chain, including the distillation operations and local grain sourcing in ethanol production.	**Regenerative farming** A big part of Anora's production and emissions come from the raw material purchases of barley and wine. Regenerative farming provides opportunities in mitigating emissions, conserving biodiversity, and securing a better supply.
CATEGORY	Transition – resource efficiency / market	Transition – resource efficiency	Transition – products & services
TIME HORIZON	Short / medium	Medium	Medium / long
IMPACT LEVEL	Moderate	Moderate	Moderate
RESPONSE EXAMPLES	Not shipping wine in glass bottles from the country of origin, but shipping bulk liquids to be filled close to the end markets and using tailored sustainable packaging options to meet customer requirements. Using low-emission transport forms for the bulk-wine, such as biodiesel trains.	Investing in energy saving and circulation technologies, using fossil-free energy sources for electricity and steam, securing traceability of the grain, and innovating new sustainable distillates, e.g., from regenerative barley.	Providing training and offering contract incentives for farmers. Cooperating with the BSAG (Baltic Sea Action Group) and local farming consultants and authorities.

In addition to the risks described in the tables, Anora has also identified other climate-related risks that can influence Anora's business. Anora has identified transition risks, such as a failure to leverage opportunities related to the green transition, a failure to anticipate regulatory changes regarding packaging, energy or sustainability reporting, unsuccessful investments related to the decarbonisation of operations, increased cost of raw materials due to their decreased supply and lower quality, and reputational damage due to unsustainable or unethical practices in the supply chain.

Other identified physical risks include risks related to the insecurity and volatility of the supply of green energy, pandemic, contamination, new species or viruses affecting the supply chain and harvest of raw materials, and changes in the taste profiles of wine. One of the identified global physical risks related to climate change is the risk related to the water management and water availability especially in the industries and communities in Anora's wine supply chain. Water related risks in our own operations are discussed in general risk management process and climate change does not have acute material risk to the water availability and quality in Nordic countries. See more on Anora's water management.

Other identified opportunities are related to more climate-friendly logistics options in e.g., biofuel and electric trucks, solar panels, extensions of growing areas, Koskenkorva Climate Action vodka, climate-smart packaging, and competitive advantage from sustainability.

Anora's vision is to be the forerunner in sustainability which is why climate-related actions are one of the key areas in its strategy. Anora is, for example, pursuing opportunities through acquisitions, such as that of Globus Wine in the area of near-market filling. Anora also sees that changes in consumer preferences can have a strategic meaning and financial impacts to Anora. For example, regenerative farming to produce more sustainable products is one key focus areas in Anora's strategy.

Risk management

Climate-related risk assessment is one part of Anora's overall risk management process. Anora started to evaluate climate-related risks and opportunities more thoroughly in 2022 by conducting an interactive TCFD workshop to introduce the topic to key personnel and identify climate-related risks and opportunities. Anora additionally considers climate-related issues in its carbon neutrality investment plan for the Koskenkorva distillery. Better integration of the climate-related risk assessment to Anora's overall risk management continued in 2023. The climate-related risks will be assessed regularly, ownership will be updated, prioritizations will be made, and mitigation actions discussed.

As part of the climate risk and opportunity assessment, the identified climate-related risks were assessed with various criteria such as the specificity to Anora, time horizon and impact level. Anora defines time horizons for climate-risks as follows: short time horizon 1–2 years, medium time horizon 3–5 years and long-term time horizon over 5 years. The time horizons are aligned with Anora's overall risk management. To note, many of the identified climate-related risks are potentially arising in several time horizons. The size and scope of the risks is assessed also in overall risk management process.

Anora classifies climate-related risks in accordance with TCFD's recommendations, and divides climate-related risks into two main categories: transition – and physical risks. Anora's existing risk classification process is based on ERM and ISO31000, and the climate-related risk classifications and terminology are further guided by the TCFD recommendations. The terminology related to the impact and time horizon is aligned with the overall terminology used in Anora's risk management process. With climate-related risks, the impact is described verbally, not yet on e.g., monetary terms.

Anora is working to develop its risk identification and assessment processes further and to integrate climate-related risks into general risk management system. During 2023, climate-related risks and opportunities identified in the separately conducted climate risk assessment in 2022 were integrated into overall risk management system and updated and assessed with the same criteria regarding scope and likelihood.

Metrics and targets

Anora's climate-related metrics and targets are based on Anora's sustainability roadmap for 2030. Anora measures for example its water, energy, and waste management, as well as its greenhouse gas emissions. During 2023, Anora updated the calculation of the baseline 2021 emissions in its entire value chain (Scopes 1–3), including the addition of acquired Globus Wine on the baseline and calculating the emissions and targets for forest, land, and agriculture (FLAG) sector as well, and submitted its targets for validation to the SBTi. Anora has incorporated sustainability in its long-term incentive plans (Performance Share Plan, PSP) and a bridge plan, measured by Anora's fossil Scope 1-2 emissions and the Sustainalytics ESG-rating.

Anora's key forward-looking climate-related targets are that its own production will be carbon neutral by 2030 and the Koskenkorva distillery already during 2026, without compensation.

Disclosure according to the EU Taxonomy Regulation

In order to reach EU's ambitious climate and environmental targets, the European Parliament and Council introduced a framework, the EU Taxonomy, which became the Taxonomy Regulation (EU) 2020/852 in 2020. The Taxonomy aims to provide a clear definition for environmentally sustainable economic activities and thus, direct capital into the green transition. In addition to the two previous climate-related objectives, the Taxonomy was expanded to four remaining environmental objectives in 2023 with the Environmental Delegated Act and with amendments to the Climate Delegated Act.

In 2022, Anora chose to voluntarily report its Taxonomy-eligibility against these four remaining environmental objectives based on reports containing the proposed activities and screening criteria to give a fuller picture of Anora's Taxonomy-eligibility profile to investors. The final Environmental Delegated Act did not, however, include the economic activities that would have corresponded to Anora's industry and activities. Therefore, Anora will continue to report according to the published Delegated Acts and has omitted any voluntary reporting for 2023.

For the reporting year 2023, Anora undertook an assessment of the Taxonomy-eligibility and alignment of its entire business, and the results are presented as part of this disclosure.

Accounting principles

Anora's consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union and all required key performance indicators under the Taxonomy Regulation are calculated using the financial information presented in the group consolidated financial statements 2023. The taxonomy-eligible parts (numerators) of the key performance indicators are based on group interpretations of definitions in the Disclosures Delegated Act.

Assessment of compliance with the Taxonomy Regulation (EU) 2020/852

Anora is a leading Nordic player in the production, import, sale and distribution of wine and spirits. Anora's business operations also include industrial operations in distillation, bottling and logistics services as well as the production of technical ethanol products, neutral potable ethanol, feed components and barley starch. As part of its Taxonomy-assessment, Anora evaluated all its business segments and activities against the activity descriptions and technical criteria of relevant economic activities listed in the EU Taxonomy Climate Delegated Act, its amendment, as well as the EU Environmental Delegated Act.
Based on this assessment, the following taxonomy-eligible activities were identified:

- 5.4 Renewal of waste water collection and treatment
  - Anora operates waste water treatment systems in its plants. The upgrades and renewals to these systems improve waste water quality and help minimize the environmental impact. Currently, the energy efficiency improvements of these improvements cannot be quantified, resulting in non-alignment with the Taxonomy.
- 4.24 Production of heating and cooling from bioenergy
  - Approximately 40 % of the sold heat in Koskenkorva is generated using agricultural biomass (mainly barley and oats husks) as its input. Currently there is lacking information of the agricultural biodiversity conditions of the biomass origins as required by the technical criteria of the taxonomy. The lack of information leads to non-alignment with the taxonomy.

- 6.6. Freight transport services by road
  - Anora has evaluated the percentage share of its outbound logistics services carried out with a vehicle fleet that meets the EURO VI emissions standard (approximately 89% of total utilised fleet) on a cost-basis. The vehicles do not yet fulfil the criteria for 'zero-emission heavy-duty vehicles' or 'low-emission heavy-duty vehicles' as required by the criteria for taxonomy-alignment.
- 7.3. Installation, maintenance and repair of energy efficiency equipment
  - Many individual installations of HVAC equipment, energy efficient lighting systems and additions to insulation to existing envelope components of buildings are recognized as taxonomy-eligible expenditure. Information regarding the individual components in accordance with Regulation (EU) 2017/1369, a formal climate risk assessments and assessment of use of chemicals in the installed equipment as required in the Climate Delegated Act is currently missing thus leading to non-alignment with the taxonomy.
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
  - Expenditure targeted to Electric car power supply construction at Tabasalu plant is considered Taxonomy-eligible. As a formal climate risk assessment for the equipment is missing, the expenditure is not yet considered Taxonomy-aligned.

Companies are required to describe how double counting has been avoided when shares of the economic figures were allocated to the activities assessed to be Taxonomy-eligible. The activities listed above correspond well with income and cost centres recognised in the accounting of the different business segments and thus the figures can be accurately allocated based on the assumptions above.

In terms of Taxonomy-eligible capital expenditure, Anora identified investments in its manufacturing facilities related to, for example, replacements of fluorescent lighting systems with LED lights and more energy-efficient heating and air-conditioning equipment. These investments were deemed Taxonomy-eligible on the basis of purchased output from other companies' Taxonomy-eligible activities, notably the activities 7.3 Installation, maintenance and repair of energy efficiency equipment, and 7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings. During the reporting year, Anora also made other investments that significantly improve the energy efficiency of its production processes. However, since these investments are connected to a manufacturing activity that is not considered Taxonomy-eligible itself, Anora has applied the precautionary principle and excluded them from its Taxonomy reporting.

Compliance with Minimum Safeguards

The Taxonomy Regulation refers to Minimum Safeguards as the procedures implemented by an undertaking to ensure the alignment with a) the OECD Guidelines for Multinational Enterprises, b) the UN Guiding Principles on Business and Human Rights c) the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and d) the International Bill of Human Rights.

The Platform on Sustainable Finance, which is the working group responsible for preparing the technical details and criteria under the Taxonomy Regulation, published in October 2022 the Final Report on Minimum Safeguards, which stipulates the suggested current compliance criteria. In practice, the undertaking needs to demonstrate that its own operations, the operations of significant business partners and its supply chain are covered by adequate procedures to avoid adverse impacts and mitigate risks connected to a) human rights and working conditions (as stipulated by the UN General Principles and OECD, b) corruption and bribery, c) ensuring fair competition and d) taxation matters.

Anora had no court convictions or serious infringements regarding the topics above during 2023. Anora's existing governance practices and policies are designed to avoid adverse impacts stemming from materialisation of different kinds of risks, included social matters. Anora is, for example, a member of the amfori BSCI which conducts supply chain oversight in a number of countries regarding social adverse impacts. During 2023, human rights were one of Anora's key sustainability priorities, and Anora conducted an extensive human rights assessment on its operations. Based on the assessment, Anora also started unifying its sustainable procurement practices and building a shared human rights due diligence approach and thus, working towards compliance to the Minimum Safeguards. Nevertheless, the few Taxonomy-eligible activities that Anora has identified are not considered Taxonomy-aligned as they do not meet the substantial contribution criteria for those activities.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
TAXONOMY-ELIGIBLE ACTIVIES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**														**0%**	**N/A**	
Of which enabling																			
Of which transitional																			
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Production of heating and cooling from bionenergy	CCM 4.24	0.8	0.1%														0.1%		
Freight transport services by road	CCM 6.6	12.6	1.7%														1.2%		
Turnover of Taxonomy-non-aligned activities		**13.4**	**1.8%**														**1.3%**		
Turnover of Taxonomy-eligible activities (A.1+A.2)		**13.4**	**1.8%**														**1.3%**	**N/A**	
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**713.1**	**98.2%**														**98.7%**		
TOTAL		**726.5**	**100 %**														**100 %**		

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
TAXONOMY-ELIGIBLE ACTIVIES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**																
Of which enabling																			
Of which transitional																			
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Renewal of waste water collection and treatment	CCM 5.4	0.03	0.1%														0.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.22	1.0%														0.6%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0%														0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.25**	**1.1%**														**0.6%**		
CapEx of Taxonomy-eligible activities (A.1+A.2)		**0.25**	**1.1%**														**0.6%**		
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**21.75**	**98.9%**														**99.4%**		
TOTAL		**22.0**	**100%**														**100.0%**		

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
TAXONOMY-ELIGIBLE ACTIVES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**																
Of which enabling																			
Of which transitional																			
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0%**														0%		
OpEx of Taxonomy-eligible activities (A.1+A.2)		**0.0**	**0%**														**0%**		
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**17.6**	**100%**														**100%**		
TOTAL		**17.6**	**100%**														**100%**		

Contextual information about turnover KPI

Anora has calculated turnover, as defined in the Disclosures Delegated Act, based on the same accounting that applies for revenue under the IFRS covering amounts derived from the sale of products and services as agreed in customer contracts. Anora's Taxonomy-eligible turnover (the numerator of the turnover KPI) was determined by estimating the share of turnover from activities assessed to be Taxonomy-eligible as described above. The share of Anora's Taxonomy-eligible turnover is very low, because the majority of Anora's business does not match the economic activities with substantial contribution potential to climate change targets under the Taxonomy regulation. For more information on Anora's principles for defining net sales, see section Financial Statements note 1.1.

Contextual information about CapEx KPI

Anora has included in its CapEx, as defined in the Disclosures Delegated Act, additions to tangible and intangible assets before depreciation, impairment, amortisation and excluding fair value changes during the financial year. For more information on Anora's principles for defining capital expenditure (the denominator of the turnover KPI), see section Financial Statements note 2.1 and 2.2. The Taxonomy-eligibility of investments was determined by assessing if the investment was targeted towards a taxonomy-eligible activity or based on the purchase of output from other companies' Taxonomy-eligible activities, as described above. The Taxonomy-eligible CapEx investments correspond to additions to tangible assets in the form of energy efficiency equipment of buildings and installation of charging stations for electric vehicles.

Contextual information about OpEx KPI

No operating expenditure corresponding to eligible activities under the Climate Delegated Act was recognized.

Governance

Anora complies with the Finnish Corporate Governance Code. The detailed information about Anora's Corporate Governance Principles, as approved by Anora's Board of Directors, is available on Anora's website: anora.com/en/investors/governance. Corporate Governance and Remuneration Statements for 2023 will be published during week 12 in 2024.. Corporate Governance and Remuneration Statements for 2023 will be published during week 12 in 2024.

Annual General Meeting 2023

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 adopted the Remuneration Report of the governing bodies.

Auditor

The AGM re-elected PricewaterhouseCoopers Oy as the company's auditor for a term that ends at the close of the next AGM. PricewaterhouseCoopers Oy had informed the company that Authorized Public Accountant Markku Katajisto will be the auditor in charge.

Dividend distribution

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 dividend was paid in two instalments. The first instalment of EUR 0.11 per share was paid on 28 April 2023 and the second instalment of EUR 0.11 per share was paid on 25 October 2023.

Board of Directors

In accordance with the proposal by the Shareholders' Nomination Board, the AGM elected seven members to the Board of Directors for a term expiring at the end of the next Annual General Meeting. 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 for a term expiring at the end of the 2024 AGM.

As at the end of 2023, the members of the Board of Directors were Kirsten Ægidius, Michael Holm Johansen, (Chairperson), Christer Kjos, Annareetta Lumme-Timonen, Jyrki Mäki-Kala (Vice Chairperson), Florence Rollet, Torsten Steenholt, Arne Larsen (elected employee member), and Jussi Mikkola (elected employee member).

Board Committees as at the end of 2023
In the Board's organisational meeting after the AGM, the following members were appointed to the Board's committees:
- Audit Committee: Jyrki Mäki-Kala (Chairperson), Christer Kjos, Annareetta Lumme-Timonen and Torsten Steenholt.
- Human Resources Committee: Michael Holm Johansen (Chairperson), Kirsten Ægidius and Florence Rollet.

Board remuneration
The remuneration of the Board members elected by the AGM consists of annual fees as follows:
- EUR 65,000, Chairperson
- EUR 46,500, Vice Chairperson
- EUR 31,000, member

In addition to these fees, the following annual fees are paid to Board members elected by the AGM who are appointed by the Board as members of the Board's permanent and temporary Committees:

Audit Committee:
- EUR 10,000, Chairperson
- EUR 5,000, member

Human Resources Committee:
- EUR 8,000, Chairperson
- EUR 4,000, member

In addition to these fees, the Board members elected by the AGM receive a meeting fee for the Board of Directors and Board Committee meetings of EUR 600 per meeting and EUR 1,200 per meeting for members travelling to a meeting outside her/his country of residence. Travel expenses are reimbursed in accordance with the company's travel policy.

The AGM decided that the Board members elected by the AGM may choose to receive his/her annual fees in cash or shares in the company, or a combination thereof. The Shareholders' Nomination Board has recommended that the Board members elected by the AGM accumulate a shareholding in Anora that exceeds his/her one-time annual remuneration.

Authorisation of the Board of Directors to resolve on the repurchase of the company's own shares
The AGM authorised the Board of Directors to resolve on the repurchase of up to 6,755,362 shares in the company in aggregate, which corresponds to approximately 10.0 percent of all the company's shares. The shares may be repurchased for the purpose of improving the company's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or to be retained by the company as treasury shares, transferred, cancelled or for other purposes resolved by the Board of Directors. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2024. Further information on this authorisation can be found in the stock exchange release published on 19 April 2023.

Authorisation of the Board of Directors to resolve on the issuance of shares for the purposes of financing or carrying out corporate acquisitions or other arrangements
The AGM also authorised the Board of Directors to resolve on the issuance of shares in one or several tranches, against or without consideration. The Board of Directors may resolve to issue either new shares or issue treasury shares held by the company. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The number of shares to be issued based on this authorisation shall not exceed 6,755,362 shares in aggregate, which corresponds to approximately 10.0 percent of all of the company's shares at the time of the proposal. The authorisation may be used to improve the company's capital structure, to finance or carry out corporate acquisitions or other arrangements or for other purposes resolved by the Board of Directors. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2024. Further information on this authorisation can be found in the stock exchange release published on 19 April 2023.

Authorisation of the Board of Directors to resolve on the issuance of shares for remuneration purposes
The AGM authorised the Board of Directors to resolve on the issuance of shares in one or several tranches, against or without consideration to be used for incentive arrangements and remuneration schemes purposes. The Board of Directors may resolve to issue either new shares or issue treasury shares held by the company. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The number of shares to be issued based on this authorisation shall not exceed 1,351,072 shares in aggregate, which corresponds to approximately 2.0 percent of all of the company's shares. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2024. Further information on this authorisation can be found in the stock exchange release published on 19 April 2023.

Shareholders' Nomination Board at the end of 2023

The members of the Shareholders Nomination Board represent Anora's three largest shareholders. The shareholders have appointed the following members:

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

In addition, Michael Holm Johansen and Jyrki Mäki-Kala, Chairperson and Vice Chairperson of Anora's Board of Directors, respectively, act as expert members in the Nomination Board.

The proposals of Anora's Shareholders' Nomination Board to the Annual General Meeting to be held on 17 April 2024, including the the remuneration to be paid to the Board members, have been submitted in a stock exchange release dated 7 December 2023. More information can be found in the said stock exchange release.

Chief Executive Officer and Group Management

Mr Pekka Tennilä served as the CEO of Anora Group Plc until 25 October 2023. The Board of Directors appointed Mr Jacek Pastuszka CEO of Anora Group Plc as of 25 October 2023.

Members of Anora's Executive Management Team as at 31 December 2023 were:

- Jacek Pastuszka, CEO
- Sigmund Toth, CFO
- Janne Halttunen, SVP, Wine
- Kirsi Puntila, SVP, Spirits
- Hannu Tuominen, SVP, Anora Industrial
- Mikkel Pilemand, SVP, Chief Growth Officer (CGO)
- Kirsi Lehtola, SVP, Chief HR Officer (CHRO).

Ms Johana Sundén, CHRO, and Mr Risto Gaggl, SVP Industrial, were appointed to their respective positions and members of the Executive Management Team as of 1 January 2024.

Shares and shareholders

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.

Flagging notifications

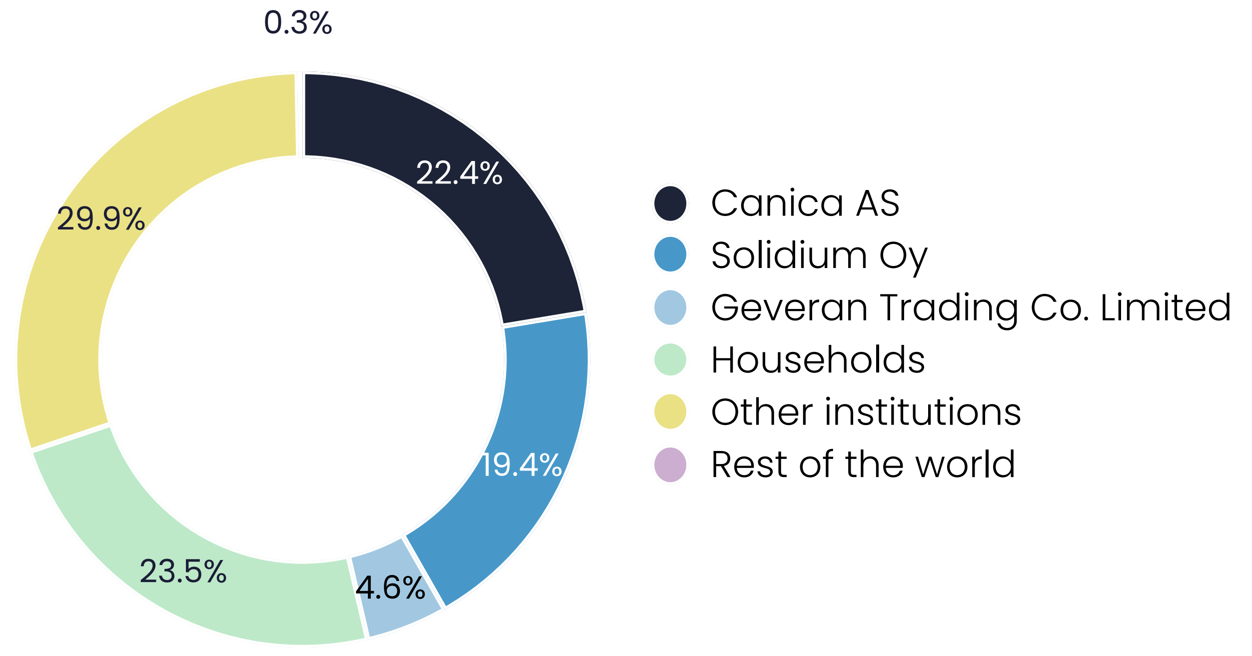
No flagging notifications during 2023.

SHARE INFORMATION

	2023	2022
Number of shares issued	67,553,624	67,553,624
Share capital, EUR	61,500,000	61,500,000
Earnings per share, EUR	-0.59	0.26
Dividend per share, EUR	0.22*	0.22
Share performance, Nasdaq Helsinki		
Closing price on the last day of trading, EUR	4.36	7.36
Highest price, EUR	7.69	11.04
Lowest price, EUR	3.98	6.62
Volume	19,221,711	13,082,762
Market capitalisation, EUR million	294.5	497.2

*Proposal by the Board of Directors

Illustration of Anora's ownership structure 31 Dec 2023*



*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. Rest of the world comprises shareholdings by directly registered foreign shareholders.

OWNERSHIP STRUCTURE BY SECTOR 31 DEC 2023

Sector	Number of shares	% of shares
Public sector	17,569,501	26.0
Financial and insurance corporations	12,397,619	18.4
Households	15,841,587	23.5
Non-financial corporations	4,420,785	6.5
Non-profit institutions	696,624	1.0
Rest of the world	16,627,508	24.6
Total	**67,553,624**	**100.0**
Nominee-registered shares	27,629,079	40.9

DISTRIBUTION BY SIZE OF HOLDING 31 DEC 2023

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	9,538	33.86	540,101	0.80
101–500	11,834	42.01	3,120,582	4.62
501–1,000	3,486	12.38	2,666,944	3.95
1,001–5,000	2,810	9.98	5,888,222	8.72
5,001–10,000	293	1.04	2,102,251	3.11
10,001–50,000	163	0.58	3,227,277	4.78
50,001–100,000	18	0.06	1,444,667	2.14
100,001–500,000	17	0.06	3,487,630	5.16
500,001–	9	0.03	45,075,950	66.73
Total	**28,168**	**100.0**	**67,553,624**	**100.0**

Shareholder structure

At the end of the period, Anora had 28,168 (28,074) registered shareholders in Euroclear Finland. The share of nominee-registered shares was 40.9% (45.6%).

LARGEST SHAREHOLDERS REGISTERED IN EUROCLEAR FINLAND 31 DEC 2023

	Shareholder	Number of shares	% of shares
1	Solidium Oy	13,097,481	19.4
2	Varma Mutual Pension Insurance Company	2,031,240	3.0
3	Ilmarinen Mutual Pension Insurance Company	1,290,000	1.9
4	WestStar Oy	1,199,705	1.8
5	Elo Mutual Pension Insurance Company	641,000	0.9
6	Veritas Pension Insurance Company Ltd.	456,170	0.7
7	Savolainen Heikki Antero	359,571	0.5
8	OP Life Assurance Company Ltd	276,376	0.4
9	Eriksson Trygve	200,000	0.3
10	Rantalainen-Yhtiöt Oy	190,000	0.3
	10 biggest owners in total	**19,741,543**	**29.2**

Source for shareholder data: Euroclear Finland

Management’s ownership

On 31 December 2023, the members of the Board of Directors, the CEO and the members of the Executive Management Team, including their controlled corporations, owned a total of 173,743 shares corresponding to 0.26% of the total number of shares.

Authorisations, option and share-based incentive programmes

During 2023, Anora had no share option programmes. The Board of Directors is authorised to resolve on the repurchase of the company’s own shares and on the issuance of shares for the purposes of financing or carrying out corporate acquisitions or other arrangements, or for remuneration purposes. The Board of Directors has not used any of these authorisations during 2023. The authorisations are described in detail under the Governance chapter. Information about the share-based incentive programme is given under the Personnel chapter.

Risks and risk management

Risk management

At Anora, the purpose and objetives of risk management are to:

- support the implementation of the Anora Group's strategy,
- identify risks, and methods for mitigating the probability and impacts, of physical injury, property damage, hazards and business interruption,
- ensure profitability development and contribute to shareholder value;
- ensure business continuity.

Anora's Risk Management Policy, which has been approved by the Board of Directors, describes the goals, principles and responsibilities for risk management at Anora Group and the related reporting principles as well as operating methods. Furthermore, the policy ensures that risk management has a collective operating model throughout Anora, and that the enterprise risk management process is closely intrgrated with other management processes (such as the strategy and planning processes).

Anora's risk management policy is based on the COSO ERM framework, the SFS-ISO 31000 standard "Risk management. Principles and instructions" and on the corporate governance code of Finnish listed companies (Corporate Governance Code). Climate-related risk classifications and terminology are further guided by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Risk management at Anora is a systematic process, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management, monitoring, and reporting on risks for the entire group. It is an integral part of Anora Group's planning and management process, decision-making, day-to-day management, and operations, as well as of the control and reporting procedures.

The risk management policy describes the goals, principles and responsibilities of Anora's risk management and the related reporting principles. In line with this, risks are reported in accordance with the Group's reporting responsibilities. The management principles of the Group's most significant financial risks are described in more detail in the Notes to the Consolidated Financial Statements, under section 4.1; Financial risk management. The risk management function is also responsible for the global insurance programs of the Group. The business areas and functions report on risks and changes in risks on a quarterly basis. The Executive Management Team supports and coordinates risk management and reports key risks and material changes therein to the Audit Committee of the Board of Directors in connection with the interim reporting and financial statements. The Board of Directors, supported by the Audit Committee, reviews the most significant risks, actions to manage them, and evaluates the effectiveness and functioning of risk management. The Board of Directors report on the most significant risks and uncertainties, and changes therein, in the interim reports and financial statements.

Risk management

Strategic risks

- Business environment
- Technology
- Regulation
- Climate change
- Reputation
- M&A
- Human rights

Operational risks

- Organisation, management and personnel
- IT and security
- Production and processes
- Business disruption
- Quality
- Contractual and liability risks
- Compliance

Hazard risks

- Health and safety
- Property
- Environment
- Fires, accidents and natural catastrophes

Financial risks

- Liquidity
- Profitability
- Interest rate, currency and credit risks
- Taxation risks
- Accounting and reporting
- Capital structure

Most significant risks and uncertainties

For reporting and risk assessment purposes, risks are categorised into four categories: strategic risks, operational risks, hazard risks and financial risks.

Strategic and business risks relate to decision-making, resource allocation, business model, management systems and the capacity to respond to changes in the operating environment (long-term, 3–5 years). Strategic risk assesment comprises also the regulatory framework and ethically sustainable business practices that apply to the company's operations and industry. Corporate Responsibility risks related to business operations are described in the Non-financial information published in connection with the Report by the Board of Directors. Operational risks concern the implementation of strategy and day- to-day business operations. Such risks include deviations in processes, systems and conduct (short-term, 1–2 years). Hazard risks are errors, malfunctions and accidents occurring within Anora or its operating environment, resulting in damage or loss. Financial risks pertain to changes in market prices, the short- and long-term adequacy of financial assets and the ability of counterparties to meet their financial obligations. The following table contains a summary of key uncertainties with an either positive or negative effect on Anora's operations.

Risk	Description	Risk management
Raw material price risk	The availability of domestic barley and its market price has a significant impact on the profitability of Anora's business.	Anora ensures the availability and price of barley with contract farming in co-operation with farmers and grain companies.
Risks related to customers and consumer demand	The customers in Anora's market areas include Nordic retail monopolies, wholesalers who sell alcohol, restaurants, retail stores, travel retail, international wine and spirits companies and importers operating in the export markets. The wide customer base provides Anora with diverse opportunities for the long-term development of customer cooperation. Changes in consumer behaviour may, in the long term, shift the emphasis in the demand for Anora's products between different product categories.	A strong market position, efficient industrial processes, good quality and well-known brands improve Anora's chances to manage the risk. Changes in consumption patterns and the need to adjust operations are prepared for by investing in consumer-driven product development.
Product safety risks	As a wine and spirits company, one major risk is ensuring the quality and safety of the raw materials and finished goods through the supply chain.	Anora employs modern methods to ensure the safety of production processes and to eliminate various microbiological, chemical, and physical hazards. In ensuring product safety, Anora complies with the operating methods required by food safety management and quality certificates.
Damage risks	Anora has production facilities in Finland, Denmark, Norway, and Estonia. A fire or other unforeseen event may interrupt the operations of a production facility.	All Anora's production facilities have insurance policies for material damage and the interruption of operations in the Group's insurance programme. Key production facilities are subject to a risk survey every 1–2 years. Continuity plans serve to limit possible damage due to interruptions in operations.
Financial risks	The key risks related to finance in Anora's operations are currency transaction and translation risks, interest rate risks and refinancing and liquidity risks.	Financial risk management aims to mitigate any impact that price fluctuations and other uncertainties in the financial markets have on operating results, the balance sheet, and cash flow and to ensure sufficient liquidity. The management principles of the Group's most significant financial risks are described in more detail in the Notes to the Consolidated Financial Statements, under section 4.1. Financial risk management.
Compliance	Key compliance risks in Anora's operations relate to the breach of laws and regulations and decisions by authorities concerning reporting, permits and licenses, marketing of alcoholic beverages, competition law and processing of personal data.	Anora aims to manage compliance risks and ensure ethically sustainable business practices with guidance and regular training. Compliance risk management aims to avoid sanctions, consequences and official investigations and decisions that may damage the company's profitability, business continuity and reputation.

Price risk associated with commodities

Barley
In 2023, Anora consumed approximately 174.0 (184.3) million kilos of grain to produce ethanol and starch. The availability of high-quality domestic barley was ensured until the end of 2023 through contract farming and cooperation with farmers and grain stores. The market price of barley significantly fluctuates year by year as a result of several factors that affect Finnish barley supply and demand. The price of barley is therefore considered to be a significant risk for Anora during the financial year. The price risk has not been hedged against with derivative instruments.

Electricity
A strong increase in the market price of electricity is a significant risk for Anora. In Finland, the risk is managed by following Anora's principles for electricity procurement and by a third-party specialist. These principles determine the hedging limits within which the electricity price risk is hedged against. The hedges are executed with the OTC-derivatives of Nasdaq OMX Oslo ASA.

At the end of 2023, the hedging ratio for deliveries for the next 12 months was 83.6% (78.0%), in line with the set targets. In 2023, the average hedging ratio was 86.8% (76.2%).

Cash flow hedge accounting in accordance with IFRS 9 is applied to the hedges against electricity price risk, and hedge effectiveness is tested quarterly. All hedging was as effective in 2023 as in 2022.

Anora purchases its electricity straight from the Nord Pool Spot markets as a delivery tied to the spot price of the Finnish price area. As part of its electricity purchases, Anora also purchases physical electricity through bilateral fixed-price contracts.

Sensitivity to market risks

The table below describes the sensitivity of the Group's profit and equity (before taxes) to changes in electricity prices, foreign exchange rates and interest rates. When Anora applies hedge accounting, the sensitivity is directed at equity. When hedge accounting is not applied, the sensitivity is recognised as a potential impact on profit or loss.

SENSITIVITY OF FINANCIAL INSTRUMENTS TO MARKET RISKS (BEFORE TAXES) IN ACCORDANCE WITH IFRS 7

EUR million	2023 Income statement	2023 Equity	2022 Income statement	2022 Equity
+/-10% electricity	-	+/-0.2	-	+/-0.8
+/-10% change in EUR/NOK exchange rate	+/-1.2	+/-1.3	-/+0.1	+/-0.3
+/-10% change in EUR/SEK exchange rate	+/-2.9	+/-3.9	+/-6.4	+/-1.9
+/-10% change in EUR/USD exchange rate	-/+1.1	-/+1.3	-/+0.2	-/+0.6
+/-10% change in EUR/AUD exchange rate	-/+0.1	-/+0.1	-/+0.0	-/+0.1
+/-1%-points change in interest rates	-2.1	-	-1.6	-0.0

The sensitivity to foreign exchange rate changes is calculated from the net currency position resulting from financial instruments.

The total group floating rate liability position consists of floating rate liabilities EUR 210.0 (210.0) million.

An increase of one percentage point in interest rates would have an effect of EUR -2.1 (-1.6) million on the income statement. The effect of the increase in market interest rates on the Group's profit is determined by net interest expenses.

Short-term risks and uncertainties

The most significant short term risks and uncertainties relate to the overall economic development, impact of regulatory changes, the geopolitical environment, disruptions in supply chains, price and availability of raw materials and cyber threats. In addition, the short-term risks relate also to the integration of acquired businesses, as well as related finance processes.

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

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

The increasingly unstable geopolitical environment could also negatively affect Anora's business, profitability and operating environment. Significant risks and uncertainties relate to an escalation of the already existing global supply chain disruptions with also potential threats to shipping routes, to the supply of grain, and to further price increases across all input costs. The risk of rising energy and fuel prices and volatility in production volumes continue. Possible problems with the availability and cost of raw materials, labour, energy and fuel may impact the operating environment and Anora's business and profitability in the near future. Certain risks have already partly materialised.

Cyber risk threat levels have also increased lately and government authorities have warned of an increasing threat and number of cyber-attacks. There have been reported cases of cyber-attacks on business enterprises and government authorities with severe impacts. Anora continuously improves its cyber security operations and technologies. It cannot be excluded that also Anora or its business partners could face cyber-attacks with potentially significant impact on Anora's business, profitability and operations.

Events after the period

Anora announced on 8 January 2024 that Anora Group's CFO Sigmund Toth has resigned from his position. He will continue in his current position until 1 August 2024, at the latest. Sigmund remains highly committed to contribute to the company's success during his notice period, including ensuring a smooth handover to his successor.

The Board of Directors of Anora Group Plc announced on 14 February 2024 that it has approved the commencement of a new plan period within the share-based long-term incentive scheme for the management and selected key employees. Eligible for participation in PSP 2024-2026 are approximately 50 individuals, including the members of Anora Group's Executive Management Team. If the performance targets set for PSP 2024–2026 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 1,294,000 shares (referring to gross earning before the withholding of the applicable payroll tax). The aggregate maximum number of shares to be paid in specific situations based on RSP 2024–2026 is approximately 129,000 shares (referring to gross earning before the withholding of the applicable payroll tax).

Anora announced on 8 March 2024 that Stein Eriksen (49), M.Sc. (Econ.), has been appointed as CFO and a member of the Executive Management Team of Anora Group from the beginning of August 2024. He will report to Jacek Pastuszka, CEO. Stein Eriksen's latest position has been CFO of the Norwegian stock-listed company XXL ASA, the largest sports retailer in the Nordic countries. He has also acted in a combined role as the Interim CEO and CFO of XXL ASA. Prior to that, he has had a long career at the Norwegian stock-listed blue-chip company Orkla, a leading industrial investment company focused on brands and consumer-oriented companies. At Orkla, Stein's most recent positions were CFO at Orkla Care and SVP Finance at Orkla ASA.

Dividend proposal

According to the financial statements on 31 December 2023, the parent company's distributable funds amount to EUR 100,191,758 including negative profit for the period of EUR -11,539,890. There have been no significant changes to the parent company's financial position after the end of the financial year.

The Board of Directors proposes to the Annual General Meeting to be held on 17 April 2024 that a dividend of EUR 0.22 per share be paid for the financial year 2023.

Anora aims to maintain a stable or increasing dividend with a dividend payout ratio of 50–70% of the result for the period, as defined in the long-term financial target.

Annual General Meeting 2024

Anora Group Plc's Annual General Meeting 2024 is planned to be held on 17 April 2024. The notice to and instructions for the AGM are published by a stock exchange release, and on Anora's website.

Outlook for 2024

Market outlook

In 2024, the volumes in our key markets are expected to be slightly lower than in 2023 due to challenging economic conditions.

Guidance

In 2024, Anora's comparable EBITDA is expected to be EUR 75–85 million (2023: EUR 68.2 million).

Helsinki, 19 March 2024

Anora Group Plc
Board of Directors

Key ratios of the Group

		2023	2022	2021	2020	2019
Income statement						
Net sales	EUR million	726.5	702.7	478.2	342.4	359.6
Comparable EBITDA	EUR million	68.2	76.1	71.7	52.4	44.8
(% of net sales)	%	9.4	10.8	15.0	15.3	12.4
EBITDA	EUR million	67.5	67.9	62.9	40.3	43.1
Comparable operating result (EBIT)	EUR million	34.8	42.9	51.2	35.0	26.8
(% of net sales)	%	4.8	6.1	10.7	10.2	7.5
Operating result	EUR million	-31.3	34.7	42.4	22.9	25.1
Result before taxes	EUR million	-53.9	23.4	38.6	21.3	24.6
Result for the period	EUR million	-39.9	18.1	31.2	17.8	18.4
Items affecting comparability (EBITDA)	EUR million	-0.7	-8.2	-8.8	-12.1	-1.7
Items affecting comparability (EBIT)		-66.1	-8.2	-8.8	-12.1	-1.7
Balance sheet						
Cash and cash equivalents	EUR million	212.7	91.4	168.9	130.7	64.2
Total equity	EUR million	408.7	481.4	507.9	156.3	151.2
Non-controlling interest	EUR million	0.5	0.9	0.9	-	-
Borrowings	EUR million	216.3	247.5	162.6	116.1	82.6
Invested capital	EUR million	624.1	728.9	670.5	272.4	233.8
Profitability						
Return on equity (ROE)	%	-9.0	3.6	9.3	11.6	12.2
Return on invested capital (ROI)	%	-1.7	4.2	7.4	7.7	8.5

		2023	2022	2021	2020	2019
Financing and financial position						
Net debt	EUR million	137.5	300.9	126.0	-3.9	28.9
Gearing	%	33.7	62.5	24.8	-2.5	19.1
Equity ratio	%	35.9	37.0	41.2	34.3	37.8
Net cash flow from operating activities	EUR million	135.3	-0.4	50.8	56.1	52.6
Net debt/comparable EBITDA		2.0	4.0	1.8	-0.1	0.6
Share-based key ratios						
Earnings / share (Basic)	EUR	-0.59	0.26	0.67	0.49	0.51
Earnings / share (Diluted)	EUR	-0.58	0.26	0.67	0.49	0.51
Equity / share	EUR	6.04	7.13	7.52	4.33	4.18
Dividend per share	EUR	0.22	0.22*	0.45	0.75	0.42
Dividend/earnings	%	-37.2	83.1*	67.6	152.2	82.6
Effective dividend yield	%	5.0	3.0*	4.1	7.5	5.1
Price/Earnings		-7.4	27.8	16.3	20.3	16.1
Closing share price on the last day of trading	EUR	4.36	7.36	10.86	9.98	8.18
Highest	EUR	7.69	11.04	12.00	10.40	8.22
Lowest	EUR	3.98	6.62	9.62	7.01	7.08
Market value of shares at the end of period	EUR million	294.5	497.2	733.6	360.7	295.6
Number of shares outstanding at the end of period		67,553,624	67,553,624	67,553,624	36,140,485	36,140,485
Personnel						
Personnel end of period		1,219	1,251	1,055	637	632
Average number of personnel		1,273	1,159	799	650	682

*Board's dividend proposal for the financial year 2022 EUR 0.22 per share.

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

EUR million	2023	2022
Items affecting comparability		
Net gains or losses from business and assets disposals	12.3	0.8
Cost for closure of business operations and restructurings	-7.1	-0.1
Costs related to the closed voluntary pension scheme	-	0.3
Costs related to the merger of Altia and Arcus	-1.3	-4.6
Inventory fair valuation	-0.3	-2.0
Other major corporate projects	-4.3	-2.6
Total items affecting comparability	**-0.7**	**-8.2**
Comparable EBITDA		
Operating result	-31.3	34.7
Less:		
Depreciation, amortisation and impairment	98.8	33.2
Total items affecting comparability	0.7	8.2
Comparable EBITDA	**68.2**	**76.1**
% of net sales	9.4	10.8
Comparable EBIT		
Operating result	-31.3	34.7
Less:		
Total items affecting comparability	66.1	8.2
Comparable EBIT	**34.8**	**42.9**
% of net sales	4.8	6.1

THE DEFINITIONS AND REASONS FOR THE USE OF FINANCIAL KEY INDICATORS

Key figure	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	
Operating margin, %	Operating result / Net sales	Operating result shows result generated by the operating activities.
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, 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 / 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 equity of the Company.
Return on invested capital (ROI), %	(Result for the period + Interest expenses) / (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.

Key figure	Definition	Reason for the use
Borrowings	Non-current borrowings + Current borrowings	Net debt is an indicator to measure the total external debt financing of the Group.
Net debt	Borrowings + Non-current and current lease liabilities - Cash and cash equivalents	
Gearing, %	Net debt / Total equity	Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's indebtedness. Important measure for the loan portfolio.
Equity ratio, %	Total equity / (Total assets -Advances received)	Equity/assets ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's capital used in the operations.
Net debt / Comparable EBITDA	Net debt / Comparable EBITDA	
Earnings / share	Result for the period attributable to shareholders of the parent company/Share-issue adjusted number of shares during the period	
Equity/share	Equity attributable to shareholders of the parent company /Share-issue adjusted number of shares at the end of period	
Dividend/share	Dividend distribution for period/ Number of shares (basic) at the end of period	
Dividend / earnings %	Dividend/share / Earnings/ share	
Effective dividend yield %	Dividend/share / Price of share at the end of the accounting period	
Price / earnings	Price of share at the end of accounting period / Earnings/share	
Market value of outstanding shares	The number of shares at the end of accounting period x the price of the share at the end of accounting period.	

Sustainability

Introduction

Anora's vision is to be the leading Nordic wine and spirits group delivering growth through sustainability. To help us achieve this goal, we have committed to a comprehensive sustainability roadmap to 2030. Our ambition is that by the end of this decade, Anora will set the industry standard for sustainability.

We see ourselves as the forerunner in the industry. We produce our drinks in a Nordic, sustainable way: we have invested in our Koskenkorva Distillery for more than a decade to distil grain-based spirits following the principles of circular economy; we pack our products in climate-smart packaging and pack our wines close to the markets where they are sold to reduce transportation emissions; and we offer a broad range of non- and low-alcoholic products to consumers to support a responsible drinking culture.

In 2023, we took important steps in our sustainability work. One highlight was our comprehensive work related to human rights and our supply chain which included a human rights assessment on our value chain; a responsible sourcing policy; a supplier self-assessment questionnaire; and sustainability and human rights training for our employees and a field guide for supplier visits.

Anora has been proactive in responding to, and preparing for forthcoming legislation on our sustainability journey to 2030 in both our own operations and our supply chain. Mandated reporting requirements detailed in the EU's Corporate Sustainability Reporting Directive (CSRD) entered into force in January 2024. Some of those mandatory reporting requirements have already been incorporated into this 2023 Sustainability Report.

In addition, the Norwegian Transparency Act, which entered into force in July 2022, impacted our 2023 reporting period.

Also in focus was the planned EU's Corporate Sustainability Due Diligence Directive (CSDDD), which would set obligations for companies to mitigate their negative impact on human rights and the environment. We consider common regulation beneficial for companies and continue to prepare for and follow the discussion around possbile new local or EU level regulation around corporate responsibility.

Finally, time and resources were spent in 2023 on preparing for a decision on the European Commission's new proposal to regulate packaging and packaging waste (PPWR), which would replace the current Packaging and Packaging Waste Directive (PPWD). If the decision is passed as planned in the first half of 2024, it is projected to have a significant impact on Anora's future operations.

Anora's sustainability roadmap has three focus areas – Planet, People and Product – and it has been designed to cover all aspects of sustainability while building on our strengths. The roadmap builds on our previous work and the decade-long investments Anora has made in sustainability.

As part of our ambitious sustainability roadmap, in late 2023, Anora submitted its science-based emissions reduction targets for validation to the Science Based Targets initiative (SBTi). Our target remains to be carbon neutral, without compensations, at our Koskenkorva Distillery by 2026, and throughout all our operations by 2030.

In 2023, we updated our Code of Conduct, launched a new Supplier Code of Conduct and saw improvements in three ESG ratings, Sustainalytics, EcoVadis and S&P Global. At our Koskenkorva Distillery, we shifted to 100% renewable electricity at the beginning of 2023 and we managed to reduce the fossil CO_2 emissions from own operations by 21% during the year.

As part of our roadmap, we are continuing our efforts to improve our biodiversity work and support the regenerative farming of barley, the raw material of all our grain-based products. This has a significant impact, as we buy around 180 million kg of barley annually. In 2023, we made agreements to purchase around 2.3 million kg of regeneratively farmed barley, a major increase on the previous year (0.056 million kg).

We will continue to promote fair, safe and inclusive work in our global value chain and in our own operations. Throughout our own production, we have been building a strong safety culture for many years and this will be continually refined and strengthened on the road towards 2030.

Our roadmap also highlights our ambition to lead the shift to climate-smart packaging. Our target is that by 2030 all our packaging will be lightweight, up to 100% recyclable and made of materials from certified sources or from recycled origin.

The full results of our sustainability work are detailed throughout this report.

Welcome to our 2023 Sustainability Report.

" In 2023, we submitted our science-based emissions reduction targets for validation."

Petra Gräsbeck, Director, Communications and Sustainability

Sustainability roadmap

CARBON NEUTRAL
production without compensations

CIRCULAR ECONOMY
based production

REGENERATIVE
farming

FAIR, SAFE AND INCLUSIVE
work & value chain

RESPONSIBLE DRINKING CULTURE
& no-low products

CLIMATE-SMART
packaging

Commitments, stakeholder engagement & ESG ratings

Commitments supporting our sustainability

Anora has been a participant of the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative, since late 2022. Joining the UN Global Compact has allowed us to further align our present and future strategies and operations with recognised universal principles on environment, labour and human rights actions, amongst others, and to further ramp up our sustainability work as laid out in our 2030 Sustainability Roadmap.

In 2022, we committed to join the Science Based Targets initiative (SBTi). The SBTi is a globally recognised organisation that encourages businesses to transition towards a zero-carbon economy by defining and promoting best practices in science-based target setting. Joining the SBTi enables us to set the optimal ambition levels for emissions reduction targets across all scopes. We submitted our targets for validation to the SBTi in December 2023. We expect the SBTi to validate our targets during 2024 to ensure that they are scientifically rigorous and in line with global climate goals. This comprehensive review process will evaluate the credibility and ambition of our proposed targets.

Anora is a member of amfori BSCI and has adopted the amfori BSCI Code of Conduct throughout its operations. amfori is an initiative aiming to improve working conditions in the supply chain. Anora supports several social certificates, such as Faitrade and Fair for Life. In addition, Anora continues to work with the Baltic Sea Action Group (BSAG) and ProAgria in matters related to regenerative farming practices.

Our collaboration and engagement with stakeholders

Anora's stakeholders include investors, owners, analysts, Finnish barley farmers, customers, suppliers, partners, private investors and authorities. As part of our materiality assessment undertaken in 2022, we conducted detailed interviews and open surveys across the entire range of our external stakeholders. Our materiality assessment was revised and updated in 2023. Anora is seen as a major player with the potential to act as a forerunner in sustainability in the industry and create a positive impact. Stakeholder expectations were related to greenhouse gas emissions reductions throughout the supply chain, "walking the sustainability talk", communicating about achievements and being transparent about actions not yet achieved.

In 2023, we participated in a number of industry workgroups with the Nordic alcohol monopolies, and we remain in close discussion regarding sustainability topics with the Nordic monopolies' sustainability teams.

We aim to serve the national and international media outlets in a proactive, open and transparent way. Anora is mostly followed by the Finnish media, as well as by the international drinks industry trade media. We aim to provide information through press releases, briefings and interview opportunities. We aim to serve all our stakeholders' need for information through social media, with LinkedIn as our main channel. On LinkedIn, we give regular and varied information on company topics, such as sustainability; values, company culture and career opportunities; responsible drinking culture; and financial information. We also provide briefings in the form of videos, for example on financial publications. With other authorities we are in close discussion in all our markets regarding, for example, product or alcohol marketing regulations.

Furthermore, we participate in industry collaborations and discussions through the Swedish industry association SVL (The Spirit and Wine Suppliers Association), VBF (The Association of Norwegian Wine and Spirits Suppliers), ETL (The Finnish Food and Drink Industries' Federation) and SAJK (The Association of Finnish Alcoholic Beverage Suppliers).

Our ESG ratings and rankings in 2023

Anora participated in five ESG rankings in 2023: EcoVadis, S&P Global Corporate Sustainability Assessment (CSA), Sustainalytics, CDP Climate Change, and MSCI ESG Rating.

Anora was awarded the Gold Medal in EcoVadis' Corporate Social Responsibility Rating in February 2024 with a score of 74/100 points (68/100), putting Anora in the top 5% of companies assessed. Anora received the Gold Medal also in the three last assessments. The EcoVadis report highlighted Anora's advanced management system on both environmental issues as well as labour and human rights as a strength, and we received the highest points in our assessment in environmental topics, 90/100 (80/100) and labour and human rights, 80/100 (70/100). Improvement areas included e.g., the external assurance of the sustainability report and more clarity on the implementation of coverage of sustainability measures and actions across the company.

The S&P Global ESG Score for 2023 was published on 16 February 2024. Anora scored 49 (39) points reflecting an improvement of 10 points compared to our previous year's score. The average score in our peer group (consisting of 98 beverage companies) was 29 (28) points and Anora performed in the Top Quartile in the beverages industry.

On 28 March 2023, Anora Group Plc received an ESG Risk Rating of 22.7 and was assessed by Morningstar Sustainalytics to be at the Medium-Risk level of experiencing material financial impacts from ESG factors, showing improvement compared to the previous assessment, by which Anora was assessed to be in the High-Risk category with 30.2 points. Our target is to be in the low-risk (10-20) category. Our Sustainalytics ESG-ranking is also going to be utilised in our new Performance Share Plan (PSP) 2023–2025.

We received our first CDP Climate Change rating from 2023, published on 6 February 2024. Anora received a rating B (Scale A to D-) which is in the Management band, implying coordinated action on climate issues. The score is the same level as the Europe regional average of B, and higher than the Food & beverage processing sector average of B-. CDP is a non-profit organization that runs the global disclosure platform for all companies and cities to report on environmental impacts.

Anora has received its latest MSCI ESG-rating of a BBB (scale AAA-CCC) in 2023, putting as in the middle of the scale. MSCI assesses companies on an industry-relative scale across the most relevant Key Issues based on the business model of a company.

GOLD | Top 5%
ecovadis
Sustainability Rating
FEB 2024

Anora's value chain

Supply chain

Wine
We import wines from our partners and for Anora's own label, sourcing from all wine regions, styles and price segments, from large international wine companies to smaller family-owned producers.

Wine sourced from over 35 countries

Barley
Finnish barley is one of our key raw materials used in grain sprits, technical ethanol, barley starch and feed components. Promoting regenerative barley farming is one of our sustainability priorities.

Around 180 million kg of Finnish barley consumed yearly

Dry goods
We source materials e.g., for our glass, plastic and Bag-In-Box packaging solutions, as well as ingredients, such as spices, for our beverages.

By 2030, 100% of our packages are made from certified or recycled materials

Anora's own operations

Segments - Wine, Spirits and Anora Industrial

Consumer research, innovation, product development
We continuously develop our current offering and new innovations with a focus on customer-centricity, occasions, and sustainability. We also innovate new circular applications for our industrial side-streams.

More than 100 novelties launched yearly

Distilling, maturation and blending
We have unique distillation and maturation capabilities for different spirits categories in Finland, Sweden, and Norway. Our distillery in Koskenkorva, Finland, is a prime example of state-of-the-art quality, sustainability, and innovation.

Distillation production of over 28 million litres in 2023

Carbon neutral Koskenkorva Distillery by 2026

Bottling and packaging
Through our world class bottling plants for spirits and wines we offer competitive services to our customers. We are the leader in climate-smart packaging in the Nordics.

Over 136 million litres bottled in 2023

Up to 72% product emissions reductions through near-market filling

Logistics and warehousing
We offer efficient logistics and warehousing services to our customers through our main logistics centres in Finland, Sweden and Norway. We carry out over 20% of all the deliveries to the Nordic monopolies.

Over 238 million litres transported in 2023

Customers and consumers

Customers
We sell and market our products responsibly to our customers through the alcohol monopolies, in the grocery trade, hospitality industry, travel retail and by exporting to over 30 countries.
Our industrial products, technical ethanol and starch, are sold to various industries - from the pharmaceutical and healthcare to the chemical and techno-chemical industries.

Biggest producer of wine and spirits in the Nordic region

Market leader in geothermal heating fluids.

Consumers
Our award-winning and sustainable brands cater to the Nordic consumer preferences. We support a modern lifestyle choice through our no- and low-alcohol (NoLo) products and the promotion of a responsible drinking culture.

First Annual Blossa in non-alcoholic version launched in 2023

Planet

The Planet theme of Anora's 2030 Sustainability Roadmap focuses on climate and environment-related topics, including regenerative farming, reducing our CO_2 emissions, promoting circularity and protecting biodiversity. Our three primary Planet targets are:

- Enhancing circular economy by reducing wastewater by 20%, increasing the recycling rate of waste to 90% and reducing landfill waste to zero by 2030.
- Achieving carbon-neutral operations at our Koskenkorva Distillery during 2026 and throughout all our own operations by 2030 – without carbon compensations.
- Supporting regenerative farming and increasing the share of regeneratively cultivated barley in the raw material of our own grain spirit-based products to 30% by 2030.

In addition, we are committed to set science-based targets and and have submitted our targets for validation to SBTi in December 2023. Our goal is to achieve a 42% near-term reduction and 90% long-term reduction in total emissions (Scopes 1-2, and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution), and 30.3% reduction in FLAG (Forest, Land and Agriculture) emissions by 2030. As part of our roadmap, we have also aligned our operations with five specific UN Sustainable Development Goals (SDGs) more clearly. In our Planet focus area, we have aligned with SDG 6; Clean water and sanitation, SGG 12; Responsible consumption and production, SDG13; Climate action, and SDG 15; Life on land.

Please see the non-financial information in the Report by the Board of Directors on page 34 for more information on our SDGs.

Planet

Environmental impacts and how Anora manages them

Overview of 2023

Three topics in particularly were central to our Planet actions in 2023. Firstly, our energy savings and CO_2 emission reduction actions were seen as a critical part of our operations. One highlight was our Koskenkorva Distillery which shifted to 100% renewable electricity at the beginning of the year, an action that has a significant influence in reducing Anora's Scope 2 fossil emissions. In addition, at Koskenkorva, a process water circulation heat pump was taken into test phase use. Once fully operational, the target of the heat pump is to reduce 10% of the primary steam production required at the distillery and to reduce the amount of fuel consumption in the future.

One specific challenge during 2023, like 2022, was related to the ongoing higher than average price of barley and its reduced availability. As a result, Koskenkorva Distillery's running speed was lowered during the year, resulting into a lower energy self-sufficiency capacity than during most previous years. Low self-sufficiency increases the need to use fossil fuels to power the distillery, keeping it at around the same level as in 2022.

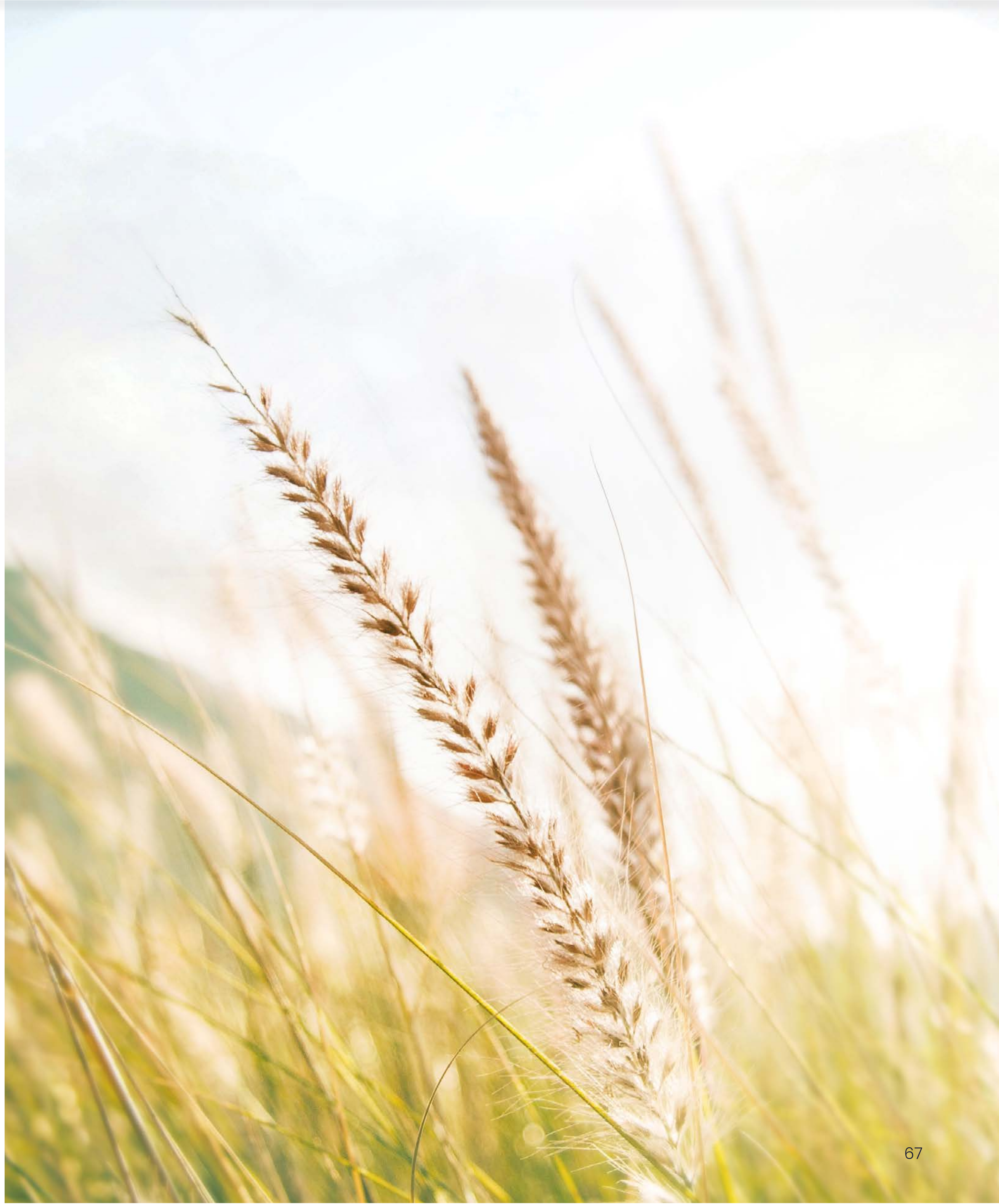
In 2023, our second primary topic focused on increasing the awareness of and expanding our commitment to regenerative farming. As a result, we made agreements to purchase more than 2.3 (0.056) million kilos of regeneratively cultivated barley from 19 (2) farmers.

Thirdly, our efforts were dedicated to complying with, and preparing for new and forthcoming EU legislation that has an impact on our Planet-related operations.

Anora measures energy, water, wastewater, waste and non-quality costs in the same way across all sites (excluding some exceptions at Globus Wine). During 2023, internal environment audits were regularly carried out.

Our progress in mitigating climate change

Anora completed an accounting of the emissions in its entire value chain – Scopes 1, 2 and 3 – for the first time in 2022 using 2021 data. The analysis revealed that the majority of emissions come from the value chain (Scope 3) – the largest sources being purchased goods and services, i.e. barley, wines, and packaging – and less than 10% comes from Anora's own operations (Scope 1 and 2). See more on our calculations on page 70.



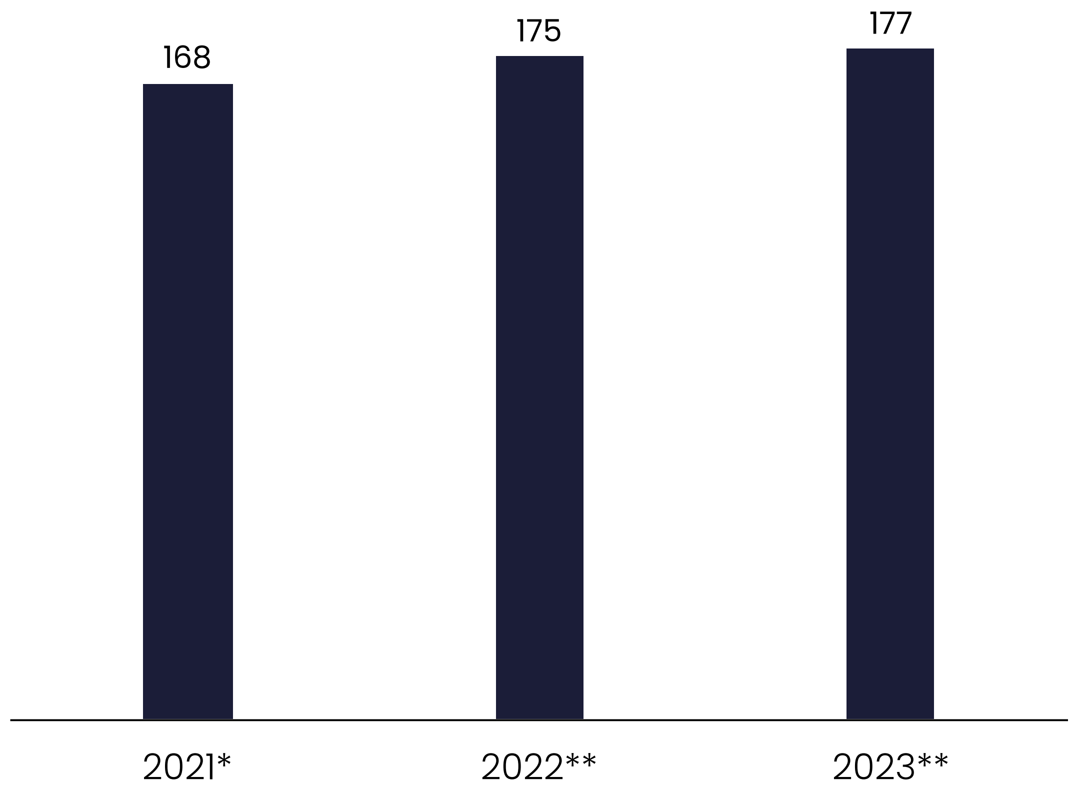
In 2023, in order to set emission reduction targets in line with our commitment to the Science-Based Targets initiative (SBTi), we needed to update our 2021 baseline calculations by adding the emissions from Globus Wine and by calculating our FLAG (Forest, Land and Agriculture) emissions and targets. In December 2023, Anora submitted the targets to the SBTi for review and we expect the validation will be received during 2024. During 2024, Anora will focus on building a decarbonisatio plan for cutting Scope 3 and FLAG emissions to achieve the set targets.

Our commitment on the following targets was submitted to SBTi:

- **Near-term targets:** Anora commits to reduce absolute Scope 1–2 and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution by 42% by 2030 from the 2021 base year.
- **Long-term Targets:** Anora commits to reduce absolute Scope 1–2 and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and downstream transportation and distribution by 90% by 2050 from the 2021 base year.
- **FLAG targets:** Anora commits to reduce absolute Scope 3 FLAG (land and forest use) greenhouse gas emissions by 30.3% by 2030 from the 2021 base year.

Decarbonising our operations at Koskenkorva Distillery is one of our main priorities on the road to carbon neutrality, as it accounted around 70% (85%) of the emissions from our own operations (Scope 1 and 2) in 2023. From 2023 onwards, all the electricity used at the Koskenkorva Distillery will be wind power from the Kalax wind farm, which also decreased the Koskenkorva's share from Anora's total emissions.

Total energy consumption (Scope 1 and 2) GWh



*Ex-Altia and ex-Arcus figures from 2021 have been consolidated.
**Anora total includes Globus Wine whole year data and Anora company vehicles' fuels that have not been included in 2021 numbers.

Total carbon dioxide emissions (Scope 1 and 2) biogenic and fossil tCO_2 equiv. emissions

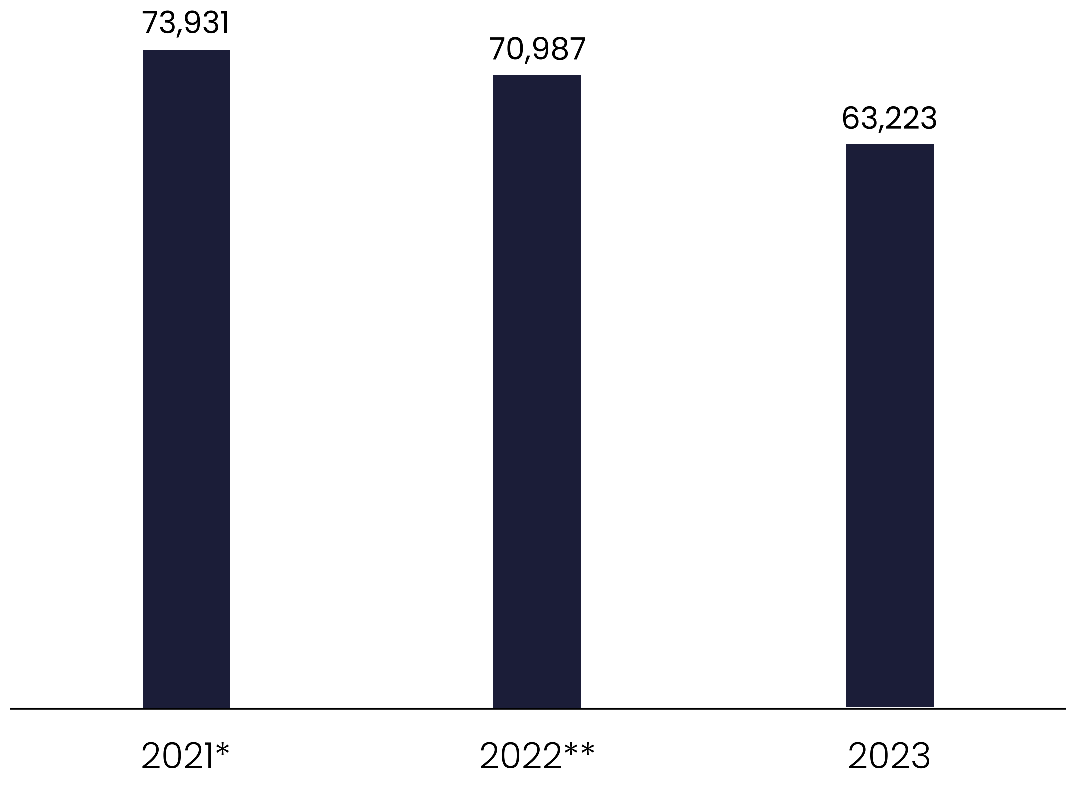


*Figure for 2021 has been emanded from 2021 report through more detailed calculation.
**Anora total 2022 includes Globus Wine whole year data and Anora company vehicles' fuels that have not been included in 2021 numbers.
Emissions calculated with market-based approach.

Total carbon dioxide emissions, (Scope 1 and 2, fossil) tCO_2 equiv. emissions

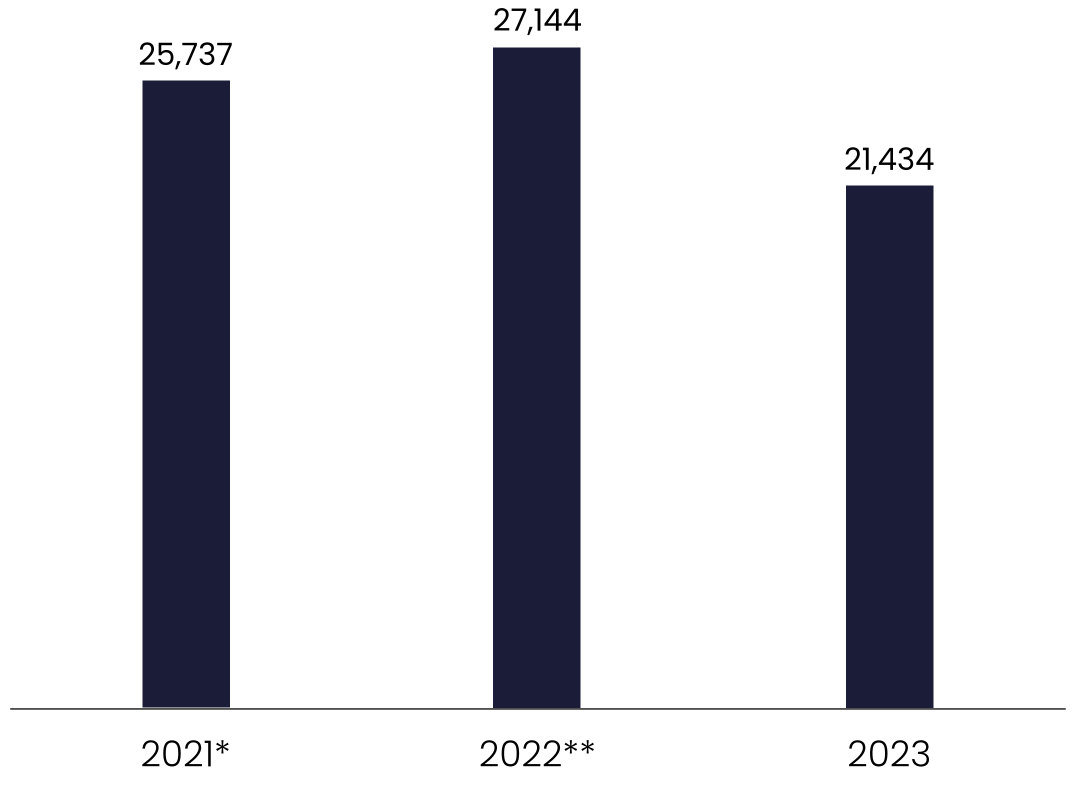


*Figure for 2021 has been emanded from 2021 report through more detailed calculation.
**Anora total 2022 includes Globus Wine whole year data and Anora company vehicles' fuels that have not been included in 2021 numbers.
Emissions calculated with market-based approach.

In addition, a process water circulation heat pump was tested at the Koskenkorva Distillery in the latter half of 2023. The target of the heat pump is to reduce 10% of the primary steam production required at the distillery and to reduce the amount of fuel consumption in the future. As the heat pumps remained in the test phase during the year, the positive impact on energy usage recorded remained negligible in 2023.

Koskenkorva Distillery's running speed was lowered during the year, which reduced our energy self-sufficiency at the plant and increased the need to use fossil fuels to power the distillery. Our fossil CO_2 emissions from steam production remained at the same higher level of 2022. However, the distillery's total fossil CO_2 emissions was reduced by 34% compared to the previous year due to our changing of the electricity supply at the distillery to fossil free wind power.

In 2022, A-Rehu, a non-Anora livestock and poultry feed plant operating within the Koskenkorva plant area, made a major investment decision to build a new feed dryer, a project that was continued together with Anora in 2023. Once operational, the energy from the Distillery's powerplant will be used by the feed dryer, but part of residual energy is 'returned' and can be used again in the distilling process. This has the potential of reducing the need for steam production by 20% in the plant area. The new feed dryer is planned to be fully operational in 2024.

" One highlight was our Koskenkorva Distillery which shifted to 100% renewable electricity from wind power."

During the year, Koskenkorva Distillery also advanced its work on biogenic Scope 1 emissions in cooperation with Linde, and the recovery capacity of CO_2 released from fermenting saw improvements.

The Koskenkorva Distillery is also aiming to further reduce steam production emissions by implementing new technologies for recycling the steam and process heat at its operations in the next few years. By replacing the distillery's remaining fossil fuel-fired steam boiler with a state-of-the-art fossil-emissions-free biomass-boiler, we will be one step closer to reaching zero fossil emissions in our own operations at the distillery during 2026.

Gjelleråsen, our modern production plant in Norway, operates on the principles of gravity in liquid production handling. Electricity and district heating and -cooling at the facility is derived from geothermal and renewable GO (Guarantee of Origin) green electricity, making the facility a 100% renewable energy-run plant in terms of its electricity and heating and cooling. Overall, around 85% of the plants entire operations runs on renewable energy, while 15% is derived from LPG (liquefied petroleum gas).

In 2023, the total fossil emissions from Anora's own operations (Scope 1 and 2) decreased by 21% (+5.5%) compared to 2022 fossil emissions. This was mainly due to reduced fossil emissions from Koskenkorva electricity. The total energy consumption in our operations amounted to 177 (175) GWh. Out of Anora's total energy consumption, 65.7% (42.9%) comes from renewable sources.

Collaborating with our suppliers to reduce emissions

As part of our work to reduce our Scope 3 emissions, we aim to collaborate closely with partners that focus on sustainability and that are working with social or environmental sustainability certifications of recognised quality.

In 2023, Anora continued working with its suppliers to reduce emissions and other negative environmental impacts in the supply chain. For example, in our inbound transportation Request for Quotes (RFQs), we asked vendors to submit estimated CO_2 e values per transport lane to allow us to make more educated decisions on our vendor and route selections. We also increased the number of road and train transports for Anora's internal transport routes in the Nordics and took hydrotreated vegetable oil (HVO) into use as fuel, which emits around 88% less CO_2 e compared to diesel on the truck routes between Finland and Estonia, Finland and Latvia and Estonia and Latvia.

During the year, Anora conducted supplier and contract packer audits. A significant percentage of these audits were onsite audits because food safety and hygiene are considered highly important to us and therefore need to be seen on site.

Anora's value chain emission calculation 2023

Anora counted its whole value chain (Scope 1–3) emissions for the second time with 2023 data (baseline 2021).

In 2023, only 5% (7%) of our emissions derives from Scopes 1–2. In Scopes 1-2, almost 70% (90%) derives from our Koskenkorva Distillery. Even if we have decreased emissions by around half compared to 2014, distilling is energy intensive. That's why we have built an action plan in our 2030 roadmap to push our fossil emission down to zero at Koskenkorva Distillery during 2026 and at all production sites by 2030.

Most of our impact comes from our value chain and specifically in purchased goods and services, with the most emitting areas being barley, wine and packaging. We have implemented an extensive plan to also work with other areas including logistics, but based on these results we can clearly see the hotspots being the three aforementioned areas. The tools to decrease the emissions include the regenerative farming of barley and wine and the further developing of climate-smart packaging.

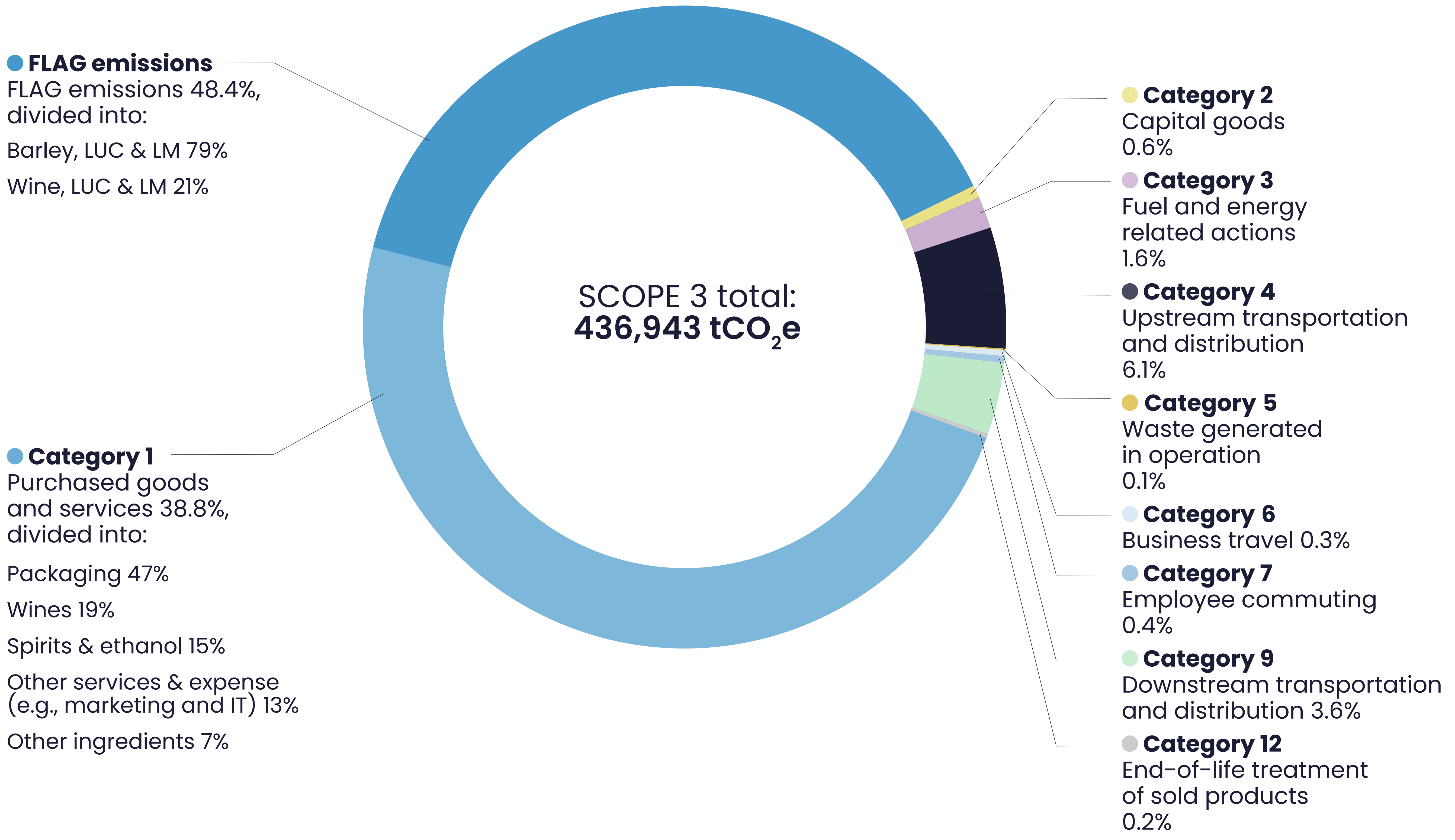
Also significant amount, around 50%, of Anora's value chain emissions comes from FLAG emissions, including land use change (LUC) and land management (LM) from wine and barley. All Anora's FLAG emissions in Scope 3 emissions are from purchased goods.

SCOPE 1 + 2

21,434 tCO_2e

of which **70%** comes from Koskenkorva Distillery

SCOPE 3



Our actions to manage and mitigate pollution

In preparation for mandatory 2024 sustainability reporting requirements, work began in 2023. In Anora's double materiality analysis, pollution did not appear as material theme.

Anora utilises tools and methodologies to appraise its production sites and business activities to identify its actual and potential physical pollution and transition risks in its own operations and value chain. These tools include prevention and control; minimising and substituting substances of concern and phasing out substances of very high concern, in particular for consumer products; avoiding incidents and emergency situations, and if and when they occur, controlling and limiting their impact on the environment and/or society.

We follow closely the quality of our wastewater and are committed to reducing the environmental burden on waterways caused by our operational facilities by minimising any potential impurities in our wastewater. We monitor our facilities to ensure water risks are minimised. During our 2023 reporting period, no pollution problems were caused, and no incidences of any negative environmental impact were reported.

Managing our water resources

Anora's aims for a 20% reduction in the amount of wastewater generated by 2030. This will require a reduction of wastewater originating in the manufacturing process and the further enhancement of water circulation. Anora's production plants do not operate in water scarcity areas.

In 2023, wastewater generated in Anora's three major plants (Koskenkorva, Rajamäki and Gjelleråsen) decreased significantly by a total of -26.0% (-18.8%) compared to baseline 2021. The reported total wastewater amount is however higher than in 2022 due to the addition of Globus Wine data. Anora's total water usage increased in 2023 mainly due to the temporarily utilisation of an older air compressor at Rajamäki, which required more water for cooling, as well as several minor reasons at Koskenkorva, such as temperatures effects on cooling water and washings depending on production types.

In 2022, Rajamäki plant initiated the first steps to improve the handling of water leakages. During 2023, new, department-specific water meters were installed, enabling monthly monitoring of water consumption. Rajamäki continued to reduce liquid waste as a part of our ongoing multi-year circular economy project, as well as reducing wastewater by directing cooling water into the stormwater sewer, as that water is clean and can be returned to the environment. At Koskenkorva, wastewater reduction focused on the further testing of process water recycling and further small investments were made to enhance the process. At Gjelleråsen in 2023, we were able to implement new ways of measuring wastewater quality and initiate further water reutilisation processes.

In Finland, Anora owns 984 hectares of groundwater area, where the water for our products is taken, without filtration, from the self-renewing, pure groundwater springs. Protecting this area with forest and swampland around the Rajamäki plant plays an important role in ensuring the high quality of our products. The groundwater fulfils all the quality requirements without any chemical or mechanical processing. The area has water well above our needs and includes the optimal composition of various minerals. The water has been used at the Rajamäki plant since 1888, when the plant was established. Our products can also be clearly identified as authentic due to the water quality within them.

In 2023, we published Anora's water management description, which can be found on our website.

Managing biodiversity and ecosystems

As part of our 2030 roadmap, we plan to undertake a comprehensive biodiversity assessment during 2024 and create guidelines to further enhance our operations in this area. Biodiversity is critical for all life on earth and strongly supports climate change mitigation. A loss of biodiversity also represents a considerable risk to raw material production. Anora's three focus areas in biodiversity are:

- **Barley:** Regenerative farming methods help support biodiversity in barley fields.
- **Wine:** Regenerative farming methods help support biodiversity in wine growing areas.
- **Forests:** Anora owns a 150-hectare area of protected swampland and a forest area of 800 hectares, which act as a carbon sink of around 830,000 tons of CO_2. Our evolving forest management plan will also help enhance biodiversity throughout these forests for generations to come.

Advancing and promoting regenerative farming

Anora buys around 180 million kilograms of Finnish barley annually, which is why promoting regenerative farming is central to our future operations and strongly highlighted in our 2030 roadmap. In 2023, Anora significantly strengthened its focus on regenerative farming and is targeting to increase the share of regeneratively cultivated barley as the raw material of its own grain spirit-based products to 30% by 2030. Our aim is to further raise awareness of regenerative farming, provide education and training to farmers and engage with our contract farmers to increase regenerative farming yearly.

As part of this process, we are continuing our collaboration with the Baltic Sea Action Group (BSAG). We are also working with ProAgria, a government-funded farming consultation in Finland, to provide comprehensive support, education, and training to farmers on regenerative farming. The results to date have been encouraging. In 2021, we had one farm supply us with 50,000 kg of regeneratively farmed barley and in 2022, this increased to two farms.

For the growing period 2023, we made contracts with 19 farms to produce regeneratively farmed barley. All these farms were educated in regenerative-barley production by BSAG and Pro Agria. Pro Agria carried out farm audits for all contract farms during the growing season. The estimated regeneratively farmed barley production amounted to 2.3 million kg in 2023. By the end of year, around 1.1 million kg of this barley was already bought and in storage in Seinäjoki in Finland to await processing at our Koskenkorva Distillery.

For Anora, food production is a high-impact sector in terms of emissions, and we believe that both investments and advances in regenerative barley farming will lead to significant emissions reductions and biodiversity improvements in the years ahead. Of note, Anora's acclaimed Koskenkorva Vodka Climate Action is the first vodka in the world made entirely from regeneratively farmed barley.

Regenerative farming – how it can have a positive impact on water, biodiversity and emissions.

Regenerative farming is a systematic approach to adopting sustainable farming practices that positively impact productivity, biodiversity and the climate. By aiming at transforming farmlands into carbon sinks by increasing CO_2 sequestration, regenerative farming methods can offer a solution to climate-change mitigation that also benefits farmers: they help farmers cut greenhouse gas emissions and protect their soils, while delivering the increased yields and improving crop quality.

Currently, regenerative farming is not perceived as a clearly defined and 'set-in-stone' methodology and continues to evolve as traditional farming techniques meet modern innovation, enabling both Anora and the contracted barley-growing farmers in Finland to adjust to the technical and economic realities of both the farms and supply chains. In general, definitions of regenerative agriculture are based on practices, principles (for example, limiting soil disturbance, maintaining soil coverage and maintaining living roots), and outcomes (for example, soil health, water quality and biodiversity.

Regenerative farming delivers a way to decarbonise and mitigate environmental impacts and risks across many planetary boundaries, therefore helping to lay the foundation for greater resilience in the future. In terms of ecological benefits, regenerative farming can improve both soil health and fertility resulting in healthier crops and improved yields. Collectively, farmers who have implemented regenerative farming methodologies have noticed an increased moisture and 'sponginess' in their soil, as well as dark brown soil aggregates sticking to the long roots of their plants. Soil tests and visual indicators like earthworms have also revealed more active microbial communities in the soil, the essential cornerstones of healthy water, nutrient, and carbon cycling. As a result, biodiversity on land, in the air, and in water has been both qualitatively and quantitatively seen to increase following the improved biodiversity in the soil.

Reduced chemical and pesticide inputs on regenerative farms result in less chemical pollution impacting both ground and surface water, and this in turn, can lead to a reduction in potential harmful algal blooms and drinking water pollution. Furthermore, improved water efficiency from better soil health leads to better soil water holding capacity and groundwater recharge, as well as more water conserved on the farm and a greater resilience to withstanding future droughts and flooding.

Amidst the many positives noted, regenerative farming also comes with caveats, not least of which is the increased cost of the barley crop per kilogram to produce, compared to more traditional farming methods. Increased economies of scale, longer-term experience and other factors may help to reduce the cost to close to parity against non-regeneratively farmed barley in the years to come.

Our progress in managing our resources and circular economy

At Anora, managing our resources and circular economy work means utilising as much of the raw materials required for our operations from recirculated sources as possible, maximising the yield of any raw material used, optimising the reuse of materials and circulation by sorting and minimising waste throughout our entire ecosystem. At Anora, we see our role as frontrunners in terms of circular economy and waste. Our target is to increase the total recycling rate in Anora's own operations to 90% and to reduce landfill waste to zero by 2030. In 2023, our total Anora level recycling rate was already 92.4% (92.4%) and we exceeded our target on group level. We continue the work to increase our recycling rates at all sites.

We have defined the recycling rate as the proportion of the total amount of waste that is diverted into recycled material, while the recycling and recovery rate also includes the share of the total amount of waste collected and distributed to be diverted into energy recovery, for example, incinerated in a waste incineration plant to produce e.g., district heating. In 2023, we generated 11.13 (11.57) tons of landfill waste.

Our recycling and recovery rate is very high at all our plants; in 2023, our company-wide recycling and recovery rate was 99.8% (99.8%). At our award-winning Koskenkorva Distillery, the recycling and recovery rate was 100%, and recycling rate was 99.2%. The distillery is based entirely on circular economy actions and utilises a whole ecosystem of companies and sustainability practices at the plant area that incorporate all the side streams of distilling. All these variables bring efficiencies and improved environmental benchmarks, including a decrease in emissions, helping us to be approximately 44% self-sufficient with steam production. The distillery represents Anora's primary example of building our business to accelerate the green transformation.

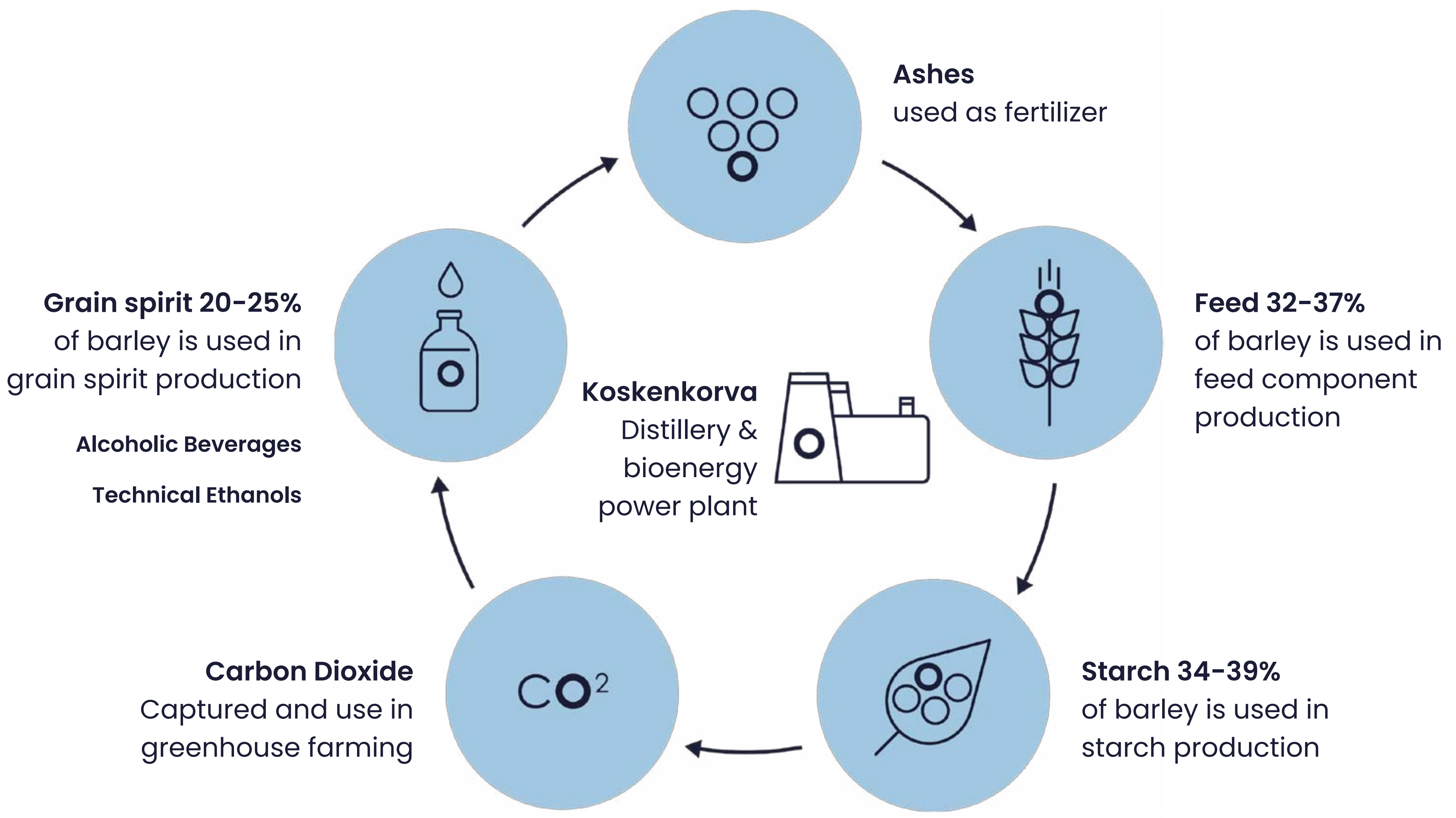
Anora's Gjelleråsen plant in Norway helps reduce food waste by utilising odd-shaped potatoes and excess potato starch in the production of its award-winning aquavits.

At Rajamäki, we collect residual alcohol and recover it to be used in technical ethanol products. We also gather the husks of berries and fruits used in our products and transport them to an external third-party company to be used in the production of biogas. In 2023, the circular economy actions at Rajamäki included starting a separate collection and recycling of plastics, a new press was purchased for PET bottles, and the collection and recycling of all PET bottles was initiated. In addition, a bag-in-box line tested a shrink film containing 30% recycled material with positive results, and a set of spacers for bottles was replaced by plastic plates resulting in a significant reduction in carton waste. The recycling rate at our Rajamaki Beverage Plant improved in 2023 and was 93.1%.

In addition, we established a new material recycling route at Rajamäki to use the around 1.5 million PET bottles' worth of leftover label liner waste as a raw material for construction insulation manufacturing. The collection of the PET plastic background tape of labels started in December 2023, with two series as a pilot. Our primary label company provides collection units and transportation for the material from Rajamäki to a pre-material handling company operating in Finland, which then handles the material in its chemical recycling process for use in the technology industry.

At Rajamäki, our target is to collect all PET label backing materials from every production line at the plant in 2024, as well as to expand this circular-economy-based collection operation to other Anora plants as well.

Circular economy at Koskenkorva Distillery



People

The People theme of Anora's 2030 Sustainability Roadmap focuses on building a modern, inclusive workplace, further enhancing our strong safety culture and ensuring our value chain is fair, transparent and sustainable. Our three primary People targets are:

- 100% of the risk countries will be included in audits or certifications, and 100% of the suppliers will sign the amfori ethical principles. The original target year was 2023, but we need more time to cover the entire supply chain.
- Increasing the number of safety observations and reduce accidents resulting in absence to zero by 2030.
- Ensuring diversity, equity, and inclusion at work.

In our People focus areas, we have aligned closely to UN Sustainable Development Goal 3; Good health and well-being, and SDG 12; Responsible consumption and production.

Please see the non-financial information in the Report by the Board of Directors on page 34 for more information on our SDGs.

People

Impacts on people and how Anora manages them

Overview of 2023

During 2023, the harmonisation of the 2021 merger from a People perspective continued, impacting the entire Group. Negative financial headwinds also affected Anora throughout the year. To better implement our strategy and improve profitability, Anora started change negotiations to develope the company's operating model. Around 650 employees in six countries were within the scope of the changes, concerning all three business segments. The changes in organisational structure aimed for a stronger commercial focus, to reduce complexity, and to create synergies. With the introduction of the new structures, which came into effect as of February 2024, 37 employees' duties ended. In October, Anora launched its new Code of Conduct, Anora Way, which is available both internally and on our public website. Anora has its own Supplier Code of Conduct (SCoC), including anti-bribery and corruption (ABC) guidelines, which Anora requires its partners to sign. In 2023, Anora further promoted the company's whistleblowing channel to its employees.

Our actions to advance social sustainability

Anora's Human Resources (HR) activities are aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

Anora's business success and strategy implementation are reliant on the company's ability to recruit and to engage motivated and qualified employees. The availability and the potential loss of key personnel could have a materially adverse impact on the Anora Groups' business. Consequently, we view our employees across all our operating countries as our most valuable company resource.

Our company values – Courage to explore, energy to inspire and empowering to win – have been aligned with our 2030 Sustainability Roadmap, and we believe they form the best possible framework to put us on the fast track to achieving our sustainability goals. Anora's leadership culture has also been defined according to our values, and Anora's employees applied the values in their daily work throughout 2023. The values have also been integrated into Anora's onboarding process, and specific leadership competences were selected to support the recruitment and use of values in our selection process.

We are constantly looking for ways to recruit the best people with the right capabilities into our operations. Our modern, Nordic way of working attracts people who share our values and ambition and have the courage to take us even further. We provide fair opportunities for current and future employees and endorse diversity throughout all levels of the organisation. We honour our Nordic heritage while making it into something new, together. Our employees, the Anorafolks are our best ambassadors.

Managing our own workforce

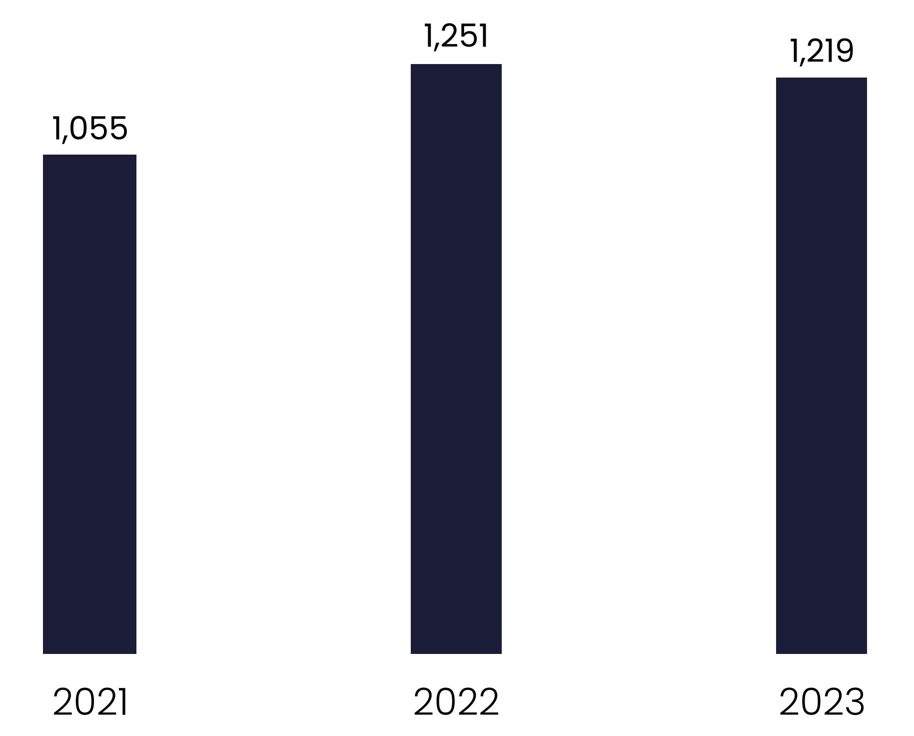
Anora's HR work addresses the identification, assessment, management and/or remediation of material impacts on Anora's own employees specifically, as well as policies that cover the material impacts, risks and opportunities related to our employees.

The HR priority areas initiated during the reporting period and designed to be implemented for 2022–2025 are to:

- Enforce value-based behaviour by connecting values to people processes
- Engage, retain and develop people with the right capabilities to make the difference for growth
- Introduce Anora performance philosophy to drive rewarding towards the wanted culture and results
- Build HR operations with a unified system base, selected Group processes and strong local HR presence

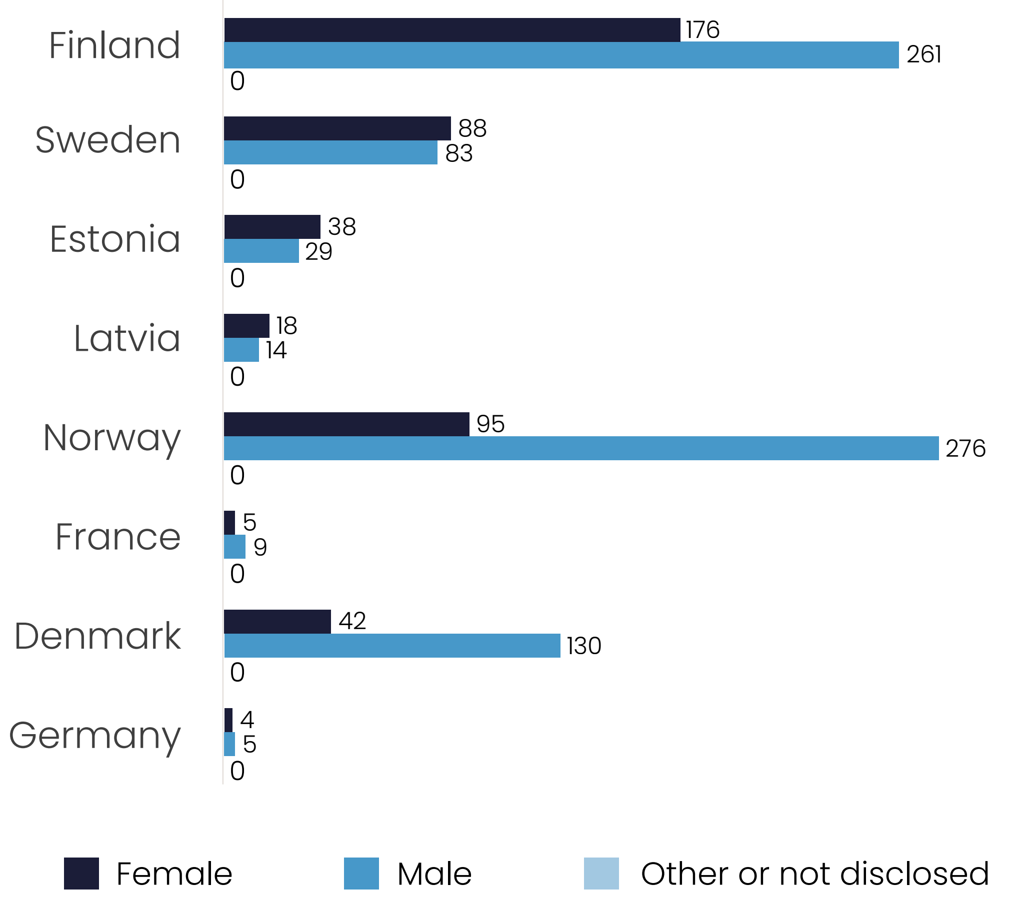
At year-end 2023, the number of employees at Anora totalled 1,219 (1,251). As a Group, our aim is to provide interesting and meaningful work in a well-managed and safe working environment where people are treated both fairly and equally. We believe that optimal well-being at work results from having precisely defined targets, passionate and motivated employees and a positive and rewarding work environment.

Development of the number of personnel



Situation at the end of the year

Average number of personnel by country and by gender



Average age of personnel 46.0 years (at the end of the year)

Our employees labour rights and working agreements

At Anora, we understand that we must consistently invest in the development of employee competence to optimally support the growth of our company, as well as employee satisfaction. The principle of constant learning and performance development is a critical part of our values and the way we conduct our business.

Our collective bargaining agreements define both the health and safety, and the working conditions that need to be attained during employment. As an employer, Anora is responsible for the health and safety of our personnel's working conditions in the ways required by the laws in our operating countries. This helps create the conditions for management that promote well-being at work, as well as promoting activities that maintain work ability. The most important working-related agreements concern our employment and working hours. Our collective bargaining agreements contain several provisions which are strictly followed, and they have primacy with respect to laws.

Anora also has comprehensive labour rights policies in place throughout the company. These policies deal with working conditions, labour relations, career management, family friendly programs, flexible organisation of work, healthcare coverage, the provision of protective equipment, mandatory health check-ups, an employee satisfaction survey, a collective agreement on working conditions, and more.

Anora has in place a Policy on Non-Harassment, and a zero-tolerance policy towards discrimination and all forms of unlawful harassment. This means that no form of discriminatory or harassing conduct towards any employee, client, contractor, or other person in our workplace across all cooperating countries will be tolerated. Anora is committed to enforcing its policy at all levels. Ethical and safe behaviour requirements apply to all employees, and equally, respectful behaviour is both desired and expected from Anora's partners, vendors and other third-party collaborators. The purpose of the Anora Non-Harassment Policy document is to define the rules and guidelines related to situations and conduct taken at the workplace.

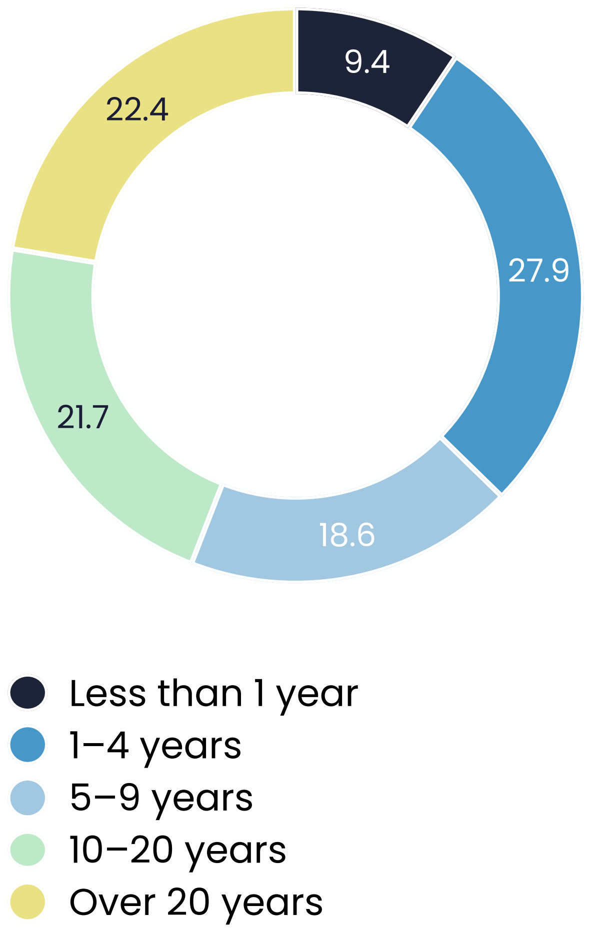
Managing our employees' health, safety and well-being

Anora provides its employees with occupational healthcare services that are more comprehensive than those required by law. Although there are country-specific differences in these services, the basic principle is the same for all employees. The occupational healthcare process aims to promote and support the working capacity of Anora's employees at every stage of their careers. The goal is to intervene at the earliest possible stage before any individuals' issues manifest themselves into more significant problems.

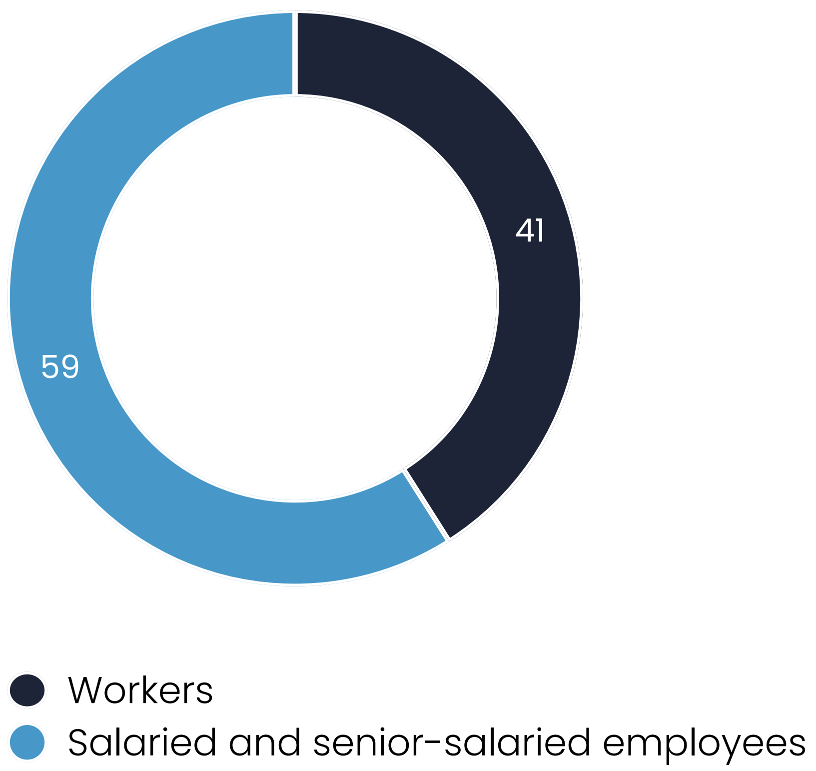
Occupational health and safety (OHS) is a vital part of Anora's corporate responsibility and sustainability strategy. Anora aims to reduce the number of accidents and absences caused by illness and other events. Anora's HSEQ (Quality, safety and environment) policy covers all sites. Anora has the ISO 45001 certificate in effect across all its operations in Finland (Rajamäki, Koskenkorva, Ruoholahti: Anora HQ). In addition, Anora's employees are covered by health services, according to local legislation. The quality of the service is reviewed by HR and employees can reach the health services with a low threshold.

In 2023, Anora concentrated on both developing and building the maturity of a shared and common safety culture across all of its companies and in particular, its production plants. As a whole, Anora saw safety culture and safety results improvements in 2023 and delivered more comprehensive safety data monitoring.

Duration of employment %



Personnel by group 2023 %



Situation at the end of the year

Anora continued with an external provider Auntie to support employee's psychological safety and wellbeing. 60% of Anora's employees completed a team action plan from the engagement survey about the well-being actions for individual teams.

Anora's central principle of occupational health and safety is based on proactive behaviour and anticipation. To support this, Anora has in place an occupational health and safety action plan, which helps the company to enhance proactive occupational safety and systematically develop working conditions according to the workplace's own needs.

It is each employee's responsibility to both know and to follow the safety rules and procedures in the production facility, office or distillery environment for example, and in their own area of operation. To that end, every employee at Anora is responsible for their own safety and the safety of those around them. Additionally, visitors and third-party contractors must also carefully abide by the established safety rules, the implementation of which is the responsibility of the designated contact person.

Throughout Anora, employees are encouraged to both proactively develop and question company operations as part of their own continuous performance improvement, and also to respect their environment and create an atmosphere where deviations or incidents can be easily reported, without fear of repercussions or guilt.

As a Group, we have a general safety rules document, which specifies the safety rules for everyone working on our premises (our own employees as well as external workers), in all our operational countries.

Our approach to managing risk

Anora has the ISO 45001 health and safety management standard in place. ISO 45001 provides an internationally recognised framework for managing occupational health and safety risks. The management standard allows Anora to systematically assess hazards and implement risk control measures, leading to reduced workplace injuries, illnesses and incidents. As part of the standard, all departments must identify work-related risks, evaluate them and establish processes to eliminate, mitigate or control them so that accidents and incidents are prevented.

Anora's management is accountable for ensuring that each task follows a risk assessment process and that its results are used to generate mitigation actions where appropriate. It is also ensured that the information resulting from this process is readily available to all employees involved in those tasks.

Every incident, accident, near-miss or deviation'at work is investigated and the causes of the event are comprehensively analysed. Based on any new and important insights following an event occurring, if necessary, the risk assessment document, induction and/or work instructions are updated accordingly.

Our 2023 health and safety results

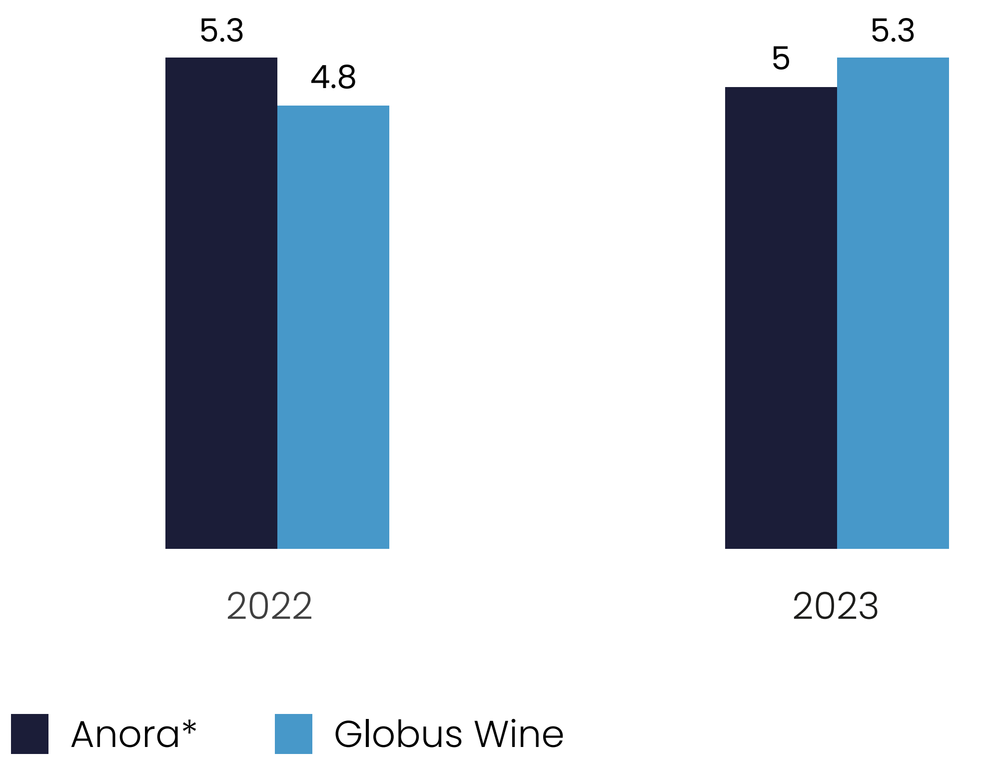
Anora has four minimum safety requirement categories: personal protective equipment in use, external craftsmen, chemical handling, and working at heights. In addition, the following seven Safety KPI's are in use: LTI (lost time incident), TRI (total recordable injuries), LTIF (lost time incident frequency), TRIF (total recordable injuries frequency), Sickness absence (%), Accident Absence (%) and Number of Safety Observations. Anora calculates the safety-related metrics for LTIF and TRIF based on 1,000,000 hours worked. We follow partner-based accidents only in internal metrics. Our main goal in OHS year-on-year targets has been to reduce accidents at work, and our goal is that by 2030 we will have zero absences (LTIF) due to accidents at work (LTIF = 0).

During 2023, Anora's total sickness absence rate was 5.0% (5.3) and the LTIF (excluding commuting) was 5 (7). Both KPIs are for our own employees. The LTIF figures for Globus Wine were available from the beginning of the fourth quarter of 2023 onwards but are not included in Anora total safety-figures for 2023. Germany and Vingruppen Sweden are not included in the safety figures. The safety-related data for the recently divested company Larsen, was available until September 2023.

Total accidents (TRI) in 2023 throughout Anora's operations were 15 (20). The LTI was 9 (15). Most accidents occur at plants and are relatively minor. There were no fatal work-related accidents in 2023 (0) across Anora Groups' entire operations. In 2023, the four biggest reasons for accidents were the use of knifes, pipes and hoses, fixed tanks and machines, and forklifts.

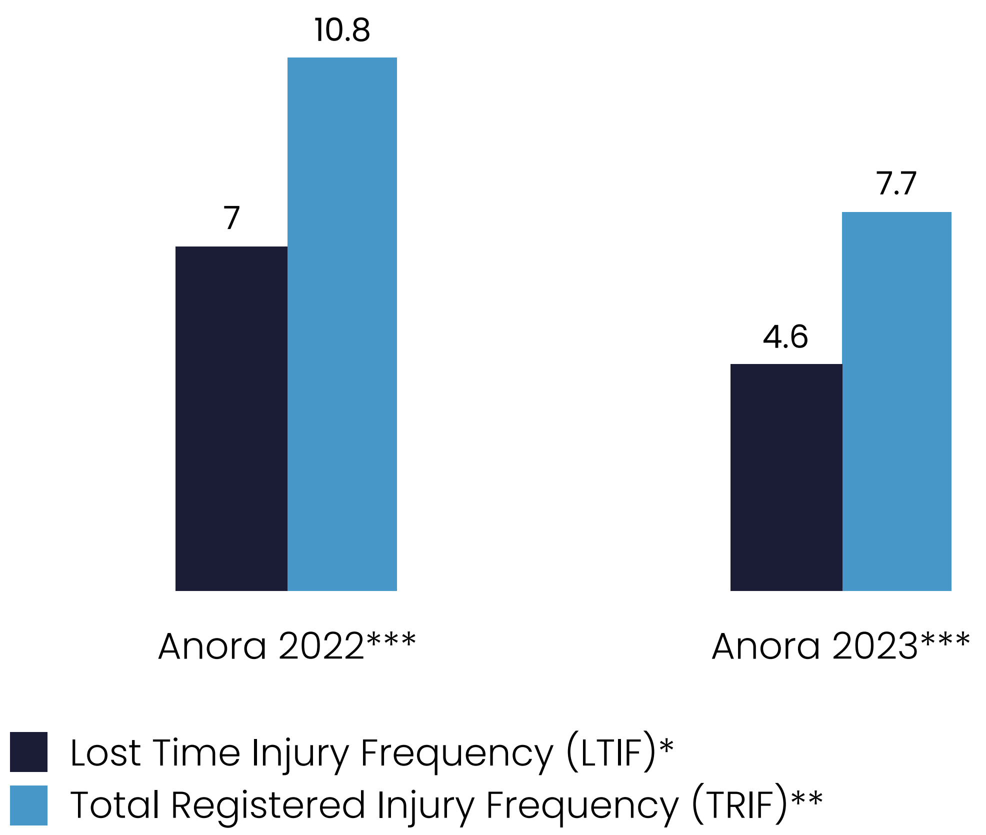
To achieve our 2030 target and to develop an ever more solid safety culture, we need to increase the number of safety observations we collect from our employees. In 2023, our safety observation reporting was improved. The baseline for 2018 was 1.3 observations per person, but in 2023 we collected 2,590 (2,021) observations which equates to approximately 3.6 (2.9) observations per person (excluding Globus Wine). This represents a 28% increase in total observations compared to 2022. The goal for 2025 is to record three observations per person across all operations.

Sickness absences %



*Anora figures include the data from whole former Altia Group and the former Arcus companies Norway. Globus Wine reported separately due to different calculation methods.
The number of sickness related absence hours per working hours x 100%.

Accident absence rate %



*Lost Time Injury Frequency, meaning the ratio of number of accidents resulting in at least one day absence to million working hours. Excluding commuting.
**Total Registered Injury Frequece, excluding commuting.
***Anora total figures do not include Globus Wine data, as it was only available from Q4 onwards. Germany and Vingruppen Sweden are not included in the figures as this data is as of yet not tracked for these parts of Anora.

During the year, we arranged Safety Equipment e-training in all countries. A work at height permit was also taken into use. In addition, we continued the reporting of accidents to all sites and delivered a monthly work safety theme to supervisors.

In 2023, Anora's Koskenkorva Distillery was once again awarded the Starch Europe Safety Programme's Year Award for registering no employee lost workday cases involving days away from work for the calendar year. The Year Award is an important recognition for Anora's efforts in developing workplace safety, and 2023 was the third consecutive year the Koskenkorva Distillery was awarded.

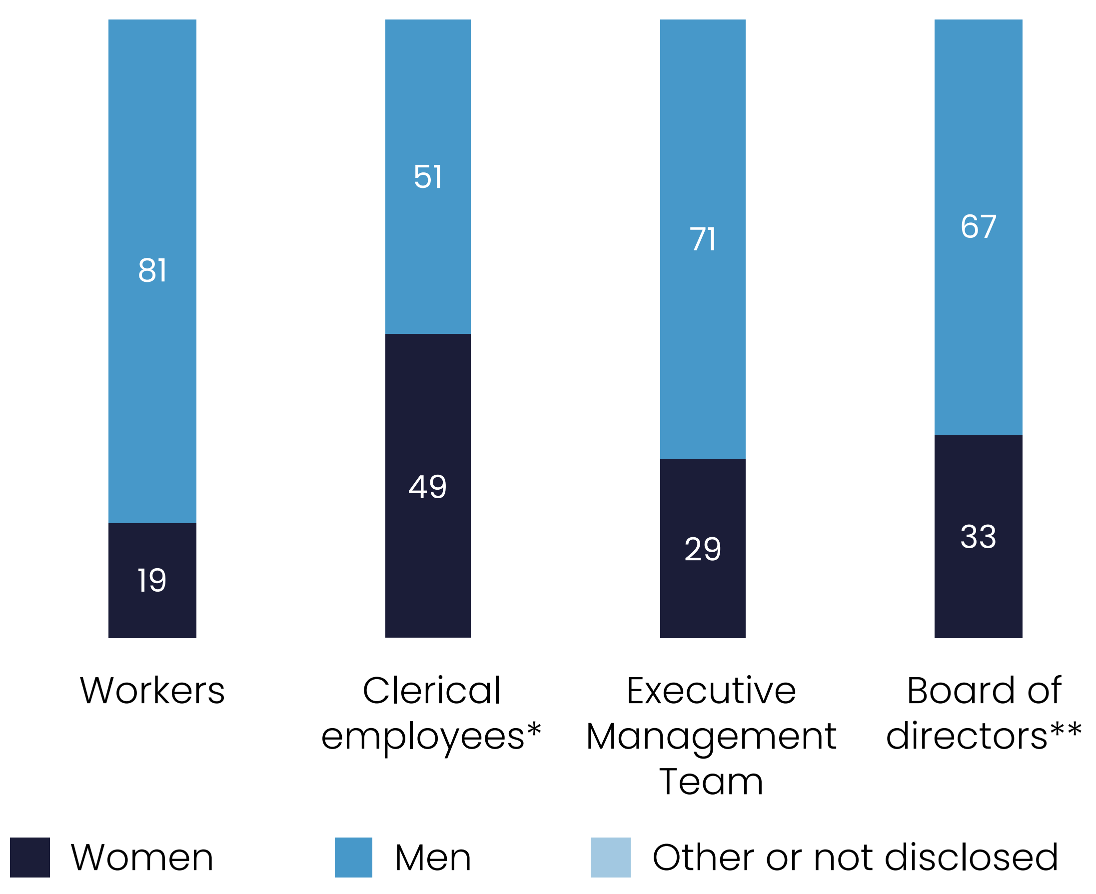
Enhancing our company's diversity, equity and inclusion

Our vision is to be the forerunner in our industry in the Nordics as an inclusive workplace that represents the diversity, equity and progressiveness of Nordic culture. The work related to auditing diversity, equity and inclusion (DEI) processes was initiated in 2022 and expanded in 2023. Our enhanced DEI work is also a 2030 Sustainability Roadmap focus area. In addition, DEI topics were discussed in sustainability e-training for Anora employees launched in 2023.

In 2023, 37% (37%) of our employees were women and 43% (50%) of the Board of Directors (elected by the shareholders) were women (33% (40%) if including the board members elected by the shareholders and Anora employees). Anora has further work to do regarding gender balance for the executive management team. Currently, 29% (29%) of the EMT are female.

On January 2023, as part of our post-merger integration work, all Anora Group employees were incorporated into one unified HR IT system. This provided us a better view of our employees in terms of nationalities, genders, equal pay and many other variables, and allowed us to assess the optimal path forward with regards to our diversity and inclusion work.

Gender distribution %



*Does not include EMT members

**Including seven board members elected by the shareholders and two members elected by the Anora employees.

Situation at the end of the year

Developing our employee's satisfaction, engagement and competence

Employee satisfaction, engagement and competence development is an integral part of our strategy, and we invest in the personal development of every employee. Throughout our multi-country operations, we monitor the achievement of objectives on a regular basis and according to an annual schedule and support a structured approach to development with development discussions recorded and followed up on. Performance dialogues include setting objectives, a personal development plan and continued support to help enhance well-being at work. Incentives also form part of employees' total compensation and are used to implement our strategy and reward personal performance. Anora's salaried, senior employees and management participate in an annual performance bonus program and the performance process for salaried and senior salaried employees (around 67 (67) of the total headcount) includes setting and follow-up of objectives, a development plan and continued support to help enhance well-being at work.

In 2023, we continued our efforts to build our organisation and company culture by enhancing our Group recruitment and onboarding process, initiating trainings to educate and support values-based hiring and decision-making, embedding our values into target-setting, conducting development conversations, and implementing a succession planning program, leadership and management development, performance assessment discussions and training plans.

We also launched a new sustainability e-training course for our employees in 2023. Feedback was gathered from the pilot program and employees will be requested to conduct the course in 2024.

The average number of training hours per employee in 2023 totalled around 2.5 hours on average per employee (1074 people = 2805 hrs, excluding Globus Wine employees).

Our annual Anora Tasting survey results

In the second half of 2023, we conducted our second annual employee engagement survey, Anora Tasting, for all employees. This was followed by a review of the results, as well as trainings and action planning that is consistently followed throughout the organisation all the way to Board level. Anora Tasting measures six primary metrics: engagement, leadership, team efficiency, OSI (organisational and social well-being index) environment, management and eNPS.

In 2023, the survey response rate was 83% (88) with 940 (967) employees participating, a slight decrease in the response rate and employee participation compared to 2022, but still above the external Nordic benchmark of 81%. Of the six indices measured, four indices were both largely positive and stable.

A highlight for the People focus area was that 78% (79) of survey respondents indicated they were very happy with their direct manager. The result indicates that our managers were able to support their teams, were clear on their expectations, provided feedback, and followed up on situations in their teams.

Furthermore, the OSI metric assessing feelings of workplace safety, workload sustainability and support received from one's manager was 72/100 (71/100), an improvement compared to the 2022 result and only a small level below the global benchmark of 77/100.

Anora's employee engagement index – which is measured as a combination of energy (including questions on pride, motivation, joy and willingness to do the little extra) and clarity (with questions concerning goals for the organisation, the team and the employee) – was 77 (78) in 2023, compared to the global benchmark of 81/100. The index measuring team efficiency was 74 (74) against a global benchmark of 77/100.

On a less than positive note, attitudes towards top management at 52 (61) dropped to a level well below the external benchmark of 66. In addition, the eNPS (employee Net Promoter Score) declined to -18 (6) against the benchmark of 14. A number of factors contributed to these negative results. Anora delivered two profit warnings in H2 and announced budget cuts across the Group. The Executive Management Team's strategy roadshow to all sites and offices across Anora countries were received well in early 2023, but local townhalls were later reduced for travel cost savings. In addition, change negotiations were announced the same time the survey was activated, so the timing was perceived to be less than optimal. However, while travel, employee perks and recruitment were severely curtailed in the second half of 2023, mandatory training and safety training continued without cuts or interruption. The survey in 2023 also added an open comment section which proved to be a useful, insightful, and informative tool to gauge the views and opinions of Anora's employees.

The comparison benchmarks for the Anora Tasting survey were provided by the company Brilliant, and they annually undertake a Nordic-level survey involving approximately 330 organisations (Nordic and international) and around 670,000 respondents. Anora Tasting will continue to be an annual survey and the 2022 and 2023 results provide a strong baseline to move forward in 2024 and beyond.

Our new succession planning work in 2023

Anora initiated a succession planning process for the first time in 2023. Succession planning calculates performance and value-based behaviour and calibrates these factors across all Anora's sectors, which helps understand both the organisation and hierarchy better and aims to bring more visibility and transparency across organisations and their positions. The succession planning process also looks at people themselves to see where they have opportunities and threats.

The research and implementation were executed during 2023 and more results will be seen in 2024. Prior to the succession planning, both employees and managers had development conversations and undertook self-assessments, focusing on the individuals' own opinions and experiences regarding Anora's values. This resulted in more fruitful conversations than in previous years. The personal development conversations were available for everyone at Anora, while the leadership program was open to a more select group of employees.

Developing our new value-based leadership program

Closely related to the succession planning work, and begun during the summer of 2023, Anora's Leadership: Regenerate the Future, is a value-based leadership program focusing on leading oneself and one's team and organisation. The program aims to guide Anora's leaders to clarify their own purpose, values, and vision, and create an action plan focused on the biggest difference makers. Working with a group of peers, the leaders create a network of leaders who view the growth opportunities together.

In 2023, the leadership programme focused on the value Courage to Explore with the goal of developing the ideas that: 'being able to lead with courage starts with you', 'knowing yourself is the prerequisite to leading others', 'every leader must find their own personal style and formula of leadership', 'leadership is about relationships', and 'the conversations you have as a leader define those relationships'. The pilot group comprised eighteen individuals who were chosen based on identified potential to grow into roles and were well connected within the organisation and thus could create the largest ripple effect in the organisation.

The feedback from the program was highly positive, and the greatest benefits in 2023 were the leaders' enhanced abilities to solve problems and improve productivity as well as improved networking skills, supporting the goal of a more streamlined and profitable company. In 2024, 36 individuals will be part of the program and the focus will be on the company value Energy to Inspire. In 2025, the program's focus will be on the value Empowering to win.

Advancing human rights in the supply chain

Anora conducts business around the world making compliance, transparent relationships and ethical values critical, as we are aware that conducting business in certain parts of the world contains higher risks for potential human rights violations.

Through Anora's membership in amfori BSCI, other sustainability platforms and direct project implementation, we aim to enhance the working conditions in our supply chains throughout our operations. All workers in our supply chain should have the right to a safe working environment with fair pay, freedom to bargain collectively, legal working hours and no discrimination nor bonded or forced labour. We have adopted amfori BSCIs Code of Conduct (CoC) throughout our operations. The values and principles of the amfori CoC have a strong focus on working conditions and human rights. To ensure that all these principles are met, amfori uses audits as a compliance method. We use the amfori BSCI framework to enhance social and environmental responsibility throughout our supply chain. Our employees and all producers are informed and aware of the CoC.

During 2023, human rights were one of Anora's key sustainability priorities. Anora conducted an extensive human rights assessment regarding its operations, based on which we made a human rights commitment. As Anora's value chain is both wide and global and the sourcing of our products is highly scattered, we also started unifying our sustainable procurement practices and building a shared human rights due diligence approach. On June 30, Anora reported against the Norwegian Transparency Act, an important step in preparing for the human rights reporting requirements of the EU regulation CSRD (Corporate Sustainability Reporting Directive) and the possible upcoming CSDDD (Corporate Sustainability Due Diligence Directive).

Anora also works closely with the Nordic monopolies. Traceability and information are gathered via the sustainability platform Worldfavor for the Swedish monopoly, Systembolaget, and Anora. During 2024, Systembolaget will conduct a risk analysis based on the information provided through the sustainability platform and possible risks will be identified and followed up with actions such as employee dialogue through field visits or audits.

In 2023, we still had separate ERP systems due to the merger of legacy Altia and Arcus and the acquisition of Globus Wine. Therefore, we did not get group-level data of the coverage of certificates or the share of partners that have signed our SCoC. The new SCoC has been communicated to partners and sent for signature during 2023.

Conducting human rights risk audits

Based on our human rights assessment, Anora decided in 2023 to concentrate audits on the identified material human rights risk areas: Italy related to wine and rum production countries on the spirit's side. Italy is a commercially important wine area for the Nordics, and even though it is not an amfori BSCI-defined risk country, we are aware that there is a significant need for seasonal workers, a large number of immigrants and an employment brokerage system, that can expose workers to human rights risks.

Sugar cane production required for rum is prevalent in rural areas and is grown in regions with elevated temperatures, which is becoming increasingly amplified by climate warming. These conditions can cause workers to develop chronic kidney disease which can be fatal. In August 2023, we conducted an amfori BSCI audit on Demerara Distilleries Limited in Guyana, northeast South America. The rum distillery received an overall 'A' rating in the audit, the highest rating possible.

At Vingruppen in Sweden, a new risk analysis was implemented during 2023 and the wine partners in the company's fixed assortment were evaluated in Systembolaget's analysis. This risk analysis work is important in terms of meeting current legislative requirements and ensuring worker's rights, but it is also about building trust and knowledge skillsets throughout our supply chain, allowing us to strengthen our products sustainability performance faster – an important commercial factor for retailers' and end consumers.

In 2023, two amfori BSCI audits were condcuted. Anora also conducted internal and remote audits.

A responsible player in society

Anora acts as a responsible company in society. In 2023, we paid EUR 907.0 million (1,014.8) in excise and income taxes, of which 235.7 EUR million (260.5) went to Finland. We paid employees a total of EUR 103.8 million (93.8) in salaries and other indirect employer costs, and purchased raw materials, goods and services for EUR 441.4 million (414.3). We bought Finnish barley from approximately 1.400 farmers for a total of EUR 42.2 million (56.1) million. We received a total of EUR 726.5 million (702.7) in revenue, made investments of EUR 12.6 million (10.7) million to develop our business and paid a total dividend of EUR 15.1 million (30.4) to our owners.

Our tax strategy

We are a responsible taxpayer in all our operating countries (Finland, Norway, Sweden, Denmark, Estonia, Latvia, Germany and France). In addition, we aim to promote the Group's strategic development and support business operations, as well as ensure their proper implementation also from the tax perspective. The management of tax-related matters is centralised at Group level, where tax-related decisions are made. In ambiguous situations, the Group consults tax advisors and verbal or written guidance may be sought from the tax authorities to clarify tax practices. It is important to us to comply with all applicable local and international laws and regulations in paying, collecting, remitting, and reporting taxes. Our principle is to pay taxes in the country in which the income is earned. Anora Group does not operate in tax havens, and we do not practice tax planning aimed at artificially decreasing the taxable profit of the Group or an individual operating country. As regards transfer pricing, we comply with local laws and the OECD transfer pricing guidelines. The arm's-length principle is applied to intra-group transactions relating to products, services, intellectual property rights and financing. We pay and remit several different taxes, with the excise tax being the most important. Excise taxes are not included in the company's reported net sales. In addition to income tax, the taxes paid by us include employer contributions and real estate taxes. In addition to the excise tax, the most important taxes remitted by us include value-added tax, withholding taxes deducted from wages and salaries, and taxes at source.

" Anora conducted an extensive human rights assessment regarding its operations, based on which we made a human rights commitment."

A summary of taxes and contributions, in accordance with the guidelines, is published as part of the Annual Report. The summary is based on information collected from the Group's accounting systems and includes the material taxes and contributions grouped by tax type. Pursuant to the guidelines, we apply the materiality principle in our tax reporting. Accordingly, country-specific information on taxes is presented for Finland, Norway, Sweden and Denmark. They constitute the company's main markets, with approximately 90% of our net sales coming from these four countries. Our other operating countries (Estonia, Latvia, Germany and France) do not meet the materiality threshold of 10% of consolidated net sales for countries to be reported separately and are therefore presented collectively.

Product

The Product theme of Anora's 2030 Sustainability Roadmap focuses on our commitment to support a responsible drinking culture and ambition to further a rapid transition to climate-smart packaging across our entire portfolio. Our three primary Product targets are:

- By 2030, all packages will be light in weight, up to 100% recyclable and made of materials from certified sources or recycled origin
- We will increase the number of sustainable and NoLo choices
- We support a modern, responsible drinking culture

In our Product focus areas, we have aligned closely to UN Sustainable Development Goal 3; Good health and well-being, SDG 12; Responsible consumption and production, and SDG 15; Life on land.

Please see the non-financial information in the Report by the Board of Directors on page 34 for more information on our SDGs.

Product

Impacts of Anora's products and how we manage them

Overview of 2023

Sustainability is a topic that is discussed as part of our liquid development briefings and includes what kinds of raw materials are selected to create our products, like organic, regenerative, and low ABV drinks, for example. Reducing the loss of raw materials and evaluating the necessity of new raw materials is part of our daily tasks in product development. In addition, product markings are also under constant review, as is the adding of product information to consumers on our packaging and through QR codes, like vegan symbols, energy markings and sustainability data.

During 2023, there were two primary external forces at work that represented key drivers for Anora in the Product focus area. Firstly, the Nordic monopolies have agreed to decrease the CO_2 footprint of the supply chain by 50% by 2030, minimise the use of heavyweight glass bottles, maximise the share of low carbon footprint packaging, and support new innovative low carbon packaging solutions.

And secondly, during 2023, significant resources were utilised in the implementing and the preparation for recently enforced and potential new legislative changes in Finland and at the EU-wide level. This includes the EU's Packaging and Packaging Waste Regulation (PPWR). Despite the resources required, steady progress on our Product sustainability continued throughout the year.

Of particular note during the year was our continued development of rPET bottles. The content of recycled material is now close to 50% across the Anora's spirits PET bottle portfolio, which is well above the EU target of 25% rPET by 2025.

In 2023, Koskenkorva Vodka Climate Action received a listing in Vinmonopolet in Norway based on blind tasting. Koskenkorva Vodka Climate Action is the world's first vodka distilled entirely from regeneratively farmed barley.

Advancing our product sustainability

Anora is the market leader in the sustainable packaging of wines and spirits in the Nordics. Over 60% of our own product portfolio is already packed in climate-smart packaging with a 60–90% lower CO_2 footprint compared to glass. Packaging has a critical role in our operations, and it remains a primary benchmark of how seriously we take our sustainability ambitions. In 2020, in Finland, we introduced our first 100% rPET (post-consumer recycled PET) wine bottles.

In 2023, there were changes in production in specific countries. Wine production ceased at Anora's Gjelleråsen plant in Norway and will move completely to Globus Wine's facility in Denmark in 2024. As a result, Gjelleråsen will concentrate on the production of aquavits, which will decrease production volumes and employee numbers from 2024 onwards. Anora's Rajamäki plant in Finland will concentrate on the production of spirits.

Promoting a responsible drinking culture

Anora remains firmly committed to supporting the development of a modern Nordic, responsible drinking culture. We acknowledge that alcoholic products also have negative effects and are meant to be enjoyed responsibly, in moderation and abiding by local age limits. In certain situations, one should not drink any alcohol at all, which is why developing non-alcoholic options is also an important part of our sustainability work. We have collected important information on the effects of alcohol consumption and share our view on how we can build a modern, responsible Nordic drinking culture on our website: anora.com/en/sustainability/lets-drink-better

In 2023, Anora focused on wine and low alcohol ready-to-drink products (RTDs), where the selection is significant in Finland. The estimation for 2024 is that the trend for NoLo drinks will continue to increase, while the long-term consumption of alcohol is projected to continue declining.

New products were launched throughout the year. Of note, we launched a low-alcoholic wine novelty in Sweden: Apes & Grapes Crisp & Floral 7% bag-in-box. Saaremaa 4.5% ready-to-drink products were launched in Finland.

The special annual edition Blossa glögg has been a unique success story since its first launch 2003. To celebrate the brand's 20-year jubilee, Blossa annual was launched as a 0% non-alcohol variant for the first time in 2023. It was a product consistently asked for by consumers and it proved to be a great success.

Due to the potentially negative impact of alcoholic products, our sector is tightly regulated throughout all our markets regarding sales, marketing, and excise duties. We also have our own policy for responsible marketing that is stricter that the current legislation. In Norway, we continued to support Ung Dialog with responsible drinking campaigns aimed at students. In Finland, we continued to support Raiteen tuki, an educational program for schools aiming at preventing underage alcohol use. We continued the collaboration with Talk about alcohol as our main project we support. It is a long-term effort to build awareness and is researched by professionals, to help postpone the first drinking of alcohol by young people and reduce drinking by those who have already started consuming alcohol. The campaign is used by more than 75% of primary schools in Sweden and is available also in our other home markets, for example Finland and the Baltics.

While still a small category compared to the global market for alcohol, the volume of non-alcoholic spirits is estimated to grow at a 15.5% compound annual growth rate between 2021–2025. This shift towards beverages with lower alcohol content is driven by the growing interest in health and well-being, with around 40% of consumers globally reporting a desire to decrease alcohol consumption for health reasons. Now more than ever, people are eager to try new no- and low-alcohol options that would still provide a taste experience on par with traditional alcoholic drinks and work in the same social contexts.

Our work to increase consumer recycling rates

When developing packaging solutions, it is vital to consider the recycling infrastructure in different markets and the consumer behaviour related to recycling. While our three primary markets, Finland, Sweden and Norway, have recycling systems in place that consumers are used to, this does not apply to every market where our products are consumed. In addition, an important part of climate-smart packaging is the return and recycle rates, which we aim to increase, even though they are already on a very high level of over 80–90% in the Nordics. Reminding consumers to recycle and how to recycle is important. Our goal is to continually increase the recycling rate of bottles and Bag-in-Boxes (BiBs) even further throughout our markets through different communications campaigns.

Our 2023 work managing new and future legislation

It was a challenging year on the legislative front for Anora in the Product focus area. From an EU-wide perspective, potential new legislation is currently under debate and will likely be passed in early 2024.

The EU's current legislation aims to target 25% recycled rPET in PET packaging by 2025. In 2023, Anora achieved 50% rPET in majority of spirit PETs. However, the EU is potentially planning to move away from rPET bottles and instead would promote the refilling of bottles and the re-using of packaging. Anora remains committed to introducing rPET innovations and new targets but is closely following the legislative process and is prepared for it should it pass, and a future date is decided when the new legislation will enter into force across the EU.

There are currently strong external drivers for reducing the emissions of packaging, such as EU legislation and in particular, the Single Use Plastic Directive (SUP). Anora will comply with the SUP Directive to prevent and reduce the environmental impact of certain plastic products and to promote a transition to a circular economy. The SUP directive also contains very strong targets on the collecting of plastic and other materials too. As part of the directive, we will introduce tethered closures in our products by 2024. This means caps that remain attached to the bottle even when opened.

New EU-wide legislation was agreed on 4 December 2023 where it became the law for all wine packaging products (but not spirits) to either contain information as part of the packaging or through a QR code, enabling customers to receive information about the wines' nutrition information, sustainability criteria and more.

The packaging is our most direct way of communicating with consumers. The majority of the packaging of our alcoholic products has a "Drink responsibly" call for action or link to a local or European website with information on alcohol and moderate enjoyment, such as responsibledrinking.eu. Also, spirits packages have information about the quantity of one service and the amount of energy it contains. During the year, Anora also initiated and launched a Responsible Marketing Policy.

In addition, due to relatively new EU legislation, producer responsibility for packaging materials related to recycling also remained in focus during the year. To that end, we consider ourselves as pioneers in this sector and think about this issue in terms of not from 'cradle to grave', but rather from 'cradle to cradle' in that when we use the material it needs to be returned back into the circular economy loop and then be reprocessed and reused.

Further developing climate-smart packaging to reduce waste and emissions

Anora is the industry leader in the Nordic region with already more than 60% of own products packed in climate-smart packaging (e.g., PET, rPET, tetras, BiBs). In the Nordics, consumers have widely accepted BiBs as a packaging type and this packaging category continued to develop significantly in 2023. BiBs have an over 80% lower CO_2 footprint compared to traditional glass bottles. When BiB is combined with near market filling – where wine is brought from e.g., South America in containers to the Nordics and packed near the final destination – it further reduces the environmental impact of wine production.

During 2023, Anora increased its rPET to 50% in many spirits, developed new small (below 3L) recyclable BiB formats, and implemented several lightweight bottle developments (e.g. Koskenkorva 70cl & 100cl).

Anora has successfully decreased the amount of glass used in its glass bottles without compromising on the original look of its brands. The other very versatile packaging material in Anora's portfolio is PET, used both for wines and spirits products. PET is light in weight and has over 60% lower carbon footprint than similar glass bottle. Anora has several wine bottle formats made of 100% rPET. In our spirits portfolio Anora's PET bottles have 25%-50% recycled PET content.

Both glass and PET plastic materials are well suited for beverage products, however differences arise in terms of storage time. Products that are intended to be kept for longer periods of time are best packaged in glass, and it is well known for its qualities for keeping products unchanged even after many decades. PET is very sustainable when it comes to the production process and logistics and it's also very light in weight. This material however is not well suited for premium products that are often kept for years. Products that are packaged in PET should generally be consumed within a year of purchasing. The other qualities that this material possesses is unbreakability, lightness in weight, a smaller size compared to same volume glass bottle and a lower carbon footprint.

Plastic packaging materials are subject to stringent regulations to ensure they are safe for use. Anora's PET bottles are verified by external laboratories to be food safe and compatible with the liquid they hold. Anora follows up changes in regulation carefully and adapts its packages and processes accordingly. At Anora, lighter weight bottles decrease the logistics emissions and PET bottles are less energy intensive to produce than glass.

Gift boxes are often referred to as secondary packaging. Anora avoids adding additional packaging layers for sustainability reasons, and many customers are also reluctant to include gift boxes in their portfolio. Despite this, some premium products still come with a gift box and Anora is willing to respond to that demand. With regard to secondary packaging like cardboard boxes and tray and shrink film combinations, Anora has focused on harmonising the used materials, light weighted when possible and has removed unnecessary branded cardboard boxes. The amount of recycled raw material has been increased where feasible.

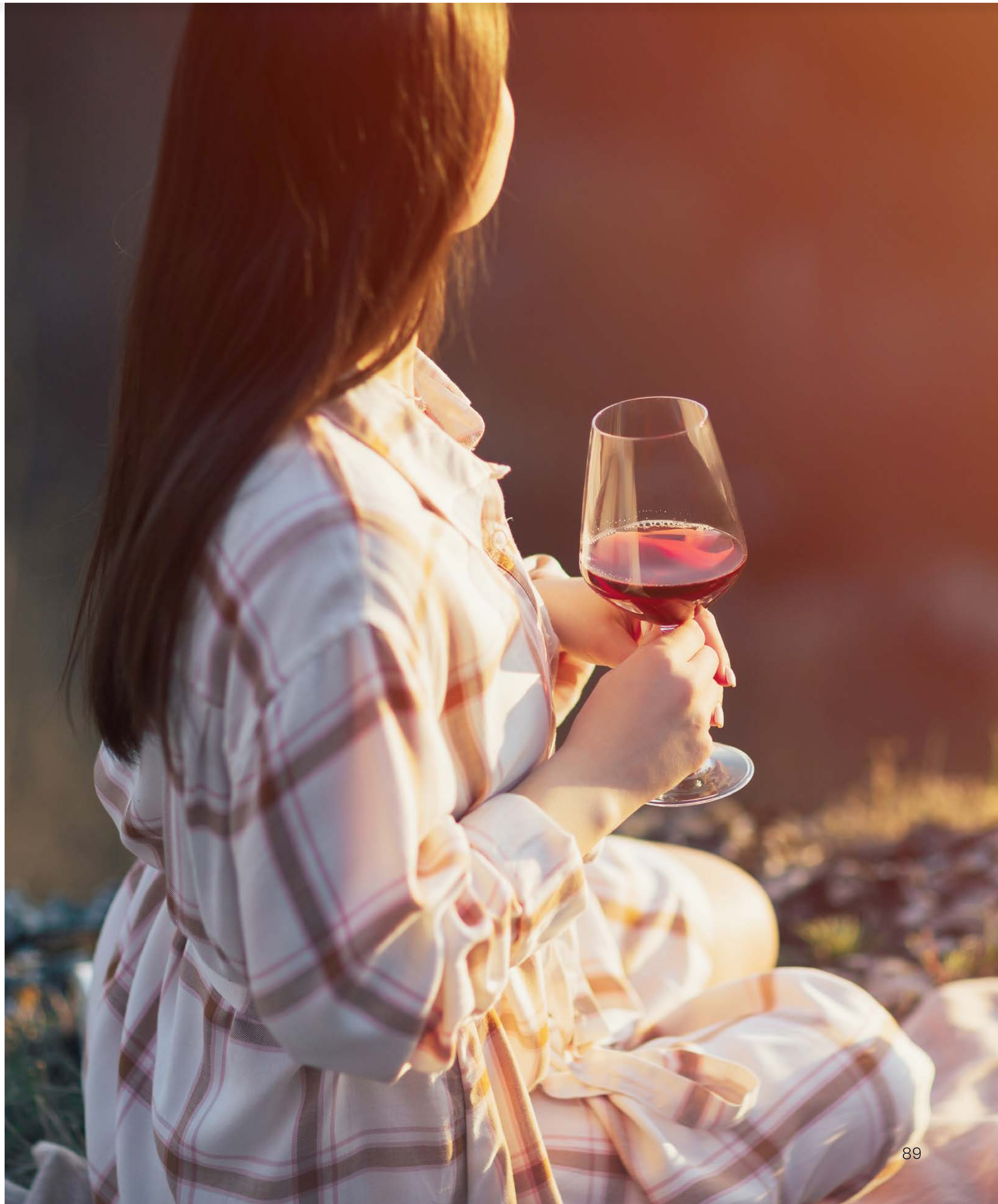
In the inbound direction, we have minimised the used cardboard and, in many cases, replaced it with reusable plastic sheets. We also have arrangements with the suppliers where the cardboard is collected, sent back and used again.

New, more sustainable packaging format has been widely accepted in the Nordics, while they are still less common in other markets, i.e., moving from glass to PET or rPET bottles. That is why the EU's potential new PPWR legislation that proposes moving from rPET bottles to refilling, might create significant negative disruption in the Nordic region.

As part of this shift towards greater sustainability throughout the beverages industry, the glass manufacturing industry is also aware of the general developments taking place and are looking into ways of making packaging more sustainable. Currently, there are initiatives between these glass suppliers and spiritsEUROPE, an industry organisation for alcoholic beverage producers, and there is dialogue between these organisations.

Sustainability targets are moving, and when Nordic monopolies are setting clearly defined and specific gram weights and beginning to class in more detail what is lightweight and what is not, then the larger beverages industry will take into account these new definitions. This in turn will allow further dialogue so that all sides are able to commonly agree on future targets setting. In addition, advances in future technology will enable us to further enhance our light weighting and this will lead to significant emissions savings on the road to 2030 and beyond.

" To celebrate the brand's 20-year jubilee, Blossa annual was launched as a 0% non-alcohol variant for the first time in 2023."



Appendix

Sustainability data
Reporting principles
GRI index
Assurance report

Planet

WASTE RECYCLING AND RECOVERY RATE AT ANORA'S PRODUCTION PLANTS, %

Unit	2023	2022	2021
Koskenkorva	100.0%	100%	99.8%
Rajamäki	99.9%	100%	96.9%
Tabasalu	84.9%	88.5%	87.7%
Cognac	100.0%	96.7%	100.0%
Gjelleråsen	100.0%	100%	100.0%
Globus Wine, Køge	100.0%	100%	100.0%
Anora production facilities total	**99.8%**	**99.5%**	**99.5%**

USE OF MATERIALS AND RAW MATERIALS

	2023	2022	2021	2021
	Anora	Anora	Altia	Arcus
Liquids*				
Liquid raw material, beverages (m^3)	135,587	81,105	62,510	20,798
Liquid raw material, beverages excluding water (m^3)	11,115	12,807	N/A	14,901
Liquid raw material, technical products (m^3)	15,489	17,941	17,941	N/A
Materials				
Grain (t)	174,024	184,280	214,306	N/A
Packaging materials (t)	50,713	49,169	32,724	6,194
Raw materials for products (t)**	5,830	4,990	4,754	245
Trading products**				
Liquids (m^3)	50,160	43,526	32,206	11,319
Liquids (m^3), Vectura	555	770	N/A	770
Packaging materials (t) (gross weight - net weight)***	22,463	15,178	10,961	4,217
Packaging materials (t), Vectura (gross weight - net weight)	279	276	N/A	276

*Approximation based on filled volume of finished products.
**Globus Wine excluded
***Calculation method revised for 2023

ENVIRONMENTAL FIGURES

	Anora 2023	Anora 2022	Altia 2021	Arcus 2021
Fuel consumption/direct energy consumption (Scope 1)				
Natural gas (MWh), non-renewable	676	1,163	1,400	0
Fuel consumption from crude oil and petroleum products (MWh) non-renewable	6,325	4,910	0	144
Indirect energy consumption (Scope 2)				
Total steam consumption (MWh)	**110,618**	109,160	105,220	1,270
Steam (MWh), non-renewable	34,474	52,350	29,650	1,270
Steam (MWh), renewable	76,145	56,810	75,570	0
Total electricity consumption (MWh)	**50,674**	52,165	46,90	5,010
Electricity (MWh), non-renewable	13,490	40,948	43,020	0
Electricity (MWh), renewable	37,184	11,218	3,880	5,010
Total district heating and cooling consumption (MWh)	**8,524**	7,861	2,210	5,170
District heating and cooling (MWh), non-renewable	5,630	698	60	0
District heating and cooling (MWh), renewable	2,894	7,163	2,150	5,170
Total fossil energy consumption (MWh)	**60,595**	100,068	74,130	1,414
Total renewable energy consumption (MWh)	**116,223**	75,191	81,60	10,180
Total energy consumption (MWh)	**176,817**	175,259	155,730	11,594
Water and wastewater				
Water consumption (1,000 m³)	870.4	694.5	533.6	42.3
Wastewater volume (1,000 m³)*	246.6	238.5	257.7	35.3
Waste				
Hazardous waste (t)	7.9	7.0	52.0	0.0
Landfill waste (t)	11.1	11.6	28.2	0.0
Recycled waste				
Utilised for energy (t)	645.1	723.1	12,623.4	396.0
Other utilisation (t)	7,860.5	8,953.3	3,261.2	950.7
Total waste generated (t)**	**8,524.6**	9,695.0	15,964.8	1,346.7

Direct energy use refers to energy used in the company's own production operations or energy production, such as burning non-renewable fuels and using diesel and petrol for company cars and trucks. Calculation method has been extended and 2022 number includes fuel used in production sites and fuel used for company cars and Vectura trucks. Fuels for vehicles are not included in historic data of 2021 in this table

Indirect energy use refers to purchased energy that has been produced outside the reporting company but is used to produce energy for the company's immediate needs.

*Globus Wine data included in the wastewater volume from 2023 onwards.

**Total waste generated includes all waste types (hazardous waste, landfill waste, waste utilised for energy and waste for other utilisation). Non-hazardous waste consists of landfill waste, waste utilised for energy and waste for other utilisation.

EMISSIONS

	2023	2022	2021*
Greenhouse gases, direct and indirect, Scope 1-2			
CO_2 equivalent emissions, fossil (tCO_2e), Scope 1	1,689	1,475	1,441
CO_2 equivalent emissions, fossil (tCO_2e), Scope 2, market-based	19,745	25,670	24,296
CO_2 equivalent emissions, fossil (tCO_2e), Scope 2, location-based	10,217	-	-
CO_2 equivalent emissions, biogenic (tCO_2e), Scope 1	12,681	13,168	14,428
CO_2 equivalent emissions, biogenic (tCO_2e), Scope 2	29,109	30,675	33,430
Greenhouse gases, indirect, value chain, Scope 3			
CO_2 equivalent emissions, fossil (tCO_2e), Scope 3, non-FLAG	**225,588**		257,826
Category 1: Purchased goods and services (non-FLAG)	169,379	-	169,379
Category 2: Capital goods	2,790	-	2,524
Category 3: Fuel and energy related actions	6,980	-	6,838
Category 4: Upstream transportation and distribution	26,573	-	28,442
Category 5: Waste generated in operation	274	-	537
Category 6: Business travel	1,325	-	357
Category 7: Employee commuting	1,530	-	1,105
Category 9: Downstream transportation and distribution	15,858	-	16,348
Category 12: End-of-life treatment of sold products	835	-	688
CO_2 equivalent emissions, fossil (tCO_2e), Scope 3, FLAG emissions	**211,398**	-	258,591
Total Scope 3 emissions, fossil , (tCO_2e)	**436,943**		516,417
Significant emissions into the air			
VOC emissions (t)	6.52	6.75	6.84
Particle emissions into the air (t)	1.63	1.81	4.69
Greenhouse Gas intensity			
$kgCO_2e$ (Scope 1-2) per net sales (€)	0.03 $kgCO_2e$/€	-	-
$kgCO_2e$ (Scope 1-3) per net sales (€)	0.63 $kgCO_2e$/€	-	-

FLAG (Forest, Land and Agriculture) emissions from barley and wine reported as a separate category in Scope 3.
*Scope 3 emissions have been revised, and FLAG emissions has been calculated and Globus Wine data added on the baseline of 2021

ENVIRONMENTAL PERFORMANCE OF ANORA'S PRODUCTION PLANTS

	2023	2023	2023	2023	2022	2022	2022	2022	2021	2021	2021
Environmental targets	Koskenkorva	Rajamäki	Gjelleråsen	Globus Wine, Køge	Koskenkorva	Rajamäki	Gjelleråsen	Globus Wine, Køge	Koskenkorva	Rajamäki	Gjelleråsen
Energy Efficiency (actual MWh/m³ or tonne of product)*	1.00	0.34	0.33	0.06	0.91	0.32	0.28	0.03	0.81	0.31	0.27
Water Efficiency (actual m³ per m³ or tonne of product)	4.09	2.43	2.26	0.50	2.99	2.03	2.03	0.46	2.05	2.47	1.90
Wasterwater: COD efficiency (actual kg COD per m³ ot tonne of product)	3.47	3.34	13.00	-	4.45	2.48	-	-	4.24	2.14	13.90
Material Waste Efficiency (actual kg per m³ of product)**	-	26.13	15.4	8.10	-	24.83	19.00	9.67	-	23.46	20.94

*Gjelleråsen: MWh/Produced goods, Globus Wine, Køge: MWh/m³ wine
**The waste volume indicator is not monitored at the Koskenkorva plant, as it is not material to the unit.

People

ANORA'S TAX FOOTPRINT

Data for the financial year 2023	TOTAL	Finland	Sweden	Norway	Denmark	Other countries
Taxes paid for the financial year, EUR million						
Income taxes	5.0	2.3	2.3	0.3	0.1	0.0
Real estate taxes	0.5	0.3	0.1	0.1	0.0	0.0
Employer contributions	17.6	8.1	5.6	3.7	0.2	0.0
Taxes collected for the financial year, EUR million						
Value added taxes, sales	534.6	142.5	110.4	225.8	38.8	17.1
Value added taxes, purchases	190.4	56.8	44.2	86.8	4.0	6.7
Excise taxes	902.0	233.4	159.8	447.0	32.3	29.6
Payroll taxes	25.7	7.3	4.4	7.6	5.0	1.4
Any other taxes (incl. Withholding taxes)	11.3	0.1	1.1	0.0	9.6	0.4
Net sales by country, EUR million (local)	843.4	286.0	185.7	193.5	125.7	52.5
Profit/loss before taxes by country, EUR million (local)	-40.1	-8.5	-17.5	-14.2	-2.5	2.6
Personnel by country *	1,219	416	171	360	171	101

The table contains the most significant taxes and tax-like fees, which the company is liable to pay or collect in accordance with the local legislation. Other countries' (Estonia, Latvia, Germany and France) figures are presented collectively, because individually they do not meet the materiality threshold of 10 percent of consolidated net sales.

*Situation on December 31, 2023

NUMBER OF FIXED-TERM / PERMANENT AND PART-TIME / FULL-TIME EMPLOYEES IN 2023 (END OF YEAR)

	Part-time	Full-time	Permanent	Fixed term
Male	7	764	748	23
Female	16	432	430	18
Other or not disclosed	0	0	0	0
Anora total	**23**	**1196**	**1178**	**41**

AGE AND GENDER DISTRIBUTION 2023 (END OF YEAR)

	<30 years	30-50 years	>50 years
Board of Directors*			
Female	0%	0%	33%
Male	0%	22%	44%
Other or not disclosed	0%	0%	0%
Executive Management Team			
Female	0%	0%	29%
Male	0%	14%	57%
Other or not disclosed	0%	0%	0%
Salaried personnel			
Female	2%	29%	18%
Male	2%	30%	19%
Other or not disclosed	0%	0%	0%
Workers			
Female	2%	10%	7%
Male	8%	42%	31%
Other or not disclosed	0%	0%	0%

Calculated as a percentage of total of the category (e.g., female BoD members, >50 years, percentage of total number of BoD members)
*Including seven board members elected by the shareholders and two members elected by the Anora employees. Percentages does not sum to exactly 100% due to rounding

Product

RECYCLED MATERIALS USED IN ANORA'S PACKAGING

Primary packaging	Anora 2023	Anora 2022	Altia 2021	Arcus 2021
Glass bottles				
Packaging materials (t)	25,135	15,029	9,746	4,902
% recycled material	50%	34%	30%	47%
Plastic bottles				
Packaging materials (t)	1,484	1,136	1,000	283
% recycled material	22%	21%	20%	1%
Bag-in-boxes				
Packaging materials (t)	2,395	822	321	551
% recycled material	18%	29%	45%	20%

The above figures are for Anora's own production and own brands and exclude labels and closures. Globus Wine numbers are included in 2023 onwards.

Reporting framework

Description of reporting

Anora publishes its sustainability data for 2023 as part of the 2023 Annual Report, in the section on sustainability.

Anora has been reporting its sustainability data since 2008. The report is published on the company's website once every calendar year in English and in Finnish. Anora also publishes a non-financial (NFI) statement as a part of the Report by the Board of Directors. NFI statement provides an overview of the company's approach to environmental, social, employee and human rights issues, as well as anti-corruption and bribery matters, in accordance with the EU Directive regarding the disclosure of non-financial and diversity information. The company reports on its taxonomy-eligibility in line with the Taxonomy Regulation (EU) 2020/852. The company is also reporting its climate-related risks and opportunities aligned with Taskforce on Climate-Related Financial Disclosures (TCFD) guidance.

Mandated reporting requirements detailed in the EU's Corporate Sustainability Reporting Directive (CSRD) entered into force in January 2024, and some of those reporting requirements have already been incorporated into 2023 Sustainability Report. Anora will publish its first CSRD aligned report in 2025, concerning the data from the financial year 2024.

Scope of sustainability reporting

The sustainability section of the 2023 Annual Report contains general and material information about the economic, social and environmental impact of Anora's operations between 1 January 2021 and 31 December 2023. Altia and Arcus were merged to form Anora on the 1 September 2021, and historic data from 2021 is partly reported separately for the two former companies and this has been clearly marked in the report. Anora acquired Globus Wine on 1 July 2022 and its full-year data is included in Anora 2022 and 2023 figures with some exceptions due to different calculation methods, that are marked clearly in the report. The divestment of Larsen was completed at the end of September 2023, and the sustainability data from Cognac plant is included in the Anora figures until September 2023.

Anora reports on its sustainability in accordance with the Global Reporting Initiative (GRI) Standards.

Environmental data

Regarding environmental sustainability, the reported targets and indicators focus on the impact of Anora's own operations. Anora's environmental impact from own operations is generated at Anora's plants in Koskenkorva, Rajamäki, Gjelleråsen, Køge (Globus Wine), Tabasalu, Brunna, Cognac and Atlungstad, and at the Anora offices, with the four first mentioned plants being the most significant. Logistics company Vectura is located in the Gjelleråsen premises, and its environmental data is included in Gjelleråsen figures.

Anora reports Scope 1, 2 and 3 greenhouse gas (GHG) emissions and calculates it in accordance with GHG Protocol. Scope 1 emissions are direct emissions generated by Anora's own production and from company vehicles. Scope 2 emissions are indirect emissions derived from energy bought from external sources and used in the company's operations. Scope 3 emissions are from Anora's value chain, and as a part of Scope 3 Anora also reports its FLAG (Forest, Land and Agriculture) emissions. Anora has calculated Scope 3 GHG emissions for the first time during 2022 for 2021 to form a baseline. During 2023, Anora updated this baseline calculation by adding Globus Wine data and calculating FLAG emissions for the 2021, as well as calculated the 2023 Scope 3 emissions with the same criteria.

Anora calculates the annual CO_2 emission reduction from own operations compared with the previous reporting year as well as with the base year, 2014. The base year has been chosen in accordance with the construction and start-up of the Koskenkorva bioenergy power plant.

Anora generates no other direct greenhouse gas emissions except for carbon dioxide (CO_2) emissions. CO_2 emissions from purchased energy have been calculated according to market-based approach, by multiplying the energy consumption by the emission factor corresponding with its production (kg CO_2/kWh). Anora widened its Scope 2 calculation in 2023 and reports also the location-based Scope 2 emissions besides market-based figures.

The following sources for emission factors have been used in the calculations:

- **Steam:** local steam suppliers
- **Electricity:** country-specific European Residual Mix
- **District heating:** local district heating suppliers
- **Natural gas, Liquid Petroleum Gas and fuels:** DEFRA (Department for Environment, Food & Rural Affairs)
- **Liquid Petroleum Gas used for steam:** Conversion from LPG from the Directory of Environment of Norway

In addition to GHG emissions, Anora reports volatile organic compound (VOC) emissions and particle emissions into the air. Anora's own operations generate no other emissions into the air.

Social data

Employee data sources are from Anora's unified HR system, local payroll and reporting systems and do not include assumptions. Accident rates are reported without commuting. The calculation methods applied, and any differences and restatements compared with the sustainability reporting of previous years, are described as part of specific charts and tables where relevant.

Assurance

This is the Anora's first sustainability report that has been externally verified by a third-party.

GRI index

Code	GRI Standards disclosure	Location	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	This is Anora, p. 2; Report by the Board of Directors, p. 26; Back cover, p. 210	
2-2	Entities included in the organization's sustainability reporting	Reporting framework, pp. 95-96; See comments	The scope of Anora's sustainability reporting corresponds to the scope of Anora's financial reporting. There are no variations in the reporting approach across the disclosures outlined in the standard or across material topics unless otherwise stated. Adjustments to information for minority interests is not applicable in Anora's context.
2-3	Reporting period, frequency and contact point	Reporting framework, pp. 95-96; Back cover, p. 210; See comments	Report published on 20 March, 2024.
2-4	Restatements of information	See comments	No restatements in 2023.
2-5	External assurance	Reporting framework, pp. 95-96; Assurance report, p. 103	
Activities and workers			
2-6	Activities, value chain and other business relationships	This is Anora, p. 2; Business overview, pp. 14–21; Anora's value chain, p. 65; Reporting Framework, p. 95	
2-7	Employees	People, pp. 77-82, Appendix, p. 93	Reported partly. Data on employment types by region is not reported, once some regions have only very few employees, and the specific people could be identified from the data.
2-8	Workers who are not employees	See comments	Approximate full-time equivalent (FTE) of workers who are not employees is 100. Workers who are not employees work mainly on Anora plants in production or logistics tasks.
Governance			
2-9	Governance structure and composition	Corporate Governance Statement 2023, pp. 106-108, 111–113, 120-122; See comments	Anora does not currently collect or disclose information on its Board Members' representation of underrepresented groups due to confidentiality reasons. Anora has two members elected by the Anora employees on its Board of Directors.
2-10	Nomination and selection of the highest governance body	Corporate Governance Statement 2023, pp. 106-107	
2-11	Chair of the highest governance body	See comments	The Chairman of the Board of Directors is not a senior executive in the organisation.
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability governance, p. 33	
2-13	Delegation of responsibility for managing impacts	Sustainability governance, p. 33	
2-14	Role of the highest governance body in sustainability reporting	Report by the Board of Directors, p. 41; See comments	Anora's Board of Directors reviews and approves the Annual Report and the information presented in it, including the sustainability information and the material topics.
2-15	Conflicts of interest	Corporate Governance Statement 2023, p. 109; See comments	Beyond disclosure of Board members' independence evaluation, no conflicts of interests have been detected.

Code	GRI Standards disclosure	Location	Comments
2-16	Communication of critical concerns	Report by the Board of Directors, p. 38-39	
2-17	Collective knowledge of the highest governance body	See comments	The CEO discussed Anora's sustainability roadmap and other ESG topics at the Annual General Meeting of Shareholders. ESG work and results is always included in quarterly calls with shareholders and analysts. Board of Directors approve Anora's sustainability roadmap, sustainability report and material topics. Audit Committee discussed more detailed ESG topics with the company's sustainability team.
2-18	Evaluation of the performance of the highest governance body	See comments	Audit Committee ordered an internal audit in 2023 by Deloitte to validate the management of sustainability work, including the role of Board of Directors and Audit Committee. Action plans, with deadlines and responsible persons or units, have been put in place to address all findings of the internal auditor.
2-19	Remuneration policies	Remuneration Report 2023, pp. 114-118; See comments	No sign-on bonuses or recruitment incentive payments were made during 2023 to executives or board members. No claw backs executed during 2023.
2-20	Process to determine remuneration	Remuneration Report 2023, pp. 106-107, 114-118	
2-21	Annual total compensation ratio	Remuneration Report 2023, pp. 115-116	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Business overview, p. 12	
2-23	Policy commitments	Report by the Board of Directors, pp. 33–40	
2-24	Embedding policy commitments	Report by the Board of Directors, pp. 33–40	
2-25	Processes to remediate negative impacts	See comments	Not applicable. Other than grievance through organizational reporting structures, customary human resources processes and the whistleblowing channel, Anora has no other grievance mechanisms. Anora takes tailored action to address and remediate negative impacts when they occur based on the materialized impacts and facts at hand.
2-26	Mechanisms for seeking advice and raising concerns	Report by the Board of Directors, p. 38; People, p. 76	
2-27	Compliance with laws and regulations	See comments	During the reporting period, no consequences were imposed on Anora for violations of laws and regulations.
2-28	Membership associations	Sustainability, pp. 63–64	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Sustainability, p. 64	
2-30	Collective bargaining agreements	See comments	Most employees at Anora (85%) are covered by collective bargaining agreements, except in Latvia and Estonia where collective bargaining agreements do not exist. Local laws and employment contracts determine the terms of working conditions in Latvia and Estonia.

Code	GRI Standards disclosure	Location	Comments
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	Report by the Board of Directors, pp. 33–34	
3-2	List of material topics	Report by the Board of Directors, p. 34	
3-3	Management of material topics	Report by the Board of Directors, pp. 35–40; Planet, pp. 67–74; People, pp. 76–84; Product, pp. 85–89	
200: Economic Standards			
201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	People, p. 84; Appendix, p. 93; See comments	Anora reports the direct economic value created and economic value distributed. The resulting economic value retained is -19.3 EUR million. Anora does not disclose further information on country level nor information on the payments to providers of capital.
205: Anti-corruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	Report by the Board of Directors, pp. 38–39; See comments	Every employee, including Anora's Board of Directors, is familiarised with the company's Code of Conduct, including the anti-bribery and corruption activities, and therefore, no detailed breakdowns per employee category or region are provided. Similarly, Anora has its own Supplier Code of Conduct (SCoC), including anti-bribery and corruption (ABC) guidelines, and requires its partners to sign the SCoC. More detailed data on anti-corruption trainings is currently not available, and the data collection is under development by Anora.
205-3	Confirmed incidents of corruption and actions taken	See comments	No confirmed incidents during 2023.
207: Tax (2019)			
207-1	Approach to tax	People, p. 84; Appendix, p. 93	
207-2	Tax governance, control, and risk management	Report by the board of People, p. 53-54; People, p. 84; See comments	Anora's tax-related risks and the approach for their identification, management and monitoring is integrated to the company-level risk management process. Anora has a whistleblowing channel maintained by an independent third party open to all employees and external stakeholders to raise concerns about business conduct and the organization's integrity in relation to tax.
300: Environmental standards			
301: Materials (2016)			
301-1	Materials used by weight or volume	Appendix, p. 90; See comments	Anora has identified this indicator as material and reports the total volume of materials used, but cannot currently report the division into non-renewable and renewable materials. The company is working on acquiring the rest of the missing data and expects to have it in the near future.
301-2	Recycled input materials used	Appendix, p. 90; See comments	Recycled input material data is calculated for Anora's own production and own brands' packaging (excluding labels and closures).
302: Energy (2016)			
302-1	Energy consumption within the organization	Appendix, p. 91	
302-4	Reduction of energy consumption	Planet, pp. 67–69; Appendix, p. 91-92; See comments	Anora's total energy consumption increased by around 0.9% in 2023 compared to 2022

Code	GRI Standards disclosure	Location	Comments
303: Water and effluents (2018)			
303-1	Interactions with water as a shared resource	Report by the Board of Directors, p. 34, 36; Planet, p. 71, 73; Appendix, pp. 91–92; See comments	Anora's production plants do not operate in water scarcity areas. Anora complies with the water intake amounts set by the authorities and regularly measures and follows up groundwater surface levels. Anora identifies its water-related impacts and risks, for example, as part of the ongoing environmental management according to the ISO 14001 at its production sites. Our water-related targets are set and monitored as part of our Sustainability Roadmap. For more information about water management at Anora, please visit: https://assets.ctfassets.net/197jjpt91b9r/22PYqOEccPH9SGu0ZwzIok/2f12403228055bf580c69591f7c63739/Water_management_at_Anora.pdf
303-2	Management of water discharge-related impacts	Planet, p. 72; See comments	All Anora's production sites with wastewater treatment operate within the set boundaries of local environmental permits set by local authorities and local legislation. The minimum standards for the quality of effluent discharge are determined by the local authorities that also consider the profile of the receiving waterbody when determining the appropriate permits. For more information about water management at Anora, please visit: https://assets.ctfassets.net/197jjpt91b9r/22PYqOEccPH9SGu0ZwzIok/2f12403228055bf580c69591f7c63739/Water_management_at_Anora.pdf
303-5	Water consumption	Planet p. 71; Appendix, pp. 91–92; See comments	Anora reports only the total water consumption which essentially equals water withdrawal. The main water sources are either ground or municipal water but the exact consumption data per source is currently not available. The company is working on acquiring more detailed data and expects to have it in the near future.
305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	Planet, pp. 67-70; Appendix, p. 91; Reporting framework, pp. 95	
305-2	Energy indirect (Scope 2) GHG emissions	Planet, pp. 67-70; Appendix, p. 91; Reporting framework, pp. 95	
305-3	Other indirect (Scope 3) GHG emissions	Planet, p. 67-70; Appendix, p. 91	
305-4	GHG emissions intensity	Appendix, p. 91	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix, p. 91; See comments	Anora reports its VOC emissions and particle emissions covering all Anora operations. Our operations generate no other air emissions.
306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	Planet, p. 66, 70, 74; Product, pp. 88–89; Appendix, pp. 90-91	
306-2	Management of significant waste-related impacts	Planet, p. 66-67, 74; Product, pp. 87–89; Appendix, pp. 90-91	
306-3	Waste generated	Appendix, pp. 90-91, See comments	Waste disposal disaggregated where applicable. Total weight of waste consists of the reported waste types.
306-5	Waste directed to disposal	Appendix, p. 90-91; See comments	Anora reports the total amounts of hazardous, incinerated and landfill waste. All hazardous waste is reported under hazardous waste and Anora aims to further report it by disposal type in the future. All the other waste types are non-hazardous, and the amount can be calculated as: total amount of waste - hazardous waste.

Code	GRI Standards disclosure	Location	Comments
308: Supplier environmental assessment (2016)			
308-2	Negative environmental impacts in the supply chain and actions taken	Planet, pp. 67-74; See comments	Anora has identified this indicator as material and reports its approach to promoting sustainability in the supply chain, but cannot currently report the exact number or share of assessed suppliers. Anora is unifying the processes for environmental assesments and collaboration with suppliers.
400: Social Standards			
403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	Report by the Board of Directors, pp. 37–38; People, pp. 78-79; See comments	ISO 45001:2018 Occupational Health and Safety Management System certification covers Anora's operations in Finland. The management system covers all on-site employees and workers. In other countries of operation, Anora operates according to its HSEQ policy.
403-2	Hazard identification, risk assessment, and incident investigation	Report by the Board of Directors, pp. 54–55; People, p. 79; See comments	Anora has a process, procedures and frequent training for employees and workers to identify work-related hazards and assess risks in order to minimise them. Anora encourages its workers to remove themselves from work situations that they believe could cause injury or ill health and to report any near-misses or other observations through Anora's safety observation system. Employees can report their observations in good faith without fear of retaliation.
403-3	Occupational health services	People, pp. 78-79; See comments	All Anora employees are covered by health services, according to local legislation. The quality of the service is reviewed by HR and employees can easily reach the health services through the service providers vast geographical scope.
403-4	Worker participation, consultation, and communication on occupational health and safety	People, pp. 78-79; See comments	Workers frequently participate in consultation and communication concerning occupational health and safety through health and safety committees, surveys, observation and near-miss reporting systems, as well as frequent occupational health and safety meetings.The health and safety committee meets by the legal requirements on plant-level on each country. In Finland, all units have bi-annual meetings and quartely meetings on plant level. The responsibilities and activities of health and safety committees are determined according to the local legislation and practices, covering issues that can have an impact on employees' safety, health or work ability. The plant manager participates in the committee meetings to ensure decisions are implemented. The occupational safety and health organisations and representatives investigate working environment conditions and make assessment of possible risks as well as preventive and corrective actions.
403-5	Worker training on occupational health and safety	People, pp. 79-80; See comments	Anora injury reporting covers all employees, workers and those working on Anora premises who are not Anora employees.
403-6	Promotion of worker health	People, pp. 78-80; See comments	Depending on country, extra health care coverage can include e.g. special medical practitioner services or other medical or rehabilitative services.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Report by the Board of Directors, pp. 37– 38; People, pp. 83–84	

Code	GRI Standards disclosure	Location	Comments
403-9	Work-related injuries	People, pp. 80–81; See comments	Safety data from Globus Wine, acquired in 2022, has been reported internally from the fourth quarter of 2023, but not yet included in Anora Group's total 2023 figures. Germany and Vingruppen Sweden are not included in the safety figures, as this data is as of yet not tracked for these parts of Anora. Anora aims to have this data collected and included in its safety data in the future. The safety related data for the recently divested company Larsen, was available until September 2023. Sickness absences and accident absence rates include only own workforce. Anora follows partner-based accidents in internal metrics. LTIF and TRIF data is based on 1,958,630 working hours. There were no high-consequency work-related injuries in 2023.
404: Training and education (2016)			
404-1	Average hours of training per year per employee	People, p. 81; See comments	Data not yet disaggregated by gender or employer category. Globus Wine employees are not included in calculation, since no data on training hours is available.
404-2	Programs for upgrading employee skills and transition assistance programs	People, p. 81; See comments	To upgrade employee skills, Anora's e-training was piloted with approx. 30 employees, after which it was expanded to the whole of Anora.
404-3	Percentage of employees receiving regular performance and career development reviews	See comments	No data is currently available on the percentage of employees who received general performance and career development reviews, and Anora is working to improve its reporting in the near future.
405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	Business overview, p. 24; People, p. 80–81; Appendix, p. 93; Governance, p. 107	
414: Supplier social assessment (2016)			
414-2	Negative social impacts in the supply chain and actions taken	Report by the Board of Directors, pp. 37–38; People, pp. 84–85; See comments	Anora has identified this indicator as material and reports its approach to promoting sustainability in the supply chain, but cannot currently report the exact number or share of assessed suppliers. Two amfori BSCI audits were conducted in 2023. Anora is unifying the processes for assesments and collaboration with suppliers.
416: Customer health and safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	See comments	No incidents in 2023.
417: Marketing and labelling (2016)			
417-3	Incidents of non-compliance concerning marketing communications	See comments	No incidents in 2023.

Anora's own sustainability indicators			
	Share of net sales from no- and low-alcohol products	Report by the Board of Directors, p. 40	
	Regenerative share	See comments	The share was 0.33% in 2023. The "Regenerative Share" is measured in kilograms of regeneratively farmed barley used per year and the share is calculated by dividing regenerative ethanol by normal ethanol used in the production of Anora's own products at Rajamäki plant.
	GHG emissions, Scope 1-3 (tCO_2e), market-based	Appendix, p. 91; See comments	In 2023, Anora's total fossil Scope 1-3 emissions were 457,542 tCO_2e. Calculation includes total Scope 1-2 marked-based - and Scope 3 (Cat 1-7 & 9) emissions.
	Lost-time injury frequency-rate (LTIF)	People, p. 80	

Independent practitioner’s limited assurance report

To the Management of Anora Group Plc

We have been engaged by the Management of Anora Group Oyj (hereinafter also the “Company”) to perform a limited assurance engagement on selected sustainability information for the reporting period from 1 January 2023 to 31 December 2023, disclosed in the Annual Report of Anora Group (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of assurance covers:

- indicators as set out in GRI Standards of the Global Reporting Initiative – standards and Company’s internal reporting instructions identified in Anora’s Annual Report 2023 presented GRI Content Index list of indicators.

Management’s responsibility

The Management of Anora Group is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Anora Group’s reporting instructions described in Anora Group’s Annual Report and the GRI Standards of the Global Reporting Initiative.

The Management of Anora Group Oyj is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner’s independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 “Assurance Engagements on Greenhouse Gas Statements”. These standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's site in Koskenkorva, Finland.
- Interviewing employees responsible for collecting and reporting the Selected information at the Group level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Anora Group''s Selected Sustainability information for the reporting period ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Anora Group for our work, for this report, or for the conclusion that we have reached.

Helsinki 19 March 2024

PricewaterhouseCoopers Oy

Tiina Puukkoniemi
Partner, Authorised Public Accountant (KHT)
Sustainability Reporting & Assurance

Governance

Corporate Governance Statement 2023

This Corporate Governance Statement of Anora Group Plc* is issued for the financial year 2023.

Anora Group Plc (“Anora” or the “company”) is listed on Nasdaq Helsinki. Anora Group’s head office is in Helsinki, Finland.

The duties and responsibilities of Anora’s governing bodies are determined by Finnish law as well as Anora’s Articles of Association approved by the General Meeting of Shareholders and Anora Group’s Governance Principles approved by Anora’s Board of Directors.

This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code 2020 published by the Securities Market Association (the “Governance Code”). This Statement is not part of the Board of Directors’ Report. Anora complies with all Recommendations of the Governance Code.

The information required by the Finnish Corporate Governance Code is also available on the company’s website www.anora.com. An unofficial English translation of the Finnish Corporate Governance Code 2020 is available at www.cgfinland.fi/en.

*The merger of Altia Plc and Arcus ASA was completed on 1 September 2021. In the statutory cross-border absorption merger Arcus ASA was merged into Altia Plc and was dissolved, and Altia Plc changed its name to Anora Group Plc.

Governing Bodies

The management of the company is the responsibility of the General Meeting of Shareholders, the Board of Directors, and the CEO. The management and administration of the company are also based on the decisions of the General Meeting of Shareholders and the company.

General Meeting of Shareholders

The General Meeting of Shareholders is the ultimate decision-making authority of the company. At the General Meeting of Shareholders, shareholders exercise their powers in accordance with the Companies Act and the Articles of Association. The General Meeting of Shareholders decides on matters that under the Companies Act and the Articles of Association are within its purview. A General Meeting of Shareholders is convened by the Board of Directors annually within six months from the end of the previous financial year. An Extraordinary Meeting of Shareholders may be convened in the manner provided for in the Companies Act. Matters on which the Annual General Meeting decides include the adoption of the financial statements, distribution of profits, discharge from liability, and election of the Chairperson, Vice Chairperson and other members of the Board of Directors and the auditor, as well as their remuneration. The General Meeting of Shareholders adopts the company’s remuneration policy and remuneration report in accordance with the provisions of the Companies Act. Decisions to amend the Articles of Association are also taken by a General Meeting of Shareholders.

Shareholders’ Nomination Board

The Shareholders’ Nomination Board prepares annually proposals concerning the composition, election, and remuneration of the members of the Board of Directors. Pursuant to the charter of the Nomination Board approved by the General Meeting of Shareholders, the Nomination Board consists of three physical persons nominated by the three largest shareholders. The Chairperson and Vice Chairperson of the Board of Directors act as experts in the Nomination Board, but they are not members of the Nomination Board and do not have voting rights. The term of the members of the Nomination Board ends on the appointment of the following Nomination Board. The members of the Nomination Board are not entitled to remuneration from the company based on their membership unless otherwise decided by the General Meeting of Shareholders.

The main duty of the Nomination Board is to ensure that the Board and its members represent a sufficient level of expertise, knowledge, and competence for the needs of the company and have the possibility to devote enough time to attend their duties as members of the Board. The Nomination Board shall pay attention to achieving a good and balanced gender distribution and diversity balance on the Board considering the competence of the Board as a whole. The Nomination Board considers the independence of new Board member candidates in its proposal to the General Meeting of Shareholders.

The Nomination Board has the power and authority to prepare and to present a proposal to the General Meeting of Shareholders concerning the number of members and composition of the Board of Directors, the remuneration of the members of the Board of Directors and the Board committees as well as seek prospective successor candidates for the members of the Board of Directors.

The Nomination Board shall submit its proposals to the General Meeting of Shareholders at the latest on 31 January each year. The Proposals of the Nomination Board will be disclosed by a release by the company and included in the notice to the General Meeting of Shareholders.

The Board of Directors

The Board of Directors is responsible for the administration of the company and the appropriate organisation of its operations. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances. The Board of Directors also ensures that good corporate governance is complied with throughout Anora Group. The Board of Directors has approved the Corporate Governance Principles of Anora Group.

According to the Articles of Association, the Board of Directors shall comprise a minimum of three and a maximum of eight members elected by the General Meeting of Shareholders. The General Meeting of Shareholders elects the Chairperson, the Vice Chairperson and the other members of the Board of Directors for a term expiring at the end of the next Annual General Meeting following their election. The biographical details of the members of the Board of Directors are presented on the company's website at www.anora.com.

In addition to the Board members elected by the General Meeting of Shareholders, 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 Board of Directors have adopted the charter of the Board of Directors, which sets forth the procedures and working principles of the Board of Directors, as well as the most important tasks and issues considered and approved by the Board of Directors. Accordingly, the Board of Directors approves the company's strategy, financial targets, budgets, major investments, and risk management principles as well the Anora Group's sustainability strategy (roadmap) and significant sustainability investments. The Board of Directors monitors and evaluates transactions between the company and its related parties, and how agreements and other legal acts between the company and its related parties meet the requirements of ordinary course of business and customary terms. The Board of Directors appoints and dismisses the company's CEO. The Board of Directors considers and decides on all significant matters concerning the operations of Anora Group and its business areas. The Board of Directors has also approved the charters of the Audit Committee and Human Resources Committee.

The Board of Directors convenes in accordance with a schedule agreed on in advance and also as required. The Board of Directors also receives in its meetings current information on the operations, finances, and risks of the Group. Board meetings are attended by the CEO, the CFO, and the General Counsel (who acts as secretary to the Board). Members of the Executive Management Team and other representatives of the company attend Board meetings at the invitation of the Board of Directors. Minutes are kept of all meetings. The Board of Directors assesses its activities and working practices regularly.

Diversity of the Board of Directors

In Anora, the election and composition of the Board of Directors is also guided by the principle of diversity to ensure that the company has a skilled, competent, experienced, and effective Board of Directors. Diversity is an essential quality of a well-functioning Board of Directors. The Board must at all times be able to react to the requirements of the company's business and strategic objectives, and support and challenge management in a proactive and constructive manner. A diverse composition of the Board of Directors supports and caters to the current and future needs in the successful development and growth of the company. A diverse composition of the Board of Directors includes complementary education, competence, and experience of its members in different professional fields and management of business in different development phases as well as the personal qualities of each Board member, all of which add to the diversity of the Board of Directors. Diversity is also supported by relevant experience in fields and markets that are strategically significant for the company, now and in the future, by strong and relevant acumen in international environments and businesses, and by a diverse age, term of office and gender distribution. The Board of Directors decides on the diversity principles.

Board Committees

The Board of Directors of Anora has two permanent Committees, the Audit Committee and the Human Resources Committee. The Committees do not have independent decision-making powers in relation to matters falling within the competence of the Board of Directors. The Committees are preparatory bodies that assist the Board of Directors by preparing and submitting proposals to the Board of Directors on matters within their purview. Minutes are kept of Committee meetings. The Board of Directors has approved the charters of the Committees. In its constitutive meeting, the Board of Directors appoints annually, from among its members, the members and the chairperson of the Audit Committee and the Human Resources Committee.

In addition to the Audit Committee and Human Resources Committee, the Board of Directors may appoint ad hoc committees for preparing specific matters. Such committees do not have Board-approved charters and the Board of Directors does not release information on their term, composition, number of meetings or the members' attendance rates, unless separately decided by the Board.

Audit Committee

The task of the Audit Committee is to assist the Board of Directors by reviewing and preparing topics relating to the control of the company's operations and financial reporting and submitting resolution proposals to the Board of Directors on such topics. The Audit Committee's duties include monitoring the financial affairs and financial reporting of the company, monitoring the process for the reporting of the financial statements, reviewing the interim reports and financial statements and presenting them to the Board of Directors for approval, monitoring the audit proper of the financial statements and consolidated financial statements, monitoring the effectiveness of internal controls, internal audit and risk management systems as well as assisting the Board in overseeing the appropriate governance of sustainability and EGS within the Group and sustainability management and ESG-related risks. The Audit Committee also assists the Board in fulfilling its oversight responsibilities with regard to monitoring and assessing how agreements and other legal acts between the company and its related party meet the requirements of ordinary course of business and customary terms. In addition, the duties of the Audit Committee include preparatory work on the decision on electing the auditor, the evaluation of the independence of the auditor, particularly the provision of non-audit services to the company and carrying out other tasks assigned to it by the Board of Directors. The Audit Committee reviews cases of fraud and severe misconduct reported by management, the auditor and internal auditor as well as other stakeholders. The Audit Committee consist of at least three members.

Human Resources Committee

The Human Resources Committee assists the Board of Directors by preparing the company's remuneration policy and remuneration report, reviewing and preparing management and personnel remuneration and issues related to management appointments and by making proposals on such matters to the Board of Directors. The Committee's responsibilities include reviewing, evaluating and making proposals on the remuneration structure and incentive schemes of management and the personnel of Anora Group; monitoring the effectiveness of these schemes to ensure that they promote achievement of the company's short term and long term goals and are based on personal performance; reviewing and preparing other matters related to the remuneration of management and personnel, and submitting proposals on these to the Board of Directors; and considering and preparing appointments of top management to be decided by the Board of Directors. In addition, based on the proposal of the CEO, the Human Resources Committee proposes to the Board of Directors the appointment of members of the Executive Management Team and their remuneration, and the Committee evaluates the performance of the CEO and the members of the Executive Management Team and proposes to the Board of Directors their annual remuneration and other incentives. The Human Resources Committee has at least three members.

Chief Executive Officer

The Board of Directors of Anora appoints and dismisses the Chief Executive Officer (CEO) and decides on the terms of the CEO's employment. The terms and conditions of the CEO's employment are specified in a written service contract. The CEO of the company is responsible for managing, supervising, and controlling the business operations of the company. The CEO is responsible for the day-to-day executive management of the company in accordance with the instructions and orders given by the Board of Directors. In addition, the CEO also ensures that the accounts of the company comply with Finnish law and that its financial affairs have been arranged in a reliable manner. The CEO shall provide the Board of Directors and its members with the information necessary for the performance of the duties of the Board of Directors. The CEO prepares issues for decision by the Board of Directors, develops the company in line with the targets agreed upon with the Board of Directors and ensures proper implementation of the decisions of the Board of Directors. The CEO is also responsible for ensuring that the company is managed in compliance with applicable laws and regulations. The CEO is not a member of the Board of Directors but attends the meetings of the Board of Directors and has the right to speak at the meeting unless the Board of Directors decides otherwise with regard to a particular subject matter.

Executive Management Team

The Executive Management Team is chaired by the CEO of Anora Group Plc and comprises other senior management appointed by the Board of Directors. The Executive Management Team meets regularly to address matters concerning the entire Group. The Executive Management Team is not a decision-making body of the company. It assists the CEO in the implementation of Group strategy and in operational management. The Executive Management Team is responsible for managing the company's core business operations as a whole, which requires planning of various development processes, Group principles and Group practices, as well as monitoring the development of financial matters and Group business plans.

Sustainability Governance

The Board of Directors approves Anora's sustainability strategy and significant sustainability investments and oversees the appropriate governance of sustainability and ESG and ESG-related risks. The Audit Committee assists the Board in overseeing the appropriate governance of sustainability and EGS within the Group, and sustainability management and ESG-related risks. The Executive Management Team is responsible for the implementation of the sustainability strategy, approving sustainability actions and targets within the sustainability strategy and preparing sustainability investment proposals to the Board of Directors. The Sustainability Director of the Group coordinates the implementation of the sustainability strategy and leads the reporting and communication of ESG topics.

Control

Internal Audit

The Board of Directors has appointed Deloitte Oy as the company's internal auditor as of 2022.

The internal auditor reports to the chairperson of the Audit Committee. Internal audit monitors and evaluates the operation of processes as well as the appropriateness and effectiveness of the internal controls and the financial reporting of the company in an independent manner. The audit areas and audit plan of the internal audit are decided annually by the Audit Committee. Internal audit is implemented in accordance with a charter of the internal audit approved by the Board of Directors.

Internal auditing is an independent and objective assurance activity designed to support the organisation in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, as well as to assist members of the management, the Audit Committee and ultimately the Board in the effective discharge of their responsibilities.

External Audit

According to the Articles of Association, Anora Group Plc has one auditor. The auditor must be a firm of authorised public accountants. The auditor is elected annually by the Annual General Meeting for a term that expires at the end of the next Annual General Meeting following the election. The task of the auditor is to audit the consolidated financial statements, the financial statements of the parent company, the accounting of the Group and the parent company and the administration of the parent company. The company's auditor submits the auditors' report to the shareholders in connection with the annual financial statements, as required by law, and submits regular reports on its findings to the Audit Committee of the Board of Directors. PricewaterhouseCoopers Oy, a firm of authorised public accountants, is Anora Group Plc's auditor, with Markku Katajisto, authorised public accountant, as the principal auditor.

Related Party Transactions

The Board has defined the principles for monitoring and evaluating related party transactions. The company evaluates and monitors transactions concluded between the company and its related parties and ensures that any conflicts of interest are taken into account appropriately in the decision-making process of the company. The company keeps a list of related parties, including entities with a significant influence in or control of the company.

Approval of related party transactions in the ordinary course of business and on customary commercial terms is subject to the company's normal approval policies and processes. Approval of a related party transaction that is not in the ordinary course of business or not on customary terms is subject to Board approval.

The company's finance and legal functions monitor related party transactions as a part of the company's normal reporting and control procedures and reports related party transactions to the Audit Committee. The Audit Committee regularly evaluates the reported related party transactions and the appropriateness of the company's process and policies on related party transactions. Information on transactions concluded between the company and its related parties is disclosed, as required, annually in the notes to the company's consolidated financial statements. Material related party transactions are disclosed in accordance with the requirements of the Securities Markets Act.

Conflicts of Interest

In addition to the Policy on Conflict of Interest approved by the Board of Directors and the company's principles for monitoring and evaluating related party transactions, the company's process and efforts to identify and prevent conflicts of interest are supported by the Board members' continuous evaluation of potential conflicts of interest situations pursuant to the Companies Act as well as the disclosure of the results of evaluation by the Board of Directors of its members' independence in accordance with the requirements and recommendation of the Corporate Governance Code and disclosure of material related party transactions in accordance with the requirements of the Securities Markets Act.

Internal control procedures and main features of risk management systems

Internal Control

Internal control ensures that the company's business objectives can be achieved. Through efficient control, deviations from objectives can be prevented or detected as early as possible, so that corrective measures can be taken. The purpose of internal control is to ensure the profitability, efficiency, continuity, and freedom from disruptions of operations and that the Group's financial and operating reporting both externally and internally is reliable and compliant, and that internal principles, policies and guidelines are followed.

Further, internal control ensures compliance with laws and agreements. Internal control measures cover all Group levels and functions. Information systems are of vital importance for effective internal control. The planning of the control measures begins with the definition of business objectives and the identification and assessment of the risks that threaten the objectives. Control measures are targeted based on risks, and control measures are selected as appropriate to keep the risks under control.

The Board of Directors and the CEO are responsible for organising internal control. The financial performance of the Group is monitored monthly in the Executive Management Team and in the management teams of the business areas. Each business area must ensure effective control of its own operations. The business areas and the Group Finance organisation are responsible for the financial reporting processes. The Audit Committee assesses the financial reporting processes and internal controls. In addition, the financial situation of the Group is also monitored in the meetings of the Audit Committee and the Board of Directors.

Risk Management

The objective of risk management in Anora Group is to support the implementation of the 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. The Board has approved the Group Risk Management Policy, which describes the objectives, principles, and responsibilities of risk management in the Group and also the principles of reporting. Accordingly, the company's risk management function supports and co-ordinates risk management as part of the Group's planning and steering processes. It also regularly reports the key risks to the management and the Audit Committee. The Board regularly discusses the Group's most significant risks and uncertainties and reports them to the market annually in the Board of Directors' Report. The business areas are responsible for risks related to their operations and their identification, prevention and key mitigation means. The finance function supports the business areas in identifying business-related financial risks and their management. The company's Internal Audit evaluates the efficiency of the company's risk management system.

After the merger, the company is integrating and further developing risk management policies, practices, and processes. The Board of Directors have in 2023 approved a new Risk Management Policy for Anora.

Insider Administration

In its insider administration, the company follows the Guidelines for Insiders issued by Nasdaq Helsinki complemented by the company's own Insider Policy adopted by the Board of Directors. The company maintains its own insider registers. The company does not have permanent insiders. Persons in managerial positions are prohibited to conduct transactions (on their own account or for the account of a third party), directly or indirectly, in the financial instruments of the company during a closed period of 30 calendar days before the announcement of each of the quarterly financial reports or the year-end report (financial statements release). The company applies the closed period after the end of each calendar quarter until the day after the announcement of the interim report or financial statements release, as the case may be (the" Closed Window"). The Closed Window shall, however, always include at least 30 calendar days immediately preceding the announcement of the interim report or financial statements release, as the case may be, and the day of publication of such report. The prohibition is in force regardless of whether such a person holds any inside information at that time. A project-specific insider register is also maintained when required by law or regulations. Project-specific insiders are prohibited from trading in the company's securities until the termination of the project. Persons in managerial positions (and their closely associated persons) are obligated to report transactions in the company's financial instruments in line with applicable EU and domestic laws and regulations. The members of the Board, the CEO and the CFO are designated as persons with an obligation to disclose their transactions.

Corporate Governance in 2023

Annual General Meeting

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

The AGM adopted the financial statements for the financial year 2022. The members of the Board of Directors and the CEO were discharged from liability for the financial year 2022. The Annual General meeting elected the members of the Board of Directors and decided on their remuneration. The AGM also elected the auditor of the company and adopted the remuneration report for the governing bodies of the company.

The AGM approved the proposal by the Board of Directors to pay a dividend of EUR 0.22 per share in total for the financial year 2022 in two instalments. The first instalment of the dividend was paid on 28 April 2023 and the second instalment on 18 October 2023. The AGM authorised the Board of Directors to resolve on the repurchase of the company's own shares as well as on the issuance of shares for the purposes of financing or carrying out corporate acquisitions or other arrangements as well as for remuneration purposes.

The decisions taken by the Annual General Meeting 2023 are available at anora.com

The Board of Directors

The AGM elected the following seven members to the Board of Directors:

- Mr Michael Holm Johansen, Chairperson, b. 1959, MS in Management, B.Sc. (Business Administration)
- Mr Jyrki Mäki-Kala, Vice Chairperson, b. 1961, M.Sc. (Econ.), CFO
- Ms Kirsten Ægidius, b. 1963, M.Sc. (International Economics, Strategy)
- Mr Christer Kjos, b. 1984, B.S. (Finance)
- Ms Annareetta Lumme-Timonen, b.1967, M.Sc. (Eng.), D.Sc (Tech.)
- Ms Florence Rollet, b. 1966, Emlyon Business School (Business & Commerce)
- Mr Torsten Steenholt, b. 1969, M.Sc. (Pharmacy), M.Sc. (Chemical Research), Master Brewer, EVP

In addition to the above-mentioned 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:

- Mr Arne Larsen, b. 1969, Skilled Cooper (deputy Mr Bjørn Oulie); and
- Mr Jussi Mikkola, b. 1983, Team Leader, (deputy Ms Laura Koivisto)

In accordance with the agreement on employee participation, the term of the employee-elected Board members lasts until the end of the Annual General Meeting 2024.

The Board of Directors have assessed that all members of the Board of Directors are independent of the company with the exceptions of Arne Larsen and Jussi Mikkola. Arne Larsen and Jussi Mikkola are employed by Anora Group. Furthermore, all members of the Board of Directors, except for Christer Kjos and Annareetta Lumme-Timonen, are independent of the company's significant shareholders. Christer Kjos is the CEO of Canica Holding AG and Annareetta Lumme-Timonen is an Investment Director at Solidium Oy.

The Board of Directors of Anora convened twelve times in 2023, with an average attendance rate of 100%.

Audit Committee

The members of the Audit Committee of the Board of Directors are

- Mr Jyrki Mäki-Kala, Chairperson,
- Ms Christer Kjos,
- Ms Annareetta Lumme-Timonen, and
- Mr Torsten Steenholt.

In 2023, the Audit Committee convened eleven times, with an average attendance rate of 95%.

Human Resources Committee

The members of the Human Resources Committee of the Board of Directors are

- Mr Michael Holm Johansen, Chairperson,
- Ms Kirsten Ægidius, and
- Ms Florence Rollet.

In 2023, the Human Resources Committee convened eight times and the average attendance rate of the Committee's members was 100%.

The work of the Board of Directors' temporary Strategy and Integration committee ended as of the beginning of 2023.

Diversity of the Board of Directors

After the AGM of 2023, the Board of Directors of Anora consisted of nine members, seven of whom were elected by the shareholders and two by the employees of Anora. The shareholder-elected members of the Board of Directors have international work experience in executive and board positions in listed and unlisted companies, especially in the beverage industry. The experience and competence of the two members elected by the employees of Anora in 2021 complement the diversity of the Board of Directors, in particular through their work experience and knowledge of Anora's industrial operations. In 2023, three out of the seven members elected by the shareholders are women. Both members elected by the employees were men. In terms of age, the members of the Board of Directors are between 39 and 67 years of age. The members of the Board of Directors have served on the Board of Directors since 2017, 2020, 2021, 2022 and 2023.

Chief Executive Officer

Mr Pekka Tennilä (b. 1969), M. Sc. (Business Management), served as the CEO of Anora Group Plc until 25 October 2023. The Board of Directors appointed Mr Jacek Pastuszka, b. 1963 M.Sc. (Economy), CEO of Anora Group Plc as of 25 October 2023.

Executive Management Team

The members of the Executive Management Team of Anora were at year-end:

- Mr Jacek Pastuszka, CEO, b. 1963, M.Sc. (Economy)
- Mr Janne Halttunen, SVP, Wine, b. 1970, M. Sc. (Business Administration)
- Ms Kirsi Lehtola, CHRO, b. 1963, Master of Laws
- Mr Mikkel Pilemand, Chief Growth Officer, b. 1971, M. Sc. (International Business)
- Ms Kirsi Puntila, SVP Spirits, b. 1970, M.Sc. (Economics)
- Mr Sigmund Toth, CFO, b. 1976, Master, Business Administration (Diplôme ESSEC)
- Mr Hannu Tuominen, SVP Industrial, b. 1958, M.Sc. (Eng.)

Ms Johana Sundén, CHRO (b. 1973, M.Sc., Communications), and Mr Risto Gaggl, SVP Industrial (b. 1968, Master's degree in production), were appointed to their positions and members of the Executive Management Team as of 1 January 2024.

Remuneration

The Annual General Meeting 2020 adopted the Remuneration Policy for the governing bodies of Anora Group. The remuneration policy sets the principles for the remuneration of the Board of Directors and the CEO of Anora. The Remuneration Report on the materialised remuneration of the Board of Directors and the CEO for 2022 was adopted by the Annual General Meeting 2023.

NUMBER OF BOARD AND COMMITTEE MEETINGS IN 2023 AND ATTENDANCE RATES

		Board	Audit Committee	Human Resources Committee
Michael Holm Johansen		12/12		8/8
Jyrki Mäki-Kala		12/12	11/11	
Kirsten Ægidius		12/12		8/8
Ingeborg Flønes	(until 19 April 2023)	4/4		2/2
Christer Kjos		12/12	10/11	
Annareetta Lumme-Timonen		12/12	11/11	
Florence Rollet	(as of 19 April 2023)	8/8		6/6
Torsten Steenholt		12/12	6/6	2/2
Sanna Suvanto-Harsaae	(until 19 April 2023)	4/4	4/5	
Arne Larsen		12/12		
Jussi Mikkola		12/12		

Shares and share-based rights

At the end of 2023, the number of issued shares of Anora Group Plc was 67,553,624.

The shareholdings of the members of the Board of Directors, the CEO, and the members of the Executive Management Team, and the corporations over which they exercise control, at the end of 2023, are presented in the following tables.

BOARD OF DIRECTORS' SHAREHOLDINGS PER 31 DECEMBER 2023

		# of shares on 31 Dec 2023
Michael Holm Johansen	Chairperson	80,000
Jyrki Mäki-Kala	Vice Chairperson	13,600
Kirsten Ægidius	Member	6,100
Christer Kjos	Member	0
Annereetta Lumme-Timonen	Member	4,600
Torsten Steenholt	Member	20,000
Florence Rollet	Member	4,620
Arne Larsen	Member	0
Jussi Mikkola	Member	100
Total		**129,020**
% of total shares		**0.19%**
Anora total # of shares		67,553,624

MANAGEMENTS' SHAREHOLDINGS PER 31 DECEMBER 2023

		# of shares on 31 Dec 2023
Jacek Pastuszka	CEO	0
Sigmund Toth	CFO	14,057
Janne Halttunen	SVP, Wines	9,300
Kirsi Lehtola	CHRO	5,100
Mikkel Pilemand	CGO	0
Kirsi Puntila	SVP, Spirits	6,666
Hannu Tuominen	SVP, Industrial	9,600
Total		**44,723**
% of total shares		**0.07%**
Anora total # of shares		67,553,624

None of the members of the Board of Directors, the CEO, or the members of the Executive Management Team nor corporations over which any of them exercise control have any share-based rights in Anora or its group companies.

Shareholders' Nomination Board

On 23 October 2023, the company announced that its three largest shareholders have nominated the following representatives to the Shareholders' Nomination Board:

- Stein Erik Hagen, Canica AS
- Petter Söderström, Solidium Oy
- Anne Lise E. Gryte, Geveran Trading Co. Limited

The Nomination Board elected Mr Stein Erik Hagen as its Chairperson. The Chairperson and Vice Chairperson of Anora's Board of Directors, Michael Holm Johansen and Jyrki Mäki-Kala, respectively, act as experts in the Nomination Board.

The company has on 7 December 2023 published the Nominations Board's proposal to the Annual General Meeting 2024.

External Audit

As elected by the AGM, PricewaterhouseCoopers Oy, a firm of authorised public accountants, is Anora Group Plc's auditor, with Markku Katajisto, authorised public accountant, as the principal auditor. The fees for the audit proper paid to PwC in 2023 totalled EUR 1.1 million. In addition, EUR 0.2 million was paid for non-audit services provided to Anora Group companies.

Remuneration Report 2023

Dear Shareholder

As Chairperson of the Human Resources Committee, I am pleased to present Anora's remuneration report for the year 2023. This report outlines the remuneration of Anora's governing bodies in 2023 and provides insights into Anora's overall key remuneration principles and future focus areas.

Throughout 2023, we continued our work on promoting our position as the leading Nordic wine and spirits group – delivering growth through sustainability.

We experienced a difficult year in 2023 with a decline in our profitability as the markets we operate normalised following the Covid-19 pandemic and inflationary pressures were significant. Some of the key challenges in our sales and profitability stemmed from the wine partner business declining in net sales and thereby losing market share as well as unfavourable currency rates in Sweden and Norway. As a result of the challenges faced, the annual bonus payouts were forfeited throughout the organisation and there was no long-term incentive pay-out under the LTI plan which ended in 2023.

Anora's organisation, however, demonstrated its agility and ability to react to challenges in the rapidly changing business environment. During the second half of 2023, we already started seeing positive results from the resolute corrective steps taken such as the execution of the centres of excellence initiative and the price increases and the cost cuts that were implemented.

To improve the balance sheet, working capital including inventory management was significantly improved. The sale of the Larsen cognac business was also successfully completed in 2023 further improving Anora's balance sheet.

All in all, despite the challenges faced, the team has done a tremendous job in building the foundations for Anora's future growth and development.

2023 saw a number of executive management changes strengthening Anora's leadership. With the new CEO, Jacek Pastuszka, together with the new energetic core team, we are ready for a turnaround in 2024.

Remuneration is one of the priority areas on the agenda of Anora's Human Resources Committee. It is based on a holistic total remuneration approach comprising of various remuneration elements to suit different types of needs and situations both the short and long term. Continuous development and improvement of the remuneration elements offered is needed to ensure effectiveness and efficiency. At Anora, remuneration is treated as a leadership tool. Development of remuneration practices is seen as an integral part of both supporting a performance culture devolvement and strategy implementation.

I am convinced that our continued customer focus combined with enhanced efficiency will enable us to deliver our targets and strategy and look with confidence to a strong future for Anora.

Michael Holm Johansen
Chairperson of the Human Resources Committee

Introduction

This report has been prepared by the Human Resources Committee of Anora's Board of Directors, based on the Remuneration Policy for the governing bodies, adopted at the Annual General Meeting 2020. The report follows the guidelines of the Corporate Governance Code 2020. The materialised remuneration of the Board of Directors and the CEO in 2023 reflects the targets of the remuneration principles which Anora has set with its Remuneration Policy.

The purpose of the total remuneration of the Board members, consisting of annual remuneration and meeting fees, is to sufficiently compensate for the commitment required for the Board Members' contribution to the Board's work and for the associated responsibilities. The remuneration aims to be competitive to attract and retain high-caliber individuals qualified to serve as Board members, to support the long-term success of Anora.

The CEO's remuneration is based on Anora's remuneration principles, as set forth in Anora's Remuneration Policy. The objectives of the remuneration for the CEO are to align the interests of the CEO with those of the company's shareholders and to promote shareholder value creation in the long-term. Other key objectives of the CEO's remuneration are to reward for excellent individual performance, for achievements in implementing Anora's strategy and for achieving Anora's financial targets as well as retention, thus promoting Anora's long-term financial performance and success.

Anora's remuneration has a guiding principle of Pay for Performance, overarching all remuneration of employed personnel and management. Short- and long-term incentive programs all return a reward based on achievement of pre-defined results measuring success with executing the chosen strategy. Performance-based variable compensation does not apply to the Board of Directors.

The key purpose of remuneration practices and their development is to support reaching and reward for success against those financial targets and their annual milestones. Simultaneously, focus on rewarding is given to supporting actualisation of the ambitious sustainability agenda. Both success with financial performance, progress with the sustainability agenda, and strategy implementation are rewarded with short- and long-term incentives.

On 9 June 2022, the Board of Directors decided on the establishment of a share-based long-term incentive program for the company's management and selected key employees. The program consists of annually commencing individual share plans, the first of which was simultaneously established for the years 2022–2024. In addition, a transition phase incentive plan (bridge share plan) for the years 2022–2023 was established on the same date. Both plans are performance share plans and return a share reward based on four performance measures being 1) revenue growth (35% weight), 2) earnings per share (35% weight), 3) relative total shareholder return (20% weight), and 4) environmental, social and governance (ESG) measure (10% weight) being, more specifically, the CO_2 reduction of the Finnish operations at the end of the plan periods, compared to the average of 2019–2021.

On 21 December 2022, the Board of Directors further decided on the establishment of the next share plan for the years 2023–2025 within the share-based long-term incentive program for the company's management and selected key employees. Like the two earlier share plans within the incentive program, the plan is a performance share plan returning a share reward based on four performance measures being 1) revenue growth (35% weight), 2) earnings per share (35% weight), 3) relative total shareholder return (20% weight), and 4) environmental, social and governance (ESG) measure (10% weight). For this plan, the ESG measure is the ESG risk rating by Sustainalytics achieved by the end of 2025.

On 13 February 2024, the Board of Directors decided on the establishment of the next share plan for the years 2024–2026 within the share-based long-term incentive program for the company's management and selected key employees. Like earlier share plans within the incentive program, the plan is a performance share plan returning a share reward based on four performance measures being 1) revenue growth (35% weight), 2) earnings per share (35% weight), 3) relative total shareholder return (20% weight), and (4) environmental, social and governance (ESG) measure (10% weight). For this plan, the ESG measure is the ESG risk rating by Sustainalytics achieved by the end of 2026.

A comparison of the development of the fees of the Board of Directors and the remuneration of the CEO versus the development of the average remuneration of the employees and to the company's comparable EBITDA is illustrated and compared in the table below. The adjustments to the remuneration of the Board of Directors from 2021 to 2022 consider the merger of Altia and Arcus to Anora. Increase in CEO total remuneration in 2022 compared to earlier years results from the merger and early termination of long-term incentive plans for earlier years, which were paid out prematurely in cash during 2022. In 2023, the ratio of the total annual compensation for the highest-paid individual (CEO) to the average annual total compensation for all employees (excluding the CEO) was 9.5 (18.1). The total annual compensation decreased by 46.1% for the highest-paid individual and increased by 2.9% for all employees, excluding the CEO, in 2023 compared to 2022 ,and the change in the annual total compensation ratio was -15,9%.

REMUNERATION DEVELOPMENT 2019–2023

EUR	2023	2022	2021	2020	2019*
Comparable EBITDA, EUR million	68.2	76.13	71.7**	52.4	44.8
Board of Directors, total fees paid	451,032	565,433	368,000	358,725	279,450
CEO, total remuneration paid	615,177	1,140,815	872,031	573,679	337,737
Employees' average remuneration***	64,711	62,866	64,791	57,796	49,688

*Based on Altia Plc information before the merger of Altia and Arcus
**Based on Anora Group information of 2021, including former Arcus data from September–December 2021.
***Employees' average remuneration is total employee remuneration divided by the average number of personnel during the year, excluding the CEO.

Remuneration of the Board of Directors

Remuneration of the Board of Directors consists of annual remuneration and meeting fees.

Anora's Annual General Meeting 2023 decided, based on the proposal by the Shareholders' Nomination Board, that the following annual remuneration is to be paid to the members of the Board of Directors:

- Chairperson of the Board of Directors: EUR 65,000
- Vice Chairperson of the Board of Directors: EUR 46,500
- Members of the Board of Directors: EUR 31,000

In addition to the abovementioned annual remuneration, the Annual General Meeting decided that the following annual remuneration is to be paid to the members of the Board of Directors appointed as the members of the Board's permanent Committees:

- Audit Committee:
  - Chairperson: EUR 10,000
  - Member: EUR 5,000
- Human Resources Committee:
  - Chairperson: EUR 8,000
  - Member: EUR 4,000

The Annual General Meeting 2023 also decided, based on the proposal by the Shareholders' Nomination Board, that the Board members elected by the Annual General Meeting may, at the member's discretion, choose to receive the annual remuneration in cash, in shares, or a combination thereof. All Board members elected by the Annual General Meeting chose to receive their annual fee in cash in 2023. The shareholdings of the Board members are available at anora.com/en/investors/anoras-share/managements-ownership.

In addition to the annual remuneration, a meeting fee of EUR 600 per meeting was decided to be paid for each Board and Committee meeting for meetings held in the member's country of residence, and EUR 1,200 per meeting for meetings held outside the member's country of residence. For remotely held meetings, the company has paid a meeting fee of EUR 600.

Associated travel expenses were reimbursed in accordance with Anora's travel policy. No other fi nancial benefi ts were paid in relation to the Board membership. The annual remuneration for the Board of Directors changed from that of 2022. In 2022, the annual fee for the Chairperson was EUR 60,000, for the Vice Chairperson EUR 45,000 and for the other members EUR 30,000. The annual fees for the members of the Board's permanent committees, the Audit Committee and the Human Resources Committee, remained unchanged from 2022 to 2023. Also the meeting fees remained unchanged for 2023.

The Board members elected by the General Meeting of Shareholders were not in an employment relationship or service contract with the company and they were not given the opportunity to participate in Anora's short-term or longterm incentive programs or given any pension benefi ts by the company. The Board members are not entitled to any termination payment or alike at the end of their term as Board member.

In addition to the Board members elected by the General Meeting of Shareholders, Anora's employees have, in accordance with the Agreement of Employee Participation between Anora and the special negotiating body of the employees, elected two members and their deputies to the Board of Directors. The Board members elected by Anora's employees receive a meeting fee, as determined by the Board of Directors in accordance with said agreement on employee participation. The meeting fees for the employee representative members of the Board are equal to those payable to Board members elected by the Annual General Meeting.

The total remuneration actually paid to the members of the Board of Directors during 2023 totaled EUR 451,032. A breakdown of the total remuneration by Board member is presented in the table below.

REMUNERATION OF THE BOARD OF DIRECTORS PAID IN 2023

Member of the Board of Directors	Annual Remuneration, Board	Meeting Fees, Board*	Annual Remuneration, Committee	Meeting Fees, Committee*	Total
Michael Holm Johansen Chairperson of the Board Chairperson of the HR Committee	75,332	11,400	8000	4,800	**99,532**
Sanna Suvanto-Harsaae Vice Chairperson of the Board until 19.4.2023 Member of the Audit Committee until 19.4.2023	-	2,400	-	2,400	**4,800**
Jyrki Mäki-Kala Vice Chairperson of the Board Chairperson of the Audit Committee	46,500	8,400	10,000	6,600	**71,500**
Torsten Steenholt Member of the Board Member of the Audit Committee Member of the HR committee until 19.4.2023	31,000	10,200	5,000	4,800	**51,000**
Kirsten Ægidus Member of the Board Member of the HR Committee	31,000	10,800	4,000	4,800	**50,600**
Ingeborg Flønes Member of the Board until 19.4.2023 Member of the HR Committee until 19.4.2023	-	3,000		1,200	**4,200**
Christer Kjos Member of the Board Member of the Audit Committee	31,000	10,800	5,000	6,000	**52,800**
Annareetta Lumme-Timonen Member of the Board Member of the Audit Committee	31,000	9,000	5,000	6,600	**51,600**
Florence Rollet Member of the Board since 19.4.2023 Member of the HR Committee since 19.4.2023	31,000	8,400	4,000	3,600	**47,000**
Arne Larsen Member of the Board, Employee Representative	-	9,600	-	-	**9,600**
Jussi Mikkola Member of the Board, Employee Representative	-	8,400	-	-	**8,400**
TOTAL					**451,032**

*Meeting fees are reported for the year when they have been paid.

Remuneration of the CEO

Pekka Tennilä held the position of Anora Group CEO until 25 October 2023. M.Sc. (Econ.) Jacek Pastuszka was appointed as the new CEO of Anora Group Plc as of 25 October 2023. The remuneration payable to the CEO is governed by the Remuneration Policy of the Governing Bodies adopted at the Annual General Meeting 2020. The remuneration paid or due for the year 2023 was in line with the aforementioned Policy.

The key objective of the remuneration of the CEO is to align the interests of the CEO with those of Anora's shareholders, and to promote shareholder value creation in the long term. Other key objectives of the CEO's remuneration are rewarding for excellent individual performance, achievements in implementing Anora's strategy, and the achievement of Anora's financial targets, as well as retention.

The total remuneration of the CEO consists of both fixed and variable remuneration elements. The fixed remuneration for 2023 consisted of fixed monthly salary and benefits. The variable remuneration elements for 2023 consisted of short-term cash incentives and long-term share-based incentives.

Total remuneration paid during 2023

CEO Jacek Pastuszka

CEO Jacek Pastuszka's monthly fixed compensation was EUR 55,853, which included taxable fringe benefit of mobile phone. In addition to and on top of fixed compensation, the CEO is granted a monthly housing allowance in the amount of EUR 3,500.

No incentive payments or signing bonuses were paid to Jacek Pastuszka during 2023.

CEO Pekka Tennilä

In 2023, Pekka Tennilä's monthly fixed compensation was EUR 40,000. The fixed compensation included taxable fringe benefits of company car and mobile phone.

CEO Pekka Tennilä's maximum earning opportunity in the short-term incentive plan for 2022 payable in 2023 was 60% of the gross annual fixed salary. In the short-term incentive plan for 2022, the CEO's performance was measured based on Group EBITDA (30% weight), Group Net Sales (40% weight), M&A (20% weight) and Group Lost-Time Injury Frequency (LTIF) (10% weight). Due to a threshold payout condition relating to the company's profitability not being met, there were no payouts during 2023 from the short- term incentive plan for 2022.

Variable Remuneration accrued based on the year 2023, payable in 2024

CEO Pekka Tennilä's maximum earning opportunity in the short-term incentive plan for 2023 was 60% of the gross annual fixed salary. In the short-term incentive plan for 2023, his performance was measured based on Anora Group EBITDA (30% weight), Anora Group Net Sales (40% weight), Growth Initiatives (20% weight), and Structural Initiatives (10% weight). In accordance with the terms of the short-term incentive plan, Pekka Tennilä is not entitled to pay-outs from the plan due to the end of his service on 25 October 2023.

SUMMARY OF TOTAL REMUNERATION PAID AND ACCRUED IN 2023

Total remuneration element CEO Jacek Pastuszka	Paid in 2023	%	Accrued 2023, payable 2024
Fixed compensation	128,862	100%	-
Short-term incentives*	-	0%	-
Long-term incentives	-	0%	-
Total remuneration	**128,862**	**100%**	

Total remuneration element CEO Pekka Tennilä	Paid in 2023	%	Accrued 2023, payable 2024
Fixed compensation	486,315	100%	-
Short-term incentives*	0	0%	-
Long-term incentives	-	0%	-
Total remuneration	**486,351**	**100%**	

*Short-term incentive is based on performance during 2022

Participation in the long-term incentive plans

CEO Jacek Pastuszka (as of 25 October 2023)

CEO Jacek Pastuszka was allocated a maximum of 199,000 gross shares in the 2024–2026 Performance Share Plan.

CEO Pekka Tennilä (until 25 October 2023)

During the year 2022, three new long-term incentive plans, namely the Bridge Performance Share Plan 2022–2023 and the Performance Share Plans 2022–2024 and 2023–2025, were established by the Board of Directors. From these Plans, former CEO Pekka Tennilä was allocated a maximum of 40,000 shares, 61,000 shares, and 85,000 shares respectively.

For the Plans with a vesting period of three years, the maximum value of the long-term incentive based on the share value at grant is 85% of the CEO's annual fixed compensation. The maximum reward opportunity is capped at the level of the share price becoming threefold to that at grant.

For the 2022–2023 and 2022–2024 Plans, the reward is based on the following performance measures: 1) revenue growth (35% weight), 2) earnings per share (35% weight), 3) relative total shareholder return (20% weight), and 4) environmental, social and governance (ESG) measure (10% weight) being the CO_2 reduction of the Finnish operations at the end of the plan periods, compared to the average of 2019–2021.

For the 2023–2025 Plan, the reward is based on the following performance measures: 1) revenue growth (35% weight), 2) earnings per share (35% weight), 3) relative total shareholder return (20% weight), and 4) environmental, social and governance (ESG) measure (10% weight) being the ESG risk rating by Sustainalytics achieved by the end of 2025.

SUMMARY OF GRANTED, EARNED, AND PAID SHARE-BASED INCENTIVES TO CEO PEKKA TENNILÄ

LTI Plan	2019–2021	2020–2022	2022–2023	2022–2024	2023–2025
Maximum number of shares granted (gross)	45,000 (Altia Plc shares)	45,000 (Altia Plc shares)	40,000	61,000	85,000
Grant date	7 February 2019	13 February 2020	9 June 2022	9 June 2022	21 December 2022
Share price at grant	EUR 7.20	EUR 8.50	EUR 10.31	EUR 10.31	EUR 7.37
Number of shares earned (gross) / cash equivalent paid*	27,000 shares / EUR 289,440	18,000 shares / EUR 144,720			
Delivery date	14 January 2022*	14 April 2022*			
Share price at delivery	EUR 10.72	EUR 10.72			

*2019–2021 and 2020–2022 Performance Share Plans were terminated prematurely. Shares earned were converted to cash based on August 2021 volume weighted average share price and paid out in January and April 2022 respectively.

With respect to the Bridge Share Plan 2022–2023 and the Performance Share Plans for 2022–2024 and 2023–2025, Pekka Tennilä has been afforded Good Leaver treatment under the said ongoing plans and is afforded the opportunity to receive pay-out, if any, from said on-going plans, in accordance with such plans regular measurement and payment terms at the end of the respective plan, however pro-rated until 25 October 2023.

Other relevant information related to CEO Jacek Pastuszka's remuneration

Anora applies a shareholding recommendation for the CEO. The CEO should accumulate and once achieved, hold a shareholding in Anora corresponding to his annual gross base salary. The shareholding is expected to be accumulated out of rewards received under the share-based incentive schemes of Anora.

The company and the CEO have not agreed on a retirement age. The CEO does not have a supplementary pension insurance paid by the company. The CEO has a six months' period of notice. If the service contract is terminated by Anora, the CEO is entitled to a severance payment corresponding to six months' salary, in addition to the salary for the notice period.

Board of Directors

At year-end unless otherwise stated

Michael Holm Johansen

Chairperson of the Board of Directors
b. 1956, MS in Management,
B.Sc. (Business Administration)

Independent of the company and the shareholders

- Chairperson of the Board of Directors since 2021
- Previously Chairperson Board of Directors of Arcus ASA until 2021
- Chairperson of the Human Resources Committee

Shareholding: 80,000 Anora shares

Main work experience:
- President, Central and Southern Europe, The Coca-Cola Company (2006–2011)
- President, South East Europe, The Coca-Cola Company (2003–2006)

Jyrki Mäki-Kala

Vice Chairperson of the Board of Directors
b.1961, M.Sc. (Econ.)

Independent of the company and the shareholders

- Member of the Board of Directors since 2020
- Chairperson of the Audit Committee

Shareholding: 13,600 Anora shares

Main work experience:
- CFO, Neste Oyj (2013–2022)
- CFO, Kemira Oyj (2008–2013)
- Director, VP and President positions, Kemira Pulp and Paper (2005–2007)
- Various Director and VP positions, Nokia Chemicals/Finnish Chemicals Oy (1988–2005)

Key positions of trust:
- Orthex Oyj, Member of the Board
- Outokumpu Oyj, Member of the Board and Chairperson of the Audit Committee

Kirsten Ægidius

Member of the Board of Directors
b. 1963, M.Sc. (International Economics, Strategy)

CEO, Interflora Denmark

Independent of the company and the shareholders

- Member of the Board of Directors since 2021
- Previously Member of the Board of Directors of Arcus ASA until 2021
- Member of the Human Resources Committee

Shareholding: 6,100 Anora shares

Main work experience:
- COO, Harboes Bryggeri AS (2018–2019)
- SVP, Hilding Anders International AB (2016–2017)
- Vice President EMEA & CEO Weber Stephen Nordic (2014–2015)

Key positions of trust:
- New Nordic Healthbrands AB, Member of the Board

Christer Kjos

Member of the Board of Directors
b. 1984, B.S. (Finance)

CEO, Canica Holding AG

Independent of the company, not independent of major shareholders

- Member of the Board of Directors since 2022
- Member of the Audit Committee

Shareholding: -

Main work experience:
- B1 Capital AG, Co-founder, member of Executive Committee (2013–2015)
- Credit Agricole Cheuvreux AG, Head of Pan European Equity Sales for Zürich (2011–2012)
- Merrill Lynch Capital Markets AG, Equity Sales, Switzerland (2010–2011)
- Bank of America / Merrill Lynch, Associate (2008–2010)

Key positions of trust:
- Curida Holding AS, Member of the Board
- Nordic Corporate Bank AS, Chairperson of the Nomination Committee

Annareetta Lumme-Timonen

Member of the Board of Directors
b. 1967, M.Sc. (Eng.), D.Sc. (Tech.)

Investment Director, Solidium Oy

Independent of the company, not independent of major shareholders

- Member of the Board of Directors since 2022
- Member of the Audit Committee

Shareholding: 4,600 Anora shares

Main work experience:
- 3i Nordic plc, Investment Manager (2000–2007)
- SFK Finance Oy, Investment Manager (1997–2000)
- Visiting Scholar, Wharton Business School (1995 & 1997)
- Kera Oy, Development Manager (1995–1996)
- Sitra, the Finnish Innovation Fund, Industry Analyst (1991–1994)

Key positions of trust:
- Metso Oyj, Chairperson of the Nomination Committee
- Tietoevry Oyj, Chairperson of the Nomination Committee

Torsten Steenholt

Member of the Board of Directors
b. 1969, M.Sc. (Pharmacy), M.Sc. (Chemical Research), Master Brewer

EVP, Global Operations, Chr. Hansen

Independent of the company and the shareholders

- Member of the Board of Directors since 2017
- Member of the Audit committee

Shareholding: 20,000 Anora shares

Main work experience:
- SVP Global Product Supply, Chr. Hansen (2012–2017)
- Vice President Supply Chain, Carlsberg Group (2009–2012)
- COO, Unicer (2007–2009)
- Brewery Director, Carlsberg UK Ltd (2003–2007)

Key positions of trust:
- CO-RO A/S, Vice Chairperson of the Board
- Gram Equipment A/S, Member of the Board
- Bacthera AG, Member of the Board

Florence Rollet

Member of the Board of Directors
b. 1966, Emlyon Business School, Graduate 1987

Head of the Master of Science program at the Emlyon Business School

Independent of the company and the shareholders

- Member of the Board of Directors since 2023
- Member of the Human Resources Committee

Shareholding: 4,620

Main work experience:
- Luxurytechfunds, Venture Partner (2018–)
- Julius Baer, Chief Marketing Officer (2016–2018)
- Tiffany&Co, President EMEA (2013–2016)
- Parfums Christian Dior, European Development Director (2007–2013)
- Coty Inc, General Manager Coty Beauty France / Coty Prestige France (1999–2007)
- Reckitt Benckiser Sales Development Director (1995–1999)
- Pepsi-Cola France, Sales Director, South France (1994–1995)
- Brasseries Kronenbourg, Marketing/ Sales positions (1987–1995)

Key positions of trust:
- Arla Food, Member of the Board

Arne Larsen

Member of the Board of Directors
b. 1969, Skilled Cooper, based in Norway

Not independent of the company, independent of the shareholders

- Elected Head Shop Steward in Arcus Norway AS for NNN (Norwegian Food and Allied Workers Union)
- Elected Employee Member of Anora's Board of Directors since 2021

Shareholding: -

Main work experience:
- Vinmonopolet AS and Arcus AS, operator in bottling plant (1986–1993)
- Vinmonopolet AS and Arcus AS, Cooper trainee and skilled Cooper (1993–)
- Elected Leader of International commeette, LO Oslo (2018–2020)

Key positions of trust:
- Elected Member of the National delegates meeting of NNN
- Elected Leader of trade union branch
- Elected Leader of local trade union branch

Deputy:
Bjørn Oulie

Jussi Mikkola

Member of the Board of Directors
b. 1983, Team Leader, based in Finland

Not independent of the company, independent of the shareholders

- Elected Employee Member of Anora's Board of Directors since 2021

Shareholding: 100 Anora shares

Main work experience:
- Team Leader, A-Pullo Oy (2003–2012)
- Team Leader, Altia & Anora (2012–)

Key positions of trust:
- Safety Representative, Anora
- Chief Shop Steward, Anora

Deputy:
Laura Koivisto

Executive Management Team

At year-end unless otherwise stated

Jacek Pastuszka

CEO
b. 1963, M. Sc. in Economy

Shareholding: -

Main work experience:
Joined Anora 25 October 2023 as CEO and member of Anora's Executive Management Team.

Before joining Anora, Jacek served as Executive Vice President Western Europe at Carlsberg and a member of Carlsberg Group's Executive Committee. Prior to that, he was also the CEO of Ringnes in Norway and held several other leadership positions at Carlsberg, AIG, Danone and Procter & Gamble.

Sigmund Toth

CFO
b. 1976, Master, Business Administration (Diplôme ESSEC)

Shareholding: 14,057

Main work experience:
CFO and interim CEO of Arcus, joined Arcus in 2015.

Previously Sigmund worked as a consultant at McKinsey & Company and held several positions within Finance & Accounting at Procter & Gamble.

Janne Halttunen

SVP, Wine
b. 1970, M. Sc. Business Administration

Shareholding: 9,300

Main work experience:
SVP, Scandinavia at Altia since 2017, member of Anora's Executive Management Team since 2015, joined Anora in 2009.

Janne joined Altia in 2009 as the Managing Director of Oy Wennerco Ab. Previously, he served as the Company's Senior Vice President, Partner Business and Export; as the Director, Business Development; Managing Director, Partner Brands, as well as a member of the Board of Directors of Craft & Cask Ltd. In addition, he has held several managerial positions at British American Tobacco in Switzerland, Spain and the UK.

Kirsi Puntila

SVP, Spirits
b. 1970, M.Sc. in Economics and Business Administration

Shareholding: 6,666

Main work experience:
SVP, International at Anora between 2021–2022, SVP Marketing at Altia since 2016, member of Anora's Executive Management Team since 2016, joined Anora in 2014.

Previously, Kirsi served as the Spirits Category Director of Altia and the Marketing Director, Altia Brands, based in Stockholm. She has also served as the Global Marketing Manager (Absolut Flavors and Kahlua) of The Absolut Company (Pernod Ricard S.A).

Key positions of trust:
- Board member of Neova Oy

Hannu Tuominen

Member of the Executive Management Team until 31 December 2023

SVP, Anora Industrial (until 31 December 2023)
b. 1958, M.Sc. (Eng.)

Shareholding: 9,600

Main work experience:
SVP, Altia Industrial (previously Industrial Services and Supply Chain) since 2009, member of Anora's Executive Management Team since 2008, joined Anora in 2008.

Hannu served as an Interim CEO of Altia from November 2013 to May 2014. Previously he served Vaisala Corporation as Production Director and Division Director in 1992–2007. In addition, he has held several managerial positions at Fiskars Oyj.

Key positions of trust:
- Board member of Roal Oy

Risto Gaggl

Member of the Executive Management Team as of January 2024

SVP, Anora Industrial (as of 1 January 2024)
b. 1968, Master's degree in production technology

Shareholding:-

Main work experience:
Joined Anora in October 2023, member of the Executive Management Team since 1 January 2024.

Previously, Risto worked as Chief Supply Chain Officer at Fiskars Group for over 10 years. Before Fiskars, he held several international positions at Elcoteq, the latest of which was Vice President, Business Excellence.

Mikkel Pilemand

Chief Growth Officer (CGO)
b. 1971, M. Sc. in International Business

Shareholding: -

Main work experience:
Joined Anora in May 2023, member of the Executive Management Team since 2023.

Before joining Anora, Mikkel served as Chief Commercial Officer at Denmark's biggest online supermarket, the grocery retailer nemlig.com. His main work experience before that includes senior commercial and brand positions in international companies like Procter & Gamble, Reckitt Benckiser and Carlsberg.

Kirsi Lehtola

Member of the Executive Management Team until 31 December 2023

Chief HR Officer (CHRO, until 31 December 2023)
b. 1963, Master of Laws

Shareholding: 5,100

Main work experience:
SVP, HR at Anora since 2016, member of Anora's Executive Management Team since 2016, joined Anora in 2016.

Kirsi has served in HR leadership positions since 2007. Before Altia, served as HR Director at OP Financial Group, Head of Group HR Services at Stora Enso Oyj, SVP HR Publication Paper and Country Finland at Stora Enso Oyj.

Key positions of trust:
- Member at Labour Advisory Committee at Forest Industry Federation 2008–2013)

Johanna Sundén

Member of the Executive Management Team as of January 2024

Chief HR Officer (CHRO, as of 1 January 2024)
b. 1973, Master's degree in Communication

Shareholding:-

Main work experience:
Joined Anora in January 2024, member of Anora's Executive Management Team since 1 January 2024.

Johanna has extensive experience from leading international HR teams through acquisitions, mergers and integrations. Further on she has worked considerably with leadership and team development in a multinational setting. She has an HR and Communications background, and held senior HR positions in Orkla Health, Wilh. Wilhelmsen - a comprehensive global maritime group, and in Lindorff.

Financial Statements

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CONSOLIDATED INCOME STATEMENT

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
NET SALES	1.2	726.5	702.7
Other operating income	1.3	20.3	10.9
Materials and services	1.4	-441.4	-414.3
Employee benefit expenses	1.5	-103.8	-93.8
Other operating expenses	1.6	-134.1	-137.6
Depreciation, amortisation and impairment	2.1–2.3	-98.8	-33.2
OPERATING RESULT		**-31.3**	**34.7**
Finance income	3.1	24.6	5.6
Finance expenses	3.1	-47.4	-17.5
Share of profit in associates and joint ventures and income from interests in joint operations	5.4	0.2	0.6
RESULT BEFORE TAXES		**-53.9**	**23.4**
Income tax expense	6.1	13.9	-5.3
RESULT FOR THE PERIOD		**-39.9**	**18.1**
Result for the period attributable to:			
Owners of the parent		-39.9	17.9
Non-controlling interests		0.0	0.2
Earnings per share for the result attributable to owners of the parent, EUR			
Basic		-0.59	0.26
Diluted		-0.58	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Result for the period		-39.9	18.1
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-0.1	0.1
Related income tax	6.1	0.0	-0.0
Total		**-0.1**	**0.1**
Items that may be reclassified to profit or loss			
Cash flow hedges		-6.7	3.1
Translation differences	3.4	-12.8	-16.9
Income tax related to these items	6.1	1.0	-0.7
Total		**-18.5**	**-14.5**
Other comprehensive income for the period, net of tax		-18.6	-14.4
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**-58.5**	**3.7**
Total comprehensive income attributable to:			
Owners of the parent		-58.4	3.5
Non-controlling interests		-0.1	0.2

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

EUR million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	2.1	304.3	310.5
Other intangible assets	2.1	206.3	226.1
Property, plant and equipment	2.2	62.7	76.7
Right-of-use assets	2.3	67.9	136.8
Investments in associates and joint ventures and interests in joint operations	5.4	12.3	20.7
Financial assets at fair value through other comprehensive income	3.2.1	0.7	0.7
Other receivables	3.2.1	0.0	0.0
Deferred tax assets	6.1	0.0	0.6
Total non-current assets		**654.1**	**772.1**
Current assets			
Inventories	2.4	144.2	186.2
Trade and other receivables	2.5	110.1	241.9
Derivatives receivables		0.8	5.8
Current tax assets		6.1	3.9
Cash and cash equivalents		212.7	91.4
Assets held for sale	5.4	7.6	-
Total current assets		**481.6**	**529.2**
TOTAL ASSETS		**1,135.7**	**1,301.3**

EUR million	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	3.4		
Share capital		61.5	61.5
Invested unrestricted equity fund		336.8	336.8
Legal reserve		0.0	0.5
Hedge reserve		-1.5	4.2
Translation differences		-44.0	-33.0
Retained earnings		54.5	110.7
Equity attributable to owners of the parent		**407.3**	**480.5**
Non-controlling interests		**0.5**	**0.9**
Total equity		**407.8**	**481.4**
Non-current liabilities			
Deferred tax liabilities	6.1	36.5	57.3
Borrowings	3.2.2	214.8	216.0
Non-current liabilities at fair value through profit or loss	3.2.2	0.1	0.6
Lease liabilities	3.2.2	120.7	132.4
Other liabilities		0.0	0.0
Employee benefit obligations	2.6	2.4	2.7
Total non-current liabilities		**374.5**	**409.1**
Current liabilities			
Borrowings	3.2.2	1.5	31.5
Current liabilities at fair value through profit or loss	3.2.2	0.6	-
Lease liabilities	3.2.2	13.3	12.4
Provisions	2.8.	3.9	-
Trade and other payables	2.7	329.6	364.4
Derivatives liabilities		2.2	0.2
Current tax liabilities		2.2	2.3
Total current liabilities		**353.4**	**410.9**
Total liabilities		**727.9**	**820.0**
TOTAL EQUITY AND LIABILITIES		**1,135.7**	**1,301.3**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes		-53.9	23.4
Adjustments			
Depreciation, amortisation and impairment	2.1-2.3	98.8	33.2
Share of profit in associates and joint ventures and income from investments in joint operations	5.4	-0.2	-0.6
Net gain on sale of non-current assets	1.3, 1.6	-12.2	-0.9
Finance income and costs	3.1	22.8	11.9
Other adjustments		0.2	-0.1
Adjustments total		109.3	43.5
Change in working capital			
Change in inventories, increase (-) / decrease (+)		8.3	-29.2
Change in trade and other receivables, increase (-) / decrease (+)		119.8	0.0
Change in trade and other payables, increase (+) / decrease (-)		-18.9	-15.6
Change in working capital		109.2	-44.8
Interest paid	3.1	-28.2	-11.8
Interest received	3.1	12.0	2.7
Other finance income and expenses paid	3.1	-8.0	-2.6
Income taxes paid		-5.2	-10.7
Financial items and taxes		-29.4	-22.4
NET CASH FLOW FROM OPERATING ACTIVITIES		**135.3**	**-0.4**

EUR million	Note	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets	2.1-2.2	-12.6	-10.7
Proceeds from sale of property, plant and equipment and intangible assets	1.3	0.9	1.2
Proceeds from financial assets at fair value through other comprehensive income		0.0	-
Proceeds received from disposals of subsidiaries and business operations (net of cash)		52.3	-
Acquisitions of subsidiaries and business operations		-0.1	-85.9
Interest received from investments in joint operations	5.4	0.9	0.9
Dividends received	3.1	0.2	0.1
NET CASH FLOW FROM INVESTING ACTIVITIES		**41.6**	**-94.3**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in commercial paper program		-30.0	10.0
Proceeds from borrowings		-	293.5
Repayment of borrowings	3.2.2	-1.5	-234.9
Repayment of lease liabilities	3.2.2	-11.1	-12.0
Dividends paid and other distributions of profits	3.4	-15.1	-30.4
NET CASH FLOW FROM FINANCING ACTIVITIES		**-57.7**	**26.2**
CHANGE IN CASH AND CASH EQUIVALENTS		**119.2**	**-68.5**
Cash and cash equivalents at the beginning of the period		91.4	168.9
Translation differences on cash and cash equivalents		2.1	-9.0
Change in cash and cash equivalents		119.2	-68.5
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3.2.3	**212.7**	**91.4**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Note	Share capital	Invested unrestricted 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		-	-	-	-	-	17.9	17.9	0.2	18.1
Other comprehensive income (net of tax)										
Cash flow hedges		-	-	-	2.4	-	-	2.4	-	2.4
Translation differences	3.4	-	-	-	-	-18.0	1.1	-17.0	0.0	-16.9
Remeasurements of post-employment benefit obligations		-	-	-	-	-	0.1	0.1	-	0.1
Total comprehensive income for the period		**-**	**-**	**-**	**2.4**	**-18.0**	**19.0**	**3.5**	**0.2**	**3.7**
Transactions with owners										
Dividend distribution		-	-	-	-	-	-30.5	-30.5	-0.2	-30.7
Share based payment		-	-	-	-	-	0.6	0.6	-	0.6
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**-29.9**	**-29.9**	**-0.2**	**-30.2**
EQUITY AT 31 DECEMBER 2022		**61.5**	**336.8**	**0.5**	**4.2**	**-33.0**	**110.7**	**480.5**	**0.9**	**481.4**
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		-	-	-	-	-	-39.9	-39.9	0.0	-39.9
Other comprehensive income (net of tax)										
Cash flow hedges		-	-	-	-5.7	-	-	-5.7	-0.0	-5.7
Translation differences	3.4.	-	-	-	-	-11.0	-1.7	-12.7	-0.1	-12.8
Remeasurements of post-employment benefit obligations		-	-	-	-	-	-0.1	-0.1	-	-0.1
Total comprehensive income for the period		**-**	**-**	**-**	**-5.7**	**-11.0**	**-41.8**	**-58.4**	**-0.1**	**-58.5**
Transactions with owners										
Dividend distribution		-	-	-	-	-	-14.9	-14.9	-0.2	-15.1
Share-based payments		-	-	-	-	-	0.0	0.0	-	0.0
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**-14.8**	**-14.8**	**-0.2**	**-15.1**
Transfer to reserve		**-**	**-**	**-0.5**	**-**	**-**	**0.5**	**0.0**	**-**	**0.0**
EQUITY AT 31 DECEMBER 2023		**61.5**	**336.8**	**0.0**	**-1.5**	**-44.0**	**54.4**	**407.3**	**0.5**	**407.8**

The notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

GENERAL INFORMATION

Information on Anora

Anora Group Plc ('company', 'parent company'), a public limited liability company, and its subsidiaries (together 'Anora Group', 'Anora' or 'Group') is a leading wine and spirits brand house in the Nordic region. Anora has a broad portfolio of iconic brands, including Koskenkorva, Linie, Skagerrak, Chill Out, Ruby Zin, Wongraven, O.P. Anderson and Falling Feather. Key brands are exported to over 30 markets globally.

Together with partners Anora brings the world of drinks to the Nordics. Anora has a strong partner portfolio which include several well-known wine producers from all over the world, as well as spirits producers with well-known spirits brands, like Jack Daniels, Fireball, Fernet Branca, Jose Cuervo, Larsen and Underberg.

Anora's business operations also include world-class industrial operations in distillation, bottling and logistics services as well as the production of technical ethanol products, neutral potable ethanol, feed components and barley starch.

Anora's customers include alcohol retail monopolies, alcoholic beverage wholesale outlets, restaurants, grocery stores, travel trade, importers in the export markets and industrial customers.

Anora Group Plc, the parent company of Anora Group, is domiciled in Helsinki, Finland. Anora Group Plc is a Finnish publicly listed company. Anora's shares are listed in Nasdaq Helsinki. The registered address of the Company is Kaapeliaukio 1, FI-00180 Helsinki, Finland. Copies of the consolidated financial statements are available online at www.anora.com or at the Group's headquarters at Kaapeliaukio 1, FI-00180 Helsinki, Finland.

Anora Group Plc's Board of Directors has approved these financial statements for publication in its meeting on 19 March 2024. According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting also has the right to make a decision to amend the financial statements.

Basis of preparation

The consolidated financial statements for the year ended 31 December 2023 are prepared in accordance with IFRS Accounting Standards complying with the SIC and IFRIC interpretations in force and approved by EU on 31 December 2023. Notes to the consolidated financial statements also comply with the requirements of the Finnish Accounting Act and Limited Liability Companies Act.

The consolidated financial statements for the year ended 31 December 2023 has been prepared on a historical cost basis, except for equity investments and derivatives. The consolidated financial statements are presented in millions of euros. The figures are rounded to the nearest million with one decimal, and therefore the sum of individual figures may deviate from the total presented. If the figure is EUR 0, it is shown as a hyphen.

From 1 January 2023, IASB's amendment on IAS 12 regarding deferred taxes related to Assets and Liabilities arising from a Single Transaction became effective. This amendment regulates the way that entities account for deferred tax on transactions that lead to initial recognition of both an asset and a liability and narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. Amendment is applied to transactions that occur on or after the beginning of the earliest comparative period presented.

For Anora Group, this applies to all temporary differences related to right of use assets and lease liabilities at the beginning of the earliest comparative period, January 1, 2022. This amendment has had no effect on the income statement or balance sheet figures of the Group, as deferred taxes on temporary differences related to right of used assets and lease liabilities have been historically recognized. However resulting deferred tax assets and liabilities were previously disclosed on a net basis on balance sheet and in notes. Therefore the only effect for the Group from applying this amendment is the gross presentation of deferred tax assets and liabilities arising from leases in note 6.1.

There were no other changes in accounting standards or other accounting requirements which entered into force from 1 January 2023 that have had material impact for Anora Group.

There are no new IFRS standards, amendments to standards and IFRIC interpretations effective on or after January 1, 2024, that are expected to have any material impact on the Group.

Accounting policies requiring management judgement and key sources of estimation uncertainty

The preparation of financial statements requires management to make accounting estimates which may include use of judgement in the application of the accounting standards.

Estimates and related assumptions made in the preparation of the financial statements, are based on the management's best knowledge at the reporting date. The realised results can differ from the estimates, and any changes in estimates and assumptions are recognised when estimates and assumptions are corrected.

Material accounting policies and critical accounting estimates and judgements made are described to each note as follows;

- Revenue recognition - Note 1.2
- Intangible assets - Note 2.1
- Property, plant and equipment – Note 2.2
- Right of use assets – Note 2.3
- Financial assets and liabilities – Note 3.2
- Inventories – Note 2.4
- Trade and other receivables – Note 2.5
- Employee benefit obligations – Note 2.6 and 6.4
- Changes in Group structure – Note 5.2
- Income taxes – Note 6.1

Accounting note reclassifications

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts. There have been no such reclassifications in relation to consolidated income statement or consolidated balance sheet. Reclassifications in individual notes are further described if material.

1 Operating result

Net sales	Comparable EBITDA
726.5 EUR million	68.2 EUR million

1.1 SEGMENT INFORMATION

Description of segments and principal activities

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

The Board of Directors of Anora is determined as the Group's Chief Operative Decision Maker (CODM) 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 and 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, comprise costs such as centralised 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 this 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 Anora's own wine brands as well as partner wines to customers in the Nordic monopoly markets and Denmark. Wine segment in Denmark also include contract manufacturing and logistics services on behalf of other group companies. During 2023 the Group has initiated a Center of Excellence program in order to improve production efficiency, which mean that contract manufacturing for wine will be concentrated in Globus Wine in Denmark during the years to come. The change in operations did not have a material impact on net sales or profitability of individual segments in 2023.

Spirits
The Spirits segment develops, markets and sells Anora's own spirits brands and partner brands to customers in the Nordic monopoly markets, in addition to international markets as Estonia, Latvia, Denmark and Germany, in addition to global duty free and travel retail and other exports.

Industrial
The Industrial segment comprises Anora's industrial business – industrial products and contract manufacturing (mainly for the Spirits business but also to some extent for the Wine business), the logistics company Vectura and supply chain operations.

Industrial segment include production and/or logistics facilities in 5 main locations (Koskenkorva and Rajamäki in Finland, Gjelleråsen in Norway, Sundsvall in Sweden and Tabasalu in Estonia). In addition there are two small aquavit distilleries in Atlungstad in Norway and Skåne in Sweden.

Segment net sales and results
All intragroup business transactions are made based on arm's length principles. The following tables set out the segment net sales and Comparable EBITDA as well as the reconciliation of the Comparable EBITDA to the Group's operating result:

	1 Jan–31 Dec 2023					
EUR million	Wine	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	334.3	237.0	155.1	0.0	0.0	726.5
Net sales internal	0.0	0.0	114.3	0.0	-114.3	0.0
Total Net sales	**334.3**	**237.0**	**269.5**	**0.0**	**-114.3**	**726.5**
Other operating revenues external	0.0	0.0	8.0	12.3	0.0	20.3
Other operating revenues internal	0.0	0.0	15.6	26.1	-41.8	0.0
Total other operating revenues	**0.0**	**0.0**	**23.6**	**38.4**	**-41.8**	**20.3**
Materials and services	-244.4	-137.3	-174.0	0.0	114.3	-441.4
Gross Profit	**89.9**	**99.7**	**119.0**	**38.4**	**-41.8**	**305.4**
Employee benefits and other operating expenses	-82.6	-60.3	-104.0	-32.8	41.8	-237.9
EBITDA	**7.3**	**39.5**	**15.1**	**5.6**	**0.0**	**67.5**
Items affecting comparability[1]	5.0	0.8	2.4	-7.5	0.0	0.7
Comparable EBITDA	**12.4**	**40.3**	**17.5**	**-1.9**	**0.0**	**68.2**
EBITDA						**67.5**
Depreciation, amortisation and impairment						-98.8
Operating profit						**-31.3**

	1 Jan–31 Dec 2022					
EUR million	Wine	Spirits	Industrial	Group and allocations	Eliminations	Group
Net sales external	309.7	233.0	160.0	0.0	0.0	702.7
Net sales internal	6.9	0.8	125.5	0.0	-133.2	0.0
Total Net sales	**316.6**	**233.8**	**285.5**	**0.0**	**-133.2**	**702.7**
Other operating revenues external	0.7	0.0	10.0	0.2	0.0	10.9
Other operating revenues internal	2.1	0.4	6.2	37.2	-45.9	-0.0
Total other operating revenues	**2.8**	**0.4**	**16.2**	**37.4**	**-45.9**	**10.9**
Materials and services	-225.9	-131.8	-178.2	-0.3	121.9	-414.3
Gross Profit	**93.5**	**102.4**	**123.5**	**37.1**	**-57.2**	**299.3**
Employee benefits and other operating expenses	-70.5	-66.6	-105.6	-45.9	57.1	-231.4
EBITDA	**23.0**	**35.8**	**17.9**	**-8.8**	**-0.0**	**67.9**
Items affecting comparability[1]	0.6	2.0	-0.2	5.9	0.0	8.3
Comparable EBITDA	**23.5**	**37.8**	**17.7**	**-2.8**	**-0.0**	**76.1**
EBITDA						**67.9**
Depreciation, amortisation and impairment						-33.2
Operating profit						**34.7**

[1] Items affecting comparability comprise of material items outside normal business, such as net gains or losses from business and assets disposals, impairment losses, cost for closure of business operations and restructurings, major corporate projects including direct transaction costs related to business acquisitions and the merger, merger related integration costs, expenses arising from the fair valuation of inventories in connection with merger, voluntary pension plan change, and costs related to other corporate development. Gains on sale of business operations, property, plant and equipment and intangible assets are presented in Note 1.3 and employee costs related to restructuring in Note 1.5.

Other entity-wide disclosures

Net sales by geography

Net sales broken down by the segment and country for the years ended 31 December 2023 and 2022 were as follows:

EUR million	2023	2022
Wine		
Finland	48.6	47.1
Sweden	115.9	134.7
Norway	78.4	83.7
Denmark	86.8	44.2
Other countries	4.6	0.0
Wine Total	**334.3**	**309.7**
Spirits		
Finland	62.4	56.3
Sweden	52.6	51.3
Norway	56.3	48.5
Denmark	20.0	18.5
Other countries	45.7	58.4
Spirits Total	**237.0**	**233.0**
Industrial		
Finland	120.7	127.1
Norway	27.0	27.3
Other countries	7.4	5.6
Industrial Total	**155.1**	**160.0**
TOTAL	**726.5**	**702.7**

Significant customer relationships

The Group has significant customer relationships with Alko in Finland, with Vinmonopolet in Norway and Systembolaget in Sweden, related to sales from the Wine and Spirits segments. The total net sales from Alko were approximately EUR 91.6 million (2022: EUR 89.6 million). The total net sales from Vinmonopolet were EUR 107.4 million (2022: EUR 90.9 million). The total net sales from Systembolaget were around EUR 140.8 million (2022: EUR 151.5 million). In Industrial segment net sales of EUR 43.9 million (2022: EUR 45.7 million) were derived from a single external customer. No other single external customer represented 10 per cent or more of Anora's total net sales for the years ended 31 December 2023 or 2022.

Non-current assets by geography

The total of non-current assets other than financial instruments and deferred tax assets broken down by the location of the assets as at 31 December 2023 and 2022 were as follows:

EUR million	2023	2022 Restated
Finland	103.4	100.1
Sweden	43.1	40.9
Norway	339.9	438.6
Estonia	2.0	2.0
Latvia	0.6	0.4
Denmark	151.1	157.4
Other countries	1.0	10.7
TOTAL	**641.1**	**750.1**

Comparison figures from 2022 has been changed as the presented specification in the 2022 report included a computational calculation error (Norway EUR 53.9 million, Denmark EUR -41.7 million, Sweden EUR -8.1 million, Finland EUR -3.3 million and other countries EUR 2.8 million). The error has had no impact on reported balance sheet figures.

1.2 REVENUES FROM OPERATIONS

Revenue recognition

The revenue is recognised at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price may include variable considerations such as volume discounts, bonuses, marketing support, product returns etc. The variable considerations are estimated using the most likely value method if not yet realised in the end of reporting period. The revenue is further adjusted with indirect sales taxes, excise taxes, deposit and recycling fees.

The wine and spirits businesses generally only sell physical products in the form of wine and spirits products. Sale of these products are accounted for in the Group's income statement at the point in time when they are delivered to the Group's customers according to the delivery terms.

In contract services the contracts essentially include a single performance obligation, being a series of distinct services such as contract manufacturing, customer services and logistics. The revenue recognition occurs at a point in time, when the control of the goods is transferred to the customer according to the delivery terms. Revenue from the sale of services is recognised at the time of delivery of services, which in most cases correspond with delivery of the goods manufactured or goods distributed being delivered to the customers according to the delivery terms. This include the Logistics business, as this business is acting as an agent on behalf of its business partners, and therefore the logistics services are considered completed at the time of the goods being delivered to the customers according to delivery terms.

The revenue from activity-based services at logistics business, such as rent for storage of pallets, reconstruction of pallets from larger EUR pallets to smaller quarter pallets, destruction services, etc, is recognised over time. Input for these services is based on actual pallet places of storage being used during the period, actual number of pallets being reconstructed during a period or actual volume being destructed during a period.

Primarily accounts receivable fall due 0–60 days after invoicing date. Transaction prices do not include any significant financing components.

The most significant revenue flows are generated by the sale of own products and partner brands to Scandinavian wine and spirit monopolies, Horeca customers, wholesalers and travel retail customers. In addition, revenues are generated by contract manufacturing, sale of logistic services and the sale of industrial products, such as starch, feed and technical ethanol.

In partner supplier agreements, which entitle Group to distribute partners' products, Anora acts as a principal towards the end customer having control over the product, discretion in establishing prices and owning the inventory. Accordingly, revenue recognised is the gross amount to which Anora is entitled to in these product sales.

The other activity based operating revenues from warehousing services at logistics business, is recognised over time.

Critical estimates and management judgement - Revenue recognition

Anora provides volume-based rebates, bonuses and other discounts to their customers in open markets and on-trade customers in the monopoly markets. These classify as variable considerations within contracts with customers. The group estimates such variable consideration to which it will be entitled in exchange for transferring goods to the customers. The variable consideration is estimated at a contract inception based on expected sales volumes using historical and year-to-date sales data and other information about trading with individual customers or groups of customers. The Group estimates discounts, rebates and bonuses using the most likely amount method.

Contracts assets and liabilities

Contract assets represent the amount which Anora has right to receive goods expected to be returned to inventory with respect to return clauses in the contracts. Contract assets are measured at the former carrying amount of the inventory less any expected costs to recover the goods and less any impairment losses. Contract liabilities represent the amount received or receivable that is expected to be returned as a refund liability. These contracts assets or liabilities are very limited in the Group and are included in other receivables or other payables in the Group's balance sheet.

Excise taxes related to sales

The amount of excise tax deducted from sales revenue is significant. The amounts of sales including tax and excise taxes are presented below:

EUR million	2023	2022 Restated
Sales revenues deducted with revenue adjustments	1,403.2	1,372.4
Excise tax	-676.8	-669.7
Net sales	**726.5**	**702.7**
Tax share of sales revenues, %	48.2%	48.8 %

Excise tax amount in 2022 financial statements was included in an incorrect amount due to a computational calculation error (Previously disclosed Sales revenues deducted with revenue adjustments and Excise taxes were both higher by EUR 334.5 million, while net sales are unchanged). The error has been corrected in the comparable figures for 2022 in this report and did not have any impact on net sales or taxes paid, neither in presented figures in income statement, balance sheet or cash flows.

Net Sales by revenue types

EUR million	2023	2022
Wines	334,3	309,7
Spirits	237,0	233,0
Industrial Products	71,3	75,3
Total sale of products	**642,6**	**618,0**
Contract manufacturing services	60,2	61,0
Logistics services	23,7	23,8
Total sale of services	**83,9**	**84,8**
Net sales	**726,5**	**702,7**

1.3 OTHER OPERATING INCOME

Other operating income mainly includes gains on the disposal of non-current assets, income from sale of energy, water, steam and carbon dioxide, gains on sale of emission allowances, rental income and related non-core business service income and contract termination fees.

Gains on sale of subsidiaries and business operations relates to sale of Larsen cognac business and is in its full part of Group and Allocations figures.

EUR million	2023	2022
Gains on sale of subsidiaries and business operations	11.6	-
Gains on sale of property, plant and equipment and intangible assets	0.8	0.9
Gains on sale of emission allowances	0.1	1.2
Rental income	1.4	1.4
Income from sale of energy, water, steam and carbon dioxide	4.0	4.2
Insurance compensations	-	1.1
Other income	2.3	2.2
TOTAL	**20.3**	**10.9**

1.4 MATERIALS AND SERVICES

Materials and services consist of cost of material, such as barley, wine, different spirit, liquids, ground water as well as other ingredients needed for a variety of different drinks, packaging materials, production costs, changes in inventories, scrapping and obsolescence costs and external services such as logistics and warehousing.

EUR million	2023	2022
Raw materials, consumables and goods		
Cost of goods sold	-428.1	-407.5
Scrapping and obsolescence and revaluation	-3.8	-4.0
External services	-9.5	-2.9
TOTAL	**-441.4**	**-414.3**

1.5 EMPLOYEE BENEFIT EXPENSES

In Anora, the total wages and salaries of personnel consists of fixed and variable pay, allowances, short and long-term incentives and fringe benefits.

EUR million	2023	2022
Wages and salaries	-83.0	-74.0
Pension expenses		
Defined contributions plans	-10.5	-9.0
Defined benefit plans	-0.1	0.0
Share-based payments	-0.0	-0.6
Other social expenses	-10.2	-10.1
TOTAL	**-103.8**	**-93.8**

Employee benefit expenses include personnel related restructuring costs of EUR 4.9 million (2022: EUR 0.1 million). The EUR 4.9 million restructuring costs is split EUR 0.7 million to Wines, EUR 0.9 million to Spirits, EUR 2.4 million to Industrial and EUR 0.9 million in Group and Allocations.

Average number of personnel during the period	2023	2022
Workers	542	538
Clerical employees	731	621
TOTAL	**1,273**	**1,159**

More information on the Group's pension plans is presented in Note 2.6.

Information of management remuneration is presented in Note 6.3 related party transactions.

1.6 OTHER OPERATING EXPENSES

EUR million	2023	2022
Losses on sales and disposals of property, plant and equipment and intangible assets	-0.2	-0.2
Short term, low value and other lease related payments	-6.6	-4.7
Marketing expenses	-28.0	-29.9
Travel and representation expenses	-3.9	-5.2
Outsourcing services	-27.3	-35.5
Repair and maintenance expenses	-14.0	-14.8
Cars and transport services	-7.9	-0.5
Energy expenses	-11.8	-9.8
IT expenses	-10.1	-12.0
Variable sales expenses	-14.8	-16.0
Other expenses	-9.4	-9.1
Total	**-134.1**	**-137.6**

Auditor's fees included in other operating expenses, EUR million	2023	2022
Audit fees	-1.2	-1.2
Tax consulatation	0.0	0.0
Other fees	-0.1	-0.3
Total	**-1.4**	**-1.4**

The table above presents fees to Group auditor PricewaterhouseCoopers as well as other auditors of Group subsidiaries during the year.

1.7 RESEARCH AND DEVELOPMENT EXPENDITURES

Operating result includes research and development expenditures amounting to EUR 2.3 million (2022: EUR 2.2 million). The R&D expenditures represents 0.3 % of net sales in 2023 (2022: 0.3%).

2 Operative assets and liabilities

2.1 GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets comprise of goodwill, marketing related intangible assets (trademarks and company brands), customer related intangible assets, software, other intangible assets and prepayments for intangible assets. Intangible assets are capitalised at cost price or fair value with deduction for accumulated depreciation and accumulated write downs in the event of non-transitory impairment.

Goodwill

Goodwill arising on the business acquisition is recognised as a residual value in the excess of the aggregate of the consideration transferred, the amount of non-controlling interests and any previously held equity interest in the acquiree, over the fair value of the net assets acquired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment.

For the purpose of impairment testing, goodwill is allocated to the groups of cash generating units (CGU) that are expected to benefit from the business combinations in which the goodwill was generated.

Marketing related intangible assets (Trademarks and company brands)

Marketing related intangible assets are either arising from business acquisitions or purchased separately. Marketing related intangible assets that have been acquired in connection with business acquisitions are capitalised at fair value at the time of the business acquisition, while separately purchased marketing related intangible assets are capitalised at cost price.

Critical estimates and management judgements – Useful lives of trademarks

On initial recognition of marketing related intangible assets, an assessment is made on whether the asset is expected to have definite useful lives or not. In this assessment, the Group gives particular weight to Group's expected use of the asset, the customary life cycles for the assets of this type, the stability of the sector and the business, and the probability that the Group will succeed in maintaining the asset's financial lifetime, given the Group's ability to maintain value. The Group also devotes resources to legal control of these assets in large and important markets.

Marketing related intangible assets with definite useful lives are amortised by the straight-line method over the expected useful life. The capitalised value of marketing related intangible assets with indefinite lifetime is tested for impairment at least once a year, or more often if there are indications that the value of the asset has decreased.

The estimated useful lives of marketing related intangible assets are as follows:

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

Customer related intangible assets (Customer relations)

Customer related intangible assets are arising from business acquisitions and are capitalised at fair value at the time of the business acquisition.

Customer related intangible assets are amortised by the straight-line method over the expected useful life.

The estimated useful lives of customer related intangible assets are as follows:

Customer relations Wine:	7–15 years

Other intangible assets

Other intangible assets include software in addition to prepayments for intangible assets. These other intangible assets are recognised in the balance sheet at the original cost and depreciated over their estimated useful lives. The costs related to other intangible assets are capitalised if it can be demonstrated that the asset will generate the future economic benefits, the entity controls the asset, and the purchase price can be measured reliably. All other expenditure is recognised as an expense when incurred.

The estimated useful lives of intangible assets are as follows:

IT-development and software:	3–10 years

Expenditure on research activities is recognised in profit or loss in the period in which it is incurred. The Group has no projects related to the development activities of new products or processes qualifying for the identifiability and other criteria regarding capitalisation under IFRS.

Accounting for emission allowances is described in Note 6.2.

There are no material contractual commitments for acquisitions of intangible assets.

GOODWILL AND OTHER INTANGIBLE ASSETS

EUR thousand	Goodwill	Trademarks and customer relations	Software and other intangible assets	Prepayments	Other intangible assets total
Acquisition cost at 1 January 2023	353.3	330.9	41.5	2.1	374.4
Additions	-	0.1	0.3	2.6	2.9
Disposals	-2.8	-16.1	-2.4	-	-18.4
Effect of movement in exchange rates	-10.7	-9.4	-0.9	-	-10.3
Transfers between items	-	-0.1	3.4	-3.3	0.0
Acquisition cost at 31 December 2023	**339.8**	**305.4**	**41.9**	**1.3**	**348.7**
Accumulated amortisation and impairment losses at 1 January 2023	-42.8	-111.3	-37.0	-	-148.3
Amortisation	-	-8.9	-2.3	-	-11.2
Impairment losses	-	-	-0.8	-	-0.8
Accumulated amortisation on disposals and transfers	0.0	13.9	2.2	-	16.1
Effect of movement in exchange rates	7.3	1.1	0.8	-	1.8
Accumulated amortisation and impairment losses at 31 December 2023	**-35.5**	**-105.3**	**-37.0**	**-**	**-142.3**
Carrying amount at 1 January 2023	310.5	219.5	4.6	2.1	226.1
CARRYING AMOUNT AT 31 DECEMBER 2023	**304.3**	**200.1**	**4.9**	**1.3**	**206.3**
Acquisition cost at 1 January 2022	327.3	300.0	40.6	0.8	341.4
Acquisition of subsidiaries	41.4	43.9	0.7	-	44.6
Additions	-	0.1	0.3	1.7	2.1
Disposals	-	-0.4	-0.0	-	-0.4
Effect of movement in exchange rates	-15.4	-12.8	-0.5	-	-13.3
Transfers between items	-	-	0.4	-0.4	0.0
Acquisition cost at 31 December 2022	**353.3**	**330.9**	**41.5**	**2.1**	**374.4**
Accumulated amortisation and impairment losses at 1 January 2022	-49.5	-109.5	-35.2	-	-144.7
Amortisation	-	-8.1	-2.4	-	-10.6
Accumulated amortisation on disposals and transfers	-	0.4	0.0	-	0.4
Effect of movement in exchange rates	6.7	5.9	0.7	-	6.5
Accumulated amortisation and impairment losses at 31 December 2022	**-42.8**	**-111.3**	**-37.0**	**-**	**-148.3**
Carrying amount at 1 January 2022	277.8	190.6	5.4	0.8	196.7
CARRYING AMOUNT AT 31 DECEMBER 2022	**310.5**	**219.5**	**4.6**	**2.1**	**226.1**

The most significant trademarks include for example, Gammel Opland, Aalborg, Gammel Dansk, Braastad, Lysholm Linie, Løiten, Hot'n' Sweet, Renault, Xanté, Blossa, Chill Out, Explorer, 1-Enkelt and Arsenitch. Software and other intangible assets are mainly computer software.

Impairment testing

Book value of assets are assessed to determine whether there is any impairment at least at the end of each financial year. If any evidence of impairment emerges (a triggering event), the assets' recoverable amount is estimated. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is immediately recognised in profit or loss and the estimated useful life of the asset in question is reassessed when an impairment loss is recognised.

The impairment loss is reversed if there has been such a positive change in the estimates used to determine the recoverable amount of the asset or cash-generating unit, that recoverable amount of the asset will increase the book value of asset. Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised. An impairment loss on goodwill is never reversed.

Critical estimates and management judgements – Impairment testing:

The preparation of calculations for the impairment testing of goodwill requires estimates regarding the future. The management's estimates and related critical uncertainties are related to the components of the recoverable amount calculation, including the discount rate, budgets, the terminal growth rate and development of the net sales and operating result, including estimated cost levels of main raw materials and energy. The discount rates reflect current assessments of the time value of money and relevant market risk premiums reflecting risks and uncertainties for which the future cash flow estimates have not been adjusted.

The cash generating unit for impairment testing of marketing related intangible assets is the trademark itself. To determine the recoverable amount for these assets, future cash flows are calculated based on "relief from royalty" method after tax.

Impairment testing of goodwill and intangible assets with indefinite useful life

Allocation of goodwill

Goodwill is allocated to groups of cash-generating units (CGU) that represent the level on which the management monitors the goodwill.

The Group's three segments are considered to form the group of cash generating units (CGU) and represent the lowest level at which goodwill is monitored for internal management purposes.

During 2023 there were no changes in the CGU structure. The allocation of goodwill to CGUs is as follows:

EUR million	2023	%	2022	%
Wine	105.4	34.6%	106.3	34.2%
Spirits	198.9	65.4%	204.2	65.8%
Total	**304.3**	**100.0%**	**310.5**	**100.0%**

Impairment testing - Goodwill

The key assumptions in goodwill impairment testing are operating result and discount rate.

The goodwill allocated to the Group's cash-generating units is tested for impairment annually or when there is reason to assume that the carrying amount has exceeded the recoverable amount, with the carrying amount compared to the recoverable amount in the testing. The annual impairment tests have been carried out on 31 December 2023 and 31 October 2022.

The cash flow estimates used are based on CGU-specific financial plans for the following year approved by the Group's Board of Directors. The forecast period applied for the calculations covers five years, beyond which the cash flow projections are extrapolated using a constant CGU specific long-term growth rate estimate. The forecasted cash flows for a longer term than this have been estimated by using an annual growth rate estimate of 2.0% which is based on an assumption of inflation growth. The terminal growth rate used is unchanged from 2022 impairment testing calculations.

Pre-tax discount rates reflect specific risks relating to the relevant CGUs and the countries in which they operate. Management makes judgements regarding the development of assumptions other than WACC based on internal and external views of the industry's history and future.

The weighted average costs of capital used as discount rates for the cash flow estimates are presented in the enclosed table:

Used pre-tax discount rate %	2023	2022
Wine	8.2%	8.0%
Spirits	8.6%	8.4%

The estimated average operating margins used in the calculations are presented in the enclosed table:

Projected average pre-tax operating result %	2023	2022
Wine	5.6%	9.5%
Spirits	16.6%	13.2%

Based on the analyses prepared by the Group, no reasonably possible change in any of the key assumptions would cause any of the tested unit's recoverable amount to decrease to be equal to its carrying amount.

Impairment testing - Trademarks

Equivalent impairment tests are made for trademarks with indefinite useful life and useful life of 50 years. The recoverable amount for trademarks is calculated on the basis of relief from royalty method after taxes whereby the brand's annual royalty rate is considered to be the expected long-term profit that the individual trademarks are expected to have. The forecast period applied for the calculations covers five years. The terminal value is based on an assumption of inflation growth of 2 percent. The terminal growth rate used is unchanged from 2022 impairment testing calculations. Cash flow estimates used are discounted using a post-tax discount rate specific for the country where each brand is predominantly sold.

Used post-tax discount rate %	2023	2022
Norwegian Brands	7.3%	7.1%
Danish Brands	6.5%	7.1%

A significant proportion of the Group's trademarks are assessed not to have definite useful lives. These are not amortised on an ongoing basis but are solely subject to annual impairment testing. On initial recognition of trademarks, it is assessed whether the trademark is expected to have definite useful lives or not. In this assessment, the Group gives particular weight to Group's expected use of the trademark, the customary life cycles for trademarks of this type, the stability of the sector and the business, and the profitability that shall maintain the trademark's financial lifetime given the Group's ability to maintain value. The Group also devotes resources to legal control of trademarks in large and important markets.

At the end of 2023, all of the Group's trademarks with indefinite useful lives were related to Spirits segment. The carrying amount of these assets amounted to EUR 128.3 million (2022: EUR 134.3 million). Most of the trademarks within Spirits business are trademarks that have existed for several decades, and some have existed for several hundred years. If impairment tests show declining curves over time, the trademark may be written down to higher of estimated value in use and fair value less costs to sell and a new assessment of the trademark's estimated useful live is performed. If it is estimated after a new assessment that the useful life is no longer indefinite, the trademark is redefined to have a definite useful life, whereby a straight line amortisation method is applied for the remaining book value over the remaining useful life.

2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment

Property, plant and equipment mainly consist of manufacturing and warehouse buildings, land, and machinery and equipment used in alcoholic beverage industry. Property, plant and equipment are measured at historical cost less accumulated depreciation and possible impairment losses. If parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items. The subsequent costs related to the items of property, plant and equipment are capitalised only if the future economic benefits exceed the originally assessed standard of performance. All other expenditure, for example ordinary maintenance and repair costs, is recognised as an expense as incurred. Depreciation is recognised on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated.

Government grants, for example grants received from the State, are recognised in profit or loss in the same period in which the related expenses are recognised. Grants that compensate the Group for the acquisition of property, plant and equipment are deducted from the carrying amount adjusted with the grant received.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10–40 years
Machinery and equipment	3–20 years
Other tangible assets	3–10 years

The estimated useful lives and residual values are reviewed at each financial year-end, and if they differ substantially from the previous estimates, the depreciation periods are adjusted accordingly. Impairment loss is recognised in profit or loss to the extent the assets carrying value exceeds its recoverable amount.

Gains and losses on the disposals of property, plant and equipment are included in other operating income or expenses.

Rajamäki real estate is pledged as security for mortgages, see note 6.2.

There are no material contractual commitments for acquisitions of property, plant and equipment.

Critical estimates and management judgements – Property, plant and equipment:

Estimation of useful life is most critical estimate related to property, plant and equipment.

Impairment – Industrial Production Business

During 2023, the Group initiated a centre of excellence program which resulted in production volume being moved from the production facility in Norway to other production facilities in Finland and Denmark. This move was a triggering event for impairment testing of the Group's production facility at Gjelleråsen in Norway, which is a part of the Group's Industrial segment. The Industrial segment does not have any allocated goodwill or intangible assets with indefinite useful life.

The largest asset of this production business is the Right-Of-Use (ROU) asset related to the building premises at Gjelleråsen. This ROU facility at Gjelleråsen is used by all business units in Norway. The asset is allocated to the business units based on actual use of the premises forming separate lease components. The main part of the premises is used by the Industrial Production business and the Industrial Logistics business at Gjelleråsen. Less significant lease components are used by Wine and Spirits businesses at Gjelleråsen.

In addition to this there are other assets used in production, such as ROU process and bottling machinery and equipment, owned process and bottling machinery and equipment as well as some owned software assets related to the production business.

The Gjelleråsen Production business is as a separate cash generating unit as it has well-defined cash flows, with revenues stemming mainly from internal customers and an independent cost base corresponding to the bottling and process units at Gjelleråsen. A recoverable amount using value in use calculation was determined as at 31 December 2023 for the Gjelleråsen Production CGU. The calculated recoverable amount was negative due to loss making nature of the business.

In addition, separate impairment assessments have been made for the individual assets within the CGU.

Based on management judgement, the property lease component can be subleased, and therefore capable of independent cashflows. The fair value less cost of disposal (FVLCOD) was determined of the related ROU asset using income approach. The fair value measurement is classified as Level 3 of the fair value hierarchy due to some unobservable inputs used in the valuation. Main assumptions are estimated rent per square meter of NOK 1,200 with 2% annual inflation, start of sublease from 2025 for the remaining part of the lease agreement period until end of 2036, all operating expenses related to the premises covered by the new tenant, using an asset specific discount rate of 11.8% before tax. The resulting recoverable amount is EUR 11.1 million.

All other machinery and equipment, both ROU and owned, have also been evaluated individually. The process and bottling equipment has in general been considered not to have any second hand market and therefore their FVLCOD was assessed as zero, while casks, vehicles and laboratory assets have been considered to have a fair value less cost of disposal at least corresponding to their book value.

As a result of the above assessment, impairments related to the Gjelleråsen Production CGU was recorded at EUR 39.0 million, where EUR 28.0 million is related to ROU building, EUR 5.2 million related to ROU machinery & equipment, EUR 5.5 million related to owned machinery & equipment and EUR 0.3 million related to software. Impairment was allocated to the assets which do not generate independent cash flows in a way that their carrying amount was reduced to the highest of their FVLCOD (if measurable), their value in use (if determinable) and zero.

Impairment – Industrial Logistics Business

Vectura is the Group's Logistics business in Norway, which is also part of the Industrial Segment. This Logistics business has suffered from poor profitability during recent years. In addition, as noted above there was an impairment recorded for the production component of the Gjelleråsen property lease. This constitute indicators of impairment for the logistic lease component of the Gjelleråsen property as an individual asset and the Logistics business as a whole.

The Right-Of-Use (ROU) asset related to the building premises at Gjelleråsen used by the Logistics business is the largest asset for the business. In addition to this there are other assets used in logistics operations, such as ROU logistics machinery and equipment, owned logistics machinery and equipment as well as some owned software assets related to the logistics business.

The Gjelleråsen Logistics business is a separate cash generating unit as it is a separate legal company with well-defined cash flows, with revenues stemming mainly from internal customers and an independent cost base corresponding to the logistics from Gjelleråsen. A recoverable amount using value in use calculation was determined as at 31 December 2023 for the Gjelleråsen Logistics CGU. The calculated recoverable amount was EUR 15.3 million.

The FVLCOD for the ROU asset related to the property lease component used by the logistics business was determined using the same valuation approach and the same key assumptions as the valuation of ROU asset related to the property lease component used by the Production business described above. The resulting recoverable amount is EUR 15.5 million.

No other assets within the CGU are capable of generating independent cash flows. Impairment was allocated to these assets in a way that their carrying amount was reduced to the highest of their FVLCOD (if measurable), their value in use (if determinable) and zero.

Total impairment related to the Gjelleråsen Logistics CGU was recorded at EUR 25.7 million, where EUR 21.7 million is related to ROU building, EUR 1.2 million related to ROU machinery & equipment, EUR 2.3 million related to owned machinery & equipment and EUR 0.5 million related to software.

PROPERTY, PLANT AND EQUIPMENT

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Prepayments and assets under construction	Total
Acquisition cost at 1 January 2023	3.0	114.4	185.5	8.8	311.7
Additions	–	0.1	1.9	7.5	9.5
Disposals	-0.5	-5.2	-25.7	-0.0	-31.4
Effect of movement in exchange rates	–	-0.0	-2.4	-0.3	-2.8
Transfers between items	0.0	2.1	7.2	-9.3	0.0
Acquisition cost at 31 December 2023	2.5	111.4	166.5	6.6	287.1
Accumulated depreciation and impairment losses at 1 January 2023	**0.0**	**-93.9**	**-141.1**	**–**	**-235.0**
Depreciation	–	-2.3	-7.3	–	-9.6
Impairment losses	–	–	-8.3	-0.3	-8.6
Accumulated depreciation on disposals and transfers	–	3.1	24.2	–	27.2
Effect of movement in exchange rates	–	0.0	1.5	0.0	1.5
Accumulated depreciation and impairment losses at 31 December 2023	**0.0**	**-93.2**	**-131.0**	**-0.3**	**-224.4**
Carrying amount at 1 January 2022	3.0	20.5	44.4	8.8	76.7
CARRYING AMOUNT AT 31 DECEMBER 2023	**2.5**	**18.3**	**35.5**	**6.4**	**62.7**
Acquisition cost at 1 January 2022	3.0	113.4	177.5	5.3	299.3
Acquisition of subsidiaries	–	–	7.6	0.0	7.7
Additions	0.0	0.1	1.6	6.8	8.6
Disposals	-0.0	-0.1	-0.8	-0.0	-0.9
Effect of movement in exchange rates	–	-0.0	-2.6	-0.2	-2.9
Transfers between items	0.0	1.0	2.1	-3.2	0.0
Acquisition cost at 31 December 2022	**3.0**	**114.4**	**185.5**	**8.8**	**311.7**
Accumulated depreciation and impairment losses at 1 January 2022	0.0	-91.4	-136.6	–	-228.0
Depreciation	–	-2.6	-6.9	–	-9.5
Accumulated depreciation on disposals and transfers	–	0.0	0.6	–	0.6
Effect of movement in exchange rates	–	0.0	1.8	–	1.8
Accumulated depreciation and impairment losses at 31 December 2022	**0.0**	**-93.9**	**-141.1**	**–**	**-235.0**
Carrying amount at 1 January 2022	3.0	22.0	41.0	5.3	71.3
CARRYING AMOUNT AT 31 DECEMBER 2022	**3.0**	**20.5**	**44.4**	**8.8**	**76.7**

2.3 RIGHT OF USE ASSETS

Leases

Lease is a contract, or a part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. A contract contains a lease if there is an identified asset and the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and a lease liability is recognized at lease commencement date to reflect Anora's right to use the underlying asset and the unpaid future lease payments respectively.

Anora mainly acts as the lessee. The Group's leases are related to normal business operations, such as leases on production, distribution and administration buildings, machine & equipment for production, vehicles, forklifts and office technology.

The lease liability is measured by discounting the expected lease payments to the present value. Lease payments include fixed lease payments, expected payments related to residual value guarantees and the possible exercise price of the purchase option if the use of the option is reasonably certain. The lease period is the non-cancellable period of the lease. Any extension options are added to the lease period if it is reasonably certain that the Group will exercise such options.

Lease payments are discounted at the internal rate of return of the lease if that rate can be readily determined. If an internal rate of return cannot be readily determined, the incremental borrowing rate is used as the discount rate. The criteria used to determine the discount rate includes the class of the underlying asset, geographical location, currency and the lessee's credit risk premium.

The lease liability is remeasured and adjusted against the right of used asset if the cash flow in accordance with the original terms and conditions of lease changes; for example, if the lease period changes or if the lease payments change based on a variable index or interest rate. The lease liability is divided into current and non-current liability and is presented on a separate line on the balance sheet.

Right-of-use assets are measured at acquisition cost based on the amount of the initial measurement of the lease liability less payments made at or before commencement date and lease incentives received, adding initial direct costs and adjusting by estimated dismantling or site restoration costs. Right-of-use assets are depreciated over the lease period or their useful lives, depending on which is shorter. Right-of-use assets related to land, buildings and other real estate are depreciated in 2–32 years and right-of-use assets related to machinery and equipment are depreciated in 2–15 years.

Right-of-use assets related to tangible assets are presented on a separate line on the balance sheet.

The IFRS 16 standard includes exemptions concerning leases of less than 12 months and low-value assets. Lease liabilities are not recognised for leases of less than 12 months and low-value assets . Anora considers assets with an acquisition cost of less than EUR 5,000 to be low-value. Lease expenses related to leases included in the exemptions are recognised in equal instalments over the lease period.

Lease agreements include the agreement concluded with Destilleriveien 11 AS on the lease of production, distribution, and administration buildings at Gjelleråsen for an irrevocable period of 25 years as from 1 January 2012. The annual rent under this agreement is about 8,8 million euros as from 2024. The lease agreement of the premises at Gjelleråsen also include an option to extend the lease by 10 years after the initial 25 years. This option is currently considered not to be exercised and, therefore, it is not included in the calculation of Right-Of-Use asset and Lease liability at end of 2023 and 2022.

Lease agreements also include the agreement concluded with Destilleri ApS on the lease of areas for a micro-distillery on the premises in Aalborg, Denmark where the Aalborg aquavit and Gammel Dansk Brands was historically produced. The agreement is irrevocable until October 2031, whereafter the agreement can be cancelled by Anora with 12 months' notice. The agreement is on the other hand non-cancellable by the landlord for another 18 years after October 2031. This date of cancellation by the landlord is estimated to be the end date of the lease which was used in calculating the Right-Of-Use asset and Lease liability at end of 2023 and 2022.

On the relocation to Gjelleråsen in 2012, agreements were entered by former Arcus into for the lease of new machines and equipment for the production and distribution activities at Gjelleråsen. The contract partner for these agreements is Nordea Finans and agreements are subject to variable interest rates. These agreements run until 2027.

Other lease agreements include lease agreements for office premises, other machinery and equipment, company cars, trucks, lorries in the logistics business and lease of various office machines.

Critical estimates and management judgements – Right of use assets:

The most critical management judgements are related to determination of discount rates and use of any possible extension options related to the lease contracts.

Impairment of Right-of-use assets

For details of impairment of right-of-use assets, see Note 2.2 regarding impairment of property, plant and equipment.

RIGHT-OF-USE ASSETS

EUR million	Buildings	Machinery and equipment	Total
Acquisition cost at 1 January 2023	158.1	35.9	194.0
Additions	6.9	2.4	9.3
Disposals	-21.0	-3.5	-24.5
Effect of movement in exchange rates	-6.9	-1.9	-8.8
Acquisition cost at 31 December 2023	**137.0**	**32.9**	**170.0**
Accumulated depreciation at 1 January 2023	-35.2	-22.1	-57.2
Depreciation	-9.7	-2.9	-12.6
Impairment losses	-49.7	-6.4	-56.1
Accumulated depreciation on disposals	19.8	3.3	23.1
Effect of movement in exchange rates	-0.3	1.0	0.7
Accumulated depreciation at 31 December 2023	**-75.0**	**-27.1**	**-102.1**
Carrying amount at 1 January 2023	122.9	13.9	136.8
CARRYING AMOUNT AT 31 DECEMBER 2023	**62.1**	**5.8**	**67.9**

EUR million	Buildings	Machinery and equipment	Total
Acquisition cost at 1 January 2022	136.5	37.0	173.4
Acquisitions of subsidiaries	18.1	0.6	18.7
Additions	10.8	0.8	11.5
Disposals	-0.5	-0.7	-1.2
Effect of movement in exchange rates	-6.7	-1.7	-8.4
Acquisition cost at 31 December 2022	**158.1**	**35.9**	**194.0**
Accumulated depreciation at 1 January 2022	-27.6	-20.2	-47.8
Depreciation	-9.9	-3.3	-13.2
Accumulated depreciation on disposals	0.5	0.4	0.9
Effect of movement in exchange rates	1.8	1.0	2.8
Accumulated depreciation at 31 December 2022	**-35.2**	**-22.1**	**-57.2**
Carrying amount at 1 January 2022	108.9	16.8	125.7
CARRYING AMOUNT AT 31 DECEMBER 2022	**122.9**	**13.9**	**136.8**

2.4 INVENTORIES

Inventories

Inventories are measured at the lower of cost and net realisable value. Self-manufactured products are measured at standard cost, where both fixed and variable production costs are allocated to the standard cost of the products produced based on different allocation keys.

Raw materials, supplies and trading goods are measured at weighted average cost. Semi-finished products are measured at weighted average cost. Repacked trading goods are measured at standard cost in repacking plant.

The standard cost used for self-manufactured products and repacked trading goods represents approximation of actual cost under weighted average cost formula.

The cost of finished products and work in progress includes raw materials, direct labour costs, other direct costs as well as an allocable proportion of variable procurement and production costs and fixed overheads in case of finished products, determined based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

INVENTORIES

EUR million	2023	2022 Restated
Materials and supplies	39.6	68.4
Work in progress	14.5	20.1
Finished goods	43.5	72.9
Trading goods	49.9	27.4
Other inventories	0.2	0.6
Total before obsolescence	**147.7**	**189.3**
Provision for obsolescence	-3.5	-3.1
TOTAL	**144.2**	**186.2**

Inventory categories presented in 2022 Group's financial statements included a classification error related to initially incorrect classification of inventory of recently acquired Globus Wine AS. In addition, provision for obsolescence has been presented on a separate line compared to the note in the 2022 annual report. This error was corrected in 2023 financial statements, including comparatives (Materials and supplies EUR -13.8 million, Finished goods EUR 20.5 million, trading goods EUR -3.6 million, provision for obsolescence EUR -3.1 million). The error had no impact on presented figures in income statement, balance sheet or cash flows.

2.5 TRADE AND OTHER RECEIVABLES

Trade and other receivables

Trade receivables are carried at original invoiced amount less any allowance for expected credit losses. An allowance for expected credit losses recognised immediately in profit and loss. Allowance for expected credit losses are recognised based on lifetime expected credit losses from trade receivables in accordance with IFRS 9. The expected credit loss model is forward looking and expected default rates are based on historical realised credit losses. The lifetime expected credit loss provision is calculated using aging of the accounts receivable and regional portfolios. Trade receivables are written off when there is no reasonable expectation of recovery for example the failure of a debtor to engage in a repayment plan with the Group.

Sold trade receivables are derecognised from the balance sheet as soon as the receivable is sold and the payment has been received. At the time of sale, the Group derecognises the trade receivable as the contractual right to these cash flows expire and all the related substantial risks and rewards have been transferred outside the Group. The costs related to the sold receivables are recognised in Other finance expenses.

TRADE AND OTHER RECEIVABLES

EUR million	2023	2022
Trade receivables	96.3	227.3
Prepayments to customers/suppliers	3.4	6.3
Accrued income	6.2	4.0
Other receivables	4.2	4.3
TOTAL	**110.1**	**241.9**

At the end of the reporting period 2023 the sold trade receivables amounted to EUR 173.6 million (2022: EUR 59.4 million).

Trade receivables from associated companies and joint arrangements are included in receivables from related parties, presented in Note 6.3.

AGEING ANALYSIS OF TRADE RECEIVABLES

EUR million	2023	2022
Trade receivables not past due	85.6	213.8
Trade receivables past due 1–90 days	10.9	12.4
Trade receivables past due over 90 days	1.5	1.8
Impairment losses	-1.7	-0.8
TOTAL	**96.3**	**227.3**

CHANGES OF IMPAIRMENT LOSSES

EUR million	2023	2022
Expected credit losses at beginning of period	-0.8	-0.9
Accruals for expected credit losses during period	-1.0	0.0
Reversal of accruals for expected credit losses during period	0.1	0.4
Realized credit losses during period	0.0	-0.3
Translation differences	0.0	0.0
EXPECTED CREDIT LOSSES AT END OF PERIOD	**-1.7**	**-0.8**

A significant share of the Group's revenue is associated with the state monopolies in the Nordic region, where there is not considered to be material credit risk. The Group's credit risk is otherwise spread over a large number of small customers within the Horeca market, industrial customers as well as a small number of distributors outside the home markets. On this basis, the Group applies a simplified approach to calculation of expected credit losses. The loss allowance for trade receivables is based on the ageing of the accounts receivables, regional portfolio and experienced historic credit losses. Forward looking macro-economic information has been included in analysis.

2.6 EMPLOYEE BENEFIT OBLIGATIONS

Group's pension arrangements

The Group operates various pension plans in accordance with local conditions and practices in different countries. In the Finnish, Norwegian, Swedish, Danish and German companies, statutory pension obligations are arranged through pension insurance companies, when the plans are defined contribution plans and they are managed in accordance with local legislation and established practice.

Gift pension and unfunded pension arrangements

In addition to the defined contribution plans, the Group has a few gift pensions and other unfunded defined benefit plans for some of the employees in Norway. On the transition to the defined contribution plan in Norway, there were individuals who would be disadvantaged in the event of early retirement at 65–67 years of age. To compensate for this, it was agreed to that a gift pension would be paid to all employees who were affected. As at 31.12.2023, this pension is linked to 70 active employees and 15 retired former employees.

In the actuarial calculated defined benefit pension plans, the amount of the pension benefit at retirement is calculated based on salary, years of service and life expectancy. The Norwegian pension plans cover only few employees, thus the related pension liabilities are not material for the Group. At the end of the reporting period 2023 the total actuarial calculated defined benefit plan obligations amounted to EUR 2.4 million (2022: EUR 2.7 million).

2.7 TRADE AND OTHER PAYABLES

EUR million	2023	2022 Restated
Trade payables	96.6	103.5
Accruals for wages and salaries and social security contributions	13.2	13.3
Interest liabilities	0.2	0.2
Procurement expenses	10.6	12.5
Other accrued expenses	28.1	41.1
Excise tax	114.5	126.0
VAT liability	59.6	62.1
Other liabilities	6.8	5.7
TOTAL	**329.6**	**364.4**

The comparable figures for 2022 have been changed from the note in official annual report from 2022, to reflect updated categorisation of payables (Accruals for wages and salaries and social security contributions EUR 13.2 million, Procurement expenses EUR -3.5 million, Other accrued expenses EUR -0.8 million, Other liabilities -8.0 million). The change have had no impact on presented figures in income statement, balance sheet or cash flows.

2.8 PROVISIONS

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. The amount recognised as provision is the management's best estimate of the costs required to settle the existing obligation at the end of the reporting period. If part of the obligation may potentially be compensated by a third party, the compensation is recognised as a separate asset when it is virtually certain that the compensation will be received.

A provision for restructuring costs is recognized only when general recognition criteria for provision are met and after management has prepared and approved a formal plan to which it is committed, and it has raised a valid expectation in those affected by the measures that it will carry out the restructuring by starting to implement that plan or announcing its main features.

The costs included in a provision for restructuring are those costs that are either incremental or incurred as a direct result of the plan or are the result of a continuing contractual obligation with no continuing economic benefit to Anora or a penalty incurred to cancel the contractual obligation.

At the end of 2023, the group has EUR 3.9 million of provision related to restructuring plans. The Group had no provisions at 31 December 2022.

EUR million	Opening Balance provisions	Provisions made during 2023	Provisions reversed during 2023	Translation differences	Amount in balance sheet 31.12.2023
Restructuring provisions	0.0	4.9	-1.1	0.1	3.9
TOTAL	**0.0**	**4.9**	**-1.1**	**0.1**	**3.9**

3 Financial items and capital structure

Earnings per share	Dividend per share
-0.59 EUR	0.22 EUR

3.1 FINANCE INCOME AND EXPENSES

FINANCE INCOME

EUR million	2023	2022
Interest income		
Loans, receivables and cash and cash equivalents	12.0	2.7
Total interest income	**12.0**	**2.7**
Foreign exchange gains		
Foreign exchange gains on FX-derivatives	4.8	0.0
Foreign exchange gains on I/C loans and cash pool accounts	8.0	2.3
Total foreign exchange gains	**12.9**	**2.3**
Dividend income		
Fair value through other comprehensive income	0.0	0.0
Total dividend income	**0.0**	**0.0**
Other financial income		
Other financial income	-0.2	0.7
Total other financial income	**-0.2**	**0.7**
TOTAL FINANCE INCOME	**24.6**	**5.6**

FINANCE EXPENSES

EUR million	2023	2022
Interest expenses		
Financial liabilities at amortised cost	-22.8	-6.4
Derivatives under hedge accounting (Interest rate risk)	-	-0.3
Interest expenses on lease liabilities	-5.5	-5.0
Other interest expenses, pension liability	0.0	0.0
Total interest expenses	**-28.3**	**-11.7**
Foreign exchange losses		
Foreign exchange losses on FX-derivatives	-5.8	-0.5
Foreign exchange losses on I/C loans and cash pool accounts	-8.6	-3.3
Total foreign exchange losses	**-14.4**	**-3.9**
Other finance expenses		
Other financial expenses	-4.7	-1.9
Total other finance expenses	**-4.7**	**-1.9**
TOTAL FINANCE EXPENSES	**-47.4**	**-17.5**

Foreign exchange difference arising from trade receivables and trade payables amounting to EUR 0.1 million (2022: EUR -0.7 million) and from currency derivatives amounting to EUR -0.8 million (2022: EUR 1.4 million) are included in operating result.

3.2 FINANCIAL ASSETS AND LIABILITIES

3.2.1 FINANCIAL ASSETS

According to IFRS 9 the classification is business model driven and there are three classes: fair value through profit and loss, amortised cost and fair value through other comprehensive income. Classification is made upon initial recognition based on the purpose of use of the asset. The basis of classification is reassessed at each reporting date.

All purchases and sales of financial instruments are recognised on the trade date, which is the date when the Group commits to purchase or sell a financial instrument. Financial assets are recognised in the balance sheet at original cost which equals their fair value at the acquisition date. If the asset in question is not measured at fair value through profit or loss, transaction costs are included in the original cost of the financial asset.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the Group transfers all the substantial risks and rewards related to the financial asset outside the Group. Financial assets are included in non-current items of the balance sheet when their maturity is over 12 months.

Impairment of financial assets

The impairment model requires the recognition of impairment provision based on expected credit losses. The allowance for credit losses is recognised based on lifetime expected credit losses from trade receivables and contract assets. More information on the allowance for credit losses on trade receivables can be found in Note 2.5. Trade and other receivables.

The impairment model does not apply to financial assets measured at fair value since those are measured at fair value which already takes into account expected credit losses.

Financial assets recognised at fair value through profit or loss

This category includes financial assets held for trading purposes or otherwise designated as financial assets recognised at fair value through profit or loss by Anora Group. Sold receivables are classified in this category. Derivative instruments held for hedging purposes, but not qualifying for the criteria of hedge accounting, are classified in this category. Items in this category are initially recognised at fair value and subsequently measured at the fair value of each reporting date, which is the market bid price at the end of the reporting period determined based on public price quotations in active markets. Realised and unrealised gains and losses arising from changes in fair values are recognised in profit or loss in financial items in the period in which they are incurred if they relate to hedging of financial items.

Amortised cost

Loans and receivables arise when money, goods or services are delivered to a debtor, and they are included in current or non-current financial assets in accordance with their maturity. The assets in this category are held according to a business model of which objective is to collect contractual cash flows. In Anora, non-current receivables include loan receivables and other receivables with the maturity of over one year. Current receivables include trade receivables as well as cash and cash equivalents presented under current financial assets. Receivables are measured at amortised cost when the related payments are fixed or determinable and the instruments are not quoted in financial markets. The exchange rate differences of intra-group foreign currency denominated loan receivables are presented within financial items as foreign exchange differences related to loans.

Fair value through other comprehensive income

The assets measured at fair value through other comprehensive income consist of unquoted shares, that are not held for trading purposes and at initial recognition, the Group has made a final choice that they belong to this category. The changes in fair values are presented in other comprehensive income.

3.2.2 FINANCIAL LIABILITIES

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities are initially measured at fair value and recognised net of transaction costs, with the exception of items measured at fair value through profit or loss.

A financial liability (or a part of it) is not derecognised until the obligation specified in the contract is discharged or cancelled or expires. A financial liability is classified as current, unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives held for hedging purposes but not qualifying for hedge accounting and put options for the purchase of non-controlling interests. Derivatives held for hedging purposes but not qualifying for hedge accounting are measured at fair value, which is determined based on price quotations in active markets at the reporting date. Realised and unrealised gains or losses arising from the changes in fair values are recognised through profit or loss in the financial items as incurred. The liabilities related to options for the purchase of non-controlling interests are estimated on the basis of pricing mechanisms applied in the shareholder agreements.

Financial liabilities at amortised cost

This category includes the Group's external loans from financial institutions, loans from pension institutions, commercial paper loans as well as trade payables. These financial liabilities are measured at amortised cost using the effective interest method. When loans are paid off or refinanced, the related unamortised costs are recognised in finance expenses. Group overdrafts in use are included in current borrowings. In addition, Anora has a revolving credit facility and the related fee is amortised on a straight-line basis in other finance expenses during the term of the facility.

The exchange rate differences arising from foreign currency denominated loans from financial institutions are disclosed under financial items. The exchange rate differences of intra-group foreign currency denominated loans are presented within financial items in the foreign exchange differences of the category financial liabilities at amortised cost.

The fair values of loans from financial institutions and commercial paper loans are determined based on future cash flows discounted with market interest rate at the reporting date adjusted with Anora's credit risk premium. At the reporting date, the carrying amounts of the loans are not materially different from their book values.

LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

EUR million	2023	2022
Book value at the beginning of the period	0.6	1.3
Acquisition of subsidiares	0.0	0.0
Changes in value during period	0.1	-0.6
Interest during period	0.0	0.0
Translation differences	0.0	-0.1
Book value at the end of the period	**0.8**	**0.6**
Non-current liability	0.1	0.6
Current liability	0.6	0.0

Options for the purchase of non-controlling interests

Within the Group's wines business, the general managers of several subsidiaries have non-controlling interests. Most of the general managers have put options linked to their interests and these options can be exercised on a future date. The Group does not have control of these shares at the end of period, nor does it have control of the possible exercising of the put options. The value of put options is therefore recognised as liabilities at fair value at the end of the year.

The liabilities related to options for the purchase of non-controlling interests are estimated on the basis of pricing mechanisms applied in the shareholder agreements discounted for the close of the financial year. The most important parameters in the pricing mechanisms were the development in the share values, measured as EBIT (operating profit) up to the estimated due date, multiplied by a fixed market based multiple. As the basis for EBIT, the underlying companies' budgets and long-term plans up until the expected due date are used. The discount rate is NIBOR or STIBOR with duration matched to the expected due date.

BORROWINGS AND LEASE LIABILITIES

EUR million	2023	2022
Non-current		
Loans from financial institutions	209.5	209.3
Loans from pension institutions	5.3	6.8
Lease liabilities	120.7	132.4
TOTAL	**335.4**	**348.4**
Current		
Loans from financial institutions	0.0	0.0
Loans from pension institutions	1.5	1.5
Commercial papers	0.0	30.0
Lease liabilities	13.3	12.4
TOTAL	**14.8**	**43.9**

Interest-bearing non-current loans from financial and pension institutions are measured at amortised cost using the effective interest method.

All of the Group's non-current and current loans from financial and pension institutions were nominated in euro's as at 31 December 2023 and 31 December 2022.

The weighted average effective interest rate (p.a.) of the Group's loans from financial and pension institutions as at 31 December 2023 was 5.7% (2022: 3.5%).

The weighted average interest rate (p.a.) of the Group's lease liabilities as at 31 December 2023 was 3.7% (2022: 3.1%).

In December 2022 Anora refinanced its loan portfolio and all existing loans from financial institutions were early repaid. Group's external bank loans were combined under the parent company and terms were unified. Company entered into an EUR 410 million term and revolving facilities agreement. It consists of EUR 260 million term loan and EUR 150 million revolving credit facilities. In December 2023 Anora exercised its first extension option in relation to its credit facilities agreement, thus extending the term loan and revolving credit facilities maturity by one year to December 2026.

THE NET DEBT

Movements in net debt the year ended 31 December 2023 and 2022 are presented in the following table:

EUR million	Cash and cash equivalents	Loans from financial and pension institutions (non-current)	Loans from financial and pension institutions (current)	Lease liabilities (non-current)	Lease liabilities (current)	Total
Net debt as at 1 January 2023	91.4	216.0	31.5	132.4	12.4	300.9
Cash flows	119.2	-	-31.5	-	-11.2	-161.9
Translation differences	2.2	-	-	-6.9	-0.5	-9.5
Other non-cash movement	-	-1.3	1.5	-4.8	12.5	7.9
NET DEBT AS AT 31 DECEMBER 2023	**212.7**	**214.8**	**1.5**	**120.7**	**13.3**	**137.5**
Net debt as at 1 January 2022	168.9	136.1	26.5	120.8	11.6	126.0
Cash flows	-68.5	63.6	5.0	-	-12.0	125.1
Translation differences	-9.0	-	-	-	-	9.0
Acquisitions of subsidiaries	-	18.0	-	17.3	1.4	36.6
Other non-cash movement	-	-1.6	-	-5.7	11.4	4.2
NET DEBT AS AT 31 DECEMBER 2022	**91.4**	**216.0**	**31.5**	**132.4**	**12.4**	**300.9**

Derivative instruments

Derivatives are included in financial assets and liabilities at fair value through profit or loss when they do not meet the criteria of hedge accounting pursuant to IFRS 9. These derivatives are recognised at fair value on the trade date and they are subsequently measured at fair value at the reporting date. Derivative instruments and hedge accounting are described in Note 3.3.

The fair values of derivatives equal the amount that the Group would have to pay, or it would receive from the termination of the derivative contract at the reporting date. The fair values of forward exchange contracts are determined by using the market prices at the reporting date. The fair values of interest rate derivatives are determined by discounting the related future cash flows. The valuation of commodity derivatives is determined based on the fair values received from the financial markets.

3.2.3 CLASSIFICATION AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUES AND THE CARRYING AMOUNTS IN THE CONSOLIDATED BALANCE SHEET FOR EACH FINANCIAL INSTRUMENT BY CLASSES:

2023 EUR million	Note	Derivatives, hedge accounting	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amounts of items in the balance sheet	Fair value	Level
Financial assets								
Non-current financial assets								
Unquoted shares	3.2.1.	-	-	-	0.7	0.7	0.7	3
Other non-current receivables		-	-	0.0	-	0.0	0.0	
Current financial assets								
Trade and other receivables	2.5.	-	-	96.3	-	96.3	96.3	
Derivative instruments/Forward exchange contracts		0.0	-0.0	-	-	0.0	0.0	2
Derivative instruments/Commodity derivatives		0.8	-	-	-	0.8	0.8	2
Cash and cash equivalents	4.1.	-	-	212.7	-	212.7	212.7	
Assets held for sale		-	-	7.6	-	7.6	7.6	
TOTAL		**0.8**	**0.0**	**316.6**	**0.7**	**318.1**	**318.1**	
Financial liabilities								
Non-current financial liabilities								
Borrowings	3.2.2.	-	-	214.8	-	214.8	214.8	2
Lease liabilities	3.2.2.	-	-	120.7	-	120.7	120.7	2
Non-current liabilities at fair value through profit or loss		-	0.1	-	-	0.1	0.1	3
Other non-current liabilities		-	-	0.0	-	0.0	0.0	
Current financial liabilities								
Borrowings	3.2.2.	-	-	1.5	-	1.5	1.5	2
Lease liabilities	3.2.2.	-	-	13.3	-	13.3	13.3	2
Current liabilities at fair value through profit or loss	3.2.2.	-	0.6	-	-	0.6	0.6	3
Trade and other payables	2.7.	-	-	96.6	-	96.6	96.6	
Derivative instruments/Forward exchange contracts	2.7.	1.7	0.5	-	-	2.2	2.2	2
TOTAL		**1.7**	**1.3**	**446.8**	**0.0**	**449.8**	**449.8**	

2022 EUR million	Note	Derivatives, hedge accounting	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amounts of items in the balance sheet	Fair value	Level
Financial assets								
Non-current financial assets								
Receivables from interests in joint operations		-	-	7.6	-	7.6	7.6	
Unquoted shares	3.2.1.	-	-	-	0.7	0.7	0.7	3
Other non-current receivables		-	-	0.0	-	0.0	0.0	
Current financial assets								
Trade and other receivables	2.5.	-	-	229.7	-	229.7	229.7	
Derivative instruments/Interest rate derivatives		0.0	-	-	-	0.0	0.0	2
Derivative instruments/Forward exchange contracts		0.8	0.1	-	-	0.9	0.9	2
Derivative instruments/Commodity derivatives		5.4	-	-	-	5.4	5.4	
Cash and cash equivalents	4.1.	-	-	91.4	-	91.4	91.4	
TOTAL		**6.2**	**0.1**	**328.7**	**0.7**	**335.7**	**335.7**	
Financial liabilities								
Non-current financial liabilities								
Borrowings	3.2.2.	-	-	216.0	-	216.0	216.0	2
Lease liabilities	3.2.2.	-	-	132.4	-	132.4	132.4	2
Non-current liabilities at fair value through profit or loss		-	0.6	-	-	0.6	0.6	3
Other non-current liabilities		-	-	0.0	-	0.0	0.0	
Current financial liabilities								
Borrowings	3.2.2.	-	-	31.5	-	31.5	31.5	2
Lease liabilities	3.2.2.	-	-	12.4	-	12.4	12.4	2
Trade and other payables	2.7.	-	-	104.5	-	104.5	104.5	
Derivative instruments/Interest rate derivatives		0.0	-	-	-	0.0	0.0	2
Derivative instruments/Forward exchange contracts		0.1	0.1	-	-	0.2	0.2	2
TOTAL		**0.1**	**0.7**	**496.9**	**-**	**497.7**	**497.7**	

At the reporting date due to short maturity fair value of trade receivables and other short-term receivables and liabilities equal to their value in the balance sheet.

The table above presents the classification of financial instruments. 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.

3.3 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

When the Group applies IFRS 9 hedge accounting to foreign currency, interest rate and electricity derivatives, the effective portion of the fair value change is recognised in other comprehensive income and presented within equity in the hedge reserve.

When hedge accounting is applied

In Anora, cash flow hedging is applied to part of the interest rate, foreign currency and electricity derivatives based on case-by-case assessment. In cash flow hedging, the Group is hedging against changes in cash flows related to a specific asset or liability recognised in the balance sheet or to a highly probable future business transaction. Hedge accounting is a method of accounting with the purpose to allocate one or several hedging instruments so that their fair value changes offset in full or partly the changes in fair value or cash flow arising from the hedged risk in profit or loss during the period, for which the hedge is designated. In the beginning of the hedging arrangement, Anora documents the relationship between each hedging instrument and hedged item, as well as the objectives of risk management and the strategy in engaging in hedging. IFRS 9 requires that the effectiveness of hedging instruments is tested prospectively. Effectiveness means the ability of a hedging instrument to offset the changes in the fair value of the hedged item or changes in the cash flows of the hedged transaction attributable to the hedged risk. Under IFRS 9 the hedging relationship is regarded to be highly effective when there is an economic relationship between the hedged item and the hedging instrument. Hedging ratio is defined as a relationship between the quantity of the hedging instrument and the quantity of the hedged item. Hedge accounting is discontinued when the criteria for hedge accounting is no longer met.

The gains and losses arising from fair value changes of derivative contracts, to which hedge accounting is applied, are presented in hedge reserve. Forward points are included to hedging relationship. The effective portion of the unrealised changes in the fair value of derivatives designated and qualifying as cash flow hedges are recognised in other comprehensive income and presented in the hedge reserve in equity. The ineffective portion is immediately recognised in finance income or expenses in profit or loss. The cumulative gain or loss in equity on derivative instruments related to commercial items is recognised in profit or loss as an adjustment to purchases or sales simultaneously with the hedged item in the period in which the hedged item affects profit or loss. Realised gain or loss on electricity derivatives is included in operating result in electricity procurement expenses. When a hedging instrument designated as a cash flow hedge no longer meets the criteria of hedge accounting, the gain or loss accumulated in equity is recognised through finance income or expenses.

When hedge accounting is not applied

The accounting for gains and losses arising from fair value measurement is dependent on the purpose of use of the derivative. In Anora, the changes in the fair values of derivative instruments are immediately recognised in profit or loss in finance income or expense if the derivative in question is related to hedging of commercial cash flows (purchases and sales) and hedge accounting is not applied. The fair value changes of other derivative instruments are immediately recognised in profit or loss in finance income or expense items if hedge accounting is not applied. Derivatives, to which hedge accounting is not applied, are acquired to minimise the profit and/or cash flow effects related to business operations or financing.

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

EUR million	2023	2022
Derivative instruments designated for cash flow hedging		
Interest rate derivatives	-	20.0
Forward exchange contracts	64.1	24.1
Commodity derivatives, electricity	1.2	2.4
	0.0TWh	0.1TWh
Derivative instruments, non-hedge accounting		
Forward exchange contracts	39.3	5.6

The nominal values of derivative instruments are based on amounts and market prices at the reporting date.

EFFECTS OF HEDGE ACCOUNTING ON THE FINANCIAL POSITION AND PERFORMANCE

EUR million	EURAUD		EURGBP		EURUSD		EURNOK		EURSEK		USDDKK		USDSEK	
Foreign currency forwards	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Carrying amount (asset)	0.0	-	-	-	-	-	-	0.0	-	0.3	-	0.5	-	-
Carrying amount (liability)	-	0.0	0.0	-	0.0	0.1	0.5	0.0	1.0	-	0.1	-	0.1	-
Notional amount	1.0	1.1	1.2	-	2.1	1.0	12.0	3.3	36.5	12.9	10.0	5.0	1.3	-
Maturity date	Feb–Dec 2024	Feb–Dec 2023	Feb–Dec 2024	-	Feb–Dec 2024	Feb–Dec 2023	Feb–Dec 2024	Feb–Dec 2023	Feb–Dec 2024	Feb–Dec 2023	Feb–Dec 2024	Feb–Dec 2023	Feb–Aug 2024	-
Hedge ratio	1:1	1:1	1:1	-	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1	-
Change in discounted value of outstanding hedging instruments since 1 January	0.0	-0.1	0.0	-	0.1	-0.1	-0.5	-0.1	-1.3	0.0	-0.7	0.5	-0.1	-
Change in value of hedged item used to determine hedge effectiveness	0.0	0.1	0.0	-	-0.1	0.1	0.5	0.1	1.3	0.0	0.7	-0.5	0.1	-

EUR million **Interest rate swap**	**2023**	**2022**
Carrying amount (asset)	-	0.0
Carrying amount (liability)	-	-
Notional amount	-	20.0
Maturity date	-	04/2023
Hedge ratio	-	1:1
Change in discounted value of outstanding hedging instruments since 1 January	-	0.6
Change in value of hedged item used to determine hedge effectiveness	-	-0.6
Weighted average hedged rate for the year	-	0.0

EUR million **Commodities - Electricity**	**2023**	**2022**
Carrying amount (asset)	0.8	5.4
Notional amount	1.2	2.4
TWh	0.04	0.1
Maturity date	2024–2025	2023–2025
Hedge ratio	1:1	1:1
Change in discounted value of outstanding hedging instruments since 1 January	-4.6	3.1
Change in value of hedged item used to determine hedge effectiveness	4.6	-3.1
Weighted average hedged price EUR/MWh	30.5	32.3

Positive and negative fair values of unrealised derivatives and their net amount are presented below. Currency derivatives are under netting agreements. The master netting agreements in respect of derivatives do not meet the criteria for offsetting in the balance sheet owing to legally enforceable right not existing currently.

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

EUR million	**2023**	**2022**
Derivative assets:		
Fair value, gross	0.8	6.4
Fair value, under netting agreements	0.0	-0.1
Fair value, net	0.8	6.3
Derivative liabilities:		
Fair value, gross	2.2	0.2
Fair value, under netting agreements	0.0	-0.1
Fair value, net	2.2	0.0

3.4 EQUITY

Share capital

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.

All shares issued have been paid in full. The shares have no nominal value. Each share has one vote at the Annual General meeting and equal rights to dividend and other distribution of assets. The company does not hold its own shares.

Invested unrestricted equity fund

The invested unrestricted equity reserve includes the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution.

Fair value reserve

The fair value reserve represents the change in the fair value of financial assets measured at fair value through other comprehensive income.

Legal reserve

Legal reserve represents a statutory part of the foreign subsidiary's result.

Hedge reserve

The hedge reserve includes the fair value changes of derivative instruments used for cash flow hedging for effective hedges.

NUMBER OF SHARES

	2023	2022
Number of outstanding shares in the beginning of the financial year (Basic)	67,553,624	67,553,624
Total number of outstanding shares at the end of the financial year (Basic)	**67,553,624**	**67,553,624**
Number of outstanding shareoptions in the beginning of the financial year	632,200	0
Options granted during period	472,200	656,400
Options forfeited during period	-133,950	-24,200
Options exercised during period	0	0
Total number of outstanding shareoptions at the end of the financial year	**970,450**	**632,200**
Total number of oustanding shares at the end of the financial year (Diluted)	**68,524,074**	**68,185,824**

CASH FLOW HEDGE RESERVE

EUR million	Currency forwards	Interest rate swaps	Commodities	Total hedge reserves
Opening balance 1 January 2022	0.3	-0.4	1.8	1.7
change in fair value of hedging instruments recognized in OCI	-1.9	0.8	8.4	7.3
Reclassified from OCI to profit or loss - included in purchases/sales adjustments	1.4	-	-	1.4
Reclassified from OCI to financial income and expenses	-	-0.4	-	-0.4
Reclassified from OCI to electricity purchases	-	-	-4.8	-4.8
Deferred tax	0.0	0.0	-1.1	-1.0
Closing balance 31 December 2022	**-0.2**	**0.0**	**4.4**	**4.2**
change in fair value of hedging instruments recognized in OCI	-3.1	0.0	-4.4	-7.5
Reclassified from OCI to profit or loss - included in purchases/sales adjustments	0.8	0.0	-	0.8
Reclassified from OCI to financial income and expenses	-	-	-	0.0
Reclassified from OCI to electricity purchases	-	-	0.8	0.8
Deferred tax	0.3	-	-0.2	0.2
Closing balance 31 December 2023	**-2.2**	**0.0**	**0.7**	**-1.5**

Translation differences

Translation differences comprise all foreign exchange differences arising from the translation of the foreign subsidiaries' financial statements. The Group's accumulated translation differences amounted to negative EUR 44.0 million at 31 December 2023 (31.12.2022: negative EUR 33.0 million).

Earnings per share

Basic earnings per share is calculated by dividing the result for the period attributable to owners of the parent company by the weighted average number of shares outstanding during the reporting period.

Diluted earnings per share has been calculated on the same basis as basic earnings per share except that it reflects the impact of any potential commitments the Group has to issue shares in the future. The table at the start of this note show all outstanding ordinary and diluted shares as of 31.12.2023.

EARNINGS PER SHARE

	2023	2022
Result for the period attributable to the shareholders of the parent company, EUR million	-39.9	17.9
Weighted average number of shares outstanding basic	67,553,624	67,553,624
Weighted average number of shares outstanding diluted	68,664,920	67,929,466
Earnings per share (EUR) basic	-0.59	0.26
Earnings per share (EUR) diluted	-0.58	0.26

Dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.22 (EUR 0.22 for 2022) per share be paid for the financial year 2023.

ANORA GROUP PLC DISTRIBUTABLE FUNDS

EUR million	2023	2022
Invested unrestriced equity	52.2	52.2
Retained earnings	74.4	65.9
Distribution of dividends	-14.9	-30.4
Profit for the period	-11.5	38.9
TOTAL DISTRIBUTABLE FUNDS	**100.2**	**126.6**

4 Financial and capital risk

Gearing

33.7%

4.1 FINANCIAL RISK MANAGEMENT

Financial risk management principles

The aim of Anora's financial risk management is to ensure the Group's financial stability and availability of sufficient financing options in different market situations. In addition, the aim is to support the business operations to identify business-related financial risks and their management, and to limit and for some extent to hedge against without speculating material financial risk that the core business creates. The guiding principles of Anora's financial risk management are documented and described in the Group Treasury Policy.

The Group is exposed to various market risks. Changes in these risks affect the company's assets, liabilities and anticipated transactions. The risks are caused by changes in interest rates, currencies and commodity market prices. Selected derivative instruments can be used to manage the risks resulting from these market risks. Anora mainly hedges against risks that impact the Group's cash flow, and, if deemed appropriate, also certain foreign currency denominated items in the balance sheet. Derivatives are solely used to hedging against the above-mentioned risks. The principles of IFRS 9 hedge accounting are applied to certain interest rate, foreign exchange as well as electricity derivatives. Financial risk management is executed as part of the Group's risk management, according to the Risk Management Principles approved by the Board of Directors. Anora's principles aiming towards financial, credit and operational continuity form the basis for financial risk management.

Risk management process

Special process features related to financing are described below in connection with the descriptions of market, liquidity and credit risks. The financial risk exposure is regularly reported to the Audit Committee and Anora's Board of Directors. The most significant principle decisions concerning risk management are made by the company's Board of Directors.

Financial risk management

Financial matters are reported regularly to the Group management. The Board of Directors processes all substantial financial matters, such as the Group's external funding arrangements.

Tasks and responsibilities regarding Anora's financial operations and financial risk management are described in the financial risk management principles. The Group Treasury is responsible for securing financing, identifying risks and hedging of those risks according to Group Treasury Policy. The business units and subsidiaries are responsible for managing the risks associated with their own operations and forecasting cash flows.

Risk concentrations

Anora carefully analyses the financial risks and risk concentrations related to its operations. Risk concentrations identified as a result of this assessment are described in connection with the descriptions of market and credit risks.

Market risk

Anora defines market risk as a risk where the fair values of financial instruments or future cash flows fluctuate as a result of changes in market prices. The most significant market risks for the Group are currency risk, interest rate risk and price risks for barley and electricity.

1. Currency risk

Anora is exposed to currency risks as it has operations in several different countries. The objective of the Group's currency risk management is to limit the effect of exchange rate fluctuations on the Group's cash flow in EUR. The most significant currencies are NOK, SEK, USD, AUD and DKK.

Transaction risk

Transaction risk is caused by foreign currency denominated items in the balance sheet and future cash flows related to sales, purchases and return of capital.

Foreign exchange exposures are monitored at the Business level and future foreign currency cash flow risks of either sales or purchase contracts are hedged. The estimated future commercial exposures are evaluated by the Businesses, and the level of hedging is per Group Treasury Policy's mandate. Hedge accounting in accordance with IFRS 9 is applied to most of the hedges. Hedging transactions are executed with forward exchange contracts or options for the following 24 months at the most, predominantly following the pricing towards state monopolies in the Nordic region. In Finland this takes place every six months, in Norway every four months and in Sweden every six months.

The two tables below present the Group's net currency position, first on the basis of financial instruments recorded on the balance sheet and secondly including on a net basis also the estimated future foreign currency net cash flows. The currency position resulting from the financial instruments in accordance with IFRS 7 consists of trade receivables, trade payables, cash and cash equivalents, the Group's internal and external loans and derivative instruments.

The net currency risk has been taken into account in the table if the transaction currency is other than the Company's functional currency.

TABLE 1: THE GROUP'S NET CURRENCY POSITION AT 31 DECEMBER

The net currency position resulting from the financial instruments in accordance with IFRS 7 EUR million	2023	2022
EUR-SEK	-29.5	62.0
EUR-NOK	-11.8	-0.8
EUR-USD	10.8	8.3
EUR-AUD	1.1	1.1

The Group's net currency position at 31 December including also the hedged commercial cash flows EUR million	2023	2022
EUR-SEK	7.0	124.2
EUR-NOK	31.2	58.2
EUR-USD	-2.5	-18.0
EUR-AUD	0.1	-1.7

Translation risk
Translation risk is mainly caused by the parent company's foreign currency denominated net investments in foreign subsidiaries, which cause a translation difference in equity in the Group's balance sheet upon consolidation. The Group Treasury regularly analyses the translation risk and reports any material issues to the management. The most significant net investments are denominated in SEK and NOK. The translation risk has not been hedged.

2. Interest rate risk
The objective of interest rate risk management is to minimise the impact of fluctuations arising from interest rate changes on the Group's profit. In December, Anora extended the maturity of its bullet loan and RCF by one year. At 31 December 2023 the total nominal amount of loans was amounting to EUR 216.8 million (2022: 218.3) and was divided as follows:

- The EUR 210.0 million bullet loan matures in December 2026.
- The EUR 6.8 million pension loan matures in January 2028. The interest rate is fixed for the whole loan period.

The maximum amount under Anora's domestic commercial paper program is EUR 100 million. The amount of issued commercial papers at 31 December 2023 was EUR 0.0 (2022: 30.0) million.

The sold trade receivables are derecognised at the time of trade with no obligation to repurchase. The related costs are recognised in other financial expenses. The trade receivables are current receivables and the related interest rate risk is not hedged. The amount of the sold trade receivables was EUR 173.6 million at 31 December 2023 (2022: 59.4 million).

3. Price risk associated with commodities
Barley
In 2023, Anora consumed approximately 174.0 (184.3) million kilos of grain to produce ethanol and starch. The availability of high-quality domestic barley was ensured until the end of 2023 through contract farming and cooperation with farmers and grain stores. The market price of barley significantly fluctuates year by year as a result of several factors that affect Finnish barley supply and demand. The price of barley is therefore considered to be a significant risk for Anora during the financial year. The price risk has not been hedged against with derivative instruments.

Electricity
A strong increase in the market price of electricity is a significant risk for Anora. In Finland, the risk is managed by following Anora's principles for electricity procurement and by a third-party specialist. These principles determine the hedging limits within which the electricity price risk is hedged against. The hedges are executed with the OTC-derivatives of Nasdaq OMX Oslo.

At the end of 2023, the hedging ratio for deliveries for the next 12 months was 83.6% (78.0%), in line with the set targets. In 2023, the average hedging ratio was 86.8% (76.2%).

Cash flow hedge accounting in accordance with IFRS 9 is applied to the hedges against electricity price risk, and hedge effectiveness is tested quarterly. All hedging was effective in 2023 as in 2022.

Anora purchases its electricity straight from the Nord Pool Spot markets as a delivery tied to the spot price of the Finnish price area. As part of its electricity purchases, Anora also purchases physical electricity through bilateral fixed-price contracts.

4. Sensitivity to market risks

The following table describes the sensitivity of the Group's profit and equity (before taxes) to changes in electricity prices, interest and foreign exchange rates. When Anora applies hedge accounting, the sensitivity is directed at equity. When hedge accounting is not applied, the sensitivity is recognised as a potential impact on profit or loss.

The sensitivity to foreign exchange rate changes is calculated from the net currency position resulting from financial instruments.

TABLE 2: SENSITIVITY ANALYSES

Sensitivity of financial instruments to market risks (before taxes) in accordance with IFRS 7	2023		2022	
EUR million	Income statement	Equity	Income statement	Equity
+/-10% electricity	-	+/-0,2	-	+/-0,8
+/-10% change in EUR/NOK exchange rate	+/-1,2	+/-1,3	-/+0,1	+/-0,3
+/-10% change in EUR/SEK exchange rate	+/-2,9	+/-3,9	+/-6,4	+/-1,9
+/-10% change in EUR/USD exchange rate	-/+1,1	-/+1,3	-/+0,2	-/+0,6
+/-10% change in EUR/AUD exchange rate	-/+0,1	-/+0,1	-/+0,0	-/+0,1
+1%-points parallel shift in interest rates	-2.1	-	-1.6	-0,0

At the end of 2023 the total Group floating rate liability position consists of floating rate liabilities EUR 210.0 million (2022: EUR 210.0 million).

5. Liquidity risk

The Group's activities are subject to seasonal fluctuations and alcohol sales increase in periods with national celebrations and public holidays, especially at Easter and Christmas. The fourth quarter is normally the best quarter for the Group which is also reflected in cash flows.

In order to manage the liquidity risk, Anora continuously maintains sufficient liquidity reserves, which at the end of 2023 comprised Group's both EUR 10 million and NOK 100 million overdraft facilities and a EUR 150 million revolving credit facility. At the end of December 2023, no revolving credit facility was in use (2022: EUR 0.0 million). The facilities mature in December 2026. More detailed information on the Group's external loans is provided in the interest rate risk section.

TABLE 3: LIQUIDITY RESERVES

Cash and cash equivalents and unused committed credit limits EUR million	2023	2022
Cash and cash equivalents	212.7	91.4
Overdraft facilities	18.9	19.5
Revolving credit line	150.0	150.0
TOTAL	**381.6**	**260.9**

TABLE 4: MATURITIES OF FINANCIAL LIABILITIES

Contractual payments on financial liabilities 2023		Cash flows 2024			Cash flows 2025			Cash flows 2026–		
EUR million	**Total contractual cash flows**	**Fixed rate**	**Variable rate**	**Repayment**	**Fixed rate**	**Variable rate**	**Repayment**	**Fixed rate**	**Variable rate**	**Repayment**
Non-derivative:										
Loans from financial institutions [1]	-247.2	0.0	-12.4	0.0	0.0	-12.5	0.0	0.0	-12.3	-210.0
Loans from pension institutions [2]	-7.0	-0.1	0.0	-1.5	-0.1	0.0	-1.5	-0.1	0.0	-3.8
Lease liabilities	-170.0	0.0	-5.4	-13.1	0.0	-4.9	-17.6	0.0	-25.7	-103.3
Trade payables	-96.6			-96.6						
Derivative:										
Currency derivatives, hedge accounting										
Inflow	63.7	0.0	0.0	63.7	0.0	0.0	0.0	0.0	0.0	0.0
Outflow	-65.3	0.0	0.0	-65.3	0.0	0.0	0.0	0.0	0.0	0.0
Currency derivatives, non-hedge accounting										
Inflow	39.0	0.0	0.0	39.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow	-40.0	0.0	0.0	-40.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate derivatives, hedge accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity derivatives, hedge accounting	-1.2	0.0	0.0	-0.7	0.0	0.0	-0.5	0.0	0.0	0.0
TOTAL	**-524.5**	**-0.1**	**-17.8**	**-114.6**	**-0.1**	**-17.3**	**-19.6**	**-0.1**	**-38.0**	**-317.0**

[1] Loans from financial institutions mature 2026
[2] Loans from pension institutions mature 2028

TABLE 4: MATURITIES OF FINANCIAL LIABILITIES

Contractual payments on financial liabilities 2022		Cash flows 2023			Cash flows 2024			Cash flows 2025–		
EUR million	**Total contractual cash flows**	**Fixed rate**	**Variable rate**	**Repayment**	**Fixed rate**	**Variable rate**	**Repayment**	**Fixed rate**	**Variable rate**	**Repayment**
Non-derivative:										
Loans from financial institutions [1]	-233.8	0.0	-7.9	0.0	0.0	-8.0	0.0	0.0	-7.9	-210.0
Loans from pension institutions [2]	-8.5	-0.1	0.0	-1.5	-0.1	0.0	-1.5	-0.1	0.0	-5.3
Lease liabilities	-187.4	0.0	-5.3	-12.4	0.0	-4.9	-14.2	0.0	-32.4	-118.3
Trade payables	-103.5	0.0	0.0	-103.5	0.0	0.0	0.0	0.0	0.0	0.0
Derivative:										
Currency derivatives, hedge accounting										
Inflow	24.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow	-23.5	0.0	0.0	-23.5	0.0	0.0	0.0	0.0	0.0	0.0
Currency derivatives, non-hedge accounting										
Inflow	5.7	0	0	5.7	0	0	0	0	0	0
Outflow	-5.6	0	0	-5.6	0	0	0	0	0	0
Interest rate derivatives, hedge accounting	0.0	0.0	0	0	0.0	0	0	0.0	0	0
Commodity derivatives, hedge accounting	-2.4	0	0	-1.2	0	0	-0.7	0	0	-0.5
TOTAL	**-535.2**	**-0.1**	**-13.2**	**-118.1**	**-0.1**	**-12.9**	**-16.4**	**-0.1**	**-40.3**	**-334.1**

[1] Loans from financial institutions mature 2026
[2] Loans from pension institutions mature 2028

6. Credit risk

The objective of Anora's credit risk management is to minimise the losses if one of the Group's counterparties fails to meet its obligations. The principles of credit risk management are described in the Group's credit policy.

Credit risks are caused by a counterparty not fulfilling its contractual payment obligations or the counterparty's credit rating changing in a manner that affects the market value of the financial instruments it has issued.

The aim is to minimise credit risks by active credit management and by taking into account customers' credit rating when determining the payment term of invoices. A significant share of the Group's revenue is associated with the state monopolies in the Nordic region where there is not considered to be any credit risk. The Group's credit risk is otherwise spread over industrial customers, a large number of small customers within the Horeca market as well as a small number of distributors outside the home markets.

4.2 CAPITAL RISK MANAGEMENT

The target of Anora's capital management is to secure an effective capital structure that supports the profitable growth of the operations. The Board of Directors monitors the Group's capital structure regularly.

Anora monitors its capital based on total Net Debt to Comparable EBITDA. The ratio is calculated by dividing net debt with the last 12 month's comparable EBITDA of the Group. Net debt /comparable EBITDA ratio at the end of 2023 is not comparable with prior period. 2022 Comparable EBITDA includes Globus result only from 1st of July 2022 onwards.

During the business cycle, Group's Net debt to comparable EBITDA is likely to fluctuate, and the objective is to retain a sufficiently strong capital structure to secure the Group's financing needs. Net debt / comparable EBITDA is a covenant used in Group's funding arrangements. During the financial period, the covenants were not in breach. At 31 December 2023 and 31 December 2022 the Net debt comparable/ EBITDA was as follows:

TABLE 5: NET DEBT/COMPARABLE EBITDA

Net Debit / Comparable EBITDA as of 31 December, EUR million	2023	2022
Comparable EBITDA	68.2	76.1
Borrowings	216.3	247.5
Lease liabilities	134.0	144.8
Cash and cash equivalents	212.7	91.4
Net debt	137.5	300.9
Net Debt /Comparable EBITDA AT 31 DECEMBER	**2.0**	**4.0**

5 Consolidation

5.1 GENERAL CONSOLIDATION PRINCIPLES

Consolidation

Consolidation, consolidation method and classification of ownership interests depends on whether the Group has power to control or jointly control the entity or have significant influence or other interests in the entity. When the Group has power to control the entity, it is consolidated as a subsidiary according to principles described in Note 5.3. Power to control an entity is normally achieved when shareholding is above 50%

When the Group has joint control or significant influence over an entity but does not have power to control, entity is accounted for by using the principles set in Note 5.4. Significant influence is normally achieved when the Group has between 20%–50% shareholding.

If the Group does not have power to control nor significant influence in the entity, its ownership interests are classified as financial assets at fair value through other comprehensive income and accounted for according to principles described in Note 3.2.1. This normally happens when the Group's ownership is below 20%.

Non-controlling interests

Non-controlling interests' share of profit after tax is shown on a separate line after Group's result for the period. Non-controlling interests' share of equity is shown on a separate line as part of the Group's total equity.

In some subsidiaries with non-controlling interests, the non-controlling shareholder have a put option related to the non-controlling interest, where the Group does not have control of the non-controlling interests before the options are exercised, nor does it have control of whether the options will be exercised, or when this exercise may take place. The value of such options is recognised as liability at fair value through profit and loss in the balance sheet and reduces the non-controlling share of equity. This means that the non-controlling interests presented in the income statement and in the equity show only values where the minority does not have put options related to the minority shares.

Foreign currency items

All transactions in foreign currency are converted to functional currency at the time of the transaction. Monetary items in foreign currency are converted on the balance sheet date into functional currency by using the exchange rate on the balance sheet date.

The consolidated financial statements are presented in euro, which is the functional currency of the parent company.

The functional currency in the subsidiaries is the currency in which the subsidiary reports its legal statutory accounts, and the Group has subsidiaries with functional currencies EUR, SEK, NOK and DKK. When consolidating subsidiaries that have a functional currency other than euro, profit and loss items are converted to the group's presentation currency at year-to-date average exchange rates published by the European Central Bank.

For balance sheet items reported in other currencies than euro, including PPA values and goodwill, the conversion to euro is based on closing rate on the reporting date.

Exchange rates used for translation of reported figures in foreign functional currencies during 2023 are:

EXCHANGE RATES DURING 2023

Functional currencies reported		Average rate 2023	Closing rate 31.12.2023	Average rate 2022	Closing rate 31.12.2022
Swedish krona	SEK	11.4842	11.0960	10.6571	11.1218
Norwegian krone	NOK	11.4684	11.2405	10.1122	10.5138
Danish krone	DKK	7.4513	7.4529	7.4396	7.4365

Translation differences arising from elimination of the cost of foreign subsidiaries and from translation of the foreign subsidiaries' post-acquisition profits and losses are recognised in other comprehensive income and presented as a separate item within equity. Goodwill and the fair value adjustments to the carrying amounts of assets and liabilities of foreign subsidiaries are accounted for as assets and liabilities of the respective foreign subsidiary, which are translated to euro using the closing rate at the reporting date. If these foreign units are entirely or partly disposed, related exchange rate differences are recognised in profit or loss as part of the gain or loss on disposal.

5.2 CHANGES IN GROUP STRUCTURE

Sale of Larsen business

Anora Group sold its Larsen cognac business to International Beverage Holdings limited as at 29th of September 2023. The disposal includes Anora's brands Larsen, Renault, Monopol and ibis as well as the company's subsidiary Larsen S.A.S with its production site in Cognac, France and Anora's eaux-de vie maturation stock.

Critical accounting estimate and management judgement regarding sale of Larsen Cognac business was related to the amount of goodwill derecognised. The derecognised goodwill was determined as the part of the goodwill recorded from the historic purchase of Larsen that was allocated to Spirits business in 2022 (EUR 2.8 million). Management consider that the described method better reflects goodwill associated with the operations disposed compared to the method on the basis of relative values of the operation disposed of and the portion of the cash-generating unit retained.

DISPOSED AMOUNTS OF ASSETS AND LIABILITIES

EUR million	2023
The carrying amounts of assets and liabilities sold as at the date of sale	
Goodwill	2.8
Other intangible assets	2.2
Property plant and equipment	4.2
Inventory	31.4
Trade and other receivables	1.7
Cash and cash equivalents	4.2
Total assets	**46.4**
Deferred tax liabilities	0.1
Employee benefit obligation	0.1
Trade and other payables	1.3
Total liabilities	**1.5**
Net assets sold	**44.9**
Total disposal consideration in cash	**58.5**
Transaction costs	-2.0
Total capital gain	**11.6**

Completion of the Globus Wine acquisition in 2022

On July 1, 2022 Anora completed the acquisition of Globus Wine A/S, the leading wine company in Denmark. The acquired business is reported as part of Anora's Wine segment as of July 1, 2022. The provisional amounts recognized on the date of the purchase have been adjusted within 12 months after the date of acquisition, to reflect new information obtained about facts and circumstances that existed at the date of acquisition, there were no adjustment made in 2023 to the amounts recored as of 31 December 2022. The final amounts are presented in the table below.

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

EUR million	2022
Intangible assets	44.3
Property, plant and equipment	7.7
Right of use assets	18.7
Inventory	20.9
Trade and other receivables	15.6
Cash and cash equivalents	0.1
Total Assets	**107.3**
Interest bearing liabilities	36.6
Deferred tax liabilities	10.9
Trade and other payables	20.2
Total liabilities	**67.7**
Net assets total	**39.6**
Goodwill	**40.6**
Total consideration	**80.2**

ANALYSIS OF CASH FLOWS OF ACQUISITION

EUR million	2022
Purchase consideration, cash payment	-80.2
Cash and Cash equivalents, in acquired companies	0.1
Transaction costs of the acquisitions	-1.0
Net cash flow from acquisitions	**-81.1**

Completion of the Von Elk acquisition in 2022

On September 1, 2022 Anora completed the acquisition of Von Elk Company Oy, mostly known for the brand Glöet, which is one of the most popular sparkling glögg in the Nordics. The acquired business is reported as part of Anora's Wine segment as of September 1, 2022. The provisional amounts recognized on the date of the purchase have not been adjusted after the date of acquisition. The final amounts are presented in the are presented in the table below.

EUR million	2022
Intangible assets	0.3
Property, plant and equipment	0.0
Trade and other receivables	0.0
Cash and cash equivalents	0.2
Total Assets	**0.5**
Deferred tax liabilities	0.1
Trade and other payables	0.0
Total liabilities	**0.1**
Net assets total	**0.5**
Goodwill	**0.8**
Remeasurement	**0.3**
Total consideration	**1.0**

ANALYSIS OF CASH FLOWS OF ACQUISITION

EUR million	2022
Purchase consideration, cash payment	-1.0
Cash and Cash equivalents, in acquired companies	0.2
Transaction costs of the acquisitions	-0.0
Net cash flow from acquisitions	**-0.8**

5.3 SUBSIDIARIES

Subsidiaries consolidation principles

Consolidated financial statements of Anora include the parent company, Anora Group Plc, and all subsidiaries. Subsidiaries are all those in which the parent company exercises control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee, and could affect those returns through its power over the investee. The financial statements of acquired subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All business combinations are accounted for by using the acquisition method. The consideration transferred and the identifiable assets acquired and liabilities assumed in the acquired company are measured at fair value at the acquisition date. The aggregate amount of the consideration transferred, the amount of non-controlling interests and any previously held equity interest in the acquiree, exceeding the fair value of the net assets acquired is recorded as goodwill.

All acquisition-related costs, with the exception of costs to issue debt or equity securities, are expensed. The consideration transferred does not include any transactions accounted for separately from the acquisition. Any contingent consideration is recognised at fair value at the acquisition date, and it is classified as either liability or equity. Contingent consideration classified as a liability is measured at fair value at each reporting date and any resulting gain or loss is recognised in profit or loss.

Intra-group transactions, receivables, liabilities and unrealised gains, as well as the distribution of profits within the Group are eliminated in preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss in question results from impairment.

Non-controlling interests' share of profit after tax is shown on a separate line after the Group's profit for the year. Non-controlling interests' share of equity is shown on a separate line as part of the Group's equity. In some subsidiaries with non-controlling interests, there are put options related to the non-controlling interests. These put options are accounted for separately, see chapter 5.1 Non-controlling interests on how this affects presented non-controlling interests in the income statement and equity.

Anora Group Plc had 70 subsidiaries at the end of the reporting period (72 subsidiaries at 31 December 2022).

	Country of incorporation	Parent company's share of ownership (%) 2023	Group's share of ownership (%) 2023	Parent company's share of ownership (%) 2022	Group's share of ownership (%) 2022
Altia Denmark A/S	Denmark	100.0	100.0	100.0	100.0
Altia Norway AS	Norway	100.0	100.0	100.0	100.0
Anora Estonia AS	Estonia	100.0	100.0	100.0	100.0
Anora Germany GmbH	Germany	-	100.0	-	100.0
Anora Latvia SIA	Latvia	100.0	100.0	100.0	100.0
Anora Prime Brands AS	Norway	-	100.0	-	100.0
Anora Sweden AB	Sweden	100.0	100.0	100.0	100.0
Arcus Brand Lab AS	Norway	-	100.0	-	100.0
Arcus Co Brands AS	Norway	-	100.0	-	100.0
Arcus Denmark A/S	Denmark	-	100.0	-	100.0
Arcus Finland Oy	Finland	-	100.0	-	100.0
Arcus-Gruppen AS	Norway	-	100.0	-	100.0
Arcus Holding AS	Norway	100.0	100.0	100.0	100.0
Arcus Norway AS	Norway	-	100.0	-	100.0
Arcus Sweden AB	Sweden	-	100.0	-	100.0
Arcus Wine Brands AS	Norway	-	100.0	-	100.0
Atlungstad Håndverksdestilleri AS	Norway	-	100.0	-	100.0
Best Buys International AS	Norway	100.0	100.0	100.0	100.0
BevCo AS	Norway	-	100.0	-	100.0
Bibendum AB	Sweden	-	100.0	-	100.0
Bibendum AS	Norway	100.0	100.0	100.0	100.0
Brews4U Finland Oy	Finland	-	91.0	-	91.0
Champagne Sigurd Wongraven AS	Norway	-	100.0	-	100.0
Classic Wines AS	Norway	-	100.0	-	100.0
Creative Wines AS	Norway	-	100.0	-	100.0
Det Danske Spiritus Kompagni A/S	Denmark	-	100.0	-	100.0
Excellars AS	Norway	-	100.0	-	100.0
Globus Wine A/S	Denmark	-	100.0	-	100.0
Globus Wine GmbH	Germany	-	100.0	-	100.0
Globus Wine Germany GmbH	Germany	-	100.0	-	100.0
Globus Wine Poland	Poland	-	0.0	-	100.0
Hedoni Wines AS	Norway	-	100.0	-	100.0
Heritage Wines Sweden AB	Sweden	-	93.3	-	93.3
Heyday Wines AS	Norway	-	90.1	-	90.1
Interbev AS	Norway	100.0	100.0	100.0	100.0
Larsen SAS	France	0.0	0.0	100.0	100.0
Løiten Brænderis Destillation ANS	Norway	-	100.0	-	100.0

	Country of incorporation	Parent company's share of ownership (%) 2023	Group's share of ownership (%) 2023	Parent company's share of ownership (%) 2022	Group's share of ownership (%) 2022
De Lysholmske Brenneri og Destillasjonsfabrikker ANS	Norway	-	100.0	-	100.0
Merlot HoldCo ApS	Denmark	100.0	100.0	100.0	100.0
Merlot BidCo ApS	Denmark	-	100.0	-	100.0
New Frontier Wines AB	Sweden	-	79.6	-	79.6
Oplandske Spritfabrik ANS	Norway	-	100.0	-	100.0
Philipson & Söderberg AB	Sweden	-	100.0	-	100.0
Premium Wines AS	Norway	100.0	100.0	100.0	100.0
Quaffable Wines Sweden AB	Sweden	-	79.6	-	79.6
Siemers & Cos Destillasjon ANS	Norway	-	100.0	-	100.0
Social Wines Oy	Finland	-	100.0	-	100.0
South Swedish Craft Spirits AB	Sweden	-	100.0	-	100.0
Sublime Wines AS	Norway	-	100.0	-	100.0
Summit Wines AS	Norway	-	100.0	-	100.0
Symposium Wines AS	Norway	-	100.0	-	100.0
Strøm AS	Norway	100.0	100.0	100.0	100.0
Swedish Wine Mafia AB	Sweden	-	99.5	-	99.5
Valid Wines Sweden AB	Sweden	-	94.5	-	94.5
Vectura AS	Norway	-	100.0	-	100.0
Vingaraget AB	Sweden	-	100.0	-	100.0
Vingruppen AS	Norway	-	100.0	-	100.0
Vingruppen Oy	Finland	-	100.0	-	100.0
Vingruppen Holding Sweden AB	Sweden	-	100.0	-	100.0
Vingruppen i Norden AB	Sweden	-	100.0	-	100.0
Vinordia AS	Norway	-	100.0	-	100.0
Vinordia Sweden AB	Sweden	-	100.0	-	100.0
Vinum Import Oy	Finland	-	98.1	-	98.1
Vinunic AB	Sweden	-	94.5	-	94.5
Vinuniq AS	Norway	-	100.0	-	100.0
Vinunic Oy	Finland	-	100.0	-	100.0
Von Elk Company Oy	Finland	100.0	100.0	100.0	100.0
Oy Wennerco Ab	Finland	100.0	100.0	100.0	100.0
The WineAgency Sweden AB	Sweden	-	99.5	-	99.5
Wineworld Finland Oy	Finland	-	90.0	-	90.0
Wineworld Sweden AB	Sweden	-	99.5	-	99.5
Wongraven Wines AS	Norway	-	90.0	-	90.0

5.4 ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Associated companies

Associated companies are all entities where the Group has joint control or significant influence over an entity but does not have power to control the entity. Normally this is when the Group accompanies a shareholding of over 20% of voting rights or otherwise has significant influence, but not control. Anora has investments in associated companies Palpa Lasi Oy, Tiffon SA, ISH ApS and Beverage Link AS.

Associated companies are consolidated by using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted with the change in the net assets of the investee after the acquisition date, consistent with the ownership interest of the Group. After the acquisition the Group's share in the associated company's profit and loss for the period is separately disclosed in the Group's income statement, presented after operating result. If the Group's share in the associated company's loss exceeds the carrying amount of the investment, the investment is recognised at zero value in the consolidated balance sheet and the loss exceeding the carrying amount is not consolidated, unless the Group has committed to fulfil the company's obligations. An investment in an associated company includes goodwill arisen on acquisition. The Group's share in changes in the associated company's other comprehensive income is recognised in consolidated other comprehensive income (OCI).

Results from the transactions between the Group and its associates are recognised only to the extent of unrelated investor's interests in the associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. In case of such indications, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its' carrying value. The impairment is recognised in share of results in associated companies.

Financial statements of associated companies have been changed when necessary to correspond with the accounting policies adopted by the Group. If financial statements for the period are not available, the share of the profit is included in the consolidated financial statements based on the preliminary financial statements or latest available information.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have contractually agreed joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

SHAREHOLDINGS IN ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

Company	Nature of relationship	Measurement method	2023 Share of ownership %	2022 Share of ownership %
Roal Oy, Finland	Joint operation	Cost	50.0	50.0
Palpa Lasi Oy, Finland	Associate	Equity	25.5	25.5
Tiffon SA, France	Associate	Equity	34.8	34.8
Beverage Link AS, Norway	Associate	Equity	45.0	45.0
ISH ApS, Denmark	Associate	Equity	26.0	26.0

Roal Oy engages in enzyme business in Finland. Anora has joint control over Roal together with ABF Overseas Limited ("ABF"), but the option right held by the other shareholder represents in substance a receivable with a fixed rate of return and Anora does not have a right to 50% of the net assets until the option lapses. Accordingly, the interest is classified as a joint operation with Anora accounting for its share of assets as a receivable with the annual minimum dividend accounted for as interest income. The receivable amounted to EUR 7.6 million as at 31 December 2023 and 31 December 2022.

Palpa Lasi Oy engages in the recycling and re-use of glass beverage packages.

Tiffon SA is a cognac producer and the Group buys Cognac from Tiffon SA (Braastad Cognac). Tiffon SA has official accounting year that end 30 June every year.

Beverage Link As is a jointly owned logistics company between Vectura AS, Skandinavisk Logistik AS and Cuveco AS.

ISH ApS is Danish scale-up company in non-alcoholic spirits, wines and ready-to-drink beverages. ISH currently exports to over 15 countries with a special focus on Scandinavia, Western Europe and North America.

Assets held for sale – Roal Oy

ABF has notified Anora in December 2023 that they will exercise their call option to acquire Anora Group Plc's shares in Roal Oy at a fixed purchase price of MEUR 7.6 in Q1 2024. Therefore, as of 31 December 2023 the investment in Roal Oy was classified as available for sale according to criteria's met in reference to IFRS 5 Non-current assets held for sale and discontinued operations. The call option was formally exercised on 13 February 2024. The transaction is expected to close during Q1 2024.

INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

			2023		
EUR million	**Roal Oy**	**Tiffon SA**	**ISH ApS**	**Other**	**Total**
Book value at beginning of the period	7.6	7.2	4.7	1.2	**20.7**
Acquisition of companies	0.0	0.0	0.0	0.0	**0.0**
Additions	0.0	0.0	0.1	0.0	**0.1**
Share of profit during period	0.9	0.3	-0.4	-0.6	**0.2**
Transfer to subsidiary shares	0.0	0.0	0.0	0.0	**0.0**
Dividend received	-0.9	-0.2	0.0	0.0	**-1.1**
Translation differences	0.0	0.0	0.0	0.0	**0.0**
Total	**7.6**	**7.3**	**4.4**	**0.6**	**19.9**
Reclassified to assets held for sale	-7.6	0.0	0.0	0.0	**-7.6**
Total book value at end of the period	**0.0**	**7.3**	**4.4**	**0.6**	**12.3**

RECONCILIATION TO CARRYING AMOUNT 2023:

			2023		
EUR million	**Roal Oy**	**Tiffon SA**	**ISH ApS**	**Other**	**Total**
Group's share of Net assets	N/A	7,3	0,1	0,6	**8,0**
Goodwill	0.0	0.0	4.3	0.0	**4.3**
Cost price	7.6	0.0	0.0	0.0	**7.6**
Carrying amount	7.6	7.3	4.4	0.6	**19.9**
Reclassified to assets held for sale	-7.6	0.0	0.0	0.0	**-7.6**
Total book value at end of the period	**0.0**	**7.3**	**4.4**	**0.6**	**12.3**

INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

			2022		
EUR million	**Roal Oy**	**Tiffon SA**	**ISH ApS**	**Other**	**Total**
Book value at beginning of the period	7.6	7.1	0.0	1.6	**16.3**
Acquisition of companies	0.0	0.0	0.0	0.0	**0.0**
Additions	0.0	0.0	5.0	0.0	**5.0**
Share of profit during period	0.9	0.1	-0.3	-0.2	**0.4**
Transfer to subsidiary shares	0.0	0.0	0.0	-0.3	**-0.3**
Dividend received	-0.9	-0.1	0.0	0.0	**-1.0**
Translation differences	0.0	0.1	0.0	0.0	**0.1**
Total	**7.6**	**7.2**	**4.7**	**1.2**	**20.7**

RECONCILIATION TO CARRYING AMOUNT 2022:

			2022		
EUR million	**Roal Oy**	**Tiffon SA**	**ISH ApS**	**Other**	**Total**
Group's share of Net assets	N/A	7,2	0,3	1,2	**8,8**
Goodwill	0.0	0.0	4.3	0.0	**4.3**
Cost price	7.6	0.0	0.0	0.0	**7.6**
Carrying amount	7.6	7.2	4.7	1.2	**20.7**

FINANCIAL SUMMARY OF ASSOCIATED COMPANIES 2023

Balance sheet figures	2023			
EUR million	Tiffon SA	ISH ApS	Other	Total
Current assets				
Cash and cash equivalents	1.2	0.4	0.4	**2.0**
Other current assets	33.0	1.3	5.1	**39.4**
Total current assets	34.2	1.7	5.5	**41.4**
Non-current assets	2.3	0.1	0.0	**2.4**
Current liabilities				
Financial liabilities excluding trade payables	0.0	0.0	0.0	**0.0**
Other current liabilities	2.6	1.5	3.3	**7.4**
Total current liabilities	2.6	1.5	3.3	**7.4**
Non-current liabilities				
Financial liabilities excluding trade payables	0.0	0.0	0.0	**0.0**
Other non-current liabilities	12.9	0.0	0.0	**12.9**
Total non-current liabilities	12.9	0.0	0.0	**12.9**
Net assets	**21.0**	**0.3**	**2.2**	**23.5**

Income statement figures	2023			
EUR million	Tiffon SA	ISH ApS	Other	Total
Total revenues	11.3	3.5	13.9	**28.7**
Depreciation and amortisation	-0.4	0.0	0.0	**-0.4**
Interest income	0.0	0.0	0.0	**0.0**
Interest expense	0.0	0.0	0.0	**0.0**
Profit for the period				
Profit for the period from continuing operations	0.9	-1.5	-2.3	**-3.0**
Profit for the period from discontinuing operations	0.0	0.0	0.0	**0.0**
Total profit for the period	0.9	-1.5	-2.3	**-3.0**
Other comprehensive income	0.0	0.0	0.0	**0.0**
Total comprehensive income	**0.9**	**-1.5**	**-2.3**	**-3.0**

FINANCIAL SUMMARY OF ASSOCIATED COMPANIES 2022

Balance sheet figures	2022			
EUR million	Tiffon SA	ISH ApS	Other	Total
Current assets				
Cash and cash equivalents	1.4	1.9	3.0	**6.4**
Other current assets	30.4	1.0	5.4	**36.9**
Total current assets	31.9	3.0	8.5	**43.3**
Non-current assets	2.0	0.0	0.0	**2.1**
Current liabilities				
Financial liabilities excluding trade payables	0.0	0.0	0.0	**0.0**
Other current liabilities	2.7	1.6	3.9	**8.3**
Total current liabilities	2.7	1.6	3.9	**8.3**
Non-current liabilities				
Financial liabilities excluding trade payables	0.0	0.0	0.0	**0.0**
Other non-current liabilities	10.4	0.0	0.0	**10.4**
Total non-current liabilities	10.4	0.0	0.0	**10.4**
Net assets	**20.8**	**1.3**	**4.6**	**26.7**

Income statement figures	2022			
EUR million	Tiffon SA	ISH ApS	Other	Total
Total revenues	9.9	1.4	14.8	**26.2**
Depreciation and amortisation	-0.4	0.0	0.0	**-0.4**
Interest income	0.0	0.0	0.0	**0.0**
Interest expense	0.0	0.0	0.0	**0.0**
Profit for the period				
Profit for the period from continuing operations	0.4	-1.2	-0.9	**-1.7**
Profit for the period from discontinuing operations	0.0	0.0	0.0	**0.0**
Total profit for the period	0.4	-1.2	-0.9	**-1.7**
Other comprehensive income	0.0	0.0	0.0	**0.0**
Total comprehensive income	**0.4**	**-1.2**	**-0.9**	**-1.7**

Related party transactions with associated companies and joint arrangements are presented in Note 6.3.

6 Other notes

6.1 INCOME TAX EXPENSE

Income tax expense

The Group's income tax expense recognised through profit or loss comprises current tax based on taxable income for the period, any adjustments to tax payable in respect of previous periods, and changes in deferred taxes. Current income tax based on taxable income is calculated according to the local tax regulations of each Group company.

Tax effects related to transactions or other events recognised in profit or loss are recognised in profit or loss. If the taxes relate to items of other comprehensive income or transactions or other events recognised directly in equity, income tax expense is recognised within the respective items. The Group's share of profit or loss in associated companies and joint ventures is reported as calculated from the net profit and thus including the income tax effect.

Deferred tax assets and liabilities are principally recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The most significant temporary differences arise from Intangible assets, Property, plant and equipment, Right-of-Use assets and corresponding lease liabilities, carry forward of unused tax losses and fair value allocations on business combinations. Deferred tax on assets and liabilities arising from single transactions are presented in a net basis in the income statement and in the balance sheet, but are shown with gross values in the deferred tax notes. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax liabilities are recognised in full. Deferred taxes are calculated using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised for foreign subsidiaries undistributed earnings only when related tax effects are probable.

Deferred tax assets and liabilities are set off when they are levied by same taxing authority and Anora has legally enforceable right to set off the balances.

The legislation implementing the OECD Pillar Two model rules was enacted in Finland in 2023 and will come into effect from January 1, 2024, onwards. Anora applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Since the Pillar Two legislation was not effective at the reporting date, no current tax exposure related to Pillar Two taxes exists at December 31, 2023. Anora is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates that Pillar Two legislation is not expected to have a material impact on Anora's income taxes.

Critical estimates and management judgements – Deferred tax assets

Judgment is required in assessing whether deferred tax assets are recognised on the balance sheet. Deferred tax assets are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These future cash flow estimates depend on estimates of future sales volumes, price levels of main raw materials, capital expenditure and other components affecting profitability of the operations. These estimates and assumptions are subject to risk and uncertainty hence it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised on the balance sheet and the amount of any other tax losses and temporary differences not yet recognised. Anora's ability to generate taxable profit is also subject to general economic, financial, competitive, legislative and regulatory factors that are beyond its control. If Anora generates lower future taxable profits than what management has assumed in determining the amounts of the recognised deferred tax assets, the assets would be impaired, either partly or in full. Accordingly, amounts recognised in balance sheet could potentially be reversed through profit and loss. Changes in circumstances may also result in recognition of deferred tax assets for tax losses that previously have not been recognised as an asset.

INCOME TAX EXPENSE

EUR million	2023	2022
Current tax expense	-4.4	-5.4
Adjustments to taxes for prior periods	0.8	-0.2
Change in deferred taxes	17.4	0.3
Total	**13.9**	**-5.3**

The reconciliation of the tax expense recognised in profit and loss and the tax expense calculated using Anora Group's domestic corporate tax rate (20.0%):

RECONCILIATION OF TAX EXPENSE

EUR million	2023	2022
Result before taxes	-53.9	23.4
Income tax using the parent company tax rate	10.8	-4.7
Effect of tax rates of subsidiaries in foreign jurisdictions	1.8	0.0
Non-taxable income	1.3	0.3
Non-deductable expenses	-0.4	-0.7
Utilisation of previously unrecognized tax losses	0.0	0.0
Adjustments to taxes for prior periods	0.8	0.3
Share of profit in assocated companies, net of tax	-0.1	-0.1
Tax arising on dividends	0.0	0.0
Tax on undistributed earnings	-0.3	-0.1
Other items	0.0	-0.3
Total	**13.9**	**-5.3**

INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

2023 EUR million	Before tax	Tax	Net of tax
Cash flow hedges	-6.7	1.0	-5.7
Translation differences	-12.8	0.0	-12.8
Remeasurements of post-employment benefit obligations	-0.1	0.0	-0.1
Total	**-19.7**	**1.0**	**-18.6**

2022 EUR million	Before tax	Tax	Net of tax
Cash flow hedges	3.1	-0.7	2.4
Translation differences	-16.9	0.0	-16.9
Remeasurements of post-employment benefit obligations	0.1	0.0	0.1
Total	**-13.7**	**-0.7**	**-14.4**

DEFERRED TAX ASSETS AND LIABILITIES

Change in deferred tax assets and liabilities EUR million	1 Jan 2023	Recognised in profit or loss	Recognised in OCI	Acquired /disposed business	Exhange rate differences	31 Dec 2023
Deferred tax assets:						
Tax losses	3.7	0.2	0.0	0.0	-0.2	3.7
Fixed assets	0.0	2.1	0.0	0.0	0.1	2.2
Lease Liabilities	31.4	-0.6	0.0	0.0	-1.6	29.1
Pension benefits	0.6	0.0	0.0	0.0	0.0	0.5
Other temporary differences	0.5	0.3	0.0	0.0	0.0	0.8
Total deferred tax assets	**36.2**	**2.1**	**0.0**	**0.0**	**-1.8**	**36.4**
Offset against deferred tax liabilities	-35.6	-2.9	0.2	0.0	1.9	-36.5
Net deferred tax assets	**0.6**	**-0.8**	**0.2**	**0.0**	**0.0**	**0.0**
Deferred tax liabilities:						
Fixed assets	4.6	-0.1	0.0	0.3	0.0	4.8
Right-of-use assets	29.7	-13.3	0.0	0.0	-1.8	14.6
Recognised in hedge reserve	1.1	-0.2	-1.0	0.0	0.0	-0.1
Fair value allocation on acquisitions	45.2	-1.9	0.0	0.0	-2.1	41.2
Deductable goodwill depreciation	9.3	-0.2	0.0	0.0	0.0	9.1
Undistributed profits of foreign subsidiaries	1.3	0.3	0.0	0.0	0.0	1.6
Other temporary differences	1.7	0.0	0.0	0.0	0.0	1.7
Total deferred tax liabilities	**92.9**	**-15.3**	**-1.0**	**0.3**	**-3.8**	**73.0**
Offset against deferred tax assets	-35.6	-2.9	0.2	0.0	1.9	-36.5
Net deferred tax liabilities	**57.3**	**-18.2**	**-0.9**	**0.3**	**-1.9**	**36.5**

DEFERRED TAX ASSETS AND LIABILITIES

Change in deferred tax assets and liabilities EUR million	1 Jan 2022	Recognised in profit or loss	Recognised in OCI	Acquired /disposed business	Exhange rate differences	31 Dec 2022
Deferred tax assets:						
Tax losses	5.8	-2.0	0.0	0.2	-0.2	3.7
Lease Liabilities	29.0	3.9	0.0	0.0	-1.4	31.4
Pension benefits	0.7	0.0	0.0	0.0	0.0	0.6
Other temporary differences	0.6	0.0	0.0	0.0	0.0	0.5
Total deferred tax assets	**36.0**	**1.8**	**0.0**	**0.2**	**-1.7**	**36.2**
Offset against deferred tax liabilities	-36.4			-0.2		-35.6
Net deferred tax assets	**-0.4**			**0.0**		**0.6**
Deferred tax liabilities:						
Fixed assets	4.0	-0.1	0.0	0.9	-0.1	4.6
Right-of-Use assets	27.5	3.5	0.0	0.0	-1.3	29.7
Recognised in hedge reserve	0.4	0.0	0.7	0.0	0.0	1.1
Fair value allocation on acquisitions	38.7	-2.0	0.0	9.8	-1.4	45.2
Deductable goodwill depreciation	9.8	0.0	0.0	0.0	-0.5	9.3
Undistributed profits of foreign subsidiaries	1.2	0.1	0.0	0.0	0.0	1.3
Other temporary differences	1.1	0.3	0.0	0.4	-0.2	1.7
Total deferred tax liabilities	**82.6**	**1.9**	**0.7**	**11.1**	**-3.5**	**92.9**
Offset against deferred tax assets	-36.4					-35.6
Net deferred tax liabilities	**46.2**			**11.1**	**-3.5**	**57.3**

At 31 December 2023, the Group had EUR 0.8 million (2022: EUR 0.8 million) of tax loss carry forwards for which no deferred tax was recognised. Anora management estimates these losses arise in subsidiaries which have neither indication of future taxable income nor other convincing evidence that tax losses can be utilised and deferred tax asset be recognised in balance sheet.

6.2 COLLATERALS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

EUR million	2023	2022
Collaterals and commitments		
Collaterals given on behalf of Group companies		
Mortgages	18.5	18.5
Guarantees	13.0	9.3
TOTAL COLLATERALS	**31.5**	**27.8**
Commitments		
Short-term and low value lease obligations;		
Less than one year	0.3	0.2
Between one and five years	0.3	0.3
Total short-term and low value lease obligations	0.6	0.5
Other commitments	2.3	18.1
TOTAL COMMITMENTS	**2.9**	**18.6**

Collaterals given on behalf of Group companies all relate to commitments to authorities.

Short-term and low value obligations consist mainly of laptops.

Other commitments include mainly purchase obligations of wine. There are no material contractual commitments for acquisitions of intangible assets.

Emission allowances

The Group participates in the European Union emission trading scheme, where it has been granted a certain number of carbon dioxide emission allowances for a certain period of time, free of charge. Anora Group Plc discloses its carbon dioxide emission allowances granted free of charge on net basis. The emission allowances granted free are recognised on zero-value. If the Group has sufficient amount of allowances to cover the obligation to deliver allowances corresponding to the amount of emissions made, the obligation is recognised as corresponding value of emissions (zero value). The Group does not recognise income or expenses arising from emission allowances through profit or loss when the emission allowances granted are sufficient to cover the obligation to deliver allowances corresponding to the amount of emissions made. If the realised emissions exceed the granted emission allowances, the obligation arising from the excess emissions is recognised at fair value as a liability in the balance sheet at the reporting date. If the realised emissions fall below the granted emission allowances, the difference is not recognised in the balance sheet but it is disclosed in the notes to the financial statements, measured at fair value.

Anora's actual emissions are below the emission allowances granted. The following table presents changes in allowances for financial years 2023 and 2022, as well as their fair values:

Emission allowances, kilotons	2023	2022
Emissions allowances received	22.6	22.6
Excess emission allowances from the previous period	2.0	13.5
Sold emission allowances	-2.0	-13.0
Realised emissions	-21.6	-21.1
Emission allowances at 31 December	**1.0**	**2.0**
Fair value of emission allowances at 31 December, EUR million	0.1	0.2

Anora continues to operate within the emission trading system for the trading period 2021–2030.

6.3 RELATED PARTY TRANSACTIONS

The Company's related parties include the subsidiaries, associated companies and joint arrangements. The subsidiaries are presented in Note 5.3 and the associated companies and joint arrangements in Note 5.4. Related party transactions associated companies and joint arrangements are not eliminated in the Group's consolidated financial statements.

Related parties 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. Also, entities that are controlled or jointly controlled by, or are associates of the State of Finland, are related parties of Anora based on the fact that the State of Finland has significant influence over Anora. Anora has applied the exemption to report only material transactions with the 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 below under Other companies considered related parties.

The following transactions have taken place with related parties:

EUR million		2023	2022
Sales of goods and services			
Company	**Relation**		
Alko	Finnish government related entity	91.6	89.6
Tiffon SA	Associated company	0.2	0.2
Roal Oy	Associated company	0.8	0.4
TOTAL		**92.7**	**90.2**
Purchases of goods and services			
Company	**Relation**		
Alko	Finnish government related entity	1.3	1.6
Hoff SA	Shareholder	2.2	2.4
Tiffon SA	Associated company	4.0	4.8
Palpa Lasi Oy	Associated company	1.7	1.5
Beverage Link AS	Associated company	0.1	0.1
TOTAL		**9.3**	**10.5**

EUR million		2023	2022
Outstanding balances from sales and purchases of goods and services			
Receivables			
Company	**Relation**		
Alko	Finnish government related entity	3.0	5.2
Tiffon SA	Associated company	0.0	0.1
Roal Oy	Associated company	0.1	0.1
TOTAL		**3.1**	**5.4**
Payables			
Company	**Relation**		
Alko	Finnish government related entity	0.1	0.2
Hoff SA	Shareholder	0.3	0.3
Tiffon SA	Associated company	0.0	0.9
Palpa Lasi Oy	Associated company	0.2	0.2
Beverage Link AS	Associated company	0.0	0.0
TOTAL		**0.6**	**1.7**

MANAGEMENT REMUNERATION

EUR million	2023	2022
CEO		
Salaries and other short-term employee benefits	0.6	0.5
Performance bonus and the bonuses from long-term incentive plan	0.0	0.7
Pension benefits	0.1	0.1
TOTAL	**0.7**	**1.3**
Members of the Executive Management Team (CEO not included)		
Salaries and other short-term employee benefits	1.5	1.8
Performance bonus and the bonuses from long-term incentive plan	0.0	0.6
Pension benefits	0.2	0.3
TOTAL	**1.7**	**2.7**
Members and deputy members of the Board of Directors	**0.5**	**0.6**

No monetary loans have been granted to the CEO or the members of the Board of Directors, nor any collaterals or commitments granted on their behalf.

The company and the CEO have not agreed on a retirement age.

MANAGEMENT'S SHAREHOLDINGS

Executive Management	Position	Number of shares at 31 Dec 2023	Number of shares at 31 Dec 2022
Jacek Pastuszka	CEO	0	0
Sigmund Toth	CFO	14,057	14,057
Janne Halttunen	SVP, Wine	9,300	9,300
Kirsi Puntila	SVP, Spirits	6,666	6,666
Risto Gaggl	SVP, Industrial	0	0
Johanna Sundén	Chief Human Resource Officser (CHRO)	0	0
Mikkel Pilemand	Chief Growth Officer (CGO)	0	0
Hannu Tuominen	Resigning SVP, Industrial	9,600	9,600
Kirsi Lehtola	Resigning Chief Human Resource Officer (CHRO)	5,100	5,100
Pekka Tennilä	Former CEO	0	32,604
Henrik Bodekær Thomsen	Former SVP, Spirits	0	258
TOTAL		**44,723**	**77,585**
% of total shares		0.07%	0.11%

BOARD OF DIRECTOR'S SHAREHOLDINGS

Board of Director's	Position	Number of shares at 31 Dec 2023	Number of shares at 31 Dec 2022
Michael Holm Johansen	Chairperson of the Board	80,000	80,000
Jyrki Mäki-Kala	Vice Chairperson of the Board	13,600	1,232
Kirsten Ægidius	Board member	6,100	2,440
Christer Kjos	Board member	0	0
Annareetta Lumme-Timonen	Board member	4,600	0
Torsten Steenholt	Board member	20,000	20,000
Florence Rollet	Board member	4,620	0
Arne Larsen	Board member	0	0
Jussi Mikkola	Board member	100	100
Sanna Suvanto-Harsaae	Former Board member	0	3,908
Ingeborg Flønes	Former Board member	0	1,900
TOTAL		**129,020**	**109,580**
% of total shares		0.19%	0.16%

6.4 SHARE-BASED PAYMENTS

Anora Group has a share-based long-term incentive scheme for the company's management and selected key employees, which are settled in shares. The incentive scheme comprises a performance share plan as well as a bridge plan to cover the transition period into the integrated business operations of Anora Group.

The granted shares are measured at fair value at the grant date and are recognised as personnel expenses over the vesting period with corresponding increase in equity. Non-market conditions are not included in fair value of share-based instruments but in the number of instruments that are expected to vest. At each reporting period closing date, the estimates about number of instruments are revised and the impact is recognised in income statement.

The objectives of the share-based long-term incentive scheme are to align the interests of Anora Group's management and key employees with those of the company's shareholders and, thus, to promote shareholder value creation in the long term, to commit management and key employees to achieving Anora Group's strategic targets and the retention of Anora Group's key resources.

Performance Share Plan

The Performance Share Plan consists of annually commencing individual performance share plans, each with a three-year performance period, followed by the payment of the potential share rewards. The potential share rewards are paid in listed shares of Anora Group. The commencement of each new plan is subject to a separate decision of Anora Group's Board of Directors.

Performance share plan 2022–2024

The performance share plan 2022–2024 (PSP 2022–2024) commences effective as of the beginning of 2022 and the share rewards payable thereunder will be paid during H1 2025. The payment of the rewards is conditional on the achievement of the performance targets which the Board of Directors has set for the plan.

The performance measures based on which the potential share reward under PSP 2022–2024 will be paid, are revenue growth, earnings per share (EPS), the relative total shareholder return of the Company's share and a measure linked to the reduction of CO_2 emissions.

Eligible for participation in PSP 2022–2024 are 33 individuals, including the members of Anora Group's Executive Management Team.

If all the performance targets set for this plan are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 304,517 shares (referring to gross earnings before the withholding of the applicable payroll tax).

The estimated aggregate gross value of this plan, based on the current value of Anora Group's share, is approximately EUR 1.3 million. The materialised value of the plan may deviate from this estimate as a result of share price development and the degree to which the performance targets set for the plan are achieved.

Performance share plan 2023–2025

The performance share plan 2023–2025 (PSP 2023–2025) commences effective as of the beginning of 2023 and the share rewards payable thereunder will be paid during H1 2026. The payment of the rewards is conditional on the achievement of the performance targets which the Board of Directors has set for the plan.

The performance measures based on which the potential share reward under PSP 2023–2025 will be paid, are revenue growth, earnings per share (EPS), the relative total shareholder return of the Company's share and a measure linked to ESG – Sustainalytics ESG Risk Rating Score.

SHARE-BASED PAYMENTS

Plan	Bridge Plan 2022-2023	Performance Share Plan 2022-2024	Performance Share Plan 2023-2025
Type	**Share**	**Share**	**Share**
Instrument	**Performance Period 2022–2023**	**Performance Period 2022–2024**	**Performance Period 2023–2025**
Grant date	17.06.2022	17.06.2022	06.03.2023
Beginning of earning period	01.01.2022	01.01.2022	01.01.2023
End of earning period	31.03.2023	31.03.2024	31.03.2025
Vesting date	31.03.2024	31.03.2025	31.03.2026
Vesting conditions	Revenue, EPS, Relative TSR & ESG	Revenue, EPS, Relative TSR & ESG	Revenue, EPS, Relative TSR & ESG
Maximum contractual life, years	2.25	3.25	3.25
Remaining contractual life, years	0.25	1.25	2.25
Number of persons at the end of reporting year	33	33	40
Payment method	Equity & Cash	Equity & Cash	Equity & Cash
Changes during period			
Outstanding in the beginning of the period	251,800	380,400	0
Granted during period	1,500	2,667	468,033
Forfeited during period	-30,300	-78,550	-25,100
Extercised during period	0	0	0
Outstanding at the end of the period	223,000	304,517	442,933
Valuation parameters for instruments granted during period			
Shareprice at grant, EUR	6.07		
Shareprice at reporting period end, EUR	4.36		
Expected dividends, EUR	0.82		
Risk free rate, %	3.1 %		
Volatility, %	23.8 %		
Valuation model	Monte Carlo		
Fair value 31.12, EUR	563,120		

Eligible for participation in PSP 2023–2025 are 33 individuals, including the members of Anora Group's Executive Management Team.

If all the performance targets set for this plan are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 442,933 shares (referring to gross earnings before the withholding of the applicable payroll tax).

The estimated aggregate gross value of the PSP 2023–2025, based on the current value of Anora Group's share, is approximately EUR 1.9 million. The materialised value of the plan may deviate from this estimate as a result of share price development and the degree to which the performance targets set for the plan are achieved.

Bridge Plan for the years 2022–2023

The Bridge Plan was established to cover specific incentive and retention needs during the transaction related transition period during which the joint businesses of Altia Plc and Arcus ASA were integrated in connection with the formation of Anora Group.

The Bridge Plan was a one-off plan commencing effective as of the beginning of 2022 and its performance period covered the years 2022–2023. The potential share rewards payable based on the Bridge Plan would have been paid in listed shares of Anora Group during H1 2024. The payment of the share rewards was conditional on the achievement of the performance targets which the Board of Directors has set for the plan. These performance targets were not met, and there will therefore not be any rewards based on this bridge plan in 2024.

Other terms

The value of the reward payable to participants based on the plans is limited by a share price development-based cutter.

If the individual's employment with Anora Group terminates before the payment of the reward, the individual is, as a main rule, not entitled to any reward based on the respective plan.

EFFECT OF SHARE-BASED INCENTIVES ON THE RESULT:

EUR million	2023	2022
Expenses for the financial year, sharebased payments paid in equity	0.0	0.6
Expenses for the financial year, sharebased payments paid in cash	0.0	0.0
Total	**0.0**	**0.6**

EUR million	2023	2022
Liabilities arising from share-based payments 31.12.	0.0	0.0
Total	**0.0**	**0.0**

6.5 EVENTS AFTER THE REPORTING PERIOD

Anora announced on 8 January 2024 that Anora Group's CFO Sigmund Toth has resigned from his position. He will continue in his current position until 1 August 2024, at the latest. Sigmund remains highly committed to contribute to the company's success during his notice period, including ensuring a smooth handover to his successor.

The Board of Directors of Anora Group Plc announced on 14 February 2024 that it has approved the commencement of a new plan period within the share-based long-term incentive scheme for the management and selected key employees. Eligible for participation in PSP 2024-2026 are approximately 50 individuals, including the members of Anora Group's Executive Management Team. If the performance targets set for PSP 2024–2026 are fully achieved, the aggregate maximum number of shares to be paid based on this plan is approximately 1,294,000 shares (referring to gross earning before the withholding of the applicable payroll tax). The aggregate maximum number of shares to be paid in specifi c situations based on RSP 2024–2026 is approximately 129,000 shares (referring to gross earning before the withholding of the applicable payroll tax).

Anora announced on 8 March 2024 that Stein Eriksen (49), M.Sc. (Econ.), has been appointed as CFO and a member of the Executive Management Team of Anora Group from the beginning of August 2024. He will report to Jacek Pastuszka, CEO. Stein Eriksen's latest position has been CFO of the Norwegian stock-listed company XXL ASA, the largest sports retailer in the Nordic countries. He has also acted in a combined role as the Interim CEO and CFO of XXL ASA. Prior to that, he has had a long career at the Norwegian stock-listed blue-chip company Orkla, a leading industrial investment company focused on brands and consumer-oriented companies. At Orkla, Stein's most recent positions were CFO at Orkla Care and SVP Finance at Orkla ASA.

Parent company financial statements

ANORA GROUP PLC INCOME STATEMENT (FAS)

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
NET SALES	1.	250.4	246.1
Increase (+) / decrease (-) in inventories of finished goods and work in progress		-5.1	4.6
Other operating income	2.	25.9	20.2
Materials and services			
Raw materials, consumables and goods			
Purchases during the period		-137.4	-175.3
Change in inventories		-13.1	13.0
External services		-0.6	-0.2
Total materials and services		**-151.1**	**-162.5**
Personnel expenses	3.		
Wages and salaries		-25.8	-23.8
Indirect employee expenses			
Pension expenses		-4.3	-3.8
Other indirect employee expenses		-0.9	-0.8
Total personnel expenses		**-31.1**	**-28.4**
Depreciation, amortisation and impairment losses			
Depreciation and amortisation according to plan	8.	-9.0	-9.8
Total depreciation, amortisation and impairment losses		**-9.0**	**-9.8**
Other operating expenses	4.	-61.0	-59.1
OPERATING RESULT		**19.1**	**11.1**

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Finance income and expenses	5.		
Income from Group companies		33.1	32.0
Income from participating interests		0.9	0.9
Other interest and finance income			
From Group companies		4.3	0.2
From others than Group companies		18.3	0.7
Impairment losses on investments in non-current assets		-58.7	-1.1
Interest and other finance expenses			
To Group companies		-2.5	-0.6
To others than Group companies		-25.2	-4.0
Total finance income and expenses		**-29.6**	**28.2**
RESULT BEFORE APPROPRIATIONS AND TAXES		**-10.6**	**39.3**
Appropriations	6.		
Depreciation difference increase (-) / decrease (+)		1.0	1.4
Income tax expense	7.		
Current period taxes		-2.4	-1.8
Deferred taxes		0.4	0.0
Other direct taxes		0.0	0.0
Total income taxes		**-2.0**	**-1.8**
RESULT FOR THE PERIOD		**-11.5**	**38.9**

ANORA GROUP PLC BALANCE SHEET (FAS)

EUR million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
NON-CURRENT ASSETS	8.		
Intangible assets			
Intangible rights		0.4	3.1
Other capitalized long-term expenditure		4.0	3.4
Prepayments		1.3	2.1
Intangible assets total		**5.8**	**8.5**
Tangible assets			
Land and water areas		2.5	2.5
Buildings and structures		17.5	17.3
Machinery and equipment		21.5	22.1
Other tangible assets		0.5	0.5
Prepayments and assets under construction		5.3	4.0
Tangible assets total		**47.3**	**46.4**
Investments			
Holdings in Group companies		232.3	325.2
Participating interests		13.2	13.0
Other shares and investments		0.6	0.6
Investments total		**246.1**	**338.9**
TOTAL NON-CURRENT ASSETS		**299.1**	**393.8**

EUR million	Note	31 Dec 2023	31 Dec 2022
CURRENT ASSETS			
Inventories	9.		
Materials and supplies		22.3	35.4
Work in progress		4.0	8.6
Finished goods		16.5	17.0
Advance payments		0.0	-
Inventories total		**42.8**	**61.0**
Non-current receivables	10.		
Receivables from Group companies		56.4	14.8
Deferred tax assets		0.7	0.3
Non-current receivables total		**57.1**	**15.1**
Current receivables	11.		
Trade receivables		29.9	36.4
Receivables from Group companies		21.4	93.6
Receivables from participating interest undertakings		0.1	0.1
Accrued income and prepaid expenses		3.2	9.4
Current receivables total		**54.6**	**139.5**
Cash at hand and in banks		131.9	44.3
TOTAL CURRENT ASSETS		**286.4**	**259.9**
TOTAL ASSETS		**585.6**	**653.7**

ANORA GROUP PLC BALANCE SHEET (FAS)

EUR million	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity	13.		
Share capital		61.5	61.5
Invested unrestricted equity fund		52.2	52.2
Hedge reserve		0.4	4.4
Retained earnings		59.5	35.5
Profit for the period		-11.5	38.9
TOTAL EQUITY		**162.0**	**192.5**
Appropriations	14.		
Depreciation difference		16.1	17.1
Liabilities			
Non-current	15.		
Loans from financial institutions		210.0	210.0
Loans from pension institutions		5.3	6.8
Deferred tax liabilities		0.1	1.1
Other liabilities		-	4.9
Non-current liabilities total		**215.3**	**222.8**
Current			
Loans from financial institutions		-	30.0
Loans from pension institutions		1.5	1.5
Trade payables		15.5	17.4
Liabilities to Group companies	16.	91.7	90.2
Other liabilities		63.6	62.2
Accrued expenses and deferred income	17.	19.8	20.0
Current liabilities total		**192.1**	**221.3**
TOTAL LIABILITIES		**407.5**	**444.1**
TOTAL EQUITY AND LIABILITIES		**585.6**	**653.7**

ANORA GROUP PLC STATEMENT OF CASH FLOWS (FAS)

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes		-9.5	40.7
Adjustments			
Depreciation, amortisation and impairment		9.0	9.8
Gain/loss from disposal of property, plant and equipment and intangible assets		-5.7	-0.8
Finance income and costs		29.6	-28.2
Change in depreciation difference		-1.0	-1.4
Other adjustments		2.0	0.2
Adjustments total		33.9	-20.5
Change in working capital			
Change in inventories, increase (-) / decrease (+)		8.5	-17.6
Change in trade and other receivables, increase (-) / decrease (+)		9.1	-23.2
Change in trade and other payables, increase (+) / decrease (-)		-6.9	-5.3
Change in working capital		10.7	-46.2
Interest paid		-16.2	-3.2
Interest received		6.8	0.8
Other finance income and expenses paid		-2.9	-1.4
Income taxes paid		-2.3	-0.5
Financial items and taxes		-14.5	-4.3
NET CASH FLOW FROM OPERATING ACTIVITIES		**20.6**	**-30.3**

EUR million	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets		-9.0	-7.1
Proceeds from sale of property, plant and equipment and intangible assets	2.	0.5	0.9
Investments in subsidiaries		-	-81.9
Investments in participating interests		-0.1	-5.0
Proceeds from disposals of subsidiaries (net of cash)		56.5	-
Loans granted to subsidiaries		-6.7	-82.5
Repayments of loans to subsidiaries		35.9	-
Dividends received	5.	34.0	33.0
NET CASH FLOW FROM INVESTING ACTIVITIES		**111.1**	**-142.7**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in commercial paper program		-30.0	10.0
Proceeds from current borrowings	16.	2.3	-38.2
Proceeds from non-current borrowings		-	293.5
Repayment of non-current borrowings	15.	-1.5	-145.0
Dividends paid and other distributions of profits	13.	-14.9	-30.4
NET CASH FLOW FROM FINANCING ACTIVITIES		**-44.0**	**89.9**
CHANGE IN CASH AND CASH EQUIVALENTS		**87.6**	**-83.1**
Cash and cash equivalents at the beginning of the period		44.3	127.4
Change in cash and cash equivalents		87.6	-83.1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**131.9**	**44.3**

NOTES TO ANORA GROUP PLC FINANCIAL STATEMENTS

Accounting policies for financial statements

The financial statements of the parent company are prepared in accordance with the Finnish accounting legislation.

Non-current assets and depreciations

Non-current assets are recognised in the balance sheet at acquisition cost less depreciations. The depreciation periods for non-current assets are:

Trademarks	10–15 years
IT- development and software	3–5 years
Buildings and structures	10–40 years
Machinery and equipment	10 years
Other tangible assets	3–10 years

Holdings in Group companies and other shares and investments included in non-current assets are measured at acquisition cost or fair value, if lower. Holdings in other companies is disclosed in Group notes 5.3.

Inventories

Inventories are measured at the lower of cost or net realisable value. Self-manufactured products are measured at standard cost, where both fixed and variable production costs are allocated to the standard cost of the products produced based on different allocation keys. Raw materials, supplies and trading goods are measured at weighted average cost. Repacked trading goods are measured at standard cost in repacking plant.

The cost of finished products and work in progress includes raw materials, direct labour costs, other direct costs as well as an allocable proportion of variable procurement and production costs and fixed overheads in case of finished products, determined based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Pension plans

The pension plans of the parent company are arranged through pension insurance companies. Pension expenses are accrued to correspond to the performance-based salaries in the financial statements.

Cash Pool

The Group has applied the cash pool arrangement, which enables efficient management of the parent company's and subsidiaries' cash and cash equivalents.

Leases

All lease payments are recognised as rental expenses.

Financial Derivatives

Fair value measurement compliant with Chapter 5, section 2a of the Accounting Act is applied to the accounting treatment of financial derivatives.

Derivatives are included in financial assets and liabilities at fair value through profit or loss when they do not meet the criteria of hedge accounting. These derivatives are recognised at fair value on the trade date and they are subsequently measured at fair value at the reporting date. The fair values of derivatives equal the amount that Anora Group Plc would have to pay or it would receive from the termination of the derivative contract at the reporting date. The fair values of forward exchange contracts are determined by using the market prices at the reporting date. The fair values of interest rate derivatives are determined by discounting the related future cash flows. The valuation of commodity derivatives is determined based on the fair values received from the financial markets.

All derivatives for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy level 1–3. The levels 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 (ie. 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 fair values of the financial instruments are determined by using the market prices on the closing date of the reporting period.

Hedge accounting

The parent company applies hedge accounting when the change in fair value is recognised in the hedge reserve under equity. In Anora Group Plc, cash flow hedging is applied to part of the interest rate, foreign currency and electricity derivatives based on case-by-case assessment. In cash flow hedging, Anora Group Plc is hedging against changes in cash flows related to a specific asset or liability recognised in the balance sheet or to a highly probable future business transaction. In the beginning of the hedging arrangement, company documents the relationship between each hedging instrument and hedged item, as well as the objectives of risk management and the strategy in engaging in hedging. Effectiveness means the ability of a hedging instrument to offset the changes in the fair value of the hedged item or changes in the cash flows of the hedged transaction attributable to the hedged risk. The hedging relationship is regarded to be highly effective when there is an economic relationship between the hedged item and the value of the hedging instrument, and the value of the hedged item moves to the opposite direction due to same risk. Hedge accounting is discontinued when the criteria for hedge accounting is no longer met.

The gains and losses arising from fair value changes of derivative contracts, to which hedge accounting is applied, are presented in congruence with the hedged item. The effective portion of the unrealised changes in the fair value of derivatives designated and qualifying as cash flow hedges are recognised in the hedge reserve in equity. The ineffective portion is immediately recognised in profit or loss in finance income or expense.

The cumulative gain or loss in equity on derivative instruments related to commercial items is recognised in profit or loss as an adjustment to purchases or sales simultaneously with the hedged item in the period in which the hedged item affects profit or loss. Realised gain or loss on electricity derivatives is included in operating result in electricity procurement expenses. When a hedging instrument designated as a cash flow hedge expires, is sold or no longer meets the criteria of hedge accounting, the gain or loss accumulated in equity is recognised through profit or loss either as an adjustment to purchases or sales when hedging is effective or as finance income or expense when hedge accounting criteria is not met.

Research and development expenditure

Research and development expenditure is recognised as an annual expense as incurred.

Financial securities

Financial securities are recognised at acquisition cost or probable value, if lower.

Receivables

Receivables are measured at face value or probable value, if lower.

Sale of trade receivables

The sold receivables are derecognised when the receivable has been sold and the payment for it has been received. The related costs are recognised in other financial expenses.

Non-current financial liabilities

Non-current financial liabilities are recognised at acquisition cost.

Income taxes

IIncome taxes in the income statement include taxes calculated for the financial year based on Finnish tax legislation, adjustments to taxes in previous financial years and the change in deferred taxes.

Foreign currency denominated items

Foreign currency denominated receivables and liabilities are translated to Finnish currency at the rates of the closing date of the reporting period.

1. NET SALES

EUR million	2023	2022
Net sales by business areas		
Alcohol beverages	130.0	119.2
Industrial services	120.4	127.0
TOTAL	**250.4**	**246.1**
Net sales by geographic areas		
Finland	191.1	186.2
Europe	57.9	57.8
Rest of the world	1.4	2.1
TOTAL	**250.4**	**246.1**

2. OTHER OPERATING INCOME

EUR million	2023	2022
Rental income	1.2	1.2
Income from energy sales	4.0	4.2
Proceeds from disposal of non-current assets*	5.7	0.8
Service income	12.6	10.5
Other income**	2.3	3.4
TOTAL	**25.9**	**20.2**

* includes sales gain of trademarks related to sale of Larsen SAS (EUR 5.3 million)
** includes sales gain of inventory related to sale of Larsen SAS (EUR 0.8 million). See also Group Note 5.2. for more information.

3. NOTES RELATED TO PERSONNEL

EUR million	2023	2022
Wages and salaries	-25.8	-23.8
Pension expenses	-4.3	-3.8
Other social expenses	-0.9	-0.8
TOTAL	**-31.1**	**-28.4**

EUR million	2023	2022
Fringe benefits (taxable value)	-0.7	-0.6

The average number of personnel during the reporting period	2023	2022
Workers	196	195
Clerical employees	227	211
TOTAL	**423**	**406**

EUR million	2023	2022
CEO	-0.6	-0.5
Board members	-0.5	-0.6

Pension commitments of the Board and CEO

The company and the CEO have not agreed on a retirement age.

4. OTHER OPERATING EXPENSES

EUR million	2023	2022
Rental expenses	-1.6	-1.6
Marketing expenses	-6.9	-7.3
Energy expenses	-9.5	-9.1
Travel and representation expenses	-1.2	-1.2
Repair and maintenance expenses	-7.1	-7.1
IT expenses	-9.2	-8.1
Outsourcing services	-11.2	-11.6
Variable sales expenses	-5.8	-5.9
Other expenses	-8.5	-7.2
TOTAL	**-61.0**	**-59.1**
Auditor's fees		
Audit fees	-0.5	-0.3
Other fees	-0.1	-0.1
TOTAL	**-0.6**	**-0.4**

Environmental expenses

The company's environmental expenses did not have a significant impact on the profit for the period and on the financial position.

5. FINANCE INCOME AND EXPENSES

EUR million	2023	2022
Dividend income		
From Group companies	33.1	32.0
From participating interest undertakings	0.9	0.9
Total dividend income	**34.0**	**33.0**
Interest income		
From Group companies	4.3	0.2
From others	2.5	0.6
Total interest income	**6.9**	**0.8**
Other finance income		
From others	15.8	0.2
Total other finance income	**15.8**	**0.2**
TOTAL FINANCE INCOME	**56.7**	**33.9**
Interest expenses		
To Group companies	-2.5	-0.6
To others	-13.6	-2.5
Total interest expenses	**-16.1**	**-3.1**
Other finance expenses		
To others		
Impairment losses on investments in non-current assets	-58.7	-1.1
Other finance expenses	-11.6	-1.5
Total other finance expenses	**-70.3**	**-2.6**
TOTAL FINANCE EXPENSE	**-86.4**	**-5.7**
TOTAL FINANCE INCOME AND EXPENSES	**-29.6**	**28.2**
The following items are included in finance items of the income statement from fair value hedges:		
Other finance income		
Fair value changes of derivatives	-0.2	0.0

* Other finance income includes gain from sale of shares of Larsen SAS (EUR 6.6 million). See also Group Note 5.2. for more information.
** Impairment losses on investments in non-current assets includes write-downs of shares in subsidiaries.

6. APPROPRIATIONS

EUR million	2023	2022
Difference between depreciations according to plan and depreciations made in taxation:		
Intangible rights	0.7	0.3
Other intangible assets	-0.4	0.0
Buildings and structures	0.3	0.5
Machinery and equipment	0.4	0.5
Other tangible assets	0.0	0.0
TOTAL	**1.0**	**1.4**

7. INCOME TAX EXPENSE

EUR million	2023	2022
Income taxes from current period	-2.4	-1.8
Income taxes from previous periods	0.0	0.0
Change in deferred tax assets	0.4	0.0
TOTAL	**-2.0**	**-1.8**

8. SPECIFICATION OF NON-CURRENT ASSETS

EUR million	2023	2022
Intangible assets		
Intangible rights		
Acquisition cost at 1 January	33.2	33.1
Additions	0.1	0.1
Disposals	-15.6	0.0
Transfers between items	0.1	-
Acquisition cost at 31 December	17.7	33.2
Accumulated amortisation at 1 January	-30.1	-28.5
Accumulated amortisation on disposals and transfers	13.8	0.0
Amortisation for the period	-1.0	-1.7
Accumulated amortisation at 31 December	-17.3	-30.1
CARRYING AMOUNT AT 31 DECEMBER	**0.4**	**3.1**
Goodwill		
Acquisition cost at 1 January	18.7	18.7
Acquisition cost at 31 December	18.7	18.7
Accumulated amortisation at 1 January	-18.7	-18.5
Amortisation for the period	-	-0.2
Accumulated amortisation at 31 December	-18.7	-18.7
CARRYING AMOUNT AT 31 DECEMBER	**-**	**-**
Other intangible assets		
Acquisition cost at 1 January	27.7	27.3
Additions	1.2	0.2
Transfers between items	2.0	0.3
Acquisition cost at 31 December	30.9	27.7
Accumulated amortisation at 1 January	-24.4	-22.1
Amortisation for the period	-2.5	-2.3
Accumulated amortisation at 31 December	-26.9	-24.4
CARRYING AMOUNT AT 31 DECEMBER	**4.0**	**3.4**
Prepayments in intangible assets		
Acquisition cost at 1 January	2.1	0.8
Additions	1.3	1.6
Transfers between items	-2.1	-0.3
CARRYING AMOUNT AT 31 DECEMBER	**1.3**	**2.1**

EUR million	2023	2022
Tangible assets		
Land and water areas		
Acquisition cost at 1 January	2.5	2.5
Additions	-	0.0
Transfers between items	0.0	-
Disposals	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER	**2.5**	**2.5**
Buildings and structures		
Acquisition cost at 1 January	100.6	99.7
Additions	1.2	0.7
Transfers between items	0.9	0.3
Disposals	-0.1	-0.1
Acquisition cost at 31 December	102.7	100.6
Accumulated depreciation at 1 January	-83.3	-81.3
Accumulated depreciation on disposals and transfers	0.1	0.0
Depreciation for the period	-1.9	-2.1
Accumulated depreciation at 31 December	-85.2	-83.3
CARRYING AMOUNT AT 31 DECEMBER	**17.5**	**17.3**
Machinery and equipment		
Acquisition cost at 1 January	125.1	124.3
Additions	1.8	1.0
Transfers between items	1.1	0.2
Disposals	-16.9	-0.3
Acquisition cost at 31 December	111.1	125.1
Accumulated depreciation at 1 January	-103.0	-99.6
Accumulated depreciation on disposals and transfers	16.9	0.1
Depreciation for the period	-3.5	-3.6
Accumulated depreciation at 31 December	-89.6	-103.0
CARRYING AMOUNT AT 31 DECEMBER	**21.5**	**22.1**
Other tangible assets		
Acquisition cost at 1 January	0.5	0.5
Acquisition cost at 31 December	0.5	0.5
CARRYING AMOUNT AT 31 DECEMBER	**0.5**	**0.5**
Prepayments and assets under construction		
Acquisition cost at 1 January	4.0	0.9
Additions	3.4	3.6
Transfers between items	-2.1	-0.5
CARRYING AMOUNT AT 31 DECEMBER	**5.3**	**4.0**
CARRYING AMOUNT OF MACHINERY AND EQUIPMENT USED IN PRODUCTION AT 31 DECEMBER	**21.2**	**21.8**

EUR million	2023	2022
Investments		
Holdings in Group companies		
Acquisition cost at 1 January	485.1	402.9
Additions	-	81.9
Disposals*	-34.3	-
Transfer from partisipating interests	-	0.2
Acquisition cost at 31 December	450.8	485.1
Accumulated impairment at 1 January	-159.9	-158.8
Impairment	-58.7	-1.1
Accumulated impairment at 31 December	-218.6	-159.9
CARRYING AMOUNT AT 31 DECEMBER	**232.3**	**325.2**
Participating interests		
Acquisition cost at 1 January	13.0	8.2
Additions	0.1	5.0
Transfer to holdings in group companies	-	-0.2
CARRYING AMOUNT AT 31 DECEMBER	**13.2**	**13.0**
Other shares and investments		
Acquisition cost at 1 January	0.6	0.6
CARRYING AMOUNT AT 31 DECEMBER	**0.6**	**0.6**

*During year 2023 Anora Group Plc sold its Larsen cognac business, including shares of Larsen, inventory and trademarks. Sales gain from shares EUR 6.6 million is included in Finance income (Note 5). Sales gain from trademarks and inventory totaling EUR 6.1 million is included in Other operating income (Note 2). Selling expenses EUR 2.0 million were posted in Other operating expenses and have been reducing the total sales gain. See more information also in Group note 5.2.

9. INVENTORY

There is no significant difference between the repurchase price and cost of inventories.

10. NON-CURRENT RECEIVABLES

EUR million	2023	2022
Receivables from Group companies		
Loan receivables	56.4	14.8
Deferred tax assets		
Non-deductible interest expenses	0.4	-
Fixed assets deferred depreciations	0.3	0.3
Deferred tax assets total	0.7	0.3
TOTAL NON-CURRENT RECEIVABLES	**57.1**	**15.1**

11. CURRENT RECEIVABLES

EUR million	2023	2022
Receivables from Group companies		
Trade receivables	8.1	9.7
Loan receivables	0.3	71.1
Cash Pool receivables	1.9	3.3
Other receivables	3.5	4.5
Derivatives	1.5	0.0
Accrued income and prepaid expenses	6.2	5.0
Total	**21.4**	**93.6**
Receivables from participating interest undertakings		
Trade receivables	0.1	0.1
Total	**0.1**	**0.1**
Receivables from others		
Trade receivables*	29.9	36.4
Accrued income and prepaid expenses	3.2	9.4
Total	**33.1**	**45.8**
TOTAL CURRENT RECEIVABLES	**54.6**	**139.5**
Accrued income and prepaid expenses		
Significant items in accrued income and prepaid expenses:		
Derivatives	0.8	5.8
Others	2.3	3.6
Total	**3.2**	**9.4**

* Does not include the sold trade receivables

12. DISCLOSURES ON FAIR VALUES (DERIVATIVES)

	2023			2022		
EUR million	Fair value 31 Dec	Changes in the fair value recognised in the income statement	Changes in the fair value recognised in fair value reserve	Fair value 31 Dec	Changes in the fair value recognised in the income statement	Changes in the fair value recognised in fair value reserve
Derivative instruments						
Interest rate derivatives (level 2)	-	-	-	0.0	-	0.0
Foreign exchange derivatives (level 2)	-0.6	-0.2	-0.4	0.0	0.0	0.0
Commodity derivatives (level 2)	0.8	-	0.8	5.4	-	5.4
TOTAL	**0.2**	**-0.2**	**0.4**	**5.5**	**0.0**	**5.5**

13. EQUITY

EUR million	2023	2022
Restricted equity		
Share capital at 1 January	61.5	61.5
Share capital at 31 December	61.5	61.5
Hedge reserve at 1 January	4.4	1.5
Additions and disposals	-4.1	2.9
Hedge reserve at 31 December	**0.4**	**4.4**
Total restricted equity	**61.9**	**65.9**
Unrestricted equity		
Invested unrestricted equity fund at 1 January	52.2	52.2
Invested unrestricted equity fund at 31 December	**52.2**	**52.2**
Retained earnings at 1 January	74.4	65.9
Distribution of dividends	-14.9	-30.4
Profit for the period	-11.5	38.9
Retained earnings at 31 December	**48.0**	**74.4**
Total unrestricted equity	**100.2**	**126.6**
TOTAL EQUITY	**162.0**	**192.5**
Distributable unrestricted equity		
Calculation of distributable equity:		
Invested unrestricted equity fund	52.2	52.2
Retained earnings at 1 January	74.4	65.9
Distribution of dividends	-14.9	-30.4
Profit for the period	-11.5	38.9
TOTAL DISTRIBUTABLE UNRESTRICTED EQUITY	**100.2**	**126.6**
Company's share capital:		
Number of shares outstanding at the end of the period	67,553,624	67,553,624

14. APPROPRIATIONS

EUR million	2023	2022
Depreciation difference		
Intangible rights	0.1	0.9
Other intangible assets	0.7	0.3
Buildings and structures	0.7	1.0
Machinery and equipment	14.6	14.9
Other tangible assets	0.0	0.0
TOTAL	**16.1**	**17.1**

15. LIABILITIES

EUR million	2023	2022
Non-current		
Loans from financial institutions	210.0	210.0
Loans from pension institutions	5.3	6.8
Deferred tax liabilities	0.1	1.1
Other liabilities	–	4.9
TOTAL	**215.3**	**222.8**

16. LIABILITIES TO GROUP COMPANIES

EUR million	2023	2022
Trade payables	0.7	0.9
Cash Pool liabilities	88.9	88.0
Derivative instruments	–	0.2
Other accrued expenses	2.2	1.0
TOTAL	**91.7**	**90.2**

17. ACCRUED EXPENSES AND DEFERRED INCOME

EUR million	2023	2022
Significant items under accrued expenses:		
Holiday pay and other wages and salaries	5.7	5.1
Contract discount	0.9	0.5
Procurement expenses and other accrued expenses	10.6	13.8
Taxes	0.6	0.5
Derivative instruments	2.1	0.1
TOTAL	**19.8**	**20.0**

18. COLLATERALS AND COMMITMENTS

EUR million	2023	2022
Collaterals given on behalf of the Group companies		
Mortgages	18.5	18.5
Guarantees	7.1	4.1
TOTAL COLLATERALS	**25.6**	**22.6**
Commitments and other contingencies		
Operating and finance lease obligations		
Not later than one year	0.7	0.6
Later than one year	0.8	0.8
Total	**1.5**	**1.4**
Lease obligations		
Not later than one year	0.7	0.7
Later than one year	2.9	0.9
Total	**3.7**	**1.6**
Other obligations		
Not later than one year	2.3	2.6
Total	**2.3**	**2.6**
TOTAL COMMITMENTS	**7.5**	**5.6**

VAT liability for real estate investments

The company is liable to review VAT deductions made for real estate investments completed in 2015–2023 if the use subject to VAT decreases during the review period. The maximum liability is EUR 1.2 million and the last year to review is 2032.

DERIVATIVE CONTRACTS

EUR million	2023	2022
Electricity derivatives		
Fair value	0.8	5.4
Nominal value	1.2	2.4
Amount (TWh)	0.0	0.1
Parent company's external forward exchange contracts		
Fair value	-2.1	0.2
Nominal value	101.5	22.1
Parent company's internal forward exchange contracts		
Fair value	-1.5	-0.2
Nominal value	49.9	7.8
Interest rate derivatives		
Fair value	-	0.0
Nominal value	-	20.0

Emission allowances (kilotons)	2023	2022
Emission allowances received	22.6	22.6
Excess emission allowances from the previous year	2.0	13.5
Sold emission allowances	-2.0	-13.0
Realised emissions	-21.6	-21.1
EMISSION ALLOWANCES AT 31 DECEMBER	**1.0**	**2.0**
Fair value of the remaining emission allowances, EUR thousand	53	161

The emission allowances received during year 2023 and the realised emissions are estimates, which will be adjusted during the spring 2024. Anora Group continues to operate within the emission trading system for the trading period 2021–2030.

19. RELATED PARTY TRANSACTIONS

Related party transactions are carried out at ordinary commercial terms. More information about related party transactions is presented in Group Note 6.3. Management remuneration is presented in Anora Group Plc Note 3.

Board of Directors' proposal for the distribution of profits

According to the balance sheet at 31 December 2023, the parent company's distributable funds amount to EUR 100.2 million including negative profit for the period of EUR -11.5 million.

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

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.22 per share be paid for the financial year 2023.

Signatures to the Board of Directors' Report and to the financial statements

Helsinki, 19 March 2024

Michael Holm Johansen
Chairman

Jyrki Mäki-Kala
Kirsten Ægidius
Christer Kjos

Arne Larsen
Annareetta Lumme-Timonen
Jussi Mikkola

Florence Rollet
Torsten Steenholt

Jacek Pastuszka
CEO

The Auditors' Note

An auditor's report concerning the performed audit has been given to date.

Helsinki, 19 March 2024

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant

Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Anora Group Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Anora Group Oyj (business identity code 1505555-7) for the year ended 31 December 2023. The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 1.6 to the Financial Statements.

Our Audit Approach

Overview

- Overall group materiality: € 5,5 million (previous year € 4,4 million)

- The group audit included the parent company and the most significant subsidiaries covering the majority of net sales, assets and liabilities.

- Revenue recognition
- Valuation of inventories
- Valuation of tangible and intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 5,5 million (previous year € 4,4 million)
How we determined it	0,8 % of net sales
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because it provides a consistent year-on-year basis for determining materiality. In addition, it is a benchmark against which the performance of the group is commonly measured by users. We used 0,8 % of net sales, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Anora Group, the industry in which it operates, the accounting processes and controls, and the size, complexity and risks of individual subsidiaries. Anora Group has majority of its operations in the Nordic countries and Baltics. Audits were performed for group companies which were considered significant either due to their size or their specific nature and risk characteristics, covering the majority of revenue, assets and liabilities of the group. For the remaining reporting units, we performed other procedures to confirm there were no significant risks of material misstatement in the group financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Revenue recognition Refer to note 1.2 in the consolidated financial statements. Anora's revenue is generated from the sale of own wine and spirits products and partner brands, contract manufacturing, sale of logistic services and sale of industrial products. The transaction price may include variable considerations such as volume discounts, bonuses, marketing support and product returns. Due to a variety of contractual terms, the calculation of the period's variable consideration is an accounting area that requires management judgement. We have also considered the risk that revenue is not recorded in the correct period to be a key audit matter.	Our audit procedures included e.g. the following: • We gained an understanding of the nature of the revenue streams and different contractual terms used. • We assessed the group's accounting policies over revenue recognition. • We tested, on a sample basis, accounting treatment of variable considerations to the terms of underlying agreements. • We performed reconciliation of the whole product revenue of the significant entities in Finland to underlying invoices and delivery documents. We gained an understanding of unreconciled transactions and tested these, on a sample basis, to relevant supporting documents. • For other significant entities outside of Finland and other revenue streams, we tested, on a sample basis, sales transactions to incoming cash. • We examined a sample of credit notes during 2023 and subsequent year end to relevant supporting documents. • We tested a sample of sales invoices recorded in December 2023 and January 2024 to evaluate that revenue had been recognised in the right period. • We obtained customers confirmations for selected revenue and accounts receivable.
Valuation of inventory Refer to note 2.4 in the consolidated financial statements. Inventory forms a significant part of the Group's assets, amounting to € 144 million as of 31 December 2023. Inventories are measured at the lower of cost and net realizable value. Self-manufactured products are measured at standard cost which approximate weighted average cost formula. Fixed and variable production costs are allocated to the cost of manufactured products. Management exercises judgement and applies assumptions when estimating the need for an obsolescence provision. This includes identification of slow moving and seasonal products, changes in product portfolio and consideration of sales forecasts. Given the factors described above, we have considered valuation of inventory to be a key audit matter.	Our audit procedures included e.g. the following: • We gained an understanding of the controls established in relation to inventory valuation. • We tested the key reconciliations between general ledger and inventory ledger. • We assessed the adequacy of the obsolescence provision and checked adherence to the Group's accounting policy. • We tested, on a sample basis, the accuracy of cost for self-manufactured products by comparing the actual production costs to market and other price data. • We tested a sample of inventory items to confirm whether they are held at the lower of cost and net realisable value, through comparison to vendor invoices and sales prices. • For a sample of warehouses, we attended the physical stock-take counting or reconciled third party confirmations with the accounting records. This included observation and / or inquiries in relation to overall inventory condition.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of tangible and intangible assets Refer to note 2.1, 2.2 and 2.3 in the consolidated financial statements. Valuation of tangible and intangible assets, including goodwill allocated to Wine and Spirits cash generating units and production and logistics assets in Norway. The group reports goodwill totalling to € 304 million, property plant and equipment of € 63 million and right of use assets of € 68 million as of 31 December 2023. Goodwill is allocated to Wine and Spirits cash generating units. Management tests goodwill for potential impairment annually and whenever there is an indication that the carrying value may be impaired through comparing the recoverable amount against the carrying value of each cash generating unit. Impairment tests are performed at operating segment level. The recoverable amounts are determined using the value in use method. Property, plant and equipment and right of use assets are tested for impairment only when indicators of impairment exist. Management identified indicators of impairment for the group's production and logistics operations in Gjelleråsen, Norway. Therefore, management performed impairment testing for these Production and Logistics cash generating units and certain individual assets within. As a result, the total amount of impairment recognised in the period was approximately € 65 million in relation to production and logistics operations in Gjelleråsen. Valuation of goodwill and other assets is a key audit matter due to its financial significance as well as due to the high level of management judgement involved in relation to the number of underlying assumptions used to determine the recoverable amount, including the revenue growth, EBITDA, capital expenditures, working capital, market rentals and discount rates applied to free cash-flows. In addition, methodology of determining and allocating impairment, when identified, is complex.	Our audit of goodwill and production and logistics assets valuation focussed on critical estimates and management's judgement. We have assessed the appropriateness of these through the following procedures: • We obtained an understanding and evaluated the methodology applied in calculations of recoverable amount for relevant cash generating units by comparing it to the requirements of IAS 36, "Impairment of Assets". • We obtained an understanding and evaluated the methodology applied in determining appropriate level of impairment testing and allocation of identified impairment for production and logistics operations in Norway. • We evaluated and challenged management's future cash flow forecasts and the process by which they were drawn up, including comparing them to the latest Board approved budgets, and assessing reasonableness of future sales and profitability projections post the budget period. • We compared the current year actual results to the figures for the financial year ended 31 December 2022 included in the prior year impairment models to assess accuracy of management's historic forecasts. • We involved our valuation experts to assess the reasonableness of the discount rates and long-term growth rates used in goodwill impairment testing. • Our property valuation experts evaluated and challenged market rentals and discount rates used in the calculation of recoverable amount of the production and logistics leased facilities in Norway. • We considered the appropriateness of assumptions used in the sensitivity analysis performed by management. • We considered the adequacy of the related disclosures provided in note 2.1 and 2.2 of the group's financial statements.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 29 March 2016. Our appointment represents a total period of uninterrupted engagement of 8 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 19 March 2024
PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant (KHT)

Independent Auditor's Reasonable Assurance Report on Anora Group Oyj's ESEF Financial Statements (Translation of the Finnish Original)

To the Management of Anora Group Oyj

We have been engaged by the Management of Anora Group Oyj (business identity code 1505555–7) (hereinafter also "the Company") to perform a reasonable assurance engagement on the Company's consolidated IFRS financial statements for the financial year 1.1.-31.12.2023 in European Single Electronic Format ("ESEF financial statements") version anora-2023-12-31-fi.zip

Management's Responsibility for the ESEF Financial Statements

The Management of Anora Group Oyj is responsible for preparing the ESEF financial statements so that they comply with the requirements as specified in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF requirements"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESEF financial statements that are free from material noncompliance with the ESEF requirements, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion on the ESEF financial statements based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the ESEF financial statements are free from material noncompliance with the ESEF requirements.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the ESEF financial statements compliance with the ESEF requirements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material noncompliance of the ESEF financial statements with the ESEF requirements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation of the ESEF financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, Anora Group Oyj's ESEF financial statements for the financial year ended 31.12.2023 comply, in all material respects, with the minimum requirements as set out in the ESEF requirements.

Our reasonable assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except for Anora Group Oyj for our work, for this report, or for the opinion that we have formed.

Helsinki 20 March 2024
PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant (KHT)

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