



Olvi Group's Interim Report, 1 January to 30 September 2021 (9 months)

Interim Report in brief

Olvi Group's business development continued on a strong track in the third quarter. Sales volume, net sales, operating profit, and net profit increased clearly on the previous year. The Group's financial standing is good.

Near-term outlook

Olvi's operating profit for fiscal year 2021 is expected to remain on the previous year's good level or increase slightly. Good business development is estimated to continue but uncertainties can be seen for the remainder of the year, associated with the continuing corona pandemic, the availability of raw materials and packaging supplies, as well as increasing costs.

Consolidated key ratios

	7-9/ 2021	7-9/ 2020	Change % / pp	1-9/ 2021	1-9/ 2020	Change % / pp	1-12/ 2020
Sales volume, Mltr	247.3	212.6	16.3	661.0	595.5	11.0	765.9
Net sales, MEUR	134.3	116.3	15.5	351.6	321.9	9.2	414.9
Gross profit*, MEUR	58.2	52.0	11.9	150.2	139.4	7.8	178.0
% of net sales	43.3	44.7		42.7	43.3		42.9
Operating profit, MEUR	23.6	21.5	9.7	52.3	49.5	5.5	56.4
% of net sales	17.6	18.5		14.9	15.4		13.6
Net profit for the period, MEUR	20.8	18.1	15.3	42.7	38.0	12.3	40.9
% of net sales	15.5	15.5		12.1	11.8		9.9
Earnings per share, EUR	0.99	0.87	13.8	2.04	1.82	12.1	1.96
Investments, MEUR	6.2	6.2	-0.5	23.4	25.2	-7.3	32.0
Equity per share, EUR				13.94	12.76	9.2	12.81
Equity to total assets, %				59.5	65.1	-5.6	63.8
Gearing, %				-19.6	-11.3	8.3	-15.5

* Due to a change in the presentation of the income statement, gross profit is presented instead of gross margin.

Business development

Lasse Aho, Managing Director:

Olvi Group's third-quarter business development was good. Sales volume increased by 16.3 percent, net sales by 15.5 and operating profit by 9.7 percent. The heat wave in July brought a substantial increase in sales volume but sales development was also good in early autumn. Strong demand continued in the retail sector. Growth was seen in all product groups, with best sales development in non-alcoholic products, particularly waters. Exports continued to develop well, increasing by more than 40 percent in the third quarter.

The corona pandemic has still affected business operations in the third quarter. Among the different sales channels, HoReCa sales improved in comparison with the first half of the year, but sales are still lower than they were before the pandemic. Sales restrictions were in force in almost all markets. Furthermore, the volume of cross-border and harbour sales has remained low. Olvi's production has operated almost normally and there has not been any widespread virus exposure among personnel. There have been occasional difficulties in the availability of raw materials and packaging supplies, and there is substantial upward pressure in production costs. These may restrict production volumes, cause difficulties for deliveries, and have a negative impact on profitability during the rest of the year. However, the current outlook is that the impacts would be limited and manageable.



Business development in Finland continued on a strong track. Third-quarter sales volume increased by 8.5 percent, net sales by 8.6 and operating profit by 18.2 percent. The hot summer caused a high peak in overall demand. It was challenging to respond to this, and there were some delivery difficulties in waters, for example. Demand is also boosted by Olvi's improved market position in several product groups, thanks to our strong brands and versatile range of packaging. Market shares have improved particularly in beers and mineral waters. Profitability was affected by increased production efficiency as the sales volumes were high.

In Estonia, third-quarter sales volume and net sales were stimulated into growth by the summer heat wave, and preparations for the season went well. The market share remained strong. Among the different sales channels, retail and export sales increased. Growth in HoReCa was moderate in comparison with the previous year. Cross-border and harbour sales were still impacted by travel restrictions. Third-quarter operating profit improved by 6.8 percent and accumulated profit was almost on a par with the previous year.

In Latvia, third-quarter sales volume increased by 10.1 percent and net sales by 6.5 percent. Domestic market demand improved. Price competition has still been intense in retail trade, and legislative changes with regard to mixed drinks in particular have hampered profitability. This has caused a decline in the company's operating profit. Operating profit declined by 13.6 percent. Sales of Piebalgas products have started strongly and the company's integration into the Latvian operations has proceeded according to plan. The company has acquired the Everest water brand in the beginning of October to strengthen the offering and sales of non-alcoholic products in Latvia.

Business in Lithuania developed well. Third-quarter sales volume increased by 12.0 percent and net sales by 11.6 percent. Good net sales development was supported by the strong summer season, a more diversified product portfolio and increased market shares. Domestic retail demand was a driver for growth. Operating profit increased by 13.3 percent, which boosted full-year development to 22.0 percent.

In Belarus, third-quarter sales volume increased by 23.0 percent and net sales by 30.2 percent. Sales have improved particularly well in non-alcoholic product groups, but two-figure growth figures can be seen across all product groups. Among the sales channels, growth in exports was excellent but domestic retail sales also developed well. Good development of net sales was partially attributable to the exchange rate, which has been improving since August. This evens out the poor foreign exchange development in the first half of the year; however, the accumulated figures are still impacted. Measured in the local currency, net sales have increased by 29.0 percent and operating profit by 9.3 percent since the beginning of the year. Operating profit measured in euro increased by 5.5 percent in the third quarter and the accumulated figure was -1.2 percent. Operating profit was impacted by an increase in logistics costs in line with sales volume, as well as marketing efforts to support the multi-beverage strategy. The company has been able to develop its business in spite of the situation in the country.

Strategic expansion has continued according to plan as the acquisition of the Vestfyen brewery in Denmark became effective on 1 September. Vestfyen has been consolidated with the Group since September, so the company does not yet have any major impact on the figures for the period under review. Integration has started according to plan. The objective is to gradually build up and grow the company in accordance with the focal points of Olvi's strategy.

Strategically important Group-wide development projects, such as digitalisation projects and the responsible management operating model have been substantially pushed forward during the year in order to ensure competitive ability in the future. Investments have been implemented as planned, supporting future sales growth, improving production efficiency, and promoting the achievement of responsibility targets with regard to carbon neutrality, for example. Investments since the beginning of the year amount to 23.4 million euro.

Seasonal nature of the operations

The Group's business operations are characterised by seasonal variation. The net sales and operating profit from the reported geographical segments do not accumulate evenly but vary according to the time of the year and the characteristics of each season.



Sales development

Olvi Group's sales volume increased in January-September by 11.0 percent to 661.0 (595.5) million litres. In July-September the sales volume increased by 16.3 percent to 247.3 (212.6) million litres. Growth was seen in all of the operating countries.

Sales volume, million litres	7-9/ 2021	7-9/ 2020	Change %	1-9/ 2021	1-9/ 2020	Change %
Finland	69.1	63.7	8.5	197.0	182.2	8.1
Estonia	34.6	30.8	12.3	92.2	85.8	7.4
Latvia	23.1	21.0	10.1	59.8	57.0	5.0
Lithuania	39.3	35.1	12.0	101.4	95.4	6.2
Belarus	86.7	70.5	23.0	232.2	197.6	17.5
Eliminations and other segments	-5.5	-8.5		-21.7	-22.5	
Total	247.3	212.6	16.3	661.0	595.5	11.0

The Group's net sales in January-September increased by 9.2 percent and amounted to 351.6 (321.9) million euro. Third-quarter net sales increased by 15.5 percent.

Net sales, million euro	7-9/ 2021	7-9/ 2020	Change %	1-9/ 2021	1-9/ 2020	Change %
Finland	52.9	48.7	8.6	145.4	135.4	7.4
Estonia	22.9	20.4	12.2	59.8	55.8	7.2
Latvia	12.0	11.3	6.5	31.0	30.2	2.6
Lithuania	17.9	16.1	11.6	46.5	43.1	7.8
Belarus	30.9	23.7	30.2	77.4	67.5	14.6
Eliminations and other segments	-2.3	-3.9		-8.6	-10.2	
Total	134.3	116.3	15.5	351.6	321.9	9.2

Earnings development

The Group's operating profit in January-September stood at 52.3 (49.5) million euro, or 14.9 (15.4) percent of net sales. Operating profit in July-September stood at 23.6 (21.5) million euro, which was 17.6 (18.5) percent of net sales. From the beginning of the year, operating profit has improved by 5.5 percent on the previous year, and in the third quarter there was an improvement of 9.7 percent. Operating profit is boosted by increased gross profit but hampered by increased costs of logistics, sales, and marketing in comparison with the previous year.

Operating profit, million euro	7-9/ 2021	7-9/ 2020	Change %	1-9/ 2021	1-9/ 2020	Change %
Finland	9.8	8.3	18.2	21.5	18.9	14.0
Estonia	5.0	4.7	6.8	11.3	11.5	-1.8
Latvia	1.3	1.5	-13.6	2.8	3.4	-15.7
Lithuania	2.2	1.9	13.3	4.7	3.9	22.0
Belarus	5.7	5.4	5.5	12.6	12.7	-1.2
Eliminations and other segments	-0.3	-0.3		-0.8	-0.9	
Total	23.6	21.5	9.7	52.3	49.5	5.5

The Group's January-September profit after taxes amounted to 42.7 (38.0) million euro. The July-September figure was 20.8 (18.1) million euro. Profit for the period is affected by decreased financing costs related to foreign exchange translation differences.

Earnings per share calculated from the profit belonging to parent company shareholders in January-September stood at 2.04 (1.82) euro, and the July-September figure was 0.99 (0.87) euro.



Balance sheet, financing, and investments

Olvi Group's balance sheet total at the end of September 2021 was 491.4 (410.7) million euro. Equity per share at the end of September 2021 stood at 13.94 (12.76) euro. The equity ratio was 59.5 (65.1) percent and the gearing ratio was -19.6 (-11.3) percent. The current ratio, which represents the Group's liquidity, remained on the previous level at 1.3 (1.3).

The amount of interest-bearing liabilities amounted to 12.9 (3.5) million euro at the end of September. The increase is due to the consolidation of Denmark into the Group's figures. Current liabilities made up 5.2 (0.7) million euro of all interest-bearing liabilities.

Olvi Group's investments in extensions and replacements from January to September amounted to 23.4 (25.2) million euro. The companies in Finland accounted for 9.1 million euro, the Baltic subsidiaries for 10.1 million euro and Lidskoe Pivo in Belarus for 4.2 million euro of the total. Olvi Group has invested in increasing and diversifying its production capacity, the modernisation of production facilities, as well as environmentally friendly operations.

Personnel

Olvi Group's average number of personnel in January-September was 2,094 (1,927). The Group's average number of personnel increased by 8.7 percent due to seasonal variation and the Piebalgas and Vestfyen acquisitions.

Olvi Group's average number of personnel by country:

	7-9/ 2021	7-9/ 2020	Change %	1-9/ 2021	1-9/ 2020	Change %
Finland	448	421	6.4	419	395	6.1
Estonia	361	334	8.1	347	327	6.1
Latvia	281	194	44.8	241	197	22.3
Lithuania	239	239	0.0	244	240	1.7
Belarus	859	776	10.7	830	768	8.1
Other segments*	39	0		13	0	
Total	2,227	1,964	13.4	2,094	1,927	8.7

* At the end of the review period, the number of personnel was 118.

Board of Directors and management

There have been no changes in Olvi plc's Board of Directors or management during the review period.

Other events during the review period

Changes in corporate structure

Olvi's holdings in subsidiaries include the Bryggeriet Vestfyen brewing company in Denmark as of 1 September 2021. Because the company was taken over towards the end of the review period, its effect on the Group's business in 2021 is minor, and Denmark has not been observed as a separate entity in segment reporting. The effects of consolidation are described in more detail in Table 5, Section 12 of the tables attached to this interim report.

Share-based payments

Olvi Group's previous share-based incentive plan for key employees, which was initiated in 2019, expired on 31 January 2021. At its meeting of 1 February 2021, the Board of Directors of Olvi plc decided on three new share-based incentive plans for the Group's key personnel: a performance-based share plan for 2021–2025, a matching share plan for 2021–2022 and a restricted share plan for 2021–2025. Detailed information on the incentive plans and the associated share repurchases is provided in Table 5, Sections 4 and 5 of the tables attached to this interim report.



Business risks and their management

The corona pandemic continues to impose risks on business, even though the overall economic impact has been minor so far. There are uncertainties associated with predicting business development as it is not possible to sufficiently anticipate the various impacts of the corona pandemic. The impacts are associated with sales channel restrictions imposed in order to contain the spreading of the corona pandemic, for example, but also changes in overall demand. Substantial sales channel restrictions can still be projected towards the end of the year, particularly in the Baltic states.

As the corona pandemic has continued, there have also been challenges in the availability of raw materials and packaging supplies, as well as upward pressure in their prices. The most substantial availability problems concern cans, as global demand for them has increased faster than supply. The situation has not caused substantial sales volume losses so far. Cost pressures concern the prices of all raw materials and packaging supplies, as well as other production costs such as energy. Mitigation measures against such pressures include product development, cost savings and focused price increases. It will be challenging to fully respond to the rapidly increasing production costs by the end of 2021.

Olvi has drafted several scenarios and made preparations for responding to changing situations through a variety of measures, paying particular attention to the corona pandemic situation. Olvi has made preparations for production disruptions and drafted contingency plans concerning the availability of personnel and raw materials, among other things. Uncertainty is also caused by potentially continuing fluctuation of the Belarusian exchange rate due to the political and economic situation in the country.

A more detailed description of normal business-related risks is provided in the Board of Directors' report and the notes to the financial statements, as well as in the Investors/Corporate Governance section of the company's Web site.

Events after the review period

There have been no significant reportable events after the review period.

OLVI PLC
Board of Directors

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TABLES:

- Statement of comprehensive income, Table 1
- Balance sheet, Table 2
- Changes in shareholders' equity, Table 3
- Cash flow statement, Table 4
- Notes to the interim report bulletin, Table 5

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd
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STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000

	7-9 / 2021	7-9 / 2020	1-9 / 2021	1-9 / 2020	1-12 / 2020
Gross sales	299,115	275,542	813,399	769,078	1,005,101
Excise taxes and other adjustments	-164,796	-159,254	-461,808	-447,211	-590,217
Net sales	134,319	116,288	351,591	321,867	414,884
Cost of sales	-76,154	-64,302	-201,380	-182,494	-236,849
Gross profit	58,165	51,986	150,211	139,373	178,035
Logistics, sales and marketing expenses	-26,335	-22,208	-73,729	-65,151	-87,300
Administrative expenses	-8,693	-8,319	-25,017	-25,065	-34,650
Other operating income and expenses	466	50	797	387	350
Operating profit	23,603	21,509	52,262	49,544	56,435
Financial income and expenses	-62	-907	-32	-2,143	-2,626
Share of profit in associates	0	0		0	2
Earnings before tax	23,541	20,602	52,230	47,401	53,811
Income taxes	-2,697	-2,522	-9,537	-9,400	-12,895
NET PROFIT FOR THE PERIOD	20,844	18,080	42,693	38,001	40,916
Other comprehensive income items that may be subsequently reclassified to profit and loss:					
Translation differences related to foreign subsidiaries	1,692	-6,732	4,292	-14,338	-15,588
Income taxes related to these items	1	116	-43	257	263
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	22,537	11,464	46,942	23,920	25,591
Distribution of profit:					
- parent company shareholders	20,603	17,913	42,247	37,679	40,559
- non-controlling interests	241	167	446	322	357
Distribution of comprehensive income:					
- parent company shareholders	22,238	11,501	46,358	24,027	25,704
- non-controlling interests	299	-37	584	-107	-113
Earnings per share calculated from the profit belonging to parent company shareholders, EUR					
- undiluted	0.99	0.87	2.04	1.82	1.96
- diluted	0.99	0.87	2.04	1.82	1.96



BALANCE SHEET			
EUR 1,000	30 September 2021	30 September 2020	31 December 2020
ASSETS			
Non-current assets			
Tangible assets	228,199	204,619	204,156
Goodwill	25,913	25,266	25,172
Other intangible assets	11,931	9,866	9,925
Shares in associates	974	1,016	994
Other investments	888	851	851
Loans receivable and other non-current receivables	2,652	2,134	1,786
Deferred tax receivables	1,436	800	1,086
Total non-current assets	271,993	244,552	243,970
Current assets			
Inventories	55,497	45,679	42,278
Accounts receivable and other receivables	93,656	86,943	88,234
Income tax receivable	196	288	773
Liquid assets	70,068	33,248	45,096
Total current assets	219,417	166,158	176,381
TOTAL ASSETS	491,410	410,710	420,351
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity held by parent company shareholders			
Share capital	20,759	20,759	20,759
Other reserves	1,387	1,387	1,387
Treasury shares	-390	-503	-1,802
Translation differences	-54,731	-57,639	-58,842
Retained earnings	321,786	300,302	303,465
	288,811	264,306	264,967
Share belonging to non-controlling interests	3,631	3,172	3,165
Total shareholders' equity	292,442	267,478	268,132
Non-current liabilities			
Financial liabilities	7,649	2,789	2,303
Other liabilities	4,873	4,266	4,473
Deferred tax liabilities	13,489	7,930	11,107
Current liabilities			
Financial liabilities	5,209	703	1,333
Accounts payable and other liabilities	164,810	125,050	132,522
Income tax liability	2,938	2,494	481
Total liabilities	198,968	143,232	152,219
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	491,410	410,710	420,351



CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares reserve	Fair value reserve	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity								
1 Jan 2021	20,759	1,092	-1,802	295	-58,842	303,465	3,165	268,132
Comprehensive income:								
Net profit for the period						42,247	446	42,693
Other comprehensive income items:								
Translation differences					4,111		138	4,249
Total comprehensive income for the period					4,111	42,247	584	46,942
Transactions with shareholders:								
Payment of dividends						-22,771	-346	-23,117
Share-based incentives, value of work performed						549		549
Acquisition of treasury shares			-874					-874
Issue of treasury shares to employees			1,687			-1,614		73
Sales of treasury shares to employees			599					599
Adjustment to previous periods						-90	-26	-116
Total transactions with shareholders			1,412			-23,926	-372	-22,886
Changes in holdings in subsidiaries:								
Change in share belonging to non-controlling interests							254	254
Total changes in holdings in subsidiaries							254	254
Shareholders' equity								
30 Sep 2021	20,759	1,092	-390	295	-54,731	321,786	3,631	292,442

EUR 1,000	Share capital	Other reserves	Treasury shares reserve	Fair value reserve	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity 1								
Jan 2020	20,759	1,092	-503	295	-43,987	282,895	3,318	263,869
Comprehensive income:								
Net profit for the period						37,679	322	38,001
Other comprehensive income items:								
Translation differences					-13,652		-429	-14,081
Total comprehensive income for the period					-13,652	37,679	-107	23,920
Transactions with shareholders:								
Payment of dividends						-20,710	-38	-20,748
Share-based incentives, value of work performed						440		440
Total transactions with shareholders						-20,270	-38	-20,308
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interests						-3		-3
Change in share belonging to non-controlling interests						1	-1	0
Total changes in holdings in subsidiaries						-2	-1	-3
Shareholders' equity								
30 Sep 2020	20,759	1,092	-503	295	-57,639	300,302	3,172	267,478



CASH FLOW STATEMENT			
EUR 1,000			
	1-9 / 2021	1-9 / 2020	1-12 / 2020
Net profit for the period	42,693	38,001	40,916
Adjustments:			
Depreciation and impairment	19,870	18,471	24,972
Other adjustments	9,768	12,338	16,327
Change in net working capital:			
Change in accounts receivable and other receivables	-1,593	-21,457	-22,809
Change in inventories	-5,486	-4,413	-1,274
Change in accounts payable and other liabilities	22,261	8,111	17,339
Interest paid	-366	-377	-588
Interest received	182	77	260
Dividends received	3	3	4
Taxes paid	-6,435	-6,377	-9,351
Cash flow from operations (A)	80,897	44,377	65,796
Investments in tangible and intangible assets	-22,983	-24,309	-31,533
Capital gains on disposal of tangible and intangible assets	1,072	1,409	1,697
Acquisition of shares from non-controlling interests	0	-3	-6
Acquired shares in subsidiaries, associates and joint ventures	-11,121	0	0
Expenditure on other investments	-30	-15	-15
Dividends received	21	0	24
Cash flow from investments (B)	-33,041	-22,918	-29,833
Withdrawals of loans	172	15,475	15,497
Repayments of loans	-1,774	-16,706	-16,917
Acquisition of treasury shares	-874	0	-1,299
Sales of treasury shares to employees	599	0	0
Dividends paid	-21,255	-19,602	-20,754
Increase (-)/decrease (+) in current interest-bearing business receivables	0	-6	26
Cash flow from financing (C)	-23,132	-20,839	-23,447
Increase (+)/decrease (-) in liquid assets (A+B+C)	24,724	620	12,516
Liquid assets 1 January	45,096	33,832	33,832
Effect of exchange rate changes	248	-1,204	-1,252
Liquid assets 30 Sep/31 Dec	70,068	33,248	45,096



NOTES TO THE INTERIM REPORT

The interim report has been prepared in accordance with IAS 34, applying the same accounting policies as for the financial statements of 31 December 2020.

The information in the interim report is presented in thousands of euros (EUR 1,000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions. The ratios are calculated from exact amounts in euros. The information disclosed in the interim report is unaudited.

1. SEGMENT INFORMATION

NET SALES BY SEGMENT 1–9/2021

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations and other segments	Group
INCOME							
External sales	144,599	55,773	27,868	44,296	76,585	2,470	351,591
Beverage sales	143,730	55,773	27,868	44,296	76,585	2,470	350,722
Equipment services	869	0	0	0	0	0	869
Internal sales	817	4,050	3,177	2,158	858	-11,060	0
Total net sales	145,416	59,823	31,045	46,454	77,443	-8,590	351,591
Total net profit for the period	35,883	8,894	2,728	4,068	10,690	-19,570	42,693

NET SALES BY SEGMENT 1–9/2020

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations and other segments	Group
INCOME							
External sales	134,407	51,042	28,259	40,779	67,380	0	321,867
Beverage sales	133,508	51,042	28,259	40,779	67,380	0	320,968
Equipment services	899	0	0	0	0	0	899
Internal sales	996	4,742	1,987	2,320	168	-10,213	0
Total net sales	135,403	55,784	30,246	43,099	67,548	-10,213	321,867
Total net profit for the period	30,675	8,706	3,200	3,214	7,027	-14,821	38,001

2. RELATED PARTY TRANSACTIONS

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director

EUR 1,000	1–9 / 2021	1–9 / 2020	1–12 / 2020
Managing Director	852	462	550
Chairman of the Board	54	55	74
Other members of the Board	126	129	172
Total	1,032	646	796



3. SHARES AND SHARE CAPITAL

	30 September 2021	%
Number of A shares	16,989,976	82.0
Number of K shares	3,732,256	18.0
Total	20,722,232	100.0
Total votes carried by A shares	16,989,976	18.5
Total votes carried by K shares	74,645,120	81.5
Total number of votes	91,635,096	100.0
Votes per Series A share	1	
Votes per Series K share	20	

The registered share capital on 30 September 2021 totalled 20,759 thousand euro.

Olvi plc's shares received a dividend of 1.10 euro per share for 2020 (1.00 euro per share for 2019), totalling 22.8 (20.7) million euro. The dividends were paid in two instalments. The first instalment of 0,55 euro per share was paid on 20 April 2021. The second instalment of 0,55 euro per share was paid on 3 September 2021. The Series K and Series A shares entitle to equal dividend. The Articles of Association include a redemption clause concerning Series K shares.

4. SHARE-BASED PAYMENTS

Olvi Group's share-based incentive plan for key personnel, the performance period of which was from 1 February 2019 to 31 January 2021, has expired. The target group of the plan included approximately 60 people, and in accordance with the terms and conditions of the plan, rewards were paid in Olvi plc Series A shares and partially in cash. A total of 36,200 Series A shares were handed over as share-based rewards.

At its meeting of 1 February 2021, the Board of Directors of Olvi plc decided on the terms and conditions of three new share-based incentive plans for the Group's key personnel: a performance-based share plan for 2021–2025, a matching share plan for 2021–2022 and a restricted share plan for 2021–2025. Among these incentive plans, the performance-based share plan for the performance periods 2021–2022 and 2021–2023 started on 15 February 2021. The target groups include approximately 18 people, including the Managing Director of the Group, the Managing Directors of the subsidiaries outside Finland, the members of Olvi plc's Management Group and the Sales Directors of subsidiaries outside Finland. The rewards are based on the Group's accumulated operating profit in euros and the increase of non-alcoholic sales volume. Net rewards payable for the performance period 2021–2022 amount to an approximate maximum of 6,100 Olvi plc Series A shares, and for the performance period 2021–2023, approximately 10,000 Olvi plc Series A shares.

Olvi plc initiated a new matching share plan for key personnel, the performance period of which is from 15 April 2021 to 14 April 2023. The plan is directed to approximately 55 people. In accordance with the share-based incentive plan, Olvi plc has sold a total of 12,495 treasury shares to the target group members by the end of September for an aggregate price of 598.9 thousand euro.

The objective of long-term rewards is to support the achievement of the company's targets, make key personnel committed to the company and offer incentive plans based on earning the company's shares. The rewards are payable partially in Olvi plc's Series A shares and partially in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the employees involved. As a rule, no reward will be paid if employment or service ends before the reward payment. Under the scheme, the target group is able to earn Olvi plc Series A shares based on performance. The Board of Directors shall decide on the earning criteria and the targets for each of these at the beginning of the performance period. Any rewards from the scheme shall be paid after the end of each performance period.

The Board of Directors has set an upper limit for the gross total rewards payable to each person in a calendar year. The limit applies to all gross rewards payable under long-term incentive schemes. Any member of Olvi's Management Group has to hold at least one-half of the shares received as net rewards from the new incentive plans until the value of the member's holding in the company equals at least one-half of their annual salary for



the previous year. These Olvi plc Series A shares have to be held for as long as the person is a member of the Management Group.

In the period under review, costs associated with the plans were recognised for a total of 548.6 thousand euro. Olvi Group does not have any other share-based plans or option plans.

5. TREASURY SHARES

At the beginning of January 2021, Olvi plc held 38,560 of its own shares as treasury shares. Olvi plc continued its share repurchase plan in January. The plan started on 5 November 2020 and ended on 15 January 2021. The shares shall be acquired for the purpose of financing or executing any upcoming corporate acquisitions or other arrangements, implementing the company's incentive schemes or for other purposes decided upon by the Board of Directors.

On 19 February 2021, the Board of Directors of Olvi plc decided to initiate a scheme of acquiring treasury shares based on the authorisation issued by the Annual General Meeting on 8 April 2020. On this basis, the Board will repurchase a maximum of 10,000 Series A shares. The repurchase of treasury shares is based on the new share-based incentive plan for the Group's key personnel announced on 2 February 2021. The acquisition of shares started on 25 February 2021 and ended on 01 March 2021.

In accordance with the share-based incentive plan, Olvi plc has transferred a total of 11,495 treasury shares to the target group members of the matching share plan for an aggregate price of 551.5 thousand euro.

At the end of the review period, Olvi plc holds a total of 9,404 of its own Series A shares. The total purchase price of treasury shares was 438.0 thousand euro. Treasury shares held by the company itself are ineligible for voting. Series A shares held by Olvi plc as treasury shares represent 0.05 percent of all shares and 0.01 percent of the aggregate number of votes. The treasury shares represent 0.06 percent of all Series A shares and associated votes.

On 31 March 2021, the General Meeting of Shareholders of Olvi plc decided to revoke any unused authorisations to acquire treasury shares and authorise the Board of Directors of Olvi plc to decide on the acquisition of the company's own shares using distributable funds. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 500,000 Series A shares.

The Annual General Meeting also decided to revoke all existing unused authorisations for the transfer of own shares and authorise the Board of Directors to decide on the issue of a maximum of 1,000,000 new Series A shares and the transfer of a maximum of 500,000 Series A shares held as treasury shares.

6. NUMBER OF SHARES *)	1–9 / 2021	1–9 / 2020	1–12 / 2020
- average	20,704,514	20,710,683	20,708,331
- at end of period	20,712,828	20,710,683	20,683,672

*) Treasury shares deducted.

7. TRADING OF SERIES A SHARES ON THE HELSINKI STOCK EXCHANGE

	1–9 / 2021	1–9 / 2020	1–12 / 2020
Trading volume of Olvi A shares	1,537,432	1,251,241	1,474,892
Total trading volume, EUR 1,000	75,018	50,160	60,470
Traded shares in proportion to all Series A shares, %	9.0	7.4	8.7
Average share price, EUR	48.80	40.12	41.03
Price on the closing date, EUR	50.00	43.30	48.50
Highest quote, EUR	55.50	45.00	50.00
Lowest quote, EUR	43.10	30.25	30.25



8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 30 September 2021

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16,276,006	78.54	87,188,870	95.15	17,254	99.52
Foreign total	64,711	0.31	64,711	0.07	73	0.42
Nominee-registered (foreign) total	337,337	1.63	337,337	0.37	6	0.03
Nominee-registered (Finnish) total	4,044,178	19.52	4,044,178	4.41	6	0.03
Total	20,722,232	100.00	91,635,096	100.00	17,339	100.00

9. LARGEST SHAREHOLDERS ON 30 September 2021

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2,363,904	890,613	3,254,517	15.71	48,168,693	52.57
2. The Estate of Hortling Heikki *)	903,488	103,280	1,006,768	4.86	18,173,040	19.83
3. Hortling Timo Einari	212,600	49,152	261,752	1.26	4,301,152	4.69
4. Hortling-Rinne Marit	149,064	14,699	163,763	0.79	2,995,979	3.27
5. OP Custody Ltd, nominee register		2,000,187	2,000,187	9.65	2,000,187	2.18
6. Skandinaviska Enskilda Banken Ab (publ) Helsinki branch, nominee register		1,054,038	1,054,038	5.09	1,054,038	1.15
7. Nordea Bank Abp, nominee register		952,691	952,691	4.60	952,691	1.04
8. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
9. Ilmarinen Mutual Pension Insurance Company		699,213	699,213	3.37	699,213	0.76
10. Hortling Pia Johanna	23,388	25,366	48,754	0.24	493,126	0.54
Others	79,812	10,372,662	10,452,474	50.43	11,968,902	13.07
Total	3,732,256	16,989,976	20,722,232	100.00	91,635,096	100.00

*) The figures include the shareholder's own holdings and shares held by parties in his control.

During January-September 2021, Olvi has not received any flagging notices in accordance with Chapter 2, Section 10 of the Securities Markets Act.

10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	1-9 / 2021	1-9 / 2020	1-12 / 2020
Opening balance	204,156	208,701	208,701
Additions	40,788	25,152	31,923
Deductions and transfers	-1,643	-1,868	-2,294
Depreciation	-18,028	-16,751	-22,625
Exchange rate differences	2,926	-10,615	-11,549
Total	228,199	204,619	204,156



11. CONTINGENT LIABILITIES

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Pledges and contingent liabilities			
For own commitments	19,226	1,938	1,938
Leasing and rental liabilities:			
Due within one year	756	764	788
Due within 1 to 5 years	636	350	398
Leasing and rental liabilities total	1,392	1,114	1,186
Other liabilities	60	60	60

The increase in liabilities is due to the acquisition of Vestfyn and the consolidation of the company with Olvi Group.

12. BUSINESS COMBINATIONS

SIA Piebalgas Alus

Olvi's Latvian subsidiary AS Cesu Alus is a leading player in the Latvian beverage market. Cesu Alus acquired the entire stock of Piebalgas Alus, a widely known and appreciated microbrewery in the Vidzeme province of Latvia. The acquisition brings more strength to our product portfolio in premium craft beers and kvass in the retail and HoReCa markets. The Piebalgas brewery was established in 1989. It is devoted to traditional manufacturing methods and high-quality raw materials.

Piebalgas Alus has been consolidated in Olvi Group since the beginning of June 2021. In Olvi Group's segment reporting, the business operations of Piebalgas Alus are included in the Latvian figures. The company's effect on the consolidated figures is minor.

The following tables present a summary of the acquisition price and the fair value of the assets acquired and liabilities assumed at the time of acquisition. The balance sheet has been prepared in its essential parts in accordance with IFRS and Olvi Group's accounting policies. The acquisition was recognised as preliminary in the second quarter.

Acquisition price

EUR 1,000

Paid in cash	2,126
Total acquisition price (100%)	2,126

Amounts recognised for assets acquired and liabilities assumed (100%)

EUR 1,000

Tangible assets	1,540
Intangible assets	
Trademarks	584
Other intangible assets	1
Inventories	771
Accounts receivable and other receivables	609
Liquid assets	32
Non-current liabilities	631
Current liabilities	1,236
Identifiable net assets total	1,671
Goodwill	455



A/S Bryggeriet Vestfyen

Earlier this year, Olvi announced the acquisition of 96.8% in Bryggeriet Vestfyen, a Danish brewery. The Bryggeriet Vestfyen company consists of a brewery producing beer and soft drinks in Assens as well as the Indslev microbrewery located in Norre Aaby. Bryggeriet Vestfyen was established in 1885.

Bryggeriet Vestfyen has been consolidated in Olvi Group since the beginning of September 2021. The business operations of Bryggeriet Vestfyen are not reported as a separate segment in 2021 because the company does not exceed the quantitative thresholds.

The following tables present a summary of the acquisition price and the fair value of the assets acquired and liabilities assumed at the time of acquisition. The balance sheet has been prepared in its essential parts in accordance with IFRS and Olvi Group's accounting policies. The acquisition is recognised as preliminary in the interim report.

Acquisition price

EUR 1,000

Paid in cash (96.8%)	9,220
Share belonging to non-controlling interests (3.2%)	269
Total acquisition price (100%)	9,489

Amounts recognised for assets acquired and liabilities assumed (100%)

EUR 1,000

Tangible assets	16,519
Intangible assets	
Customer relationships	484
Trademarks	1,789
Other intangible assets	87
Other investments	5
Deferred tax receivables	551
Inventories	5,813
Accounts receivable and other receivables	2,785
Liquid assets	193
Non-current liabilities	5,536
Deferred tax liabilities	2,434
Current liabilities	10,767
Identifiable net assets total	9,489

13. CALCULATION OF FINANCIAL RATIOS

In the summary of financial indicators (page 1), the Group presents figures directly derived from the consolidated income statement: net sales, operating profit and profit for the period, the corresponding percentages in proportion to net sales, as well as the earnings per share ratio. (Earnings per share = Profit belonging to parent company shareholders / Average number of shares during the period, adjusted for share issues.)

In addition to the consolidated financial statements prepared in accordance with IFRS, Olvi Group presents Alternative Performance Measures that describe the financial development of its business and provide a commensurate overall view of the company's profitability, financial position and liquidity.

The Group has applied the ESMA (European Securities and Markets Authority) new guidelines on Alternative Performance Measures that entered into force on 3 July 2016 and defined APMs as described below.

As an APM supporting net sales, the Group presents sales volumes in millions of litres. Sales volume is an important indicator of the extent of operations generally used in the industry.



Equity per share = Shareholders' equity held by parent company shareholders / Number of shares at end of period, adjusted for share issues.

Equity to total assets, % = 100 * (Shareholders' equity held by parent company shareholders + non-controlling interests) / (Balance sheet total).

Gearing, % = 100 * (Interest-bearing debt – cash in hand and at bank) / (Shareholders' equity held by parent company shareholders + non-controlling interests)