

**Olvi Group's Financial Statements January to December 2021****Financial performance in brief**

Olvi Group's sales volume, net sales and operating profit for 2021 made all-time highs for the sixth year in a row. The Group's financial standing remained on a good level. The Board proposes a dividend of 1.20 (1.10) euro per share.

Near-term outlook

Olvi's operating profit for fiscal year 2022 is expected to remain on the previous year's good level.

Sales volume and net sales are expected to develop favourably, in line with the strategy. There are uncertainties in business operations due to the continuing corona pandemic, the availability of raw materials and packaging supplies, as well as cost increases. Increased costs will be brought into the prices of end products gradually, which means that said uncertainties are going to impact profitability particularly in the beginning of the year.

Consolidated key ratios

	10-12/ 2021	10-12/ 2020	Change % / pp	1-12/ 2021	1-12/ 2020	Change % / pp
Sales volume, Mltr	192.7	170.3	13.1	853.7	765.9	11.5
Net sales, MEUR	110.6	93.0	18.9	462.2	414.9	11.4
Gross profit, MEUR	42.7	38.7	10.4	192.9	178.0	8.3
% of net sales	38.6	41.6		41.7	42.9	
Operating profit, MEUR	7.2	6.9	4.1	59.4	56.4	5.3
% of net sales	6.5	7.4		12.9	13.6	
Net profit for the period, MEUR	5.7	2.9	94.5	48.4	40.9	18.2
% of net sales	5.1	3.1		10.5	9.9	
Earnings per share, EUR	0.27	0.14	94.6	2.31	1.96	18.0
Investments, MEUR	8.7	6.9	26.4	32.0	32.0	-0.1
Equity per share, EUR				14.19	12.81	10.8
Equity to total assets, %				60.7	63.8	-3.1
Gearing, %				-18.7	-15.5	3.2

Business development**Lasse Aho, Managing Director:**

Olvi Group's full-year business development was good. Sales volume increased by 87.8 million litres or 11.5 percent on the previous year, net sales by 11.4 percent and operating profit by 5.3 percent, up to 59.4 million euro. Good business development was made possible by a strong market position in retail trade, developing brands, successful new product launches and an increase in non-alcoholic product sales. All operating countries were able to improve their sales volume and net sales. A strong increase in demand in the high season occasionally exceeded delivery capacity. Decisions were made on additional investments to improve delivery reliability.

Fourth-quarter sales volume increased by 13.1 percent, net sales by 18.9 and operating profit by 4.1 percent. The challenges in availability of raw materials and packaging supplies were realised late in the year and caused additional costs to the Group. However, corrective measures were in place and there were no substantial problems in delivery. Part of the increased costs could be brought into the prices of end products.

The corona pandemic developed in waves, which impacted consumer behaviour along the year. The actions of authorities caused substantial restrictions in the operations of different sales channels. This was reflected



particularly in HoReCa sales due to the lack of events and restrictions on the opening hours of restaurants. Furthermore, the volume of cross-border and harbour sales is still clearly lower than before the corona pandemic. Due to travel restrictions, consumption in the domestic market remained high, and demand for our products was focused on retail trade. Olvi's production operated well in the challenging circumstances, and there was no widespread exposure of staff to the corona virus. There were occasional difficulties with the availability of raw materials and packaging supplies in the fourth quarter, and production costs increased substantially. General costs increased strongly due to reasons such as wage inflation and fluctuations in energy prices. There may be problems with the availability of raw materials and packaging supplies also in 2022, and costs are estimated to remain high. However, the outlook is that the impacts would be limited and manageable.

Sales volume in Finland increased by 5.6 percent, net sales by 6.8 and operating profit by 9.4 percent during the year. Market shares in beers and mineral waters in particular continued to increase. The strongest growth was seen in the sales of non-alcoholic products. Fourth-quarter sales volume declined by 1.8 percent because the comparison year includes advance purchases due to the changes in excise taxes in 2021. Net sales increased by 5.2 percent and operating profit declined by 11.4 percent. Profitability was hampered by one-off additional purchase costs of packaging materials, but also some long-term price increases on raw materials became effective towards the end of the year. There will be increases in production costs starting from the beginning of the year, but the prices of end products will only be increased gradually during 2022. This will hamper profitability particularly in the first part of the year.

In Estonia, sales volume increased by 7.5 percent, net sales by 8.9 and operating profit by 2.3 percent in 2021. Sales volume was increased by good demand in the domestic market, strong market share in retail trade, as well as increased exports. Due to the corona pandemic restrictions, HoReCa sales as well as cross-border and harbour sales remained low. Good business development continued in the fourth quarter, as sales volume increased by 7.8 and net sales by 14.9 percent. Thanks to increased net sales, operating profit improved by 29 percent.

In Latvia, sales volume increased by 8.8 percent and net sales by 6.9 percent during the financial year. Operating profit declined by 16.3 percent. The contributing factors included sales channel restrictions due to the corona pandemic, the costs of acquisition and integration of the Piebalgas microbrewery, as well as substantial increases in energy prices towards the end of the year. Sales developed well but were focused on retail trade as there were substantial corona lockdowns throughout the year, particularly in the HoReCa sector. Export sales increased by 40 percent but cross-border sales to Estonia remained low. Price competition was still intense in retail trade, and legislative changes with regard to mixed drinks in particular have hampered profitability. In the fourth quarter, sales volume increased by 24.8 percent and net sales by 25.0 percent as business picked up after the corona lockdowns of October and November. Operating profit declined by 26.0 percent (58 thousand euro) particularly due to strong increases in energy prices. Sales of Piebalgas products have started well and the company's integration into the Latvian operations has proceeded according to plan. Synergy benefits will be seen during 2022 as the integration of operations is completed and one-off costs related to this will no longer be incurred. The portfolio of non-alcoholic products will be expanded by the Everest water brand, with sales starting in the beginning of 2022.

Business development in Lithuania has been good throughout the year. Sales volume increased by 7.8 percent, net sales by 9.7 and operating profit by 21.0 percent. Retail sales remained on a high level and replaced HoReCa sales, which have suffered due to the corona pandemic. Profitability improved through a more versatile product portfolio, brand development and production efficiency. Good business development continued also in the fourth quarter, as sales volume increased by 13.5, net sales by 16.2 and operating profit by 7.5 percent.

In Belarus, Olvi's business development was strong, and the challenging circumstances in the country have not impacted operations. Sales volume increased by 15.3 percent, net sales by 18.0 and operating profit by 6.5 percent during the year. Sales increased in all sales channels, also in HoReCa. During 2021, the company put effort into renewing its product portfolio and brands. Sales in all main product categories improved, with the main focus on non-alcoholic products in accordance with the strategy. Measured in the local currency, net sales increased by 27.7 percent and operating profit by 15.9 percent on the previous year. Fourth-quarter sales volume increased by 6.1 percent, net sales by 32.5 and operating profit by 120.8 percent. Net sales and



operating profit improved through a more profitable product portfolio and stronger exchange rate. Measured in the local currency, the company's net sales increased by 22.6 percent and operating profit improved by 106.6 percent.

Olvi Group's business expanded in 2021 through the acquisition of the Vestfyen brewery in Denmark. Vestfyen has been consolidated with the Group since September, so the company does not yet have any major impact on the Group's earnings. Integration has proceeded 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 production efficiency, digitalisation projects and the sustainability management model have been pushed forward during the year in order to ensure competitive ability in the future. Investments support future sales growth, improve production efficiency and promote the achievement of responsibility targets with regard to carbon neutrality and energy efficiency, for example. Investments in 2021 amounted to 32.0 million euro, acquisitions excluded.

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 by 11.5 percent to 853.7 (765.9) million litres in 2021. Growth was seen in all of the operating countries. In October-December the sales volume increased by 13.1 percent to 192.7 (170.3) million litres.

Sales volume, million litres	10-12/ 2021	10-12/ 2020	Change %	1-12/ 2021	1-12/ 2020	Change %
Finland	61.1	62.2	-1.8	258.1	244.4	5.6
Estonia	25.4	23.5	7.8	117.6	109.4	7.5
Latvia	17.3	13.9	24.8	77.2	70.9	8.8
Lithuania	30.7	27.0	13.5	132.0	122.4	7.8
Belarus	51.0	48.1	6.1	283.3	245.7	15.3
Eliminations and other segments	7.2	-4.5		-14.5	-27.0	
Total	192.7	170.3	13.1	853.7	765.9	11.5

The Group's full-year net sales increased by 11.4 percent and amounted to 462.2 (414.9) million euro. Fourth-quarter net sales increased by 18.9 percent.

Net sales, million euro	10-12/ 2021	10-12/ 2020	Change %	1-12/ 2021	1-12/ 2020	Change %
Finland	47.3	44.9	5.2	192.7	180.3	6.8
Estonia	17.3	15.0	14.9	77.1	70.8	8.9
Latvia	8.9	7.1	25.0	40.0	37.4	6.9
Lithuania	14.4	12.4	16.2	60.9	55.5	9.7
Belarus	20.9	15.8	32.5	98.4	83.3	18.0
Eliminations and other segments	1.8	-2.3		-6.8	-12.5	
Total	110.6	93.0	18.9	462.2	414.9	11.4



Earnings development

The Group's operating profit in January-December stood at 59.4 (56.4) million euro, or 12.9 (13.6) percent of net sales. Operating profit in October-December stood at 7.2 (6.9) million euro, which was 6.5 (7.4) percent of net sales. From the beginning of the year, operating profit has improved by 5.3 percent on the previous year, and in the fourth quarter there was an improvement of 4.1 percent. Operating profit improvement is attributable to increased net sales, but hampered by increased costs of procurement, manufacture, logistics, sales and marketing compared to the previous year.

Operating profit, million euro	10-12/ 2021	10-12/ 2020	Change %	1-12/ 2021	1-12/ 2020	Change %
Finland	3.7	4.2	-11.4	25.2	23.0	9.4
Estonia	2.3	1.8	29.0	13.6	13.3	2.3
Latvia	0.2	0.2	-26.0	3.0	3.6	-16.3
Lithuania	0.3	0.3	7.5	5.0	4.2	21.0
Belarus	1.9	0.9	120.8	14.5	13.6	6.5
Eliminations and other segments	-1.1	-0.4		-1.9	-1.3	
Total	7.2	6.9	4.1	59.4	56.4	5.3

The Group's 2021 profit after taxes amounted to 48.4 (40.9) million euro. The October-December figure was 5.7 (2.9) 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-December was 2.31 (1.96) euro, and the October-December figure was 0.27 (0.14) euro.

Balance sheet, financing and investments

Olvi Group's balance sheet total at the end of December 2021 was 490.2 (420.4) million euro. Equity per share at the end of 2021 stood at 14.19 (12.81) euro. The equity ratio was 60.7 (63.8) percent and the gearing ratio was -18.7 (-15.5) percent. The current ratio, which represents the Group's liquidity, remained on the previous level at 1.3 (1.3).

Interest-bearing liabilities amounted to 3.2 (3.6) million euro at the end of December. Current liabilities made up 1.3 (1.3) million euro of all interest-bearing liabilities.

Olvi Group's investments in extensions and replacements in 2021 amounted to 32.0 (32.0) million euro. Finland accounted for 12.1 million euro of the amount, the Baltic states for 14.4 million and Belarus for 5.2 million. Olvi Group has invested in increasing and diversifying its production and warehousing capacity, the modernisation of production, as well as environmentally friendly operations.

Personnel

Olvi Group's average number of personnel in January-December was 2,111 (1,911). The Group's average number of personnel increased by 10.5 percent due to seasonal variation and the Piebalgas and Vestfyn acquisitions.

Olvi Group's average number of personnel by country:

	10-12/ 2021	10-12/ 2020	Change %	1-12/ 2021	1-12/ 2020	Change %
Finland	408	370	10.3	416	389	6.9
Estonia	334	313	6.7	344	324	6.2
Latvia	240	184	30.4	236	193	22.3
Lithuania	242	237	2.1	244	240	1.7
Belarus	837	755	10.9	832	765	8.8
Other segments*	117	0		39	0	
Total	2,178	1,859	17.2	2,111	1,911	10.5

* 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 fourth quarter.

Other events during the review period

Annual General Meeting

Olvi plc's Annual General Meeting of 31 March 2021 adopted the financial statements and granted discharge from liability to the members of the Board of Directors and Managing Director for the accounting period that ended on 31 December 2020. In accordance with the Board's proposal, the General Meeting decided that a dividend of 1.10 (1.00) euro be paid on each A and K share for the accounting period 2020. The dividend was paid in two instalments on 20 April 2021 and 3 September 2021.

All decisions made at the General Meeting can be found in the bulletin released on 31 March 2021.

Changes in corporate structure

During the accounting period 2021, Olvi acquired a majority holding in A/S Bryggeriet Vestfyen, which has been consolidated in the Group since 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 financial statements bulletin. The entire stock of Helsingin tislamo Oy (Helsinki Distilling Company Ltd) was transferred to Olvi's ownership in the fourth quarter.

Olvi's holdings in subsidiaries are:

	31 December 2021	31 December 2020	Change pp
AS A. Le Coq, Estonia	100.00	100.00	-
A/S Cēsu Alus, Latvia	99.88	99.88	-
AB Volfas Engelman, Lithuania	99.67	99.67	-
OAO Lidskoe Pivo, Belarus	96.36	96.36	-
Servaali Oy, Finland	80.00	80.00	-
Helsinki Distilling Company Ltd, Finland	100.00	78.00	22.00
A/S Bryggeriet Vestfyen, Denmark	96.41	0.00	96.41

Olvi plc holds 50.0 percent of Arctic Silence Oy. The company has not had any operating activities in 2021. In addition to these, Olvi plc's subsidiaries have holdings in other companies. A. Le Coq has a 49.0 percent holding in AS Karne and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia. A/S Cēsu Alus has a 100 percent holding in SIA Piebalgas Alus. AB Volfas Engelman has a 100 percent holding in UAB Uniqa. OAO Lidskoe Pivo has a 100 percent holding in Trade House Lidskoe Pivo. A/S Bryggeriet Vestfyen has a 95.8 percent holding in A/S Dansk Coladrik.

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 financial statements bulletin.



Business risks and their management

The corona pandemic has increased business risks. Any estimates of upcoming business development include factors of uncertainty, as it is difficult to predict the various reflection effects of the corona pandemic. The impacts are associated with sales channel restrictions imposed in order to contain the spreading of the corona pandemic and restrictions on the movement of people, for example, but also changes in overall demand. There have also been great challenges in availability and pressures towards increased costs in global production and logistics chains. Substantial sales channel restrictions related to the corona pandemic have remained in effect during early 2022.

As the corona pandemic has continued, there have been challenges particularly in the availability of raw materials and packaging supplies, as well as upward pressure in their prices. The availability of cans is a particular problem as global demand has increased faster than supply, and this has increased the costs of procurement. However, 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. The poor barley harvest has also increased the price of malt. Mitigation measures against the profitability impact of costs include product development, cost savings and price increases. It is challenging to fully respond to rapidly increased production costs in the short term.

Olvi Group has drafted several scenarios and made preparations for responding to changing situations through a variety of measures, also paying attention to the corona pandemic situation. Preparations have been made for production disruptions and contingency plans drafted concerning the availability of personnel and raw materials, among other things. Uncertainty is also increased by the fluctuation of the Belarusian currency 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.

Board of Directors' proposal for the distribution of profit

The parent company Olvi plc had 114.7 (98.2) million euro of distributable funds on 31 December 2021, of which profit for the period accounted for 39.5 (30.8) million euro.

Olvi plc's Board of Directors proposes to the Annual General Meeting that distributable funds be used as follows:

1) A dividend of 1.20 (1.10) euro shall be paid for 2021 on each Series K and Series A share, totalling 24.9 (22.8) million euro. The dividend represents 51.9 (56.2) percent of Olvi Group's earnings per share. The dividend will be paid in two instalments. The first instalment of 0.60 euro per share will be paid on 20 April 2022 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 1 April 2022. The second instalment of 0.60 euro per share will be paid on 2 September 2022 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 26 August 2022.

No dividend shall be paid on treasury shares.

2) 89.9 million euro shall be retained in the parent company's non-restricted equity.

FINANCIAL REPORTS IN 2022

Olvi Group's Annual Report and notice of Annual General Meeting will be published on 28 February 2022. The Annual Report will include the Board of Directors' report and corporate responsibility report, the consolidated and the parent company's financial statements and the auditors' report for the financial year from 1 January to



31 December 2021. The Corporate Governance Statement and the Remuneration Report for 2021 will be published as attachments to the Annual Report. The Annual Report and notice to convene the AGM will be available on Olvi plc's Web site.

The following interim reports will be released in 2022:

Interim Report for January-March on 21 April 2022, Half-Year Report for January-June on 11 August 2022 and Interim Report for January-September on 19 October 2022.

OLVI PLC
Board of Directors

Further information:

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www.olvi.fi



STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000

	10–12 / 2021	10–12 / 2020	1–12 / 2021	1–12 / 2020
Gross sales	255,861	236,023	1,069,260	1,005,101
Excise taxes and other adjustments	-145,226	-143,006	-607,034	-590,217
Net sales	110,635	93,017	462,226	414,884
Cost of sales	-67,964	-54,355	-269,344	-236,849
Gross profit	42,671	38,662	192,882	178,035
Logistics, sales and marketing expenses	-25,865	-22,149	-99,594	-87,300
Administrative expenses	-9,973	-9,585	-34,990	-34,650
Other operating income and expenses	344	-37	1,141	350
Operating profit	7,177	6,891	59,439	56,435
Financial income	-99	84	284	277
Financial expenses	-240	-567	-655	-2,903
Share of profit in associates and joint ventures	44	2	44	2
Earnings before tax	6,882	6,410	59,112	53,811
Income taxes	-1,214	-3,495	-10,751	-12,895
NET PROFIT FOR THE PERIOD	5,668	2,915	48,361	40,916
Other comprehensive income items that may be subsequently reclassified to profit and loss:				
Translation differences related to foreign subsidiaries	1,074	-1,250	5,366	-15,588
Income taxes related to these items	-42	6	-85	263
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,700	1,671	53,642	25,591
Distribution of profit:				
- parent company shareholders	5,615	2,880	47,862	40,559
- non-controlling interests	53	35	499	357
Distribution of comprehensive income:				
- parent company shareholders	6,619	1,677	52,977	25,704
- non-controlling interests	81	-6	665	-113
Earnings per share calculated from the profit belonging to parent company shareholders, EUR				
- undiluted	0.27	0.14	2.31	1.96
- diluted	0.27	0.14	2.31	1.96



BALANCE SHEET	31 December 2021	31 December 2020
EUR 1,000		
ASSETS		
Non-current assets		
Tangible assets	229,356	204,156
Goodwill	25,966	25,172
Other intangible assets	12,696	9,925
Investments in associates and joint ventures	1,018	994
Other investments	888	851
Loans receivable and other non-current receivables	1,731	1,786
Deferred tax receivables	1,487	1,086
Total non-current assets	273,142	243,970
Current assets		
Inventories	58,609	42,278
Accounts receivable and other receivables	99,246	88,234
Income tax receivable	504	773
Liquid assets	58,741	45,096
Total current assets	217,100	176,381
TOTAL ASSETS	490,242	420,351
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity held by parent company shareholders		
Share capital	20,759	20,759
Other reserves	1,387	1,387
Treasury shares	-438	-1,802
Translation differences	-53,727	-58,842
Retained earnings	326,016	303,465
	293,997	264,967
Share belonging to non-controlling interests	3,627	3,165
Total shareholders' equity	297,624	268,132
Non-current liabilities		
Financial liabilities	1,913	2,303
Other liabilities	3,985	4,473
Deferred tax liabilities	13,943	11,107
Current liabilities		
Financial liabilities	1,272	1,333
Accounts payable and other liabilities	170,633	132,522
Income tax liability	872	481
Total liabilities	192,618	152,219
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	490,242	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						47,862	499	48,361
Other comprehensive income items:								
Translation differences					5,200		166	5,366
Income taxes related to these items					-85			-85
Total comprehensive income for the period					5,115	47,862	665	53,642
Transactions with shareholders:								
Payment of dividends						-22,771	-459	-23,230
Share-based incentives, value of work performed						802		802
Acquisition of treasury shares			-874					-874
Issue of treasury shares to employees			1,687			-1,614		73
Sales of treasury shares to employees			551					551
Adjustment to previous periods						-1,728	-27	-1,755
Total transactions with shareholders			1,364			-25,311	-486	-24,433
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interests						283		283
Change in share belonging to non-controlling interests						-283	283	
Total changes in holdings in subsidiaries							283	283
Shareholders' equity								
30 Dec 2021	20,759	1,092	-438	295	-53,727	326,016	3,627	297,624
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						40,559	357	40,916
Other comprehensive income items:								
Translation differences					-15,118		-470	-15,588
Income taxes related to these items					263			263
Total comprehensive income for the period					-14,855	40,559	-113	25,591
Transactions with shareholders:								
Payment of dividends						-20,710	-38	-20,748
Acquisition of treasury shares			-1,299					-1,299
Share-based incentives, value of work performed						587		587
Adjustment to previous periods						138		138
Total transactions with shareholders			-1,299			-19,985	-38	-21,322
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interests						-6		-6
Change in share belonging to non-controlling interests						2	-2	0
Total changes in holdings in subsidiaries						-4	-2	-6
Shareholders' equity								
31 Dec 2020	20,759	1,092	-1,802	295	-58,842	303,465	3,165	268,132



CASH FLOW STATEMENT

EUR 1,000

	1–12 / 2021	1–12 / 2020
Net profit for the period	48,361	40,916
Adjustments:		
Depreciation and impairment	27,006	24,972
Other adjustments	10,251	16,327
Change in net working capital:		
Change in accounts receivable and other receivables	-5,878	-22,809
Change in inventories	-8,684	-1,274
Change in accounts payable and other liabilities	28,561	17,339
Interest paid	-594	-588
Interest received	268	260
Dividends received	3	4
Taxes paid	-9,687	-9,351
Cash flow from operations (A)	89,607	65,796
Investments in tangible and intangible assets	-31,213	-31,533
Capital gains on disposal of tangible and intangible assets	1,068	1,697
Acquisition of shares from non-controlling interests	0	-6
Acquired shares in subsidiaries, associates and joint ventures	-11,121	0
Expenditure on other investments	-30	-15
Dividends received	21	24
Cash flow from investments (B)	-41,275	-29,833
Withdrawals of loans	884	15,497
Repayments of loans	-12,371	-16,917
Acquisition of treasury shares	-874	-1,299
Sales of treasury shares to employees	551	0
Dividends paid	-23,240	-20,754
Increase (-) / decrease (+) in current interest-bearing business receivables	0	26
Cash flow from financing (C)	-35,050	-23,447
Increase (+)/decrease (-) in liquid assets (A+B+C)	13,282	12,516
Liquid assets 1 January	45,096	33,832
Effect of exchange rate changes	363	-1,252
Liquid assets 31 December	58,741	45,096



NOTES TO THE FINANCIAL STATEMENTS BULLETIN

This financial statements bulletin has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting policies as for the previous financial statements.

The information in the financial statements bulletin is presented in thousands of euros (EUR 1000). 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 financial statements bulletin is unaudited.

1. SEGMENT INFORMATION

NET SALES BY SEGMENT 1–12/2021

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimi- nations and other segments	Group
INCOME							
External sales	191,573	71,802	35,436	57,940	97,461	8,014	462,226
Beverage sales	190,333	71,802	35,436	57,940	97,461	0	460,986
Equipment							
services	1,240	0	0	0	0	0	1,240
Internal sales	1,091	5,311	4,526	2,928	914	-14,770	0
Total net sales	192,664	77,113	39,962	60,868	98,375	-6,756	462,226
Total net profit for the period	40,474	11,265	2,850	4,320	12,216	-22,764	48,361

NET SALES BY SEGMENT 1–12/2020

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimi- nations and other segments	Group
INCOME							
External sales	178,992	65,029	35,039	52,701	83,123	0	414,884
Beverage sales	177,738	65,029	35,039	52,701	83,123	0	413,630
Equipment	1,254	0					
services			0	0	0	0	1,254
Internal sales	1,321	5,805	2,338	2,799	217	-12,480	0
Total net sales	180,313	70,834	37,377	55,500	83,340	-12,480	414,884
Total net profit for the period	31,011	10,536	3,572	3,402	7,583	-15,188	40,916

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	1–12 / 2021	1–12 / 2020
Managing Director	939	550
Chairman of the Board	73	74
Other members of the Board	172	172
Total	1,184	796



3. SHARES AND SHARE CAPITAL

	31 December 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 31 December 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 December 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 631.3 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 *)

	1–12 / 2021	1–12 / 2020
- average	20,706,610	20,708,331
- at end of period	20,712,828	20,683,672

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

	1–12 / 2021	1–12 / 2020
Trading volume of Olvi A shares	1,812,283	1,474,892
Total trading volume, EUR 1,000	89,417	60,470
Traded shares in proportion to all Series A shares, %	10.7	8.7
Average share price, EUR	49.35	41.03
Price on the closing date, EUR	51.20	48.50
Highest quote, EUR	55.70	50.00
Lowest quote, EUR	43.10	30.25



8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 DECEMBER 2021

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16,208,210	78.22	87,121,074	95.07	17,376	99.53
Foreign total	64,395	0.31	64,395	0.07	72	0.41
Nominee-registered (foreign) total	2,371,165	11.44	2,371,165	2.59	6	0.03
Nominee-registered (Finnish) total	2,078,462	10.03	2,078,462	2.27	5	0.03
Total	20,722,232	100.00	91,635,096	100.00	17,459	100.00

9. LARGEST SHAREHOLDERS ON 31 December 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	14,234	163,298	0.79	2,995,514	3.27
5. Citibank Europe plc, nominee register		2,255,212	2,255,212	10.88	2,255,212	2.46
6. Skandinaviska Enskilda Banken Ab (publ) Helsinki branch, nominee register		2,040,071	2,040,071	9.84	2,040,071	2.23
7. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
8. Ilmarinen Mutual Pension Insurance Company		699,213	699,213	3.37	699,213	0.76
9. Hortling Pia Johanna	23,388	25,366	48,754	0.24	493,126	0.54
10. Hortling Jens Einari	23,388	16,216	39,604	0.19	483,976	0.53
Others	56,424	10,068,544	10,124,968	48.86	11,197,024	12.22
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 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	1-12 / 2021	1-12 / 2020
Opening balance	204,156	208,701
Additions	48,270	31,923
Deductions and transfers	-2,001	-2,294
Depreciation	-24,548	-22,625
Exchange rate differences	3,479	-11,549
Total	229,356	204,156



11. CONTINGENT LIABILITIES

EUR 1,000	31 December 2021	31 December 2020
Pledges and contingent liabilities		
For own commitments	10,007	1,938
Leasing and rental liabilities:		
Due within one year	1,012	788
Due within 1 to 5 years	550	398
Leasing and rental liabilities total	1,562	1,186
Other liabilities	60	60

The increase in liabilities is due to the acquisition of Vestfyen 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 96.41 % 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 was recognised as preliminary in the third quarter.

Acquisition price

EUR 1,000

Paid in cash (96.41 %)	9,220
Share belonging to non-controlling interests (3.59 %)	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)