



## Olvi Group's interim report 1 January to 30 September 2022 (9 months)

### Financial performance in brief

Olvi Group's sales volume and net sales developed strongly during the third quarter, and the company improved its position in the market. The operating profit decreased as costs continued to grow substantially. Price increases will continue to be implemented during the rest of the year to improve profitability. The Group's solvency remained strong.

### Near-term outlook (changed)

The operating profit from continuing operations in 2022 is expected to decrease from the previous year. (Previously: the operating profit will remain at the previous year's good level.)

Costs arising from raw materials, packaging materials, energy and logistics are increasing at an exceptionally high rate, and there are challenges with availability. The increase in costs is expected to continue in the near future. It has not yet been possible to fully transfer the cost increases to sales prices, especially in Finland and Denmark.

Olvi publishes its near-term outlook for continuing operations, which include the company's reporting segments in Finland and the Baltic Sea region. Its business operations in Belarus are presented as discontinued operations / assets held for sale in accordance with IFRS 5 and will therefore not be included in the near-term outlook

### The Group's key ratios (continuing operations)

	7-9/ 2022	7-9/ 2021	Change, %/pp	1-9/ 2022	1-9/ 2021	Change, %/pp	1-12/ 2021
Sales volume, Mltr	189.4	161.0	17.6	512.9	432.7	18.5	574.5
Net sales, MEUR	130.5	103.6	26.0	342.3	275.0	24.5	364.8
Gross profit, MEUR	48.3	45.0	7.4	128.2	117.9	8.8	151.7
% of net sales	37.0	43.4		37.4	42.9		41.6
Operating profit, MEUR	14.6	17.9	-18.6	34.6	39.8	-12.9	45.1
% of net sales	11.2	17.3		10.1	14.5		12.4
Profit for the period, MEUR	12.7	15.9	-20.5	27.4	32.3	-15.3	36.7
% of net sales	9.7	15.4		8.0	11.7		10.1
Earnings per share, EUR	0.61	0.77	-20.4	1.32	1.56	-15.5	1.77
Investments, MEUR	9.2	5.0	83.7	26.3	19.2	36.8	26.8
Equity per share, EUR				15.89	13.94	14.0	14.19
Equity ratio, %				60.3	59.5	0.8	60.7
Gearing, %				-11.9	-16.2	-4.3	-16.6

### Key ratios for the Group, including assets held for sale

	7-9/ 2022	7-9/ 2021	Change, %/pp	1-9/ 2022	1-9/ 2021	Change, %/pp	1-12/ 2021
Sales volume, Mltr	279.2	247.3	12.9	746.4	661.0	12.9	853.7
Net sales, MEUR	174.9	134.3	30.2	447.6	351.6	27.3	462.2
Operating profit, MEUR	25.0	23.6	5.8	58.0	52.3	11.1	59.4
% of net sales	14.3	17.6		13.0	14.9		12.9

Assets held for sale are discussed in more detail under item 11 of Table 5 in the table section of the interim report bulletin. Despite new sales restrictions imposed by the authorities on assets in Belarus, the company's management considers it likely that the divestment of the company's operations in Belarus can be implemented within the next 12 months.



## **Business development**

**Lasse Aho, Managing Director:**

### **Business development during the third quarter**

The sales volume of continuing operations increased by 17.6% in the third quarter, and the net sales of continuing operations grew by 26.0%. In the domestic market, sales increased in retail and reached pre-pandemic levels in the hotel, restaurant, and catering (HoReCa) sector and cross-border trade. The company entered new export markets, which compensated for the end of exports to Russia. Because of the strong increase in costs, price increases continued to be implemented as far as possible in each market and sales channel. However, costs have increased more rapidly than predicted, and it has not been possible to transfer cost increases fully to prices because of country- and customer-specific contract structures. For this reason, the operating profit decreased by 18.6%.

There have been challenges with the availability of raw materials and packaging materials. The price of energy in particular was at a record high due to the war in Ukraine. The war has also reduced availability and caused prices to increase significantly in terms of malt, sugar, glass and plastic bottles, cans and carbon dioxide, for example. The higher prices of fuels have a direct impact on logistics costs. Cost inflation is expected to continue to increase, and it is also predicted that there will be problems with availability.

### **Business development since the beginning of the year**

Since the beginning of the year, the sales volume has increased by 18.5% and net sales have grown by 24.5%. Sales growth was driven by the domestic market, and the company strengthened its overall market position. Sales during the summer season were at a good level, supported by the warm weather in August. The operating profit was EUR 34.6 million, decreasing by 12.9% from the previous year. The company's performance is being affected by the rapid and strong cost inflation. The management of cost inflation and its transfer to the prices of end products at the same pace have been challenging.

Olvi has increased investments in growing its production and storage capacity and ensuring the availability of critical raw materials. The company has also invested in energy solutions in the Baltic countries, and an investment in carbon capture equipment is in progress in Finland. Olvi aims to achieve carbon-neutral operations in its Iisalmi plant during 2023 and in its other plants in the coming years. In terms of digitalisation and data-based management, business capabilities have been improved by implementing a new financial planning tool.

### **Segment-specific business development**

The sales volume of Olvi's operations in Finland increased by 1.5% in the third quarter and by 1.9% during the review period. Olvi's market shares remained at a good level especially in beers, ciders, and water. Successes in 2022 include hard seltzers, in which Olvi is the market leader by a clear margin. Growth was also achieved in sales to the hotel, restaurant, and catering (HoReCa) sector and cross-border trade. Net sales increased by 6.5% in the third quarter and by 7.8% during the review period. Retail price periods were not open during the third quarter, which is why it was not possible to implement price increases in accordance with cost increases. Price increases in retail will continue during the fourth quarter. The operating profit decreased by 30.0% during the third quarter, and has decreased by 15.2% since the beginning of the year. Maintaining the profitability level was difficult due to the rapid and strong increase in costs and the timing of price increases.

In the Baltic Sea region reporting segment, the sales volume increased by 30.5% during the third quarter, and has increased by 36.0% since the beginning of the year. Sales developed particularly well in the Baltic domestic market, and exports grew through new market entries. The operating profit increased by 50.4% during the third quarter, and has increased by 48.7% since the beginning of the year. Since the beginning of the year, price increases have been implemented flexibly especially in the Baltic countries, which is reflected in net sales development. Denmark, which was not included in the previous year's comparison figures until the beginning of September, is significantly contributing to the growth of the Baltic Sea region segment. Excluding the acquisitions made in 2021, the sales volume increased by 20.4% and net sales by 37.3% in January–September. The increase in energy and fuel costs has been very strong. Combined with the increase in raw material and



packaging material prices and availability problems, this has reduced profitability. In addition, salaries have increased significantly in the Baltic countries since the beginning of the year. The operating profit decreased by 6.6% in the third quarter and has decreased by 7.7% since the beginning of the year. The company's operations have performed well in the Baltic market, but the operating profit has decreased in Denmark, where price increases are implemented with a delay, and the strong increase in energy prices has affected performance more than in other countries.

## Seasonal nature of operations

The nature of the Group's business operations involves seasonal fluctuation. The net sales and operating profit of the geographical reporting segments are not accumulated steadily. Instead, they fluctuate in accordance with the special characteristics of the seasons of the year and product seasons.

## Sales development

Olvi Group's sales volume grew by 18.5% in January–September, totalling 512.9 (432.7) million litres. The growth focused on the Baltic Sea region segment, which did not include Denmark in the comparison period until the end of August.

Sales volume, Mltr	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %
Finland	70.1	69.1	1.5	200.7	197.0	1.9
Baltic Sea region	134.7	103.2	30.5	353.0	259.6	36.0
Eliminations	-15.4	-11.2		-40.9	-23.8	
<b>Continuing operations, total</b>	<b>189.4</b>	<b>161.0</b>	<b>17.6</b>	<b>512.9</b>	<b>432.7</b>	<b>18.5</b>

The Group's net sales increased by 24.5% in January–September and were EUR 342.3 (275.0) million.

Net sales, MEUR	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %
Finland	56.3	52.9	6.5	156.8	145.4	7.8
Baltic Sea region	83.2	55.3	50.4	207.9	139.8	48.7
Eliminations	-8.9	-4.6		-22.4	-10.2	
<b>Continuing operations, total</b>	<b>130.5</b>	<b>103.6</b>	<b>26.0</b>	<b>342.3</b>	<b>275.0</b>	<b>24.5</b>

## Financial performance

The Group's operating profit in January–September was EUR 34.6 (39.8) million, or 10.1% (14.5%) of net sales. The operating profit was burdened by rapidly increasing production costs related to energy, raw materials, packaging materials and logistics in particular. It has not been possible to transfer the cost increases immediately to the prices of end products because of the pricing periods in the retail sector in Finland, among other reasons.

Operating profit, MEUR	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %
Finland	6.8	9.8	-30.0	18.2	21.5	-15.2
Baltic Sea region	7.9	8.4	-6.6	17.5	18.9	-7.7
Eliminations	-0.2	-0.3		-1.1	-0.7	
<b>Continuing operations, total</b>	<b>14.6</b>	<b>17.9</b>	<b>-18.6</b>	<b>34.6</b>	<b>39.8</b>	<b>-12.9</b>

The Group's profit after taxes in January–September was EUR 27.4 (32.3) million.

Earnings per share calculated from the profit attributable to the owners of the parent company were EUR 1.32 (1.56) in January–September.

## Balance sheet, financing, and investments

Olvi Group's balance sheet total at the end of September 2022 was EUR 552.6 (491.4) million. Equity per share at the end of September 2022 was EUR 15.89 (13.94). The equity ratio was 60.3% (59.5%), and gearing was



-11.9% (-16.2%). The Group's liquidity indicator, the current ratio, remained almost at the same level as before, at 1.1 (1.2).

Interest-bearing liabilities amounted to EUR 7.1 (12.8) million at the end of September. Of the interest-bearing liabilities, short-term liabilities accounted for EUR 4.7 (5.2) million.

Olvi Group's expansion and replacement investments were EUR 26.3 (19.2) million in January–September. Of the investments, EUR 9.8 million were made in Finnish companies and EUR 16.5 million in subsidiaries in the Baltic Sea region. Olvi Group has continued its investments in continuing operations as planned and has invested in increasing and diversifying its production and storage capacity and in modernising its production facilities and making them more environmentally friendly. Investments in ensuring the continuity of production were made particularly in terms of energy solutions. An investment in carbon capture and storage equipment is in progress in the Baltic countries and Finland.

## Personnel

The average number of personnel in Olvi Group's continuing operations was 1,497 (1,264) in January–September. The Group's average number of personnel increased by 18.4%, mainly because of the acquisition of Piebalgas and Vestfyen in 2021.

Olvi Group's average number of personnel by segment:

	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %
Finland	469	448	4.7	451	419	7.6
Baltic Sea region	1,084	920	17.8	1,046	845	23.8
<b>Total</b>	<b>1,553</b>	<b>1,368</b>	<b>13.5</b>	<b>1,497</b>	<b>1,264</b>	<b>18.4</b>

## Board of Directors and management

No changes took place in Olvi plc's Board of Directors during the review period.

The managing director of the Estonian subsidiary changed on 1 September 2022. The new managing director is Jaanus Vihand.

By means of a separate stock exchange release issued on 20 June 2022, Olvi plc announced that it had appointed a new Managing Director due to the retirement of its current Managing Director. Patrik Lundell will take over as Olvi's Managing Director on 1 January 2023. Lasse Aho will continue as Managing Director until 31 December 2022.

## Other events during the review period

### Changes in the Group structure

No significant changes took place in Olvi's subsidiary holdings during January–September 2022.

## Business risks and their management

### Impacts of the war in Ukraine

The war in Ukraine has significantly increased business risks. There have been challenges in the availability of packaging materials because of the coronavirus pandemic, and the war in Ukraine has worsened the situation, especially in terms of cans and glass bottles. So far, there have been no significant losses of sales. The prices of packaging materials have continued to increase because of higher production and logistics costs. The prices of packaging materials begun to increase during the coronavirus pandemic. In addition, the prices of raw materials have increased rapidly, especially for barley malt and sugar, as well as carbon dioxide, and availability has decreased in the market. The price of energy has multiplied for electricity and gas during the first half of the year, particularly in the Baltic Sea region segment, which affects production costs. The price of oil has increased



fuel prices, which are directly reflected in logistics costs. The company will respond to the increase in costs by continuing price increases as far as possible. Olvi is actively seeking alternative suppliers and is working to improve the efficiency of its production operations.

Consumer prices have risen rapidly during 2022, especially in Europe as a result of the war in Ukraine. General cost inflation is reducing consumers' purchasing power and thereby affecting consumer behaviour. The focus of consumption is shifting towards more affordable product options, and total consumption may decrease. This may have an impact on business growth opportunities over the long term.

The challenges related to the availability of natural gas have been taken into account, especially in Olvi's business operations in the Baltic countries. Alternative energy solutions have been sought, and production plants have been successfully adapted to any energy-related changes to ensure uninterrupted production. Investments in self-sufficiency in raw materials are also being made in Finland by implementing carbon capture and storage equipment.

The war in Ukraine has significantly changed the business environment in Russia and Belarus. In accordance with the stock exchange release issued on 5 March 2022, Olvi has stopped exports to Russia from all its countries of operation, and has started careful planning to divest its business operations in Belarus. The end of exports to Russia, the increase in production and logistics costs caused by the war and the divestment of business operations in Belarus are having a significant impact on the Group's business operations. The business operations of its company in Belarus are affected by the sanctions imposed by the EU and by the end of exports to Russia. However, successful efforts have been made to continue the Belarusian company's operational and maintenance activities by ensuring sufficient procurement locally. The situation concerning the divestment of business operations in Belarus is discussed in more detail under item 11 of Table 5 in the table section of the interim report bulletin.

### **Coronavirus pandemic**

There are uncertainties in forecasting the development of business operations, because it has been difficult to predict the spill over effects of the coronavirus pandemic. These effects are related to sales channel restrictions imposed to prevent the spread of the coronavirus pandemic and to travel restrictions, for example, as well as to changes in overall demand. In addition, there have been major challenges in global production and transport chains in terms of availability and cost impacts. These have continued because of the strict measures related to the coronavirus pandemic in China, among other reasons. During the first half of 2022, there were still significant sales channel restrictions related to the coronavirus pandemic in Olvi's countries of operation, but these restrictions were lifted at the beginning of the second quarter. Consumer demand has recovered, especially in the hotel, restaurant and catering (HoReCa) sector and cross-border trade.

### **Preparedness**

Olvi Group has prepared several scenarios related to the development of the business environment and is prepared to respond to changing situations. We are prepared for production disruptions and have drawn up continuity plans related to the availability of labour, raw materials, and energy, for example. Investments are in progress to ensure the availability of energy, in case of possible sanctions. The company has also made efforts to ensure the availability of raw materials and packaging materials.

A more detailed description of the normal risks related to business operations is provided in the Board of Directors' report and the notes to the financial statements and on the company website (Investors > Olvi as an investment > Risks and risk management).

### **Events after the review period**

There are no significant events to report after the review period.



OLVI PLC  
Board of Directors

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR 1,000

	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>Gross sales</b>	<b>297,036</b>	<b>254,496</b>	<b>795,395</b>	<b>700,816</b>	<b>924,637</b>
Excise taxes and other adjustments	-166,505	-150,900	-453,111	-425,810	-559,871
<b>Net sales</b>	<b>130,531</b>	<b>103,596</b>	<b>342,284</b>	<b>275,006</b>	<b>364,766</b>
Cost of sales	-82,230	-58,623	-214,100	-157,151	-213,079
<b>Gross profit</b>	<b>48,301</b>	<b>44,973</b>	<b>128,184</b>	<b>117,855</b>	<b>151,687</b>
Logistics, sales and marketing expenses	-26,038	-20,093	-70,356	-57,352	-77,723
Administrative expenses	-7,984	-7,389	-23,834	-21,388	-29,954
Other operating income and expenses	287	397	618	635	1,070
<b>Operating profit</b>	<b>14,566</b>	<b>17,888</b>	<b>34,612</b>	<b>39,750</b>	<b>45,080</b>
Financial income	52	10	158	34	46
Financial expenses	-125	-121	-360	-100	-302
Share of the profit of associated companies and joint ventures	0	0	0	0	44
<b>Profit before tax</b>	<b>14,493</b>	<b>17,777</b>	<b>34,410</b>	<b>39,684</b>	<b>44,868</b>
Income taxes	-1,824	-1,842	-7,047	-7,384	-8,198
Profit for the period, continuing operations	12,669	15,935	27,363	32,300	36,670
Profit for the period, assets held for sale	8,511	4,909	18,712	10,393	11,691
<b>PROFIT FOR THE PERIOD</b>	<b>21,180</b>	<b>20,844</b>	<b>46,075</b>	<b>42,693</b>	<b>48,361</b>
Other items of comprehensive income that may be later reclassified to profit or loss:					
Translation differences related to foreign subsidiaries	8,927	1,692	14,737	4,292	5,366
Income taxes related to items	-88	1	-154	-43	-85
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>30,019</b>	<b>22,537</b>	<b>60,658</b>	<b>46,942</b>	<b>53,642</b>
Distribution of the profit for the period:					
- Owners of the parent company	20,866	20,603	45,363	42,247	47,862
- Non-controlling interest	314	241	712	446	499
Distribution of comprehensive income for the period:					
- Owners of the parent company	29,423	22,238	59,485	46,658	52,977
- Non-controlling interest	596	299	1,173	284	665
<b>Earnings per share calculated from profit attributable to owners of the parent company, EUR</b>					
- Undiluted, continuing operations	0.61	0.77	1.32	1.56	1.77
- Diluted, continuing operations	0.61	0.77	1.32	1.56	1.77
- Undiluted, assets held for sale	0.40	0.23	0.88	0.48	0.54
- Diluted, assets held for sale	0.40	0.23	0.88	0.48	0.54



<b>CONSOLIDATED BALANCE SHEET</b>			
EUR 1,000	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	201,214	189,567	190,627
Goodwill	22,204	22,204	22,204
Other intangible assets	11,219	11,720	12,355
Shares in associated companies	980	974	1,018
Other investments	1,037	888	888
Loans receivable and other long-term receivables	2,375	2,296	1,393
Deferred tax assets	1,468	1,240	1,452
<b>Total non-current assets</b>	<b>240,497</b>	<b>228,890</b>	<b>229,937</b>
<b>Current assets</b>			
Inventories	56,035	45,452	47,164
Accounts receivable and other receivables	98,065	78,886	86,270
Income tax receivables	56	196	0
Cash and cash equivalents	46,642	60,280	50,640
<b>Total current assets</b>	<b>200,797</b>	<b>184,814</b>	<b>184,075</b>
<b>Non-current assets held for sale</b>	<b>111,338</b>	<b>77,706</b>	<b>76,231</b>
<b>TOTAL ASSETS</b>	<b>552,632</b>	<b>491,410</b>	<b>490,242</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent company</b>			
Share capital	20,759	20,759	20,759
Other reserves	1,387	1,387	1,387
Treasury shares	-1,079	-390	-438
Translation differences	-39,606	-54,731	-53,727
Retained earnings	347,331	321,786	326,016
	328,792	288,811	293,997
Non-controlling interest	4,200	3,631	3,627
<b>Total equity</b>	<b>332,992</b>	<b>292,442</b>	<b>297,624</b>
<b>Non-current liabilities</b>			
Financial liabilities	2,427	7,649	1,913
Other liabilities	4,003	4,873	3,985
Deferred tax liabilities	13,720	13,489	13,943
<b>Current liabilities</b>			
Financial liabilities	4,719	5,198	1,269
Accounts payable and other payables	173,272	150,779	158,164
Income tax liability	2,151	1,810	872
<b>Liabilities related to non-current assets held for sale</b>	<b>19,348</b>	<b>15,169</b>	<b>12,471</b>
<b>Total liabilities</b>	<b>219,640</b>	<b>198,968</b>	<b>192,617</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>552,632</b>	<b>491,410</b>	<b>490,242</b>





**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR 1,000	Share capital	Other reserves	Reserve for treasury shares	Fair value reserve	Translation differences	Earnings	Attributable to non-controlling interest	Total
<b>Equity 1 Jan 2022</b>	<b>20,759</b>	<b>1,092</b>	<b>-438</b>	<b>295</b>	<b>-53,728</b>	<b>326,016</b>	<b>3,627</b>	<b>297,624</b>
Comprehensive income:								
Profit for the period						45,363	712	46,075
Other items of comprehensive income:								
Translation differences					14,276		461	14,737
Income taxes related to items					-154			-154
Total comprehensive income for the period					14,122	45,363	1,173	60,658
Business transactions with shareholders:								
Dividend payment						-24,855	-368	-25,223
Acquisition of treasury shares			-641					-641
Share-based incentives, value of work performance						840		840
Adjustment for previous periods						-32		-32
Business transactions with shareholders, total			-641			-24,048	-368	-25,058
Changes in holdings in subsidiaries:								
Acquisition of non-controlling interest						-232		-232
Change in non-controlling interest						232	-232	0
Changes in holdings in subsidiaries, total						0	-232	-232
<b>Equity 30 Sep 2022</b>	<b>20,759</b>	<b>1,092</b>	<b>-1,079</b>	<b>295</b>	<b>-39,606</b>	<b>347,331</b>	<b>4,200</b>	<b>332,992</b>

  

EUR 1,000	Share capital	Other reserves	Reserve for treasury shares	Fair value reserve	Translation differences	Earnings	Attributable to non-controlling interest	Total
<b>Total equity 1 Jan 2021</b>	<b>20,759</b>	<b>1,092</b>	<b>-1,802</b>	<b>295</b>	<b>-58,842</b>	<b>303,465</b>	<b>3,165</b>	<b>268,132</b>
Comprehensive income:								
Profit for the period						42,247	446	42,693
Other items of comprehensive income:								
Translation differences					4,154		138	4,292
Income taxes related to items					-43			-43
Total comprehensive income for the period					4,111	42,247	584	46,942
Business transactions with shareholders:								
Dividend payment						-22,771	-346	-23,117
Share-based incentives, value of work performance						549		549
Acquisition of treasury shares			-874					-874
Issue of treasury shares to personnel			1,687			-1,614		73
Sale of treasury shares to personnel			599					599
Adjustment for previous periods						-90	-26	-116
Business transactions with shareholders, total			1,412			-23,926	-372	-22,886
Changes in holdings in subsidiaries:								
Change in non-controlling interest							254	254
Changes in holdings in subsidiaries, total							254	254
<b>Equity 30 Sep 2021</b>	<b>20,759</b>	<b>1,092</b>	<b>-390</b>	<b>295</b>	<b>-54,731</b>	<b>321,786</b>	<b>3,631</b>	<b>292,442</b>



<b>CONSOLIDATED CASH FLOW STATEMENT</b>			
EUR 1,000			
	1-9/2022	1-9/2021	1-12/2021
Profit for the period, continuing operations	27,363	32,300	36,670
Profit for the period, assets held for sale	18,712	10,393	11,691
Adjustments:			
Depreciation and impairment	18,303	19,870	27,006
Other adjustments	12,394	9,768	10,251
Change in net working capital:			
Change in accounts receivable and other receivables	-16,675	-1,593	-5,878
Change in inventories	-9,609	-5,486	-8,684
Change in accounts payable and other liabilities	14,362	22,261	28,561
Interest paid	-793	-366	-594
Interest received	207	182	268
Dividends received	5	3	3
Taxes paid	-8,456	-6,435	-9,687
<b>Cash flow from operating activities (A)</b>	<b>55,813</b>	<b>80,897</b>	<b>89,607</b>
Investments in tangible and intangible assets	-25,847	-22,983	-31,213
Proceeds from the sale of tangible and intangible assets	824	1,072	1,068
Acquisition of shares from non-controlling interest	-378	0	0
Acquisition of shares in subsidiaries, associated companies and joint ventures	0	-11,121	-11,121
Expenditure on other investments	-153	-30	-30
Dividends received	38	21	21
<b>Cash flow from investing activities (B)</b>	<b>-25,516</b>	<b>-33,041</b>	<b>-41,275</b>
Loan withdrawals	6,864	172	884
Repayment of loans	-3,883	-1,774	-12,371
Acquisition of treasury shares	-641	-874	-874
Sale of treasury shares to personnel	0	599	551
Dividends paid	-23,267	-21,255	-23,240
<b>Cash flow from financing activities (C)</b>	<b>-20,927</b>	<b>-23,132</b>	<b>-35,050</b>
Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	9,370	24,724	13,282
Cash and cash equivalents 1 Jan	58,741	45,096	45,096
Impact of exchange rate changes	2,084	248	363
<b>Cash and cash equivalents 30 Sep / 31 Dec</b>	<b>70,195</b>	<b>70,068</b>	<b>58,741</b>

\* The cash flow statement includes both continuing operations and assets held for sale.



**NOTES TO THE INTERIM REPORT**

The interim report has been prepared in accordance with IAS 34, applying the same accounting principles that were applied to the 2021 financial statements (31 December 2021), with the exception of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), which has been applied as a new standard. In accordance with IFRS 5, the Belarusian operations have been classified as non-current assets held for sale. More detailed information about the impacts of the classification is provided in Note 11.

Olvi has changed its segment reporting in accordance with IFRS 8 (Operating Segments) from 1 January 2022 onwards. The comparison information has been changed accordingly.

The figures in the interim report are presented in thousands (1,000) of euros. For presentation, individual figures and totals have been rounded up to the next full thousand, which causes differences in totals. Exchange rates obtained from the Central Bank of Belarus have been used as the exchange rate for the Belarusian rouble. The key ratios have been calculated by using accurate euro-denominated figures. The information published in the interim report has not been audited.

**1. SEGMENT INFORMATION**

**SEGMENTS' NET SALES AND PROFIT 1-9/2022**

EUR 1,000	Finland	Baltic Sea region	Eliminations	Group total
<b>INCOME</b>				
External sales	155,831	186,453		342,284
Beverage sales	154,490	186,453		340,943
Equipment services	1,341	0		1,341
Internal sales	989	21,436	-22,425	0
Total net sales	156,820	207,889	-22,425	342,284
Total profit for the period	39,646	13,575	-25,858	27,363

**SEGMENTS' NET SALES AND PROFIT 1-9/2021**

EUR 1,000	Finland	Baltic Sea region	Eliminations	Group total
<b>INCOME</b>				
External sales	144,599	130,407		275,006
Beverage sales	143,730	130,407		274,137
Equipment services	869	0		869
Internal sales	817	9,385	-10,202	0
Total net sales	145,416	139,792	-10,202	275,006
Total profit for the period	35,883	15,666	-19,249	32,300

**2. RELATED PARTY TRANSACTIONS**

Management's employee benefits

Board members' and the Managing Director's salaries and other short-term employee benefits

EUR 1,000	1-9/2022	1-9/2021	1-12/2021
Managing Director	502	852	939
Chair of the Board	52	54	73
Other Board members	120	126	172
Total	674	1,032	1,184



### 3. SHARES AND SHARE CAPITAL

	30 Sep 2022	%
Series A shares, number of shares	16,989,976	82.0
Series K shares, number of shares	3,732,256	18.0
Total	20,722,232	100.0
Total number of votes, Series A shares	16,989,976	18.5
Total number of votes, Series 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 totalled EUR 20,759 thousand on 30 September 2022.

A dividend of EUR 1.20 per share for 2021 (EUR 1.10 per share for 2020), totalling EUR 24.9 (22.8) million, will be paid on shares in Olvi plc. The dividend will be paid in two instalments. The first instalment, EUR 0.60 per share, was paid on 20 April 2022. The second instalment, EUR 0.60 per share, was paid on 2 September 2022. Series K shares and Series A shares provide their holders with equal rights to dividends. The Articles of Association include a redemption clause concerning Series K shares.

### 4. TREASURY SHARES

At the end of the review period, Olvi plc held a total of 29,404 of its own Series A shares as treasury shares. The total acquisition price of treasury shares was EUR 1,079.4 thousand. The treasury shares do not provide the company with voting rights. The Series A shares held by Olvi plc represent 0.14% of all shares in the company and 0.03% of all votes provided by the shares in the company. The treasury shares account for 0.17% of all Series A shares in the company and the votes provided by all Series A shares in the company.

### 5. NUMBER OF SHARES\*

	1-9/2022	1-9/2021	1-12/2021
- Average	20,703,463	20,704,514	20,706,610
- At the end of the period	20,692,828	20,712,828	20,712,828

\* The treasury shares held by the company have been deducted.

### 6. TRADING IN SERIES A SHARES ON THE NASDAQ HELSINKI

	1-9/2022	1-9/2021	1-12/2021
Trading in Series A shares in Olvi, number of shares	1,985,713	1,537,432	1,812,283
Total value of trading, EUR 1,000	71,236	75,018	89,417
Proportion of the trading out of the total number of Series A shares, %	11.7	9.0	10.7
Average share price, EUR	35.92	48.80	49.35
Closing price, EUR	31.50	50.00	51.20
Highest price, EUR	52.00	55.50	55.70
Lowest price, EUR	29.40	43.10	43.10



## 7. FOREIGN AND NOMINEE-REGISTERED HOLDINGS 30 SEPTEMBER 2022

	Book-entry shares		Number of votes		Shareholders	
	number	%	number	%	number	%
Finnish, total	16,513,467	79.69	87,426,331	95.41	21,028	99.59
Foreign, total	64,474	0.31	64,474	0.07	76	0.36
Nominee-registered (foreign), total	428,703	2.07	428,703	0.47	6	0.03
Nominee-registered (Finnish), total	3,715,588	17.93	3,715,588	4.05	5	0.02
Total	20,722,232	100.00	91,635,096	100.00	21,115	100.00

## 8. LARGEST SHAREHOLDERS 30 SEPTEMBER 2022

	Series K	Series A	Total	%	Number of votes	
					votes	%
1. Olvi Foundation	2,363,904	890,613	3,254,517	15.71	48,168,693	52.57
2. The estate of Heikki Hortling*	903,488	103,280	1,006,768	4.86	18,173,040	19.83
3. Timo Einari Hortling	212,600	49,152	261,752	1.26	4,301,152	4.69
4. Marit Hortling-Rinne	149,064	14,234	163,298	0.79	2,995,514	3.27
5. Nordea Bank Abp, nominee-registered		2,003,626	2,003,626	9.67	2,003,626	2.19
6. Skandinaviska Enskilda Banken Ab (publ), Helsinki branch, nominee-registered		1,667,118	1,667,118	8.05	1,667,118	1.82
7. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
8. Ilmarinen Mutual Pension Insurance Company		683,000	683,000	3.30	683,000	0.75
9. Pia Johanna Hortling	23,388	25,366	48,754	0.24	493,126	0.54
10. Jens Einari Hortling	23,388	16,216	39,604	0.19	483,976	0.53
Other	56,424	10,709,296	10,765,720	51.93	11,837,776	12.91
Total	3,732,256	16,989,976	20,722,232	100.00	91,635,096	100.00

\* The shareholding includes shares held by the shareholder and the entities controlled by them.

Olvi did not receive any flagging notifications under chapter 2, section 10 of the Securities Markets Act in January–September 2022.

## 9. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	1-9/2022	1-9/2021	1-12/2021
Opening balance	190,627	168,833	168,833
Additions	26,110	36,616	43,203
Deductions and transfers	-133	-1,561	-1,951
Depreciation and amortisation	-15,297	-14,321	-19,458
Exchange rate differences	-93	0	0
Total	201,214	189,567	190,627



## 10. CONTINGENT LIABILITIES

EUR 1000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Pledged assets and contingent liabilities			
On the company's own behalf	10,004	19,226	10,007
Lease and rental liabilities:			
Maturing in less than a year	872	756	1,012
Maturing within 1–5 years	1,156	636	550
Total lease and rental liabilities	2,028	1,392	1,562
Other liabilities	67	60	60

## 11. NON-CURRENT ASSETS HELD FOR SALE

### Classification and accounting principles

Olvi strongly condemns the Russian attack on Ukraine. At its meeting on 5 March 2022, Olvi plc's Board of Directors decided to divest the company's business operations in Belarus and start preparations to sell Lidskoe Pivo, a subsidiary in which Olvi plc has a holding of 96.36%. Since the interim report for January–March 2022 (31 March 2022), Lidskoe Pivo has been classified as discontinued operations / assets held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations).

The divestment in Belarus will cause the Group's business operations to reduce significantly. In 2021, Belarus represented 33.2% of the Group's sales volume, 21.1% of its net sales and 24.3% of its operating profit. In addition, the planning and implementation of the divestment will cause non-recurring costs. Following the Board's decision, Olvi stopped investments in Lidskoe Pivo, ended its significant Russian exports and started identifying potential buyers and negotiating the divestment of the business. The balance sheet items related to Lidskoe Pivo have been measured at book value in the interim report. The process has progressed as planned and is being actively promoted. There are several prospective buyers, and new enquiries have been submitted throughout the process. The assessment of potential buyers and negotiations are in progress. Local and international legislation, the employees and Olvi's values will be taken into account during the process.

The classification in accordance with IFRS 5 has required management discretion. Permission from the local authorities and the competition regulator is required for the divestment. These are two separate processes. The Belarusian authorities have a pre-emptive right in company acquisitions. In June, the Belarusian Government announced additional restrictions on the sale of companies under Western ownership for shareholders from countries that have imposed sanctions. These new restrictions that have emerged during the sales process are making the official procedure longer and more complicated. However, based on the information currently available and the negotiations carried out with the local authorities, the company's management believes that it is still possible to implement the divestment, but for the reasons stated above, it may not be possible to complete the divestment in accordance with the previously announced schedule. The company's management believes that the divestment will be implemented within the next 12 months.

### Income statement, assets held for sale

EUR 1,000	1-9/2022	1-9/2021	1-12/2021
Net sales	105,297	76,584	97,464
Expenses	-81,864	-64,073	-83,105
Operating profit	23,433	12,511	14,359
Financial items	-1,060	34	-115
Profit before tax	22,373	12,545	14,244
Income taxes	-3,661	-2,152	-2,553
Profit for the period, assets held for sale	18,712	10,393	11,691



Since the beginning of the year, the sales volume has increased by 2.3% and net sales have grown by 37.5%. Domestic demand in retail and the HoReCa sector developed strongly and offset the impact of the end of Russian exports. Net sales increased as a result of the price increases implemented. Production and logistics costs grew significantly. The operating profit increased by 87.3%. Increased net sales, the adjustment measures and the significantly stronger exchange rate had a positive impact on the comparable operating profit in euros. In addition, depreciation is not recognised for assets held for sale in accordance with the IFRS. The impact of this depreciation on the result would have been EUR 3.2 million. The adjustment measures have not affected the number of personnel.

#### Balance sheet, assets held for sale

EUR 1,000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Consolidated goodwill	4,527	3,708	3,762
Intangible assets	448	211	341
Tangible assets	46,184	38,632	38,729
Loans receivable and other long-term receivables	297	356	338
Deferred tax assets	333	196	36
Inventories	14,907	10,045	11,445
Current receivables	21,089	14,770	13,479
Cash in hand and at bank	23,553	9,788	8,101
<b>Non-current assets held for sale</b>	<b>111,338</b>	<b>77,706</b>	<b>76,231</b>

EUR 1,000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current financial liabilities	19	0	0
Deferred tax liabilities	10	0	0
Current financial liabilities	5	11	3
Accounts payable and other payables	17,377	14,030	12,468
Income tax liability	1,937	1,128	0
<b>Liabilities related to non-current assets held for sale</b>	<b>19,348</b>	<b>15,169</b>	<b>12,471</b>

#### Other information concerning assets held for sale

1,000 euros/litres	1-9/2022	1-9/2021	1-12/2021
Sales volume	233,561	228,263	279,197
Average number of personnel	849	830	832
Earnings per share, EUR, undiluted	0.88	0.48	0.54
Earnings per share, EUR, diluted	0.88	0.48	0.54
Cash flow from operating activities	19,476	12,581	12,847
Cash flow from investing activities	-705	-4,078	-5,043
Cash flow from financing activities	-5,404	-4,464	-5,569



## 12. CALCULATION PRINCIPLES FOR KEY RATIOS

In its summary of key ratios (page 1), the Group presents key ratios directly derived from the consolidated income statement (net sales, operating profit, profit for the period and their proportions of net sales, as well as earnings per share). (Earnings per share = Profit for the period attributable to owners of the parent company / Average number of shares during the period, adjusted for share issues).

In addition to its IFRS-based consolidated financial statements, Olvi plc presents Alternative Performance Measures that describe the financial performance of its business operations and provide a comparable overview of the company's profitability, solvency and liquidity.

The Group has applied the European Securities and Markets Authority's (ESMA) new guidelines (effective since 3 July 2016) on Alternative Performance Measures and has determined such measures as follows:

The Group presents sales volume data in millions of litres as an Alternative Performance Measure that supports net sales. Sales volume is an important and widely used indicator in the industry that describes the scope of operations.

Earnings per share = Equity attributable to owners of the parent company / Number of shares at the end of the period, adjusted for share issues.

Equity ratio, % =  $100 * (\text{Equity attributable to owners of the parent company} + \text{non-controlling interest}) / (\text{Balance sheet total})$ .

Gearing, % =  $100 * (\text{Interest-bearing debt} - \text{Cash in hand and at bank}) / (\text{Equity attributable to owners of the parent company} + \text{Non-controlling interest})$ .