



Olvi Group's financial statements January–December 2022

Net sales increased by 26% in 2022 – adjusted EBIT on the previous year's level

In 2022, Olvi Group's sales volume and net sales reached a new record level for the seventh consecutive year. The adjusted operating profit was on the previous year's level, while the operating profit decreased to EUR 22.4 million due to items affecting comparability. Because of a significant change in the business environment, an impairment of EUR 35.0 million has been recognised on the balance sheet value of the Belarusian business segment, with no cash flow impact. Solvency and cash flow remained at a good level. The Board of Directors proposes a dividend of EUR 1.20 (1.20) per share.

Near-term outlook

Olvi Group's adjusted operating profit for the 2023 financial year is expected to decrease year-on-year.

Belarusian business operations involve uncertainty arising from the war in Ukraine and particularly from the impacts of exchange rates, which is why the segment's operating profit is expected to decrease.

Sales volume and net sales are expected to develop favourably. The operating profit involves significant uncertainties. The increase in costs is expected to continue in 2023. The increase in costs will be transferred to the prices of end products gradually, but it is challenging to predict the timing of price increases, and the decline in consumer demand must be taken into account in terms of the amount of the increases.

The Group's key ratios

	10–12/ 2022	10–12/ 2021	Change, % / pp	1–12/ 2022	1–12/ 2021	Change, % / pp
Sales volume, Mltr	209.7	192.7	8.8	956.1	853.7	12.0
Net sales, MEUR	136.1	110.6	23.0	583.7	462.2	26.3
Gross profit, MEUR	45.9	42.7	7.7	219.9	192.9	14.0
% of net sales	33.8	38.6		37.7	41.7	
Adjusted EBIT, MEUR	1.7	7.2	-76.0	59.8	59.4	0.6
% of net sales	1.3	6.5		10.2	12.9	
Items affecting the comparability of the operating profit, MEUR	-37.4	0.0		-37.4	0.0	
Operating profit, MEUR	-35.7	7.2	-597.1	22.4	59.4	-62.4
% of net sales	-26.2	6.5		3.8	12.9	
Adjusted profit for the period, MEUR	-1.1	5.7	-120.2	44.9	48.4	-7.1
% of net sales	-0.8	5.1		7.7	10.5	
Profit for the period, MEUR	-38.5	5.7	-780.1	7.5	48.4	-84.4
% of net sales	-28.3	5.1		1.3	10.5	
Earnings per share, EUR	-1.81	0.27	-766.2	0.39	2.31	-83.3
Investments, MEUR	10.1	8.7	16.6	37.1	32.0	15.8
Equity per share				13.49	14.19	-4.9
Equity ratio, %				57.5	60.7	-3.2
Gearing, %				-20.3	-18.7	1.6

Olvi presents adjusted EBIT and adjusted profit for the period as alternative performance measures to improve comparability between reporting periods. In January–December 2022, items affecting comparability mainly consisted of the impairment of the Belarusian company and a tax liability provision in Lithuania. More information about the impairment of the Belarusian company is provided in Table 12 in Note 5.



Business development

CEO Patrik Lundell:

Q4/2022: Sales grew strongly – profitability was burdened by cost inflation

Olvi Group's sales volume increased by 8.8% in the fourth quarter, and its net sales grew by 23.0%. The sales volume increased in retail and the HoReCa sector in Finland. The market shares in retail remained at a good level or increased. Sales increased in the HoReCa sector, driven by a Christmas season without restrictions related to the coronavirus pandemic. Exports decreased, although exports to Russia have been partly replaced with exports to new markets.

Cost inflation remained very high and accelerated towards the end of the year. Increases in the prices of end products were implemented accordingly as far as possible in each market and sales channel. However, full price increases were not achieved in all markets because of country- and customer-specific contract structures and the low predictability of changes in costs. The price of energy in particular was at a record high due to the war in Ukraine, and prices fluctuated greatly. The war has also reduced the availability of raw materials and packaging materials and has caused prices to increase significantly in terms of malt, sugar, glass and plastic bottles, cans and carbon dioxide, for example. In 2022, the impacts of the increase in costs were highest in the fourth quarter. The higher prices of fuels had a direct impact on logistics costs.

The Group's adjusted operating profit decreased by 76% because of cost inflation and was EUR 1.7 million. Because of items affecting comparability, the operating profit in the fourth quarter showed a loss of EUR 35.7 million. The largest item affecting comparability, EUR 35 million, was related to the impairment of the Belarusian business segment, which was caused by significant changes in the business environment during 2022.

Year 2022: New record in sales volume – cost inflation had a significant impact

The sales volume increased by 12.0% and exceeded 900 million litres for the first time, at 956.1 million litres. The sales volume grew in all companies year-on-year. The new companies in Denmark and Latvia contributed to growth throughout 2022. The increase in the retail sales volume was supported by strong and improved market shares in both alcoholic and non-alcoholic beverages. Following the lifting of the restrictions caused by the coronavirus pandemic, sales increased in the HoReCa sector and cross-border trade. Exports decreased year-on-year because of the end of trade with Russia in March. Russia accounted for around 90% of all exports at the beginning of 2022.

Net sales increased by 26.3% and were EUR 583.7 million, driven by higher sales volumes and price increases. The impacts of cost inflation were transferred to sales prices throughout the year. Cost inflation started during the coronavirus pandemic and increased significantly as a result of the war in Ukraine. Sales-related costs increased by EUR 94.5 million, or 35.1%, year-on-year, which is significantly higher than the increase in net sales. Logistics, sales and marketing expenses grew by EUR 21.4 million, or 21.5%. The adjusted operating profit increased by 0.6% and was EUR 59.8 million. The operating profit after items affecting comparability was EUR 22.4 million in 2022, decreasing by 62.4% from the previous year.

During the year, Olvi invested in increasing its production and storage capacity to enable business growth. Olvi is increasingly focusing on environmental friendliness, improved working conditions and safety. In 2022, investments were made in, for example, heat and carbon capture, energy efficiency, wastewater treatment and workload management. The company is aiming to achieve carbon-neutral operations in its Iisalmi plant during 2023 and in its other plants in the coming years.

Segment-specific business development: Q4 and 2022

Market shares increased in Finland

The sales volume of Finnish operations increased by 1.1% in the fourth quarter and by 1.7% during the year. Market shares grew and were high in beers, ciders and long drinks in particular. The market share in water has remained at a good level, and the sales of energy drinks continue to grow. Successful product launches in 2022 included hard seltzers, in which Olvi is the market leader by a clear margin. Growth was also achieved in sales



to the HoReCa sector and cross-border trade. Net sales increased by 5.6% in the fourth quarter and by 7.3% during the year. Price increases were implemented in retail in the fourth quarter, and they covered part of the impacts of the higher costs. Retail price periods are only open twice a year. The binding prices for the autumn were provided in early spring, when the long-term impact of cost inflation was not yet fully known. Consequently, the adjusted operating profit of Finnish operations was EUR 0.5 million in the fourth quarter. In 2022, the adjusted operating profit of Finnish operations decreased by 25.5% year-on-year and was EUR 18.8 million. Cost inflation is expected to continue to affect profitability in 2023. However, price increases will continue to be implemented within the limits of contractual terms and conditions and price periods to restore profitability over the long term.

Net sales grew organically and through acquisitions in the Baltic Sea region

In the Baltic Sea region reporting segment, the sales volume increased by 10.8% in the fourth quarter and by 29.6% during the year. In the Baltic countries, sales developed favourably in retail, cross-border trade and the HoReCa sector. Exports grew through new markets, which replaced exports to Russia. Net sales increased by 34.1% during the quarter and by 45.1% during the year. During the year, price increases were implemented flexibly in the Baltic countries, which is reflected in the development of net sales. The acquisitions completed in Denmark and Latvia in 2021 added to the growth of the Baltic Sea region segment. These companies are not fully included in the comparison figures for the previous year. Excluding the acquisitions made in 2021, the sales volume increased by 7.5% and net sales by 23.1% in 2022. 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 relative profitability. In addition, salaries increased significantly in the Baltic countries during the year. In the fourth quarter, the segment's adjusted operating profit was EUR -0.1 million. In 2022, its adjusted operating profit decreased by 16.9% and was EUR 17.4 million. However, there are differences in profitability within the segment. The companies in the Baltic countries have been able to maintain profitability. The product portfolio in Denmark focuses on private-label products, meaning that price increases are implemented with a delay in accordance with the contract periods, and cost inflation has affected profitability. Measures to improve profitability are in progress.

Sales volumes grew in Belarus

The Russian attack on Ukraine had a significant impact on the business environment in Belarus during 2022. On 5 March 2022, Olvi plc's Board of Directors decided to end exports to Russia and Belarus, discontinue investments in Belarus, and start preparations to withdraw from the Belarusian market. The Belarusian business segment was classified as discontinued operations/assets held for sale. However, stricter laws regulating the divestment of foreign companies in Belarus were enacted during the year. On 22 November 2022, Olvi announced that the divestment of its Belarusian subsidiary within the following 12 months was no longer likely. In connection with this, Olvi cancelled its guidance for 2022. Consequently, the Belarusian business segment is reported as part of Olvi Group for the full year 2022. Because of the significant uncertainties related to the operating environment, an impairment of EUR 35.0 million was recognised for the Belarusian business segment based on impairment testing. In terms of business operations, the Belarusian segment's sales volume increased by 20.7% in the fourth quarter and by 4.3% during the year. With market shares increasing, the sales volume grew in retail in particular, offsetting the impact of the end of exports to Russia. Sales also increased in the HoReCa sector during the year. Net sales increased by 56.6% in the fourth quarter and by 41.1% during the year, driven by price increases and higher sales volumes. Costs have also increased in the Belarusian segment in terms of manufacturing and freight, but significant availability problems have been avoided. The operating profit decreased by 10.3% in the fourth quarter. During the fourth quarter, the operating profit was burdened by depreciation, which was not recognised during the time that the segment was classified as discontinued operations/assets held for sale. Depreciation had an impact of EUR 3.3 million. The full-year operating profit increased by 73.7% and was EUR 25.1 million. The comparable full-year operating profit in euros improved as a result of higher net sales, cost savings and the stronger exchange rate. The development of the Belarusian business operations in 2023 involves significant risks arising from the war in Ukraine. Furthermore, it is difficult to predict the development of the exchange rate. Profitability is expected to decrease because of statutory restrictions on price increases, for example.



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 12.0% in 2022, totalling 956.1 (853.7) million litres. Growth was achieved in all reporting segments. In October–December, the sales volume grew by 8.8%, totalling 209.7 (192.7) million litres.

Sales volume, Mltr	10–12/ 2022	10–12/ 2021	Change, %	1–12/ 2022	1–12/ 2021	Change, %
Finland	61.8	61.1	1.1	262.5	258.1	1.7
Baltic Sea region	97.2	87.7	10.8	450.2	347.3	29.6
Belarus	61.6	51.0	20.7	295.6	283.3	4.3
Eliminations	-10.9	-7.1		-52.2	-35.0	
Total	209.7	192.7	8.8	956.1	853.7	12.0

The Group's net sales increased by 26.3% in 2022 and were EUR 583.7 (462.2) million. In the fourth quarter, net sales grew by 23.0%. There are significant differences in net sales growth between the reporting segments because of the price increases implemented. Retail price increases are more limited in Finland than in other markets.

Net sales, MEUR	10–12/ 2022	10–12/ 2021	Change, %	1–12/ 2022	1–12/ 2021	Change, %
Finland	49.9	47.3	5.6	206.7	192.7	7.3
Baltic Sea region	61.9	46.2	34.1	269.8	186.0	45.1
Belarus	32.8	20.9	56.6	138.8	98.4	41.1
Eliminations	-8.5	-3.8		-31.6	-14.9	
Total	136.1	110.6	23.0	583.7	462.2	26.3

Financial performance

The Group's operating profit in January–December was EUR 22.4 (59.4) million, or 3.8% (12.9%) of net sales. In the fourth quarter, the operating profit was EUR -35.7 (7.2) million, or -26.2% (6.5%) of net sales. On a non-recurring basis, the operating profit in the fourth quarter was burdened by impairment (EUR 35.0 million) in the Belarusian business segment, a tax liability provision (EUR 2.4 million) concerning the Lithuanian company and the recognition of all the expenses arising from the termination of the CEO's contract in 2022. The grounds for the impairment are reported in more detail in the financial statements. The adjusted operating profit increased by 0.6% in January–December and was EUR 59.8 million. In the fourth quarter, the adjusted operating profit was EUR 1.7 million. The decrease in the adjusted profit margin was driven by a significant increase in costs of sales and logistics, sales and marketing expenses compared with the previous year.

Adjusted EBIT, MEUR	10–12/ 2022	10–12/ 2021	Change, %	1–12/ 2022	1–12/ 2021	Change, %
Finland	0.5	3.7	-85.3	18.8	25.2	-25.5
Baltic Sea region	-0.1	2.0	-102.7	17.4	20.9	-16.9
Belarus	1.7	1.9	-10.3	25.1	14.5	73.7
Eliminations	-0.4	-0.4		-1.5	-1.2	
Total	1.7	7.2	-76.0	59.8	59.4	0.6



Operating profit, MEUR	10–12/ 2022	10–12/ 2021	Change, %	1–12/ 2022	1–12/ 2021	Change, %
Finland	0.2	3.7	-94.0	18.4	25.2	-26.8
Baltic Sea region	-2.1	2.0	-204.8	15.3	20.9	-26.9
Belarus	1.7	1.9	-10.3	25.1	14.5	73.7
Eliminations	-35.4	-0.4		-36.5	-1.2	
Total	-35.7	7.2	-597.1	22.4	59.4	-62.4

The Group's profit after taxes in 2022 was EUR 7.5 (48.4) million. In the fourth quarter, its profit after taxes was EUR -38.5 (5.7) million. The profit for the financial year was burdened by EUR 3.5 million in cumulative translation differences related to the repayment of the Belarusian company's net investment loan and recognised in financial expenses.

Earnings per share calculated from the profit attributable to the owners of the parent company were EUR 0.39 (2.31) in 2022 and EUR -1.81 (0.27) in the fourth quarter.

Balance sheet, financing and investments

Olvi Group's balance sheet total was EUR 489.7 (490.2) million. Equity per share was EUR 13.49 (14.19). The equity ratio was 57.5% (60.7%), and gearing was -20.3% (-18,7%). The Group's liquidity indicator, the current ratio, remained at the same level as before, at 1.3 (1.3).

Interest-bearing liabilities amounted to EUR 4.1 (3.2) million at the end of December. Of the interest-bearing liabilities, short-term liabilities accounted for EUR 2.2 (1.3) million.

Cash flow remained good. Cash and cash equivalents totalled EUR 61.2 million, increasing by EUR 2.5 million from the end of the previous year.

Olvi Group's expansion and replacement investments in 2022 were EUR 37.1 (32.0) million, of which EUR 15.3 million were related to Finland, EUR 21.1 million to the Baltic Sea region and EUR 0.7 million to Belarus. The investments related to Belarus were made in January–February. Olvi Group has invested in increasing and diversifying its production and storage capacity in response to business growth. The Group has also invested in energy solutions and in modernising its production facilities and making them more environmentally friendly. Investments have also been made in visitor centres in connection with breweries in the Baltic countries.

Personnel

Olvi Group's average number of personnel was 2,335 (2,111) in January–December. The Group's average number of personnel increased by 10.6% because of seasonality and the acquisition of Piebalgas and Vestfyen.

Olvi Group's average number of personnel by country:

	10–12/ 2022	10–12/ 2021	Change, %	1–12/ 2022	1–12/ 2021	Change, %
Finland	418	408	2.5	442	416	6.3
Baltic Sea region	1,044	933	11.9	1,049	863	21.6
Belarus	829	837	-1.0	844	832	1.4
Total	2,291	2,178	5.2	2,335	2,111	10.6

Board of Directors and management

No changes took place in Olvi plc's Board of Directors and management during the review period. The Managing Director of the Estonian subsidiary changed on 1 September 2022. The new Managing Director is Jaanus Vihand.



Other events during the review period

Annual General Meeting

Olvi plc's Annual General Meeting (AGM) on 30 March 2022 adopted the financial statements and discharged the members of the Board and the CEO from liability for the financial year that ended on 31 December 2021. In accordance with the Board's proposal, the AGM decided to pay a dividend of EUR 1.20 (1.10) for Series A and Series K shares for the 2021 financial year. The dividend was paid in two instalments: on 20 April 2022 and 2 September 2022.

The AGM's decisions were published in a stock exchange release on 30 March 2022.

Changes in the Group structure

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

Olvi's subsidiary holdings:

	31 Dec 2022	31 Dec 2021	Change, pp
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	-
The Helsinki Distilling Company, Finland	100.00	100.00	-
A/S Bryggeriet Vestfyen, Denmark	100.00	96.41	3.59

Olvi owns 50% of Arctic Silence Oy, which did not engage in any operating activities during 2022. In addition, Olvi plc's subsidiaries have holdings in companies. The Helsinki Distilling Company owns 100% of Helsingin tislamoaravintola Oy. A. Le Coq has a 49.0% holding in AS Karme and a 20.0% holding in Verska Mineraalvee OÜ in Estonia. A/S Cēsu Alus owns 100% of the share capital of SIA Piebalgs Alus. AB Volfas Engelman has a 100% holding in UAB Uniqa and UAB Alaus Pinta. OAo Lidskoe Pivo owns 100% of Trade House Lidskoe Pivo. A/S Bryggeriet Vestfyen owns 95.81% of A/S Dansk Coladrik.

Business risks and their management

Impacts of the war in Ukraine

The war in Ukraine has significantly increased business risks. There were challenges in the availability of packaging materials because of the coronavirus pandemic, and the war in Ukraine has worsened the situation, especially with regard to 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 began 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, and the prices of electricity and gas have fluctuated greatly, 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. Olvi will respond to the increase in costs by continuing price increases as far as possible. The company 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. Production plants have been successfully adapted to any energy-



related changes to ensure uninterrupted production. Olvi is also making investments aimed at self-sufficiency in raw materials in Finland by implementing carbon capture and storage equipment.

The war in Ukraine has significantly changed the business environment in Russia and Belarus. As announced in a press release on 5 March 2022, Olvi ceased exports to Russia from all of its countries of operation and initiated measures to withdraw from Belarus. As announced in a press release on 21 November 2022, the withdrawal was discontinued because of stricter legislation concerning the divestment of companies. The end of exports to Russia and the increase in production and logistics costs caused by the war 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 operations by ensuring sufficient procurement locally. Olvi considers and observes sanctions and local laws in its operations.

Coronavirus pandemic

There are uncertainties in forecasting the development of business operations, because it has been difficult to predict the spillover 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 recovered during the first half of the year, 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 have been made to secure energy availability. 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 Olvi Group's 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

Patrik Lundell started his work as Olvi plc's new CEO on 1 January 2023, following the retirement of the Managing Director Lasse Aho. The Managing Director of the Danish subsidiary changed on 1 January 2023. The new Managing Director is Majken Filsø Sørensen.

Board of Directors' proposal for the distribution of profit

The parent company, Olvi plc, had EUR 131.0 (114.7) million in distributable funds on 31 December 2022, of which the profit for the period was EUR 41.7 (39.5) million.

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

1) A dividend of EUR 1.20 (1.20) will be paid for 2022 on each Series K and Series A share, totalling EUR 24.8 (24.9) million. This dividend is 311.4% (51.9%) of Olvi Group's earnings per share. The dividend will be paid in two instalments. The first instalment (EUR 0.60 per share) will be paid on 20 April 2023 to shareholders registered in the list of shareholders maintained by Euroclear Finland on the record date (30 March 2023). The second instalment (EUR 0.60 per share) will be paid on 05 September 2023 to shareholders registered in the list of



shareholders maintained by Euroclear Finland on the record date (29 August 2023)

No dividend will be paid on treasury shares.

2) EUR 106.1 million will be retained in the parent company's non-restricted equity.

FINANCIAL REPORTS IN 2023

Olvi Group's annual report and notice of the Annual General Meeting will be published on 28 February 2023. The annual report includes the Board of Directors' report, the consolidated financial statements, the parent company's financial statements and the auditor's report for the financial year 1 January to 31 December 2022. The annual report also includes the sustainability report, the Corporate Governance Statement and the remuneration report for the 2022 financial year. The annual report and the notice of the Annual General Meeting are available on Olvi plc's website.

The following interim reports will be published in 2023:

January–March on 20 April 2023

January–June on 11 August 2023

January–September on 17 October 2023

OLVI PLC

Board of Directors

Webcast

Olvi plc and its CEO will hold a press conference, which can be followed at <https://olvi.videosync.fi/q4-2022>. The press conference will be held in Finnish.

A recording of the webcast will become available on the company's website at <https://www.olvigroup.fi/en/releases-and-publications/financial-releases/>

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**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

EUR 1,000

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Gross sales	299,945	255,861	1,253,782	1,069,260
Excise taxes and other adjustments	-163,823	-145,226	-670,079	-607,034
Net sales	136,122	110,635	583,703	462,226
Cost of sales	-90,180	-67,964	-363,816	-269,344
Gross profit	45,942	42,671	219,887	192,882
Logistics, sales and marketing expenses	-32,239	-25,865	-120,997	-99,594
Administrative expenses	-14,605	-9,973	-42,415	-34,990
Other operating income and expenses	-34,779	344	-34,111	1,141
Operating profit	-35,681	7,177	22,364	59,439
Financial income	1,206	-99	1,593	284
Financial expenses	-3,979	-240	-5,628	-655
Share of the profit of associated companies and joint ventures	45	44	45	44
Profit before tax	-38,409	6,882	18,374	59,112
Income taxes	-140	-1,214	-10,848	-10,751
PROFIT FOR THE PERIOD	-38,549	5,668	7,526	48,361
Other items of comprehensive income that may be later reclassified to profit or loss:				
Translation differences related to foreign subsidiaries	-13,099	1,074	1,638	5,366
Income taxes related to items	154	-42	0	-85
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-51,494	6,700	9,164	53,642
Distribution of the profit for the period:				
- Owners of the parent company	-37,386	5,615	7,977	47,862
- Non-controlling interest	-1,163	53	-451	499
Distribution of comprehensive income for the period:				
- Owners of the parent company	-49,811	6,619	9,674	52,977
- Non-controlling interest	-1,683	81	-510	665
Earnings per share calculated from profit attributable to owners of the parent company, EUR				
- Undiluted, continuing operations	-1.81	0.27	0.39	2.31
- Diluted, continuing operations	-1.81	0.27	0.39	2.31



BALANCE SHEET		
EUR 1,000	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Tangible assets	208,165	229,356
Goodwill	22,204	25,966
Other intangible assets	10,972	12,696
Holdings in associated companies and joint ventures	1,025	1,018
Other investments	1,046	888
Loans receivable and other long-term receivables	1,377	1,731
Deferred tax assets	2,569	1,487
Total non-current assets	247,358	273,142
Current assets		
Inventories	70,891	58,609
Accounts receivable and other receivables	109,712	99,246
Income tax receivables	506	504
Cash and cash equivalents	61,207	58,741
Total current assets	242,316	217,100
TOTAL ASSETS	489,674	490,242
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent company		
Share capital	20,759	20,759
Other reserves	1,092	1,092
Fair value reserve	295	295
Treasury shares	-1,079	-438
Translation differences	-52,030	-53,727
Retained earnings	310,194	326,016
	279,231	293,997
Non-controlling interest	2,514	3,627
Total equity	281,745	297,624
Non-current liabilities		
Financial liabilities	1,983	1,913
Other liabilities	3,667	3,985
Deferred tax liabilities	13,466	13,943
Current liabilities		
Financial liabilities	2,164	1,272
Accounts payable and other payables	186,362	170,633
Income tax liability	287	872
Total liabilities	207,929	192,618
TOTAL EQUITY AND LIABILITIES	489,674	490,242



STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share capital	Other reserves	Fair value reserve	Reserve for treasury shares	Translation differences	Earnings	Attributable to non-controlling interest	Total
Equity 1 Jan 2022	20,759	1,092	295	-438	-53,727	326,016	3,627	297,624
Comprehensive income:								
Profit for the period						7,977	-451	7,526
Other items of comprehensive income:								
Translation differences					1,697		-59	1,638
Total comprehensive income for the period					1,697	7,977	-510	9,164
Business transactions with shareholders:								
Dividend payment						-24,855	-371	-25,226
Share-based incentives, value of work performance						1,076		1,076
Acquisition of treasury shares				-641				-641
Adjustment for previous periods						-20		-20
Business transactions with shareholders, total				-641		-23,799	-371	-24,811
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interest						-232		-232
Change in non-controlling interest						232	-232	0
Changes in holdings in subsidiaries, total						0	-232	-232
Equity 31 Dec 2022	20,759	1,092	295	-1,079	-52,030	310,194	2,514	281,745
EUR 1,000	Share capital	Other reserves	Fair value reserve	Reserve for treasury shares	Translation differences	Earnings	Attributable to non-controlling interest	Total
Equity 1 Jan 2021	20,759	1,092	295	-1,802	-58,842	303,465	3,165	268,132
Comprehensive income:								
Profit for the period						47,862	499	48,361
Other items of comprehensive income:								
Translation differences					5,200		166	5,366
Income taxes related to items					-85			-85
Total comprehensive income for the period					5,115	47,862	665	53,642
Business transactions with shareholders:								
Dividend payment						-22,771	-459	-23,230
Share-based incentives, value of work performance						802		802
Acquisition of treasury shares				-874				-874
Issue of treasury shares to personnel				1,687		-1,614		73
Sale of treasury shares to personnel				551				551
Adjustment for previous periods						-1,728	-27	-1,755
Business transactions with shareholders, total				1,364		-25,311	-486	-24,433
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interest						283		283
Change in non-controlling interest						-283	283	
Changes in holdings in subsidiaries, total							283	283
Equity 31 Dec 2021	20,759	1,092	295	-438	-53,727	326,016	3,627	297,624



CASH FLOW STATEMENT

EUR 1,000

	1–12/2022	1–12/2021
Profit for the period	7,526	48,361
Adjustments:		
Depreciation and impairment	64,532	27,006
Other adjustments	14,509	10,251
Change in net working capital:		
Change in accounts receivable and other receivables	-9,578	-5,878
Change in inventories	-12,349	-8,684
Change in accounts payable and other liabilities	16,536	28,561
Interest paid	-449	-594
Interest received	292	268
Dividends received	5	3
Taxes paid	-13,861	-9,687
Cash flow from operating activities (A)	67,163	89,607
Investments in tangible and intangible assets	-37,392	-31,213
Proceeds from the sale of tangible and intangible assets	976	1,068
Acquisition of shares from non-controlling interest	-378	0
Acquisition of shares in subsidiaries, associated companies and joint ventures	0	-11,121
Expenditure on other investments	-163	-30
Dividends received	38	21
Cash flow from investing activities (B)	-36,919	-41,275
Loan withdrawals	11,351	884
Repayment of loans	-11,674	-12,371
Acquisition of treasury shares	-641	-874
Sale of treasury shares to personnel	0	551
Dividends paid	-25,268	-23,240
Cash flow from financing activities (C)	-26,232	-35,050
Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	4,012	13,282
Cash and cash equivalents 1 Jan	58,741	45,096
Impact of exchange rate changes	-1,546	363
Cash and cash equivalents 31 Dec	61,207	58,741



NOTES TO THE FINANCIAL STATEMENTS BULLETIN

The financial statements bulletin has been prepared in accordance with IAS 34 *Interim Financial Reporting*, applying the same accounting principles and calculation methods that were applied to the previous financial statements.

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 financial statements bulletin 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 financial statements bulletin has not been audited.

1. SEGMENT INFORMATION

SEGMENTS' NET SALES 1-12/2022

EUR 1,000	Finland	Baltic Sea region	Bela-rus	Eliminations	Group
INCOME					
External sales	205,297	240,393	138,013	0	583,703
Beverage sales	203,498	240,393	138,013	0	581,904
Equipment services	1,799			0	1,799
Internal sales	1,414	29,405	771	-31,590	0
Total net sales	206,711	269,798	138,784	-31,590	583,703
Total profit for the period	42,531	11,639	19,663	-66,307	7,526

Eliminations affecting the profit for the financial year include an impairment of EUR 35 million in the Belarusian business segment and EUR 3.5 million in translation differences related to the repayment of a net investment loan.

SEGMENTS' NET SALES 1-12/2021

EUR 1,000	Finland	Baltic Sea region	Bela-rus	Eliminations	Group
INCOME					
External sales	191,573	173,192	97,461	0	462,226
Beverage sales	190,333	173,192	97,461	0	460,986
Equipment services	1,240	0	0	0	1,240
Internal sales	1,091	12,781	914	-14,786	0
Total net sales	192,664	185,973	98,375	-14,786	462,226
Total profit for the period	40,474	17,938	12,216	-22,267	48,361

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	1-12/2022	1-12/2021
Managing Director	594	939
Chair of the Board	73	73
Other Board members	172	172
Total	839	1,184



3. SHARES AND SHARE CAPITAL

	31 Dec 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 31 December 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, was paid on shares in Olvi plc. The dividend was 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. SHARE-BASED REWARDS

At its meeting on 1 February 2021, Olvi plc's Board of Directors decided on the terms and conditions of three new share-based incentive schemes for the Group's key personnel: a Performance Share Plan for 2021–2025, a Matching Share Plan for 2021–2022 and a Restricted Share Plan for 2021–2025. The 2021–2025 Performance Share Plan consists of four performance periods, covering the 2021–2022, 2021–2023, 2022–2024 and 2023–2025 financial years. The Board of Directors determines the performance criteria and the targets for each performance criterion at the beginning of the performance period. Any rewards based on the plan will be paid after the end of each performance period.

By means of a stock exchange release on 27 May 2022, Olvi plc's Board of Directors announced the terms and conditions and target group of the 2022–2024 performance period of the Performance Share Plan, as well as a Matching Share Plan for key personnel for 2022–2023. The aim of long-term incentive plans is to support the achievement of Olvi's targets, retain key employees in the company and provide them with incentive schemes that are based on earning and accumulating shares.

The 2022–2024 Performance Share Plan consists of one performance period. During the 2022–2024 performance period, the rewards are based on the Group's cumulative EBIT in euros, the Group's cumulative sales volume of non-alcoholic products and the reduction of CO₂ emissions in the Group's entire value chain compared with the 2021 level. The net amount of rewards to be paid based on the performance period will amount to a maximum of 10,670 Olvi plc Series A shares. During the 2022–2024 performance period, 16 people, including the CEO and the other Olvi Management Team members, belong to the target group for the performance period.

The Matching Share Plan for new key employees consists of one matching period, covering the 2022–2023 financial years. In the plan, the target group is offered an opportunity to receive matching shares for their personal investment in Olvi plc Series A shares. The rewards based on the plan will be paid after the end of the matching period. The net amount of rewards to be paid for the matching period will amount to a maximum of 800 Olvi plc Series A shares. The target group of the plan consists of four people.

The purpose of long-term incentive schemes is to support the achievement of the company's targets, retain key employees in the company and provide them with incentive schemes that are based on earning and accumulating shares in the company. The rewards are paid partly in Series A shares in Olvi plc and partly in cash. The purpose of the cash portion is to cover taxes and tax-like payments arising for the participants from the reward. As a rule, if a participant's employment or manager contract ends before the time of payment of the reward, no reward will be paid. The plan enables the members of the target group to earn Series A shares in Olvi plc based on



performance. The Board of Directors determines the performance criteria and the targets for each performance criterion at the beginning of the performance period. Any rewards based on the plan will be paid after the end of each performance period.

The Board of Directors has set a maximum for the total amount of gross rewards to be paid to a participant during a calendar year. This maximum applies to all gross rewards to be paid based on long-term incentive schemes. Members of Olvi's Management Team must own at least half of the shares they have earned as a net reward under the new incentive schemes, until the total value of their shareholding in the company equals 50% of their annual salary in the previous year. This number of Series A shares in Olvi plc must be held for as long as the membership in the Management Team continues.

The costs related to these schemes totalled EUR 1,057.8 thousand in the review period. Olvi Group has no other share or option arrangements in place.

5. TREASURY SHARES

On 30 March 2022, Olvi plc's Annual General Meeting (AGM) decided to authorise the Board of Directors to decide, within one year of the AGM, on the acquisition of Series A shares in the company with distributable funds. The authorisation covers up to 500,000 Series A shares and revokes previous unused authorisations to acquire treasury shares.

The AGM also decided to authorise the Board of Directors to decide on the issue of up to 1,000,000 new Series A shares and the transfer of up to 500,000 Series A shares held by the company. This authorisation revokes previous unused authorisations to transfer treasury shares held by the company.

At the beginning of January 2022, Olvi plc held 9,404 treasury shares. At its meeting on 23 May 2022, the Board of Directors of Olvi plc decided to initiate a scheme to acquire treasury shares based on the authorisation issued by the Annual General Meeting on 30 March 2022. On this basis, the Board would repurchase a maximum of 20,000 Series A shares. The acquisition of shares began on 30 May 2022 and ended on 14 June 2022. The shares were acquired for financing or implementing possible acquisitions or other arrangements, for implementing the company's incentive schemes or for other purposes determined by the Board of Directors.

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.

6. NUMBER OF SHARES

	1-12/2022	1-12/2021
- Average	20,700,783	20,706,610
- At the end of the period	20,692,828	20,712,828

7. TRADING IN SERIES A SHARES ON THE NASDAQ HELSINKI

	1-12/2022	1-12/2021
Trading in Series A shares in Olvi, number of shares	2,351,044	1,812,283
Total value of trading, EUR 1,000	82,916	89,417
Proportion of the trading out of the total number of Series A shares, %	13.8	10.7
Average share price, EUR	35.31	49.35
Closing price, EUR	33.15	51.20
Highest price, EUR	52.00	55.70
Lowest price, EUR	29.40	43.10



8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS 31 December 2022

	Book-entry shares		Number of votes		Shareholders	
	number	%	number	%	number	%
Finnish, total	16,517,400	79.71	87,430,264	95.41	21,313	99.60
Foreign, total	65,449	0.32	65,449	0.07	75	0.35
Nominee-registered (foreign), total	446,485	2.15	446,485	0.49	6	0.03
Nominee-registered (Finnish), total	3,692,898	17.82	3,692,898	4.03	4	0.02
Total	20,722,232	100.00	91,635,096	100.00	21,398	100.00

9. LARGEST SHAREHOLDERS 31 December 2022

	Series K	Series A	Total	%	Number of 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		2,003,905	2,003,905	9.67	2,003,905	2.19
6 Skandinaviska Enskilda Banken Ab (publ), Helsinki branch, nominee-registered		1,638,827	1,638,827	7.91	1,638,827	1.79
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	10,737,308	10,793,732	52.07	11,865,788	12.94
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 2022.

10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000	1-12/2022	1-12/2021
Opening balance	229,356	204,156
Additions	37,286	48,270
Deductions and transfers	-152	-2,001
Depreciation and impairment	-58,206	-24,548
Exchange rate differences	-119	3,479
Total	208,165	229,356



11 CONTINGENT LIABILITIES

EUR 1000	31 Dec 2022	31 Dec 2021
Pledged assets and contingent liabilities		
On the company's own behalf	2,608	10,007
Lease and rental liabilities:		
Maturing in less than a year	1,337	1,012
Maturing within 1–5 years	1,283	550
Total lease and rental liabilities	2,620	1,562
Other liabilities	67	60

12. IMPAIRMENT OF THE BELARUSIAN COMPANY

Changes in the business environment caused by the war in Ukraine during 2022 have been taken into account in the Belarusian segment. Sanctions have been imposed on Belarus, and Belarus has imposed counter-sanctions on EU countries in particular. Various laws affecting business operations and ownership have been enacted that restrict the rights of Western owners, for example. In addition, the predictability of the development of exchange rates in Belarus has decreased, and financial transactions have become more difficult. As a result of the war, Olvi classified its Belarusian business operations as discontinued operations/assets held for sale on 5 March 2022, but cancelled the classification on 22 November 2022, following stricter legislation on the divestment of foreign companies in Belarus.

The above uncertainties related to the operating environment must be taken into account in the assessment of recoverable amounts in accordance with the IFRS. Impairment testing has been carried out in the Belarusian business segment by using the fair value method, taking into account the euro-denominated dividends to be paid to the parent company over the next two years based on estimated net profit and the financial position. Market-based estimates of the company's value have been used as the residual value. The financial benefit for the parent company calculated based on dividends over a two-year period is linked to the uncertainty involved in the predictability of the operating environment. The discount rate used is 21.93%. The specific risk associated with the asset has been assessed, and it has been taken into account in the euro-denominated cash flow estimates in terms of dividends and the residual value.

Based on the above significant uncertainties related to the operating environment, the management estimates that the book value of the Belarusian business segment for the company is EUR 35.8 million on the balance sheet date, and the ensuing impairment is EUR 35.0 million. The estimate has been carried out carefully using the management's judgement and with the best possible knowledge, taking the difficult operating conditions into account. The book value does not represent the company's financial value in a normal, more stable business environment or its business performance in the local currency. The entry has no impact on the company's cash flow.

13. 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, % = $100 * (\text{Interest-bearing debt} - \text{Cash in hand and at bank}) / (\text{Equity attributable to owners of the parent company} + \text{Non-controlling interest})$.