



OLVI GROUP'S HALF-YEAR REPORT, 1 JANUARY TO 30 JUNE 2021 (6 MONTHS)

Half-year report in brief

Olvi Group's business development continued on a strong track. Sales volume, net sales, operating profit and net profit all showed good growth on the previous year, and the period under review was the best half-year in Olvi's history. The Group's financial standing remains good.

Near-term outlook (updated)

Olvi's operating profit for fiscal year 2021 is expected to remain on the previous year's good level or increase slightly (outlook has improved, previously outlook was "remain on the previous year's good level"). Sales in the summer season have continued on a strong track. There are uncertainties associated with the remainder of the year, and these are described in more detail under Business risks.

Consolidated key ratios

	4-6/ 2021	4-6/ 2020	Change % / pp	1-6/ 2021	1-6/ 2020	Change % / pp	1-12/ 2020
Sales volume, Mltr	249.8	229.7	8.7	413.7	382.9	8.0	765.9
Net sales, MEUR	132.0	121.0	9.1	217.3	205.6	5.7	414.9
Gross profit*, MEUR	57.4	51.9	10.5	92.0	87.4	5.3	178.0
% of net sales	43.5	42.9		42.4	42.5		42.9
Operating profit, MEUR	20.6	20.2	2.0	28.7	28.0	2.2	56.4
% of net sales	15.6	16.7		13.2	13.6		13.6
Net profit for the period, MEUR	15.0	14.5	3.0	21.8	19.9	9.7	40.9
% of net sales	11.4	12.0		10.1	9.7		9.9
Earnings per share, EUR	0.72	0.69	4.3	1.05	0.95	10.5	1.96
Investments, MEUR	9.4	9.8	-4.4	17.2	19.0	-9.5	32.0
Equity per share, EUR				12.86	12.20	5.4	12.81
Equity to total assets, %				54.6	57.8	-3.2	63.8
Gearing, %				-24.7	-8.6	16.1	-15.5

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

Business development

Lasse Aho, Managing Director:

Olvi Group's business in the first half of the year developed well, with net profit increasing by 9.7 percent. Sales volume increased by 8.0 percent and net sales by 5.7 percent. In the second quarter, the average price improved as the HoReCa sales channel opened, among other things, and thanks to this, the net sales growth of 9.1 percent outperformed the 8.7 percent increase in sales volume. Warm weather in the beginning of the summer supported the growth in sales volumes and increased demand for smaller package sizes. Operating profit improved steadily, as second-quarter earnings development followed the first-quarter track. The growth in sales volume has caused increased logistics costs, and clearly more effort has been put into marketing compared to the previous year.

Strategic reform proceeds according to plan. The sales of non-alcoholic products have increased substantially in the review period. Geographical expansion goes ahead as the conditional acquisition of the Vestfyen brewery in Denmark is expected to be realised by the end of August. New potential markets are surveyed actively. The Group also makes efforts to develop its business and secure its competitive ability in the future through the promotion of digitalisation and responsibility.



Restrictions to contain the corona pandemic have still had an impact on second-quarter business. The HoReCa sales channel was only partly operative in almost all of Olvi's operating countries; however, sales opened from May onwards. Cross-border and harbour sales have remained at a low level. Within Olvi Group, this is reflected particularly in the sales volume and profitability of the Estonian company. However, retail sales continued on a strong track, and this compensated the other sales channels. Exports increased as well. Production facilities have operated normally, even though there have been challenges with the availability of raw materials and packaging supplies at times.

Sales in Finland have developed well during the first half of the year. Sales volume, net sales and operating profit have increased on the previous year, also in the second quarter. Olvi has increased its sales volume in every month of the review period in comparison to the previous year. This is attributable to strong brands and a versatile range of packaging. Market shares have improved in several product groups, particularly in beers and mineral waters. Furthermore, the heat wave in June caused a strong and rapid peak in demand, due to which the availability of products has varied, and deliveries have been delayed.

In Estonia, second-quarter business developed well. Sales volume increased by 9.3 percent and net sales by 11.2 percent. Local demand improved towards the summer in retail trade and particularly in the HoReCa channel as it opened up. Strong development of exports continued as well. On the other hand, travel restrictions prevented any substantial improvement in cross-border and harbour sales. Net profit development fell short of the previous year due to substantially increased marketing effort to support the summer season.

Sales in Latvia have become significantly livelier as sales channel restrictions have been lifted towards the summer. The HoReCa sales channel opened during May. Second-quarter sales volume and net sales increased by 7.1 percent. Operating profit increased by 1.2 percent. The acquisition of the Piebalgas Alus microbrewery was completed, and the business has been a part of Olvi since 1 June 2021. The acquisition strengthens Olvi Group's offering particularly in premium products. The sales of Piebalgas products has started strongly.

Business development in Lithuania has been good in the first half of the year. Sales volume increased by 2.9 percent and net sales by 5.5 percent. Good net sales development has been supported by a more diversified product portfolio and increased market shares. The company has been particularly successful with strengthening the Volfas Engelman brand. Thanks to good sales development, operating profit increased by 30.3 percent in the first half of the year.

In Belarus, Olvi Group has been able to develop its business well, taking into account the political and economic situation in the country. First-half sales volume increased by 14.5 percent. The weakened exchange rate has impacted the development of net sales and operating profit measured in euro in relation to the volume growth. The local currency has deteriorated by an average of 19 percent in 2021 compared to the previous year. Net sales measured in euro increased by 6.2 percent and operating profit declined by 6.1 percent. However, measured in the local currency, the company's net sales increased by 26.2 percent and operating profit improved by 10.2 percent.

Investments have been completed as planned during the review period. The amount of investments in the period under review came to 17,2 million euro and was focused on improving production efficiency and capacity. The asset deal concerning a spring water bottling plant in Finland was realised in April.

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 in January-June increased by 8.0 percent to 413.7 (382.9) million litres. Olvi Group's sales volume in April-June increased by 8.7 percent to 249.8 (229.7) million litres.



In the first half of the year, sales volume has increased in all operating countries. The development of sales volume in the second quarter evened out across the operating countries as corona pandemic restrictions were lifted and the weather was warm.

Sales volume, million litres	4-6/	4-6/	Change	1-6/	1-6/	Change
	2021	2020	%	2021	2020	%
Finland	72.7	70.3	3.3	127.9	118.5	8.0
Estonia	35.1	32.1	9.3	57.6	55.0	4.7
Latvia	23.0	21.5	7.1	36.7	36.0	1.9
Lithuania	37.0	35.1	5.4	62.1	60.4	2.9
Belarus	92.1	79.8	15.5	145.5	127.1	14.5
Eliminations	-10.0	-9.0		-16.2	-14.0	
Total	249.8	229.7	8.7	413.7	382.9	8.0

The Group's net sales in January-June increased by 5.7 percent and amounted to 217.3 (205.6) million euro. Net sales growth in the second quarter was affected by the opening of the HoReCa sales channel, among other things.

Net sales, million euro	4-6/	4-6/	Change	1-6/	1-6/	Change
	2021	2020	%	2021	2020	%
Finland	53.7	50.7	5.9	92.5	86.7	6.7
Estonia	22.8	20.5	11.2	36.9	35.4	4.4
Latvia	12.0	11.2	7.1	19.0	19.0	0.4
Lithuania	17.2	15.8	8.9	28.5	27.0	5.5
Belarus	30.2	26.6	13.6	46.5	43.8	6.2
Eliminations	-4.1	-3.9		-6.3	-6.3	
Total	132.0	121.0	9.1	217.3	205.6	5.7

Earnings development

The Group's operating profit in January-June stood at 28.7 (28.0) million euro, or 13.2 (13.6) percent of net sales. Operating profit in April-June stood at 20.6 (20.2) million euro, which was 15.6 (16.7) percent of net sales. Operating profit improved by 2.2 percent from the beginning of the year, and by 2.0 percent in the second quarter. Operating profit has improved through a better sales margin resulting from increased sales volume, but on the other hand, the costs of logistics and marketing have increased on the previous year and impacted the figure.

Operating profit, million euro	4-6/	4-6/	Change	1-6/	1-6/	Change
	2021	2020	%	2021	2020	%
Finland	8.0	7.7	4.3	11.7	10.6	10.7
Estonia	4.5	4.8	-5.4	6.3	6.8	-7.6
Latvia	1.4	1.4	1.2	1.6	1.9	-17.3
Lithuania	1.9	1.5	28.2	2.6	2.0	30.3
Belarus	5.1	5.2	-1.4	6.8	7.3	-6.1
Eliminations	-0.3	-0.3		-0.4	-0.6	
Total	20.6	20.2	2.0	28.7	28.0	2.2

The Group's January-June profit after taxes amounted to 21.8 (19.9) million euro. Profit for April to June stood at 15.0 (14.5) million euro.

Earnings per share calculated from the profit belonging to parent company shareholders in January-June was 1.05 (0.95) euro, and the April-June figure was 0.72 (0.69) euro.



Balance sheet, financing and investments

Olvi Group's balance sheet total at the end of June 2021 was 493.6 (442.6) million euro. Equity per share at the end of June 2021 stood at 12.86 (12.20) euro. The equity ratio was 54.6 (57.8) percent and the gearing ratio was -24.7 (-8.6) percent. The current ratio, which represents the Group's liquidity, was 1.2 (1.1).

The amount of interest-bearing liabilities amounted to 3.6 (3.4) million euro at the end of June. Current liabilities made up 1.3 (0.8) million euro of all interest-bearing liabilities. Interest-bearing liabilities consist mostly of leasing liabilities.

Olvi Group's investments in extensions and replacements from January to June amounted to 17.2 (19.0) million euro. The companies in Finland accounted for 6.9 million euro, the Baltic subsidiaries for 7.3 million euro and Lidskoe Pivo in Belarus for 3.0 million euro of the total. Olvi Group has invested in increasing and diversifying its production capacity, the modernisation of production facilities, as well as environmentally friendly operations.

Personnel

Olvi Group's average number of personnel in January-June was 2,026 (1,908). The Group's average number of personnel increased by 6.2 percent due to seasonal variation and the Piebalgas acquisition.

Olvi Group's average number of personnel by country:

	4-6/ 2021	4-6/ 2020	Change %	1-6/ 2021	1-6/ 2020	Change %
Finland	437	409	6.8	404	382	5.8
Estonia	355	329	7.9	340	324	4.9
Latvia	244	197	23.9	220	198	11.1
Lithuania	249	244	2.0	246	241	2.1
Belarus	845	768	10.0	816	763	6.9
Total	2,130	1,947	9.4	2,026	1,908	6.2

Board of Directors and management

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

Other events during the review period

Changes in corporate structure

The Piebalgas Alus company in Latvia has been included in Olvi's subsidiaries since 1 June 2021. The effects of consolidation are described in more detail in Table 5, Section 12 of the tables attached to this half-year report.

Through a stock exchange release on 12 May 2021, Olvi announced the conditional acquisition of the Bryggeriet Vestfyen brewery company in Denmark. The conditions of sale are expected to be fulfilled by 31 August 2021, which means that the company would become a part of Olvi Group as of 1 September. Because the company will be taken over only towards the end of the accounting period, its effect on the Group's business in 2021 will be minor.

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 half-year report.



Business risks and their management

The corona pandemic continues to impose risks on business, even though the overall economic impact has been minor. There are uncertainties associated with predicting business development as it is not possible to sufficiently anticipate the various impacts of the corona pandemic. The impacts are associated with sales channel restrictions imposed in order to contain the spreading of the corona pandemic, for example, but also changes in overall demand. Furthermore, as the corona pandemic has continued, there have been challenges in the availability of raw materials and packaging supplies, as well as upward pressure in their prices. Until now, the Group has been able to manage the availability problem through measures such as good production planning. Cost pressure concerns aluminium and plastic in particular, and effort is made to minimise the earnings impact through product development, cost savings and potential clearly focused price increases.

Olvi has drafted several scenarios and made preparations for responding to changing situations through a variety of measures, paying particular attention to the corona pandemic situation. Production has operated almost normally and there has not been any widespread virus exposure among personnel. Olvi has made preparations for production disruptions and drafted contingency plans concerning the availability of personnel and raw materials, among other things. Uncertainty is also caused by potentially continuing fluctuation of the Belarusian exchange rate due to the political and economic situation in the country.

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

Events after the review period

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

OLVI PLC
Board of Directors

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TABLES:

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DISTRIBUTION:

NASDAQ OMX Helsinki Ltd
Key media
www.olvi.fi



STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000

	4–6 / 2021	4–6 / 2020	1–6 / 2021	1–6 / 2020	1–12 / 2020
Gross sales	303,471	290,735	514,284	493,536	1,005,101
Excise taxes and other adjustments	-171,517	-169,744	-297,012	-287,957	-590,217
Net sales	131,954	120,991	217,272	205,579	414,884
Cost of sales	-74,571	-69,067	-125,226	-118,192	-236,849
Gross profit	57,383	51,924	92,046	87,387	178,035
Logistics, sales and marketing expenses	-27,734	-22,728	-47,394	-42,943	-87,300
Administrative expenses	-9,120	-9,131	-16,324	-16,746	-34,650
Other operating income and expenses	74	125	331	337	350
Operating profit	20,603	20,190	28,659	28,035	56,435
Financial income and expenses	32	291	30	-1,236	-2,626
Share of profit in associates	0	0	0	0	2
Earnings before tax	20,635	20,481	28,689	26,799	53,811
Income taxes	-5,658	-5,940	-6,840	-6,878	-12,895
NET PROFIT FOR THE PERIOD	14,977	14,541	21,849	19,921	40,916
Other comprehensive income items that may be subsequently reclassified to profit and loss:					
Translation differences related to foreign subsidiaries	1,192	3,019	2,600	-7,606	-15,588
Income taxes related to these items	-19	-73	-44	141	263
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,150	17,487	24,405	12,456	25,591
Distribution of profit:					
- parent company shareholders	14,808	14,341	21,644	19,766	40,559
- non-controlling interests	169	200	205	155	357
Distribution of comprehensive income:					
- parent company shareholders	15,944	17,201	24,120	12,526	25,704
- non-controlling interests	206	286	285	-70	-113
Earnings per share calculated from the profit belonging to parent company shareholders, EUR					
- undiluted	0.72	0.69	1.05	0.95	1.96
- diluted	0.72	0.69	1.05	0.95	1.96



BALANCE SHEET			
EUR 1,000	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Non-current assets			
Tangible assets	210,983	209,347	204,156
Goodwill	25,801	25,761	25,172
Other intangible assets	10,015	10,313	9,925
Shares in associates	974	1,016	994
Other investments	880	836	851
Loans receivable and other non-current receivables	2,333	2,313	1,786
Deferred tax receivables	635	664	1,086
Total non-current assets	251,621	250,250	243,970
Current assets			
Inventories	50,591	46,337	42,278
Accounts receivable and other receivables	121,113	120,566	88,234
Income tax receivable	215	365	773
Liquid assets	70,017	25,119	45,096
Total current assets	241,936	192,387	176,381
TOTAL ASSETS	493,557	442,637	420,351
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity held by parent company shareholders			
Share capital	20,759	20,759	20,759
Other reserves	1,387	1,387	1,387
Treasury shares	-400	-503	-1,802
Translation differences	-56,366	-51,227	-58,842
Retained earnings	300,914	282,244	303,465
	266,294	252,660	264,967
Share belonging to non-controlling interests	3,079	3,210	3,165
Total shareholders' equity	269,373	255,870	268,132
Non-current liabilities			
Financial liabilities	2,321	2,655	2,303
Other liabilities	4,588	4,264	4,473
Deferred tax liabilities	11,102	7,759	11,107
Current liabilities			
Financial liabilities	1,293	755	1,333
Accounts payable and other liabilities	200,503	166,672	132,522
Income tax liability	4,377	4,662	481
Total liabilities	224,184	186,767	152,219
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	493,557	442,637	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						21,644	205	21,849
Other comprehensive income items:								
Translation differences					2,476		80	2,556
Total comprehensive income for the period					2,476	21,644	285	24,405
Transactions with shareholders:								
Payment of dividends						-22,771	-346	-23,117
Share-based incentives, value of work performed						296		296
Acquisition of treasury shares			-874					-874
Issue of treasury shares to employees			1,687			-1,614		73
Sales of treasury shares to employees			589					589
Adjustment to previous periods						-105	-26	-131
Total transactions with shareholders			1,402			-24,194	-372	-23,164
Changes in holdings in subsidiaries:								
Change in share belonging to non-controlling interests						-1	1	0
Total changes in holdings in subsidiaries						-1	1	0
Shareholders' equity 30 Jun 2021	20,759	1,092	-400	295	-56,366	300,914	3,079	269,373

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						19,766	155	19,921
Other comprehensive income items:								
Translation differences					-7,240		-225	-7,465
Total comprehensive income for the period					-7,240	19,766	-70	12,456
Transactions with shareholders:								
Payment of dividends						-20,710	-38	-20,748
Share-based incentives, value of work performed						293		293
Total transactions with shareholders						-20,417	-38	-20,455
Shareholders' equity 30 Jun 2020	20,759	1,092	-503	295	-51,227	282,244	3,210	255,870

Other reserves include the share premium account, legal reserve and other reserves.



CASH FLOW STATEMENT			
EUR 1,000			
	1-6 / 2021	1-6 / 2020	1-12 / 2020
Net profit for the period	21,849	19,921	40,916
Adjustments:			
Depreciation and impairment	13,058	12,410	24,972
Other adjustments	7,047	8,794	16,327
Change in net working capital:			
Change in accounts receivable and other receivables	-32,277	-53,110	-22,809
Change in inventories	-6,825	-4,204	-1,274
Change in accounts payable and other liabilities	55,330	38,572	17,339
Interest paid	-186	-261	-588
Interest received	108	24	260
Dividends received	2	2	4
Taxes paid	-1,997	-1,986	-9,351
Cash flow from operations (A)	56,109	20,162	65,796
Investments in tangible and intangible assets	-16,816	-17,906	-31,533
Capital gains on disposal of tangible and intangible assets	881	790	1,697
Acquisition of shares from non-controlling interests	0	0	-6
Acquired shares in subsidiaries, associates and joint ventures	-2,094	0	0
Expenditure on other investments	-30	0	-15
Dividends received	21	0	24
Cash flow from investments (B)	-18,038	-17,116	-29,833
Withdrawals of loans	0	15,475	15,497
Repayments of loans	-1,295	-16,194	-16,917
Acquisition of treasury shares	-874	0	-1,299
Sales of treasury shares to employees	589	0	0
Dividends paid	-11,734	-10,399	-20,754
Increase (-) / decrease (+) in current interest-bearing business receivables	0	2	26
Cash flow from financing (C)	-13,314	-11,116	-23,447
Increase (+)/decrease (-) in liquid assets (A+B+C)	24,757	-8,070	12,516
Liquid assets 1 January	45,096	33,832	33,832
Effect of exchange rate changes	164	-643	-1,252
Liquid assets 30 June/31 December	70,017	25,119	45,096



NOTES TO THE HALF-YEAR REPORT

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

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

1. SEGMENT INFORMATION

NET SALES BY SEGMENT 1–6/2021

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimi- nations	Group
INCOME							
External sales	92,070	34,790	17,181	27,370	45,861	0	217,272
Beverage sales	91,613	34,790	17,181	27,370	45,861	0	216,815
Equipment services	457	0	0	0	0	0	457
Internal sales	443	2,157	1,849	1,160	675	-6,284	0
Total net sales	92,513	36,947	19,030	28,530	46,536	-6,284	217,272

NET SALES BY SEGMENT 1–6/2020

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimi- nations	Group
INCOME							
External sales	86,174	32,211	17,819	25,659	43,716	0	205,579
Beverage sales	85,675	32,211	17,819	25,659	43,716	0	205,080
Equipment services	499	0	0	0	0	0	499
Internal sales	504	3,185	1,142	1,384	98	-6,313	0
Total net sales	86,678	35,396	18,961	27,043	43,814	-6,313	205,579

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	1–6 / 2021	1–6 / 2020	1–12 / 2020
Managing Director	758	370	550
Chairman of the Board	36	37	74
Other members of the Board	86	90	172
Total	880	497	796



3. SHARES AND SHARE CAPITAL

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

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

Olvi plc's shares will receive 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 dividend will be 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 will be 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 sold a total of 12,295 treasury shares to the target group members by the end of June for a price of 589,299.35 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 295.5 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 11,549 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 1 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 a price of 551,456.38 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 438,006.77 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 *)	1–6 / 2021	1–6 / 2020	1–12 / 2020
- average	20,700,288	20,710,683	20,708,331
- at end of period	20,712,828	20,710,683	20,683,672

*) Treasury shares deducted.

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

	1–6 / 2021	1–6 / 2020	1–12 / 2020
Trading volume of Olvi A shares	1,146,330	904,556	1,474,892
Total trading volume, EUR 1,000	54,729	35,390	60,470
Traded shares in proportion to all Series A shares, %	6.7	5.3	8.7
Average share price, EUR	47.77	39.15	41.03
Price on the closing date, EUR	50.70	42.20	48.50
Highest quote, EUR	55.50	43.00	50.00
Lowest quote, EUR	43.10	30.25	30.25



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

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16,237,449	78.36	87,150,313	95.11	16,462	99.53
Foreign total	64,248	0.31	64,248	0.07	66	0.40
Nominee-registered (foreign) total	324,925	1.57	324,925	0.35	6	0.04
Nominee-registered (Finnish) total	4,095,610	19.76	4,095,610	4.47	5	0.03
Total	20,722,232	100.00	91,635,096	100.00	16,539	100.00

9. LARGEST SHAREHOLDERS ON 30 June 2021

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2,363,904	890,613	3,254,517	15.71	48,168,693	52.57
2. The Estate of Hortling Heikki *)	903,488	103,280	1,006,768	4.86	18,173,040	19.83
3. Hortling Timo Einari	212,600	49,152	261,752	1.26	4,301,152	4.69
4. Hortling-Rinne Marit	149,064	14,699	163,763	0.79	2,995,979	3.27
5. OP Custody Ltd, nominee register		2,000,187	2,000,187	9.65	2,000,187	2.18
6. Skandinaviska Enskilda Banken Ab (publ) Helsinki branch, nominee register		1,044,347	1,044,347	5.04	1,044,347	1.14
7. Nordea Bank Abp, nominee register		1,015,387	1,015,387	4.90	1,015,387	1.11
8. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
9. Ilmarinen Mutual Pension Insurance Company		699,213	699,213	3.37	699,213	0.76
10. Hortling Pia Johanna	23,388	25,366	48,754	0.24	493,126	0.54
Others	79,812	10,319,657	10,399,469	50.18	11,915,897	13.01
Total	3,732,256	16,989,976	20,722,232	100.00	91,635,096	100.00

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

During January-June 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	1-6 / 2021	1-6 / 2020	1-12 / 2020
Opening balance	204,156	208,701	208,701
Additions	18,260	18,660	31,923
Deductions and transfers	-1,348	-1,074	-2,294
Depreciation	-11,862	-11,268	-22,625
Exchange rate differences	1,777	-5,672	-11,549
Total	210,983	209,347	204,156



11. CONTINGENT LIABILITIES

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Pledges and contingent liabilities			
For own commitments	1,938	1,938	1,938
Leasing and rental liabilities:			
Due within one year	805	775	788
Due within 1 to 5 years	637	326	398
Leasing and rental liabilities total	1,442	1,101	1,186
Other liabilities	60	60	60

12. BUSINESS COMBINATIONS

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 is recognised as preliminary in the half-year report.

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



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, % = $100 * (\text{Shareholders' equity held by parent company shareholders} + \text{non-controlling interests}) / (\text{Balance sheet total})$.

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