



## Olvi Group's financial statements January–December 2023 - profitability improved

Net sales and profitability improved year-on-year as a result of strong sales volume growth in the first half of the year, implemented price increases and an extensive, constantly evolving product range that meets local needs.

### October–December 2023

- Sales volume decreased by 3.3% because of portfolio changes, campaign structures and pricing.
- Net sales were EUR 134.7 (136.1) million, with a decrease of 1.1%, which was smaller than the decrease in sales volume.
- Profitability improved significantly: the adjusted operating result increased by 353.2% to EUR 7.8 (1.7) million from the previous year. Profitability in the comparison period was affected by strong cost inflation.
- The balance sheet has remained strong, enabling business development and investments.

### January–December 2023

- Sales volume increased by 2.1% because of strong demand in the domestic market in the first half of the year.
- Net sales increased by 8.0% and were EUR 630.6 (583.7) million.
- The operating result was EUR 54.9 (22.4) million. In both 2023 and 2022, the operating result includes items affecting comparability related to Belarus.
- The adjusted operating result was EUR 67.1 (59.8) million. Profitability was burdened by cost inflation but improved through price increases and operational efficiency.
- Earnings per share were EUR 1.85 (0.39).
- The Board of Directors proposes a dividend of EUR 1.20 (1.20) per share.

### Near-term outlook for 2024

Olvi Group's adjusted operating result for the 2024 financial year is expected to be EUR 71–80 million.

### The Group's key figures

|   | 10–12/<br>2023 | 10–12/<br>2022 | Change, %<br>/pp | 1–12/<br>2023 | 1–12/<br>2022 | Change, %<br>/pp |
|---|----------------|----------------|------------------|---------------|---------------|------------------|
| Sales volume, Mltr  | 202.6          | 209.7          | -3.3             | 975.8         | 956.1         | 2.1              |
| Net sales, MEUR   | 134.7          | 136.1          | -1.1             | 630.6         | 583.7         | 8.0              |
| Gross profit, MEUR  | 50.6           | 45.9           | 10.2             | 235.6         | 219.9         | 7.2              |
| % of net sales  | 37.6           | 33.8           |                  | 37.4          | 37.7          |                  |
| Adjusted operating result, MEUR                                 | 7.8            | 1.7            | 353.2            | 67.1          | 59.8          | 12.3             |
| % of net sales  | 5.8            | 1.3            |                  | 10.6          | 10.2          |                  |
| Items affecting the comparability of the operating result, MEUR | 0.0            | -37.4          |                  | -12.2         | -37.4         |                  |
| Operating result, MEUR  | 7.8            | -35.7          | 121.9            | 54.9          | 22.4          | 145.6            |
| % of net sales  | 5.8            | -26.2          |                  | 8.7           | 3.8           |                  |
| Adjusted profit for the period, MEUR                            | 6.5            | -1.1           | 666.6            | 50.7          | 44.9          | 12.7             |
| % of net sales  | 4.8            | -0.8           |                  | 8.0           | 7.7           |                  |
| Profit for the period, MEUR                                     | 6.5            | -38.5          | 116.8            | 38.5          | 7.5           | 411.2            |
| % of net sales  | 4.8            | -28.3          |                  | 6.1           | 1.3           |                  |
| Earnings per share, EUR   | 0.31           | -1.81          | 116.9            | 1.85          | 0.39          | 379.7            |
| Investments, MEUR   | 7.6            | 10.1           | -24.2            | 24.9          | 37.1          | -32.7            |
| Equity per share, EUR   |                |                |                  | 13.95         | 13.49         | 3.4              |
| Equity ratio, %   |                |                |                  | 59.0          | 57.5          | 1.5              |
| Gearing, %  |                |                |                  | -8.5          | -20.3         | -11.8            |

Olvi presents the adjusted operating result (EBIT) and the adjusted profit for the period as alternative performance measures to improve comparability between reporting periods. In January–December 2023, the items affecting comparability not included in the adjusted operating result and the profit for the period totalled EUR 12.2 million and were related to the fine imposed on the Belarusian subsidiary. In the previous year, the adjustment items totalled EUR 37.4 million.



## **Business development**

### **CEO Patrik Lundell:**

#### **October–December 2023**

Consumer demand for Olvi Group's products and the market shares of Olvi Group's products remained strong thanks to the extensive product portfolio. Our sales volume decreased by 3.3%, which was less than the average decline in the market. The decrease in sales volume was affected by changes in our product portfolio and by export sales, which were lower than in the comparison period. In addition, purchasing power decreased slightly in the retail trade. However, our sales volume grew in the hotel, restaurant and catering channel (HoReCa) and in cross-border trade. In terms of product groups, we were able to increase sales in the water, soft drink, kvass and energy drink categories.

Our net sales decreased by 1.1%. The weaker exchange rate had a significant impact on euro-denominated net sales in Belarus. In Finland, however, our net sales increased as a result of the price increases implemented.

A significant increase in costs burdened our profitability considerably in 2022. The price increases that took effect during 2023 and especially in Finland in the fourth quarter were reflected in improved profitability. As a result of this, our relative gross profit improved significantly year-on-year. Our adjusted operating result increased by 353.2% and was EUR 7.8 million.

During the first half of the year, we updated our Group strategy in close cooperation with the Group companies. Our updated strategy aims at profitable growth and a sustainable increase in shareholder value. Our strategy relies on the competitive advantages arising from our strong multi-local market position and our extensive, constantly evolving product range that meets local needs. We introduced our strategy and long-term targets during our Capital Markets Day on 4 December 2023. The materials are available at [www.olvigroup.fi/en/investors](http://www.olvigroup.fi/en/investors).

#### **January–December 2023**

Our full-year sales volume grew by 2.1% and net sales by 8.0%. Our sales volume grew at a good pace during the first half of the year, but the unfavourable weather in the summer season and the rapid rise in consumer prices were reflected in the development of the entire beverage market during the second half of the year. Our market shares have remained strong in mild alcoholic beverages and developed favourably in non-alcoholic products. During the year, the growth in our net sales was supported by price increases implemented to offset the impact of cost increases and by the development of sales volume during the first half of the year.

Our adjusted operating result increased by 12.3% year-on-year and was EUR 67.1 million. Our performance improved as a result of price increases, particularly in the second and fourth quarters. During 2023, the cost of sales increased by 8.6%, and logistics, sales and marketing expenses grew by 4.6%. Administrative expenses were lower than in the previous year. Our production costs remained at a high level in 2023, and no significant decrease in costs is expected in the near future. Therefore, we will continue our profitability improvement measures in line with our strategy.

I would like to express my thanks to the Group's personnel, and I would also like to thank our customers, partners and shareholders for their trust. We are well positioned to move forward together.

#### **Segment-specific business development: October–December 2023**

##### ***Price increases improved profitability in Finland***

The net sales of Finnish business operations increased by 6.9%, while their sales volume fell by 2.3%. Despite the decrease in sales volume, market shares remained at the previous year's level. The sales volume decreased in retail and cross-border trade, while HoReCa sales remained at the previous year's level. In terms of product categories, the sales of water and other non-alcoholic products increased, while the sales of beer decreased. In our Finnish operations, the operating result was EUR 2.1 million, with an increase of 872.9% year-on-year. The operating result increased significantly as profitability was improved through price increases, among other



measures. However, profitability is not at the same level as it was before the cost crisis, so measures to improve profitability will continue during 2024.

### ***The operating result in the Baltic Sea region improved significantly year-on-year***

Because of a decrease in exports and intra-Group sales, sales volume and net sales in the Baltic Sea region decreased by 8.6% and 3.5% respectively. However, HoReCa sales increased. In product categories, the best sales development was recorded for water. The operating result increased by 194.6% to EUR 2.0 million. Profitability improved significantly as a result of price increases implemented during the year in response to increases in costs, and as a result of a decrease in energy costs. It should be noted that in the comparison period, the operating result was burdened by an exceptionally rapid and significant increase in production costs. Business costs continue to be at a high level, and many cost items are expected to increase during 2024. Cost increases will be offset by improved production efficiency and targeted price increases.

### ***The Belarusian exchange rate continued to weaken***

Net sales in the Belarusian segment decreased by 20.9% and sales volume by 2.1%. The sales volume decreased because sales campaigns were smaller than in the comparison period. Total demand in the market continued to grow in all product categories. The weaker exchange rate had a significant impact on euro-denominated net sales, as net sales in the local currency increased by 6.7%. The reported operating result increased by 132.1% and was EUR 3.9 million. Excluding additional depreciation\* related to period when classified as discontinued operations/assets held for sale in the comparison period, the operating result for the fourth quarter of 2022 would have been EUR 5.0 million. Compared with this, the operating result decreased by 22.0%. This is in line with the fact that the exchange rate has decreased by 35% from the comparison period. Net sales in the local currency increased by 219.7%. When additional depreciation in the comparison information is taken into account, the operating result grew by 5.1%.

\* Explained under "Business development".

## **Investments**

Olvi Group's expansion and replacement investments were EUR 24.9 (37.1) million in January–December. Investments decreased because of changes in the schedules of investment projects. Of the investments, EUR 10.0 million were related to Finland and EUR 12.9 million to subsidiaries in the Baltic Sea region. Only replacement investments necessary for the continuity of production have been made in Belarus through the subsidiary's income financing, totalling EUR 2.0 million.

During 2023, Olvi focused on environmental friendliness and the cost-effectiveness and capacity of operations in its investments. For example, the new carbon dioxide recovery and purification equipment at the Iisalmi plant and the new brew house in Lithuania were introduced during the year. Production capacity was improved in Denmark with a new filling line investment. In addition, investments were made in the production and warehouse capacity required for business growth and in improving operational efficiency.

Olvi announced significant investments in Finland in December. These investments will increase and renew brew house and warehouse capacity. The investments will be carried out over the next three years and are estimated to cost around EUR 45 million.

## **Sustainability**

### ***Environmental sustainability***

Towards the end of the year, Olvi submitted its science-based climate targets for approval to the Science Based Targets initiative. In 2024, a more precise plan will be made to achieve the science-based climate targets in the value chain. To achieve carbon neutrality in Olvi Group's own operations by 2030, a framework plan has been prepared, and the plan will be further specified in terms of the technologies and schedule. The first big step in this work was achieved when Olvi plc's Iisalmi brewery achieved carbon neutrality in its own operations as the first Olvi Group brewery to do so. Carbon neutrality is mainly based on bioenergy and green electricity. A small portion of the bioenergy plant's emissions have been offset through certified projects. Achieving the Group's



carbon neutrality targets requires investments in renewable energy solutions, the reduction of emissions from purchased materials and the development of logistics in cooperation with other operators in the value chain.

### *Social sustainability*

Towards the end of the year, the human rights impact assessment and human rights risk identification process was updated in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs), covering impacts related to safety at work, well-being, good working conditions and equality. The subsidiary Volfas Engelman carried out a pilot project to identify the biggest impacts and development opportunities in its own operations and the value chain. No serious human rights risks were identified. The implementation of the updated process will continue in other Group companies in 2024.

### *Good governance*

Olvi Group is preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD). Its policies and Code of Conduct have been updated in view of the requirements of the future directive. Some of the policies were published in the sustainability section of the company's website.

## **Seasonal nature of operations**

The nature of the Group's business operations involves seasonal fluctuation. The net sales and operating result 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 2.1% in January–December, totalling 975.8 (956.1) million litres. Most of the growth was achieved during the first half of the year, and sales volumes decreased in all reporting segments in the fourth quarter.

| <b>Sales volume, Mltr</b> | <b>10–12/<br/>2023</b> | <b>10–12/<br/>2022</b> | <b>Change,<br/>%</b> | <b>1–12/<br/>2023</b> | <b>1–12/<br/>2022</b> | <b>Change,<br/>%</b> |
|---------------------------|------------------------|------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Finland                   | 60.3                   | 61.8                   | -2.3                 | 268.2                 | 262.5                 | 2.2                  |
| Baltic Sea region         | 88.8                   | 97.2                   | -8.6                 | 431.5                 | 450.2                 | -4.1                 |
| Belarus                   | 60.3                   | 61.6                   | -2.1                 | 321.2                 | 295.6                 | 8.7                  |
| Eliminations              | -6.8                   | -10.9                  |                      | -45.1                 | -52.2                 |                      |
| <b>Total</b>              | <b>202.6</b>           | <b>209.7</b>           | <b>-3.3</b>          | <b>975.8</b>          | <b>956.1</b>          | <b>2.1</b>           |

The Group's net sales in January–December increased by 8.0% and were EUR 630.6 (583.7) million. In addition to the higher sales volume, the increase in net sales was affected by increases in sales prices. In the fourth quarter, price increases continued in the Finnish segment, which resulted in an increase in net sales.

| <b>Net sales, MEUR</b> | <b>10–12/<br/>2023</b> | <b>10–12/<br/>2022</b> | <b>Change,<br/>%</b> | <b>1–12/<br/>2023</b> | <b>1–12/<br/>2022</b> | <b>Change,<br/>%</b> |
|------------------------|------------------------|------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Finland                | 53.3                   | 49.9                   | 6.9                  | 229.3                 | 206.7                 | 10.9                 |
| Baltic Sea region      | 59.8                   | 61.9                   | -3.5                 | 296.6                 | 269.8                 | 9.9                  |
| Belarus                | 25.9                   | 32.8                   | -20.9                | 135.3                 | 138.8                 | -2.5                 |
| Eliminations           | -4.3                   | -8.5                   |                      | -30.6                 | -31.6                 |                      |
| <b>Total</b>           | <b>134.7</b>           | <b>136.1</b>           | <b>-1.1</b>          | <b>630.6</b>          | <b>583.7</b>          | <b>8.0</b>           |

## **Financial performance**

The Group's adjusted operating result in October–December was EUR 7.8 (1.7) million, or 5.8% (1.3%) of net sales. The adjusted operating result increased by 12.3% in January–December and was EUR 67.1 million. The operating result in January–December was EUR 54.9 million, up 145.6% from the previous year. A fine of EUR 12.2 million paid in Belarus decreased the operating result for January–December.

The operating result of the Belarusian segment for the fourth quarter of 2022 is not comparable to the operating result for the reporting period. In the last quarter of 2022, depreciation for the Belarusian segment was recognised



in the operating result for the period when the segment was classified as discontinued operations/assets held for sale. The amount of this depreciation in the operating result is EUR 3.3 million. Without the depreciation, the operating result for the 2022 comparison period is EUR 5.0 million.

| Adjusted operating result, MEUR | 10-12/<br>2023 | 10-12/<br>2022 | Change,<br>% | 1-12/<br>2023 | 1-12/<br>2022 | Change,<br>% |
|---------------------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| Finland                         | 2.1            | 0.5            | 294.4        | 17.5          | 18.8          | -6.7         |
| Baltic Sea region               | 2.0            | -0.1           | 3,799.3      | 22.0          | 17.4          | 26.3         |
| Belarus*                        | 3.9            | 1.7            | 132.1        | 28.9          | 25.1          | 14.8         |
| Eliminations                    | -0.2           | -0.4           |              | -1.3          | -1.5          |              |
| <b>Total</b>                    | <b>7.8</b>     | <b>1.7</b>     | <b>353.2</b> | <b>67.1</b>   | <b>59.8</b>   | <b>12.3</b>  |

| Operating result, MEUR | 10-12/<br>2023 | 10-12/<br>2022 | Change,<br>% | 1-12/<br>2023 | 1-12/<br>2022 | Change,<br>% |
|------------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| Finland                | 2.1            | 0.2            | 872.9        | 17.5          | 18.4          | -5.1         |
| Baltic Sea region      | 2.0            | -2.1           | 194.6        | 22.0          | 15.3          | 43.4         |
| Belarus*               | 3.9            | 1.7            | 132.1        | 16.7          | 25.1          | -33.6        |
| Eliminations           | -0.2           | -35.4          |              | -1.3          | -36.5         |              |
| <b>Total</b>           | <b>7.8</b>     | <b>-35.7</b>   | <b>121.9</b> | <b>54.9</b>   | <b>22.4</b>   | <b>145.6</b> |

\* The Belarusian segment does not include depreciation during 2023 because of an impairment of non-current assets in the 2022 financial statements.

The Group's profit after taxes in 2023 was EUR 38.5 (7.5) million.

Earnings per share calculated from the profit attributable to the owners of the parent company were EUR 1.85 (0.39) in 2023 and EUR 0.31 (-1.81) in the fourth quarter.

## Financial position and the balance sheet

Olvi Group's balance sheet total was EUR 490.0 (489.7) million. Equity per share was EUR 13.95 (13.49). The equity ratio was 59.0% (57.5%), and gearing was -8.5% (-20.3%). The Group's liquidity indicator, the current ratio, remained at the same good level as before, at 1.3 (1.3). Interest-bearing liabilities amounted to EUR 7.0 (4.1) million at the end of December. Of the interest-bearing liabilities, short-term liabilities accounted for EUR 2.9 (2.2) million.

Olvi Group's balance sheet and financial position are strong. The company has no net debt. The company's ability to invest has remained good.

Cash and cash equivalents totalled EUR 31.5 million at the end of the December, with a decrease of EUR 29.7 million year-on-year. Cash flow from operations was EUR 28.0 (67.2) million. Working capital was reduced by the parent company's decision to replace the factoring of accounts receivable with other forms of short-term financing at the beginning of 2023, as well as by higher stock levels and a fine of EUR 12.2 million paid by Lidskoe Pivo. Cash flow from investing activities was EUR -27.7 (-36.9) million, and cash flow from financing activities was EUR -27.5 (-26.2) million.

## Personnel

Olvi Group's average number of personnel was 2,376 (2,335) in January–December. The Group's average number of personnel increased by 1.8%.

Olvi Group's average number of personnel by segment:

|                   | 10-12/<br>2023 | 10-12/<br>2022 | Change,<br>% | 1-12/<br>2023 | 1-12/<br>2022 | Change,<br>% |
|-------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| Finland           | 419            | 418            | 0.2          | 449           | 442           | 1.6          |
| Baltic Sea region | 1,036          | 1,044          | -0.8         | 1,066         | 1,049         | 1.6          |
| Belarus           | 862            | 829            | 4.0          | 861           | 844           | 2.0          |
| <b>Total</b>      | <b>2,317</b>   | <b>2,291</b>   | <b>1.1</b>   | <b>2,376</b>  | <b>2,335</b>  | <b>1.8</b>   |



## Board of Directors and management

Since the Annual General Meeting, Nora Hortling has served as Chair and Lasse Heinonen as Vice Chair of the Board. Juho Nummela, Päivi Paltola and Christian Ståhlberg have served as members of the Board. The members of the Audit Committee are Lasse Heinonen, Nora Hortling and Juho Nummela. The Personnel and Sustainability Committee consists of Nora Hortling, Päivi Paltola and Christian Ståhlberg.

Patrik Lundell has served as the CEO of Olvi plc since 1 January 2023. During the year, the managing director of the Danish subsidiary changed on 27 February 2023. The new managing director is Jette Andersen. Tomi Vuorinen started as Olvi plc's Production Director and a member of the Management Team, with Lauri Multanen becoming the Group Production Director.

## Other events during the review period

### Annual General Meeting

Olvi plc's Annual General Meeting (AGM) on 29 March 2023 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 2022. In accordance with the Board's proposal, the AGM decided to pay a dividend of EUR 1.20 (1.20) for Series A and Series K shares for the 2022 financial year. The dividend was paid in two instalments: on 20 April 2023 and 5 September 2023.

The AGM's decisions were published in a stock exchange release on 29 March 2023.

### Changes in the Group structure

On 22 June 2023, Olvi plc redeemed the remaining 20.0% of Servaali Oy's share capital. The redemption liability was recognised on the Group's balance sheet in connection with the acquisition in 2018. No other changes took place in Olvi's subsidiary holdings during 2023.

### Olvi's subsidiary holdings:

|  | 31 Dec<br>2023 | 31 Dec<br>2022 | 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                     | 100.00         | 80.00          | 20.00      |
| The Helsinki Distilling Company, Finland | 100.00         | 100.00         | -          |
| A/S Bryggeriet Vestfyen, Denmark         | 100.00         | 100.00         | -          |

Olvi owns 50% of Arctic Silence Oy, which did not engage in any operating activities during 2023. In addition, Olvi plc's subsidiaries have holdings in companies. The Helsinki Distilling Company owns 100.0% of Helsingin tislamoaravintola Oy. A. Le Coq has a 49.0% holding in AS Karne and a 20.0% holding in Verska Mineraalvee OÜ in Estonia. A/S Cēsu Alus owns 100% of the share capital of SIA Piebalgas Alus. AB Volfas Engelman has a 100% holding in UAB Uniq 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.

### Share-based payments

The purpose of long-term remuneration is to implement Olvi's strategy and achieve Olvi's targets, increase shareholder value, improve competitiveness, support profitable growth and relative profitability, and engage the company's operational management and key people. The minimum performance period in share-based incentive plans is two years. Performance is assessed against the criteria at the end of the performance period, and any rewards to be paid depend on the level of success in achieving the set targets.

The incentive plans and the related acquisition of the company's own shares are explained in more detail in items 4 and 5 of Table 5 in the table section of the financial statements bulletin.



## **Business risks and their management**

### **Geopolitical situation**

The geopolitical situation has affected Olvi's operating environment. The war in Ukraine has significantly increased business risks. The coronavirus pandemic caused problems in the availability of raw materials and packaging materials, and the war in Ukraine has further complicated the procurement of materials. The increase in the prices of packaging materials, which started during the coronavirus pandemic, has continued in 2023. The prices of raw materials, especially barley malt, sugar and carbon dioxide, are at a historically high level. Uncertainty in prices and availability has continued in the market because of the war and weather events caused by climate change. The considerable fluctuations in energy prices continue. Logistics costs remain at a high level because of rising fuel prices. Olvi responds to the increase in costs by improving operational productivity and assessing the adequacy of sales prices to maintain profitability.

Armed attacks in the Red Sea have affected freight routes from Asia to Europe. Because of longer freight routes and the unrest in the Red Sea, freight prices and the sufficiency of containers and cargo ships, as well as longer delivery times, can raise the prices of materials and freight and cause availability challenges in the coming months.

### **Consumer behaviour**

Consumer prices have risen rapidly, especially in Europe. General cost inflation continues to reduce consumers' purchasing power and affect consumer behaviour. This change can already be seen as a shift in consumption towards cheaper product options. In addition, overall consumption can decrease, and the premiumisation trend may stop. Olvi Group is responding to the change by developing its product portfolio in line with consumer demand and by maintaining and strengthening market shares.

### **Operating environment in Belarus**

Considerable uncertainty is related to the Belarusian business operations in terms of the weakening of the exchange rate, the unpredictability of the operating environment and local legislation, trade sanctions and the functioning of financial transactions with Western countries. Olvi's subsidiary Lidskoe Pivo was inspected in a special audit carried out by the State Control Committee of the Republic of Belarus. The audit resulted in a significant fine, which considerably reduced local cash assets in the second quarter. Olvi's Belarusian subsidiary operates by means of its own cash flow financing. Cash and cash equivalents stood at EUR 7.1 million at the end of the review period. Despite the amendments made to the legislation preventing the sale of foreign-owned companies in Belarus, the prohibition to sell shares in Olvi's subsidiary remains in force, and Olvi does not currently have permission to sell shares.

### **Other current risks**

As political strikes continue in Finland, Olvi may suffer significant economic losses. These financial risks are related to the functionality of production and the supply chain in particular, as well as to customers' ability to operate.

Cybersecurity threats have increased because of the escalation of the global geopolitical situation, among other reasons. Olvi Group has prepared for the increasing information security threats in many ways. Personnel are provided with training, information about threats is provided regularly, and cybersecurity guidelines are reviewed during induction training. Olvi's information systems are protected through regular updates, backups, firewalls, anti-malware software, content filters and threat detection programs. The observations made by these cybersecurity programs are managed by means of a 24/7/365 SOC information security service. In terms of information security, we will focus on aspects such as updating the recovery plan, renewing the backup solution and firewalls, and improving end-user training in 2024.

Our operations involve several risks related to sustainability. The identification and assessment of, and preparation for, these risks have become a significant part of risk management. We have identified these as part of strategic, business, financial and compliance risks. Sustainability risks are identified in connection with several different risk assessments, such as human rights and climate change assessments.



## **Preparedness**

Olvi Group has prepared several scenarios related to the development of the business environment and is prepared to respond to changing situations. The company is prepared for production disruptions and has drawn up continuity plans related to the availability of labour, raw materials and energy, for example. The company has made investments to secure energy supply and has also made efforts to ensure the availability of raw materials and packaging materials. Particular attention has been paid to the adequacy of risk management plans in accordance with risk assessments and the introduction of new risk assessment methods in terms of information and sustainability risks, for example. The separation of the Belarusian operations from the Group has been carried out with determination, and the company has prepared for the uncertainties mentioned above based on various scenarios.

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**

Olvi plc issued a positive profit warning on 29 January 2024. The company estimates that its adjusted operating result in 2023 will increase by around 12% year-on-year.

Beginning in 2024, the management team structure will be streamlined by separating the company's domestic management team responsibilities from the Group management team responsibilities. In line with this, a Group Management Team was established and appointed on 1 January 2024 to strengthen the implementation of the Group-level strategy. Local companies will continue to be responsible for local customer relationships, commercial operations, product development and consumer insight. The following people with the following areas of responsibility have been appointed to the Group Management Team:

Patrik Lundell, Group Chief Executive Officer

Tiina-Liisa Liukkonen, Group Chief Finance and Information Officer

Marjatta Rissanen, Group Chief Human Resources and Communications Officer

Pia Hortling, Group Chief Sustainability and Sourcing Officer

Peep Akkel, Group Business Development Director

Esa Hyttinen, Group General Counsel (from 29 February 2024)

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

## **Board of Directors' proposal for the distribution of profit**

The parent company, Olvi plc, had EUR 146.7 (131.0) million in distributable funds on 31 December 2023, of which the profit for the period was EUR 41.1 (41.7) 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 2023 on each Series K and Series A share, totalling EUR 24.8 (22.8) million. This dividend is 64.9% (311.4%) of Olvi Group's earnings per share and 49.2% (54.7%) of its adjusted earnings per share. The dividend will be paid in two instalments. The first instalment (EUR 0.60 per share) will be paid on 18 April 2024 to shareholders registered in the list of shareholders maintained by Euroclear Finland on the record date (28 March 2024). The second instalment (EUR 0.60 per share) will be paid on 3 September 2024 to shareholders registered in the list of shareholders maintained by Euroclear Finland on the record date (27 August 2024).

No dividend will be paid on treasury shares.

2) EUR 121.9 million will be retained in the parent company's non-restricted equity.





## FINANCIAL REPORTS IN 2024

Olvi Group's annual report and notice of the Annual General Meeting will be published on 29 February 2024. 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 2023. The annual report also includes the sustainability report, the Corporate Governance Statement and the remuneration report for the 2023 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 2024:

January–March on 18 April 2024,  
January–June on 13 August 2024 and  
January–September on 16 October 2024

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/q4-2023> from 1 pm onwards on the date of publication of this financial statements bulletin. The press conference will be held in English.

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

More information:

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**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

EUR 1,000

|  | 10–12/2023     | 10–12/2022     | 1–12/2023        | 1–12/2022        |
|--|----------------|----------------|------------------|------------------|
| <b>Gross sales</b>   | <b>290,542</b> | <b>299,945</b> | <b>1,326,568</b> | <b>1,253,782</b> |
| Excise taxes and other adjustments   | -155,882       | -163,823       | -695,963         | -670,079         |
| <b>Net sales</b>   | <b>134,660</b> | <b>136,122</b> | <b>630,605</b>   | <b>583,703</b>   |
| Cost of sales  | -84,012        | -90,180        | -394,977         | -363,816         |
| <b>Gross profit</b>  | <b>50,648</b>  | <b>45,942</b>  | <b>235,628</b>   | <b>219,887</b>   |
| Logistics, sales and marketing expenses  | -30,907        | -32,239        | -126,605         | -120,997         |
| Administrative expenses  | -11,456        | -14,605        | -41,472          | -42,415          |
| Other operating income and expenses  | -467           | -34,779        | -12,633          | -34,111          |
| <b>Operating result</b>  | <b>7,818</b>   | <b>-35,681</b> | <b>54,918</b>    | <b>22,364</b>    |
| Financial income   | 475            | 1,206          | 990              | 1,593            |
| Financial expenses   | -453           | -3,979         | -1,682           | -5,628           |
| Share of the profit of associated companies and joint ventures                                     | 45             | 45             | 45               | 45               |
| <b>Profit before tax</b>   | <b>7,885</b>   | <b>-38,409</b> | <b>54,271</b>    | <b>18,374</b>    |
| Income taxes*  | -1,410         | -140           | -15,798          | -10,848          |
| <b>PROFIT FOR THE PERIOD</b>   | <b>6,475</b>   | <b>-38,549</b> | <b>38,473</b>    | <b>7,526</b>     |
| Other items of comprehensive income that may be later reclassified to profit or loss:              |                |                |                  |                  |
| Translation differences related to foreign subsidiaries  | -427           | -13,099        | -5,003           | 1,638            |
| Income taxes related to items  | 0              | 154            | 0                | 0                |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>6,048</b>   | <b>-51,494</b> | <b>33,470</b>    | <b>9,164</b>     |
| Distribution of the profit for the period:   |                |                |                  |                  |
| - Owners of the parent company   | 6,327          | -37,386        | 38,251           | 7,977            |
| - Non-controlling interest   | 148            | -1,163         | 222              | -451             |
| Distribution of comprehensive income for the period:   |                |                |                  |                  |
| - Owners of the parent company   | 5,716          | -49,811        | 33,430           | 9,674            |
| - Non-controlling interest   | 332            | -1,683         | 40               | -510             |
| <b>Earnings per share calculated from profit attributable to owners of the parent company, EUR</b> |                |                |                  |                  |
| - Undiluted  | 0.31           | -1.81          | 1.85             | 0.39             |
| - Diluted  | 0.31           | -1.81          | 1.85             | 0.39             |

\* 1–12/2023: income taxes include EUR 3.3 million in taxes from previous financial periods related to the Belarusian segment.



| <b>BALANCE SHEET</b>                                       |                |                |
|--|----------------|----------------|
| EUR 1,000  | 31 Dec 2023    | 31 Dec 2022    |
| <b>ASSETS</b>  |                |                |
| <b>Non-current assets</b>                                  |                |                |
| Intangible assets  | 10,518         | 10,972         |
| Goodwill   | 22,204         | 22,204         |
| Tangible assets  | 213,182        | 208,165        |
| Holdings in associated companies and joint ventures        | 1,032          | 1,025          |
| Other investments  | 1,042          | 1,046          |
| Loans receivable and other long-term receivables           | 5,544          | 1,377          |
| Deferred tax assets  | 4,370          | 2,569          |
| <b>Total non-current assets</b>                            | <b>257,892</b> | <b>247,358</b> |
| <b>Current assets</b>                                      |                |                |
| Inventories  | 74,190         | 70,891         |
| Accounts receivable and other receivables                  | 125,815        | 109,712        |
| Income tax receivables                                     | 645            | 506            |
| Cash and cash equivalents                                  | 31,458         | 61,207         |
| <b>Total current assets</b>                                | <b>232,108</b> | <b>242,316</b> |
| <b>TOTAL ASSETS</b>  | <b>490,000</b> | <b>489,674</b> |
| <b>EQUITY AND LIABILITIES</b>                              |                |                |
| <b>Equity attributable to owners of the parent company</b> |                |                |
| Share capital  | 20,759         | 20,759         |
| Other reserves   | 1,092          | 1,092          |
| Fair value reserve   | 295            | 295            |
| Treasury shares  | -881           | -1,079         |
| Translation differences                                    | -56,768        | -52,030        |
| Retained earnings  | 324,120        | 310,194        |
|  | 288,617        | 279,231        |
| Non-controlling interest                                   | 721            | 2,514          |
| <b>Total equity</b>  | <b>289,338</b> | <b>281,745</b> |
| <b>Non-current liabilities</b>                             |                |                |
| Financial liabilities                                      | 4,098          | 1,983          |
| Other liabilities  | 782            | 3,667          |
| Deferred tax liabilities                                   | 14,100         | 13,466         |
| <b>Current liabilities</b>                                 |                |                |
| Financial liabilities                                      | 2,908          | 2,164          |
| Accounts payable and other payables                        | 178,751        | 186,362        |
| Income tax liability                                       | 23             | 287            |
| <b>Total liabilities</b>                                   | <b>200,662</b> | <b>207,929</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>490,000</b> | <b>489,674</b> |


**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          |
|---|---------------|----------------|--------------------|-----------------------------|-------------------------|----------------|--|----------------|
| <b>Equity 1 Jan 2023</b>                            | <b>20,759</b> | <b>1,092</b>   | <b>295</b>         | <b>-1,079</b>               | <b>-52,030</b>          | <b>310,194</b> | <b>2,514</b>                             | <b>281,745</b> |
| Comprehensive income:                               |               |                |                    |                             |                         |                |  |                |
| Profit for the period                               |               |                |                    |                             |                         | 38,251         | 222                                      | 38,473         |
| Other items of comprehensive income:                |               |                |                    |                             |                         |                |  |                |
| Translation differences                             |               |                |                    |                             | -4,821                  |                | -182                                     | -5,003         |
| Total comprehensive income for the period           |               |                |                    |                             | -4,821                  | 38,251         | 40                                       | 33,470         |
| Business transactions with shareholders:            |               |                |                    |                             |                         |                |  |                |
| Dividend payment                                    |               |                |                    |                             |                         | -24,817        | -557                                     | -25,374        |
| Share-based incentives, value of work performance   |               |                |                    |                             |                         | 619            |  | 619            |
| Acquisition of treasury shares                      |               |                |                    | -604                        |                         |                |  | -604           |
| Issue of treasury shares to personnel               |               |                |                    | 802                         |                         | -1,374         |  | -572           |
| Adjustment for previous periods                     |               |                |                    |                             | 83                      | -7             | -22                                      | 54             |
| Business transactions with shareholders, total      |               |                |                    | 198                         | 83                      | -25,579        | -579                                     | -25,877        |
| Changes in holdings in subsidiaries:                |               |                |                    |                             |                         |                |  |                |
| Change in non-controlling interest                  |               |                |                    |                             |                         | 1,254          | -1,254                                   | 0              |
| Changes in holdings in subsidiaries, total          |               |                |                    |                             |                         | 1,254          | -1,254                                   | 0              |
| <b>Equity 31 Dec 2023</b>                           | <b>20,759</b> | <b>1,092</b>   | <b>295</b>         | <b>-881</b>                 | <b>-56,768</b>          | <b>324,120</b> | <b>721</b>                               | <b>289,338</b> |
| EUR 1,000   | Share capital | Other reserves | Fair value reserve | Reserve for treasury shares | Translation differences | Earnings       | Attributable to non-controlling interest | Total          |
| <b>Equity 1 Jan 2022</b>                            | <b>20,759</b> | <b>1,092</b>   | <b>295</b>         | <b>-438</b>                 | <b>-53,727</b>          | <b>326,016</b> | <b>3,627</b>                             | <b>297,624</b> |
| 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           |
| <b>Equity 31 Dec 2022</b>                           | <b>20,759</b> | <b>1,092</b>   | <b>295</b>         | <b>-1,079</b>               | <b>-52,030</b>          | <b>310,194</b> | <b>2,514</b>                             | <b>281,745</b> |



OLVI GROUP

TABLE 4

**CASH FLOW STATEMENT**

EUR 1,000

|  | 1–12/2023      | 1–12/2022      |
|--|----------------|----------------|
| Profit for the period  | 38,473         | 7,526          |
| Adjustments:   |                |                |
| Depreciation and impairment                                      | 24,779         | 64,532         |
| Other adjustments  | 11,778         | 14,509         |
| Change in net working capital:                                   |                |                |
| Change in accounts receivable and other receivables              | -20,279        | -9,578         |
| Change in inventories  | -6,377         | -12,349        |
| Change in accounts payable and other payables                    | -4,789         | 16,536         |
| Interest paid  | -408           | -449           |
| Interest received  | 531            | 292            |
| Dividends received   | 10             | 5              |
| Taxes paid   | -15,764        | -13,861        |
| <b>Cash flow from operating activities (A)</b>                   | <b>27,954</b>  | <b>67,163</b>  |
| Investments in tangible and intangible assets                    | -25,550        | -37,392        |
| Proceeds from the sale of tangible and intangible assets         | 591            | 976            |
| Acquisition of shares from non-controlling interest              | -2,737         | -378           |
| Expenditure on other investments                                 | 0              | -163           |
| Dividends received   | 41             | 38             |
| <b>Cash flow from investing activities (B)</b>                   | <b>-27,655</b> | <b>-36,919</b> |
| Loan withdrawals   | 4,577          | 11,351         |
| Repayment of loans   | -6,165         | -11,674        |
| Acquisition of treasury shares                                   | -604           | -641           |
| Dividends paid   | -25,339        | -25,268        |
| <b>Cash flow from financing activities (C)</b>                   | <b>-27,531</b> | <b>-26,232</b> |
| Increase (+) / decrease (-) in cash and cash equivalents (A+B+C) | -27,232        | 4,012          |
| Cash and cash equivalents 1 Jan                                  | 61,207         | 58,741         |
| Impact of exchange rate changes                                  | -2,517         | -1,546         |
| <b>Cash and cash equivalents 31 Dec</b>                          | <b>31,458</b>  | <b>61,207</b>  |



## 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.

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 full thousands, which causes rounding differences in the 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 AND PROFIT FOR THE PERIOD 1–12/2023

| EUR 1,000                   | Finland | Baltic Sea<br>region | Belarus | Eliminations | Group   |
|-----------------------------|---------|----------------------|---------|--------------|---------|
| <b>INCOME</b>               |         |                      |         |              |         |
| External sales              | 228,200 | 267,375              | 135,030 |              | 630,605 |
| Beverage sales              | 225,991 | 267,375              | 135,030 |              | 628,396 |
| Equipment services          | 2,209   | 0                    | 0       |              | 2,209   |
| Internal sales              | 1,056   | 29,266               | 297     | -30,619      | 0       |
| Total net sales             | 229,256 | 296,641              | 135,327 | -30,619      | 630,605 |
| Total profit for the period | 40,706  | 15,825               | 3,030   | -21,088      | 38,473  |

#### SEGMENTS' NET SALES AND PROFIT FOR THE PERIOD 1–12/2022

| EUR 1,000                   | Finland | Baltic Sea<br>region | Belarus | Eliminations | Group   |
|-----------------------------|---------|----------------------|---------|--------------|---------|
| <b>INCOME</b>               |         |                      |         |              |         |
| External sales              | 205,297 | 240,393              | 138,013 |              | 583,703 |
| Beverage sales              | 203,498 | 240,393              | 138,013 |              | 581,904 |
| Equipment services          | 1,799   | 0                    | 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 2022 financial year include an impairment of EUR 35.0 million in the Belarusian business segment as an item affecting comparability.

### 2 RELATED PARTY TRANSACTIONS

Management's employee benefits

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

| EUR 1,000           | 1–12/2023 | 1–12/2022 |
|---------------------|-----------|-----------|
| CEO                 | 358       | 594       |
| Chair of the Board  | 93        | 73        |
| Other Board members | 165       | 172       |
| Total               | 616       | 839       |



### 3 SHARES AND SHARE CAPITAL

|  | 31 Dec 2023 | %     |
|--|-------------|-------|
| 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 2023.

A dividend of EUR 1.20 per share for 2022 (EUR 1.20 per share for 2021), totalling EUR 24.8 (24.9) 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 2023. The second instalment, EUR 0.60 per share, was paid on 5 September 2023. 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

In 2021, Olvi plc's Board of Directors decided on the terms and conditions of three new share-based incentive plans 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 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 plans that are based on earning and accumulating shares.

The 2021–2025 Performance Share Plan consists of four performance periods, covering the 2021–2022, 2021–2023, 2022–2024 and 2023–2025 financial years. In the 2021–2022 and 2021–2023 performance periods, the rewards were based on the Group's cumulative operating profit in euros and the increase in the sales volume of non-alcoholic products. The net rewards to be paid for the 2021–2022 performance period could have amounted to a maximum of around 6,100 Olvi plc Series A shares, and for the 2021–2023 performance period, a maximum of around 10,000 Olvi plc Series A shares.

The 2021–2022 Matching Share Plan consisted of one matching period covering the 2021–2022 financial years. In the plan, the target group was offered an opportunity to acquire additional shares by investing personally in Olvi plc's Series A shares. The net rewards to be paid for the matching period could have amounted to a maximum of around 14,300 Olvi plc Series A shares.

#### Expired share-based incentive plans

The 2021–2022 Performance Share Plan for key personnel ended at Olvi Group in the first quarter (performance period 15 February 2021 to 14 February 2023). The target group of the share plan consisted of 12 people, including the members of the Group Management Team. In accordance with the terms and conditions of the plan, the rewards were paid in Series A shares in Olvi plc and partly in cash. A total of 5,900 Series A shares were transferred as rewards.

The 2021–2022 Matching Share Plan for key personnel ended at Olvi Group in the second quarter (performance period 15 April 2021 to 14 April 2023). In accordance with the terms and conditions of the plan, the rewards were paid in both Series A shares in Olvi plc and in cash. A total of 11,395 Series A shares were transferred as rewards. The target group of the incentive plan consisted of 49 people, including the members of Olvi's Management Team.



Following the end of Olvi plc's previous CEO's employment obligation on 31 December 2022, a net amount of 3,317 Series A shares in Olvi plc fell due to be paid to the CEO for the 2021–2023 and 2022–2024 performance periods of the Performance Share Plan in accordance with the rules of the incentive plans and by the decision of the Board of Directors. In accordance with the terms and conditions of the plan, the rewards were paid in Series A shares in Olvi plc and partly in cash. The amount of the share reward was based on the time passed since the beginning of the performance period and the estimated level of achievement of the earning criteria of the performance-based plan.

### **Decision on the terms and conditions of the 2023–2025 performance period of the share-based incentive plan**

By means of a stock exchange release on 2 March 2023, Olvi plc's Board of Directors announced the terms and conditions and target group of the 2023–2025 performance period of the Performance Share Plan. During the 2023–2025 performance period, the rewards are based on the Group's Baltic Sea and Finnish segments' cumulative operating result in euros, the Group's cumulative sales volume of non-alcoholic products and the reduction of CO<sub>2</sub> 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 10,600 Olvi plc Series A shares. During the 2023–2025 performance period, 16 people, including the CEO and the other Olvi Management Team members, belong to the target group for the performance period.

### **Decisions on new share-based incentive plans**

At its meeting on 16 October 2023, the Board of Directors of Olvi plc decided on a new share-based incentive plan for the company's CEO. The aim of the incentive plan is to support the achievement of the company's targets and commit the CEO to the company by strengthening value-based management and offering an incentive plan based on earning and accumulating shares in the company. The CEO's Performance Based Matching Share Plan consists of one matching period, from 1 December 2023 to 31 January 2025. In the plan, the CEO is offered an opportunity to receive matching shares for their personal investment in Olvi plc Series A shares, at the rate of one share per each share acquired through personal investment. The rewards based on the plan will be paid after the end of the matching period.

In the Performance Based Matching Share Plan, the CEO has an opportunity to earn 0.5 shares based on commitment and continuous shareholding and 0.5 shares based on achieving the earning criteria set by Olvi's Board. The Board of Directors has set the total shareholder return (TSR) on the Olvi plc Series A share as the earning criterion for the 2023–2025 matching period. The net amount of rewards to be paid for the matching period will amount to a maximum of 1,000 Olvi plc Series A shares. The rewards will be paid partly in Series A shares in Olvi plc and partly in cash.

At its meeting on 19 December 2023, Olvi plc's Board of Directors decided to establish two new long-term share-based incentive plans for the Group's key people: a performance share plan and a restricted share plan. The purpose of the plans is to align the interests of shareholders and key personnel to increase the value of the company in the long term, to commit key people to the company and to offer them competitive incentive plans based on earning and accumulating shares in the company.

The 2024–2028 Performance Share Plan consists of three performance periods, covering the 2024–2026, 2025–2027 and 2026–2028 financial years. The Board of Directors decides annually on the start and details of the performance period. The plan enables the members of the target group to earn Series A shares in Olvi plc based on performance. In the earning criteria of the long-term incentive plan, Olvi plc emphasises the company's ESG targets such as achieving carbon neutrality and increasing the share of sales of non-alcoholic products. The earning criteria for the first performance period (2024–2026) are the cumulative operating results of the Baltic Sea segment and the Finnish segment, the sales of non-alcoholic products and carbon neutrality in the company's own production operations.

The target group of the plan includes around 37 key people in the 2024–2026 performance period, including the members of the Group Management Team and the CEO of the company. The rewards to be paid under the plan are estimated to correspond to the value of a maximum of 43,150 Olvi plc Series A shares, plus a cash portion of equal value, which covers taxes and statutory social insurance contributions incurred by key personnel as a result of the rewards. Any rewards based on the plan will be paid after the end of each performance period, no





later than within five months of the end of the period. As a rule, if a key person's employment or service contract ends before the time of payment of the reward, no reward will be paid. The amount of rewards to be paid under the plan will be reduced if the maximum value set by the Board of Directors for the rewards to be paid for the 2024–2026 performance period is reached.

A member of the Group Management Team, including the CEO, is obligated to hold 50% of the shares they earn until the value of their shareholding in the company equals 50% of their annual base salary in the calendar year preceding the payment of the reward. This number of Series A shares in Olvi plc must be held for as long as their membership of the Group Management Team continues.

The 2024–2028 Restricted Share Plan is intended to be used in situations deemed necessary by the Board of Directors to commit key people to the company and attract new employees, for example. The rewards are based on a continuous employment relationship. As a rule, if a key person's employment or service contract ends before the time of payment of the reward, no reward will be paid. Rewards under the plan will be paid by the end of May 2025, 2026, 2027, 2028, 2029, 2030, 2031 and 2032, but at least twelve (12) months after the reward has vested. The rewards to be paid under the plan are estimated to correspond to the value of a maximum of 6,000 Olvi plc Series A shares, plus a cash portion of equal value, which covers taxes and statutory social insurance contributions incurred by key personnel as a result of the rewards.

The costs related to these incentive plans totalled EUR 619.1 thousand in the financial year. Olvi Group has no other share or option arrangements in place.

## 5 TREASURY SHARES

At the beginning of January 2023, Olvi plc held 29,404 treasury shares. At its meeting on 28 February 2023, the Board of Directors of Olvi plc decided to initiate the acquisition of treasury shares based on the authorisation issued by the Annual General Meeting on 30 March 2022. On this basis, the Board will repurchase a maximum of 20,000 Series A shares. The acquisition of shares began on 2 March 2023 and ended on 14 March 2023. 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 as decided by the Board of Directors.

On 29 March 2023, 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.

In accordance with the share plan, Olvi plc transferred a total of 20,712 of its own shares to the members of the target groups of the performance share plan and the matching share plan that ended during the financial year. The total acquisition price was EUR 803.0 thousand.

At the end of the financial period, Olvi plc held a total of 28,692 of its own Series A shares as treasury shares. The total acquisition price of treasury shares was EUR 880.8 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 0.17% of the votes provided by all Series A shares in the company.

## 6 NUMBER OF SHARES OUTSTANDING

|                            | 1–12/2023  | 1–12/2022  |
|----------------------------|------------|------------|
| - Average                  | 20,690,905 | 20,700,783 |
| - At the end of the period | 20,693,540 | 20,692,828 |



## 7 TRADING IN SERIES A SHARES ON THE NASDAQ HELSINKI

|   | 1–12/2023 | 1–12/2022 |
|---|-----------|-----------|
| Trading in Series A shares in Olvi, number of shares                    | 1,608,889 | 2,351,044 |
| Total value of trading, EUR 1,000                                       | 48,077    | 82,916    |
| Proportion of the trading out of the total number of Series A shares, % | 9.5       | 13.8      |
| Average share price, EUR  | 29.88     | 35.31     |
| Closing price, EUR  | 28.05     | 33.15     |
| Highest price, EUR  | 34.95     | 52.00     |
| Lowest price, EUR   | 26.80     | 29.40     |

## 8 FOREIGN AND NOMINEE-REGISTERED HOLDINGS 31 Dec 2023

|                                     | Book-entry shares |        | Number of votes |        | Shareholders |        |
|-------------------------------------|-------------------|--------|-----------------|--------|--------------|--------|
|                                     | number            | %      | number          | %      | number       | %      |
| Finnish, total                      | 16,799,490        | 81.07  | 87,712,354      | 95.72  | 22,941       | 99.63  |
| Foreign, total                      | 69,173            | 0.33   | 69,173          | 0.08   | 74           | 0.32   |
| Nominee-registered (foreign), total | 451,230           | 2.18   | 451,230         | 0.49   | 6            | 0.03   |
| Nominee-registered (Finnish), total | 3,402,339         | 16.42  | 3,402,339       | 3.71   | 4            | 0.02   |
| Total                               | 20,722,232        | 100.00 | 91,635,096      | 100.00 | 23,025       | 100.00 |

## 9 LARGEST SHAREHOLDERS 31 Dec 2023

|  | 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   | 212,888   |  | 49,152     |  | 262,040    | 1.26   | 4,306,912       | 4.70   |
| 4 Marit Hortling-Rinne   | 149,064   |  | 14,234     |  | 163,298    | 0.79   | 2,995,514       | 3.27   |
| 5 Nordea Bank Abp, nominee-registered  |           |  | 2,003,674  |  | 2,003,674  | 9.67   | 2,003,674       | 2.19   |
| 6 Skandinaviska Enskilda Banken Ab (publ), Helsinki branch, nominee-registered |           |  | 1,337,865  |  | 1,337,865  | 6.46   | 1,337,865       | 1.46   |
| 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    |  | 26,016     |  | 49,404     | 0.24   | 493,776         | 0.54   |
| 10 Jens Einari Hortling  | 23,388    |  | 16,216     |  | 39,604     | 0.19   | 483,976         | 0.53   |
| Other  | 56,136    |  | 11,037,851 |  | 11,093,987 | 53.52  | 12,160,571      | 13.26  |
| 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–December 2023.

## 10 PROPERTY, PLANT AND EQUIPMENT

| EUR 1,000                   | 1–12/2023 | 1–12/2022 |
|-----------------------------|-----------|-----------|
| Opening balance             | 208,165   | 229,356   |
| Additions                   | 26,643    | 37,286    |
| Deductions and transfers    | 1,311     | -152      |
| Depreciation and impairment | -22,709   | -58,206   |
| Exchange rate differences   | -228      | -119      |
| Total                       | 213,182   | 208,165   |



## 11 CONTINGENT LIABILITIES

| EUR 1000                                  | 31 Dec 2023 | 31 Dec 2022 |
|---|-------------|-------------|
| Pledged assets and contingent liabilities |             |             |
| On the company's own behalf               | 3,268       | 2,608       |
| Lease and rental liabilities:             |             |             |
| Maturing in less than a year              | 1,300       | 1,337       |
| Maturing within 1–5 years                 | 1,254       | 1,283       |
| Total lease and rental liabilities        | 2,554       | 2,620       |
| Other liabilities                         | 567         | 67          |

## 12 VALUATION OF THE BELARUSIAN BUSINESS SEGMENT

For the 2022 financial statements (31 December 2022), the management assessed the book value of the Belarusian business segment in a changed operating environment. An impairment of EUR 35.0 million was recognised based on the assessment. Based on the management's assessment and testing, the balance sheet valuation of the Belarusian business segment on 31 December 2023 is materially at the right level, and there is no need to change the impairment recognised. The Belarusian business segment's balance sheet value was EUR 29.4 million on 31 December 2023. The valuation has been carried out in accordance with the previous year's model.

## 13 CALCULATION PRINCIPLES FOR KEY FIGURES

In its summary of key ratios (page 1), the Group presents key ratios directly derived from the consolidated income statement (net sales, operating result, 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. To improve comparability between reporting periods, the Group also presents the adjusted operating result and the adjusted profit for the period as Alternative Performance Measures. The adjusted operating result is calculated by deducting significant items affecting comparability from net sales. The corresponding items have been deducted from the profit for the period when calculating the adjusted profit for the period.

Investments consist of increases in fixed assets, excluding increases under IFRS 16.

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

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