

**OLVI GROUP'S FINANCIAL STATEMENTS JANUARY TO DECEMBER 2019****FINANCIAL PERFORMANCE IN BRIEF**

Olvi Group's business developed favourably in 2019. The Group's sales volume, net sales and operating profit improved for the fourth year in a row. The Group's financial standing and overall market position improved further. The Board proposes a dividend of 1.00 (0.90) euro per share.

Near-term outlook

Olvi's operating profit for fiscal year 2020 is expected to remain on the previous year's good level.

CONSOLIDATED KEY RATIOS

	10-12/ 2019	10-12/ 2018	Change % / pp	1-12/ 2019	1-12/ 2018	Change % / pp
Sales volume, Mltr	159.3	150.3	6.0	718.3	701.3	2.4
Net sales, MEUR	93.6	86.2	8.5	408.7	384.3	6.4
Gross margin, MEUR	14.3	11.2	27.7	76.7	70.8	8.4
% of net sales	15.2	12.9		18.8	18.4	
Operating profit, MEUR	7.6	5.7	32.9	52.5	50.1	4.7
% of net sales	8.1	6.6		12.8	13.0	
Net profit for the period, MEUR	6.9	5.1	35.3	42.2	41.1	2.7
% of net sales	7.4	5.9		10.3	10.7	
Earnings per share, EUR	0.33	0.25	32.0	2.02	1.97	2.5
Capital expenditure, MEUR	6.9	10.0	-31.4	31.0	34.2	-9.5
Equity per share, EUR				12.58	11.31	11.2
Equity to total assets, %				66.4	64.9	1.5
Gearing, %				-11.6	-6.0	5.6

BUSINESS DEVELOPMENT**LASSE AHO, MANAGING DIRECTOR:**

Olvi Group's full-year business development continued on a good track. Net sales increased by 6.4 percent and operating profit reached 52.5 million euro, an increase of 4.7 percent. Good development is attributable to strong market shares in the operating countries, innovative product development resulting in successful product launches, as well as continuous development of operational efficiency. With regard to core business, growth and business development were successful. The Group also focused on future growth, making investments in the water business, capacity increases and development efforts within the acquired operations in Finland.

Fourth-quarter performance improved clearly on the previous year. Net sales increased in all operating countries, totalling 8.5 percent more than in the previous year. Strong demand for the Group's products continued and was boosted by new product launches in the autumn. The Group's operating profit improved by 32.9 percent on the previous year. Olvi Group has been able to improve its profitability also in the low-season months.

Business in Finland developed favourably during the entire year. Sales volume, net sales and operating profit have increased on the previous year. The demand for mild alcoholic beverages in particular has remained strong, and as a result, the market position strengthened further. Fourth-quarter sales volume and net sales developed favourably. Operating profit fell short of the previous year because the figure for the comparison



period included a one-off insurance compensation of 0.8 million euro. Furthermore, the beverage industry's common recycling scheme failed to pay refunds of recycling fees in 2019; in the comparison period, these amounted to 0.7 million euro. The parent company continued investments in capacity increases and improving delivery reliability, and decided on new investments for 2020, including the installation of a new filling line.

In Estonia, full-year business development was positively affected by the tax cut on mild alcoholic beverages effective from the beginning of July. The tax change boosted domestic demand as cross-border sales from Latvia shifted back to Estonia. Cross-border sales between Finland and Estonia have also picked up. Net sales increased by 4.4 percent in the second half of the year, after a 12.4 percent decline in the first half. Operating profit improved by 17.5 percent in the second half. Thanks to this, the full-year earnings for 2019 ended up 2.2 percent higher than in the previous year. The A. Le Coq brand continued to develop strongly, and the company is the market leader in most product categories. A. Le Coq is clearly the largest seller of beverages in Estonia. At the end of the year, the company also received the recognition "Most valuable company in Estonia" to complement many other awards.

In Latvia, business was substantially affected by various changes in alcohol taxes both domestically and in the neighbouring Estonia. Domestic alcohol taxation became more favourable to strong beverages, which caused a decline of 13 percent in the overall beer market for the year. As a consequence of the Estonian tax cut, cross-border sales from Latvia were cut in half. These changes caused a slight decline in Cēsu Alus's sales volume. On the other hand, the company was successful in increasing the value of domestic sales through a premium product portfolio; thus, total net sales declined by just 2.4 percent. Measured by value of sales, the company is number one in the Latvian beverage industry. Earnings were also challenged by the tax changes that will become effective in 2020, as well as tightened competition in strong mixed drinks. In these circumstances, it can be considered an achievement that operating profit in euros remained almost on a par with the previous year, and even improved when considering the figure in relation to net sales.

In Lithuania, the Group managed to gain a good market position in 2019 and strengthened its market shares in all product categories. Volfas Engelman has grown to be the second largest player in the Lithuanian beverage industry within the beverage categories it represents. Exports have also developed well, showing growth of 30 percent. The main export markets are Russia and South Korea. The company was able to develop its product portfolio towards premium products, particularly with regard to specialty beers. All in all, sales volume increased by almost 13 percent and net sales by 14.5 percent. Operating profit was on a par with the previous year, even though the new water business was launched. The start-up of water production and launch of a new brand had a profitability impact of approximately half a million euro. This is an important investment in increasing the share of non-alcoholic beverages in the product portfolio and starting the company's own water business.

In Belarus, the year was good for business. Sales volume increased by 2.2 percent. Thanks to good sales management and product portfolio development, net sales increased by more than 10 percent and operating profit improved by 23.8 percent on the previous year. The profit percentage also increased from 12.6 to 14.1 percent. Performance improved in domestic sales as well as exports. The company has succeeded in keeping the development of production costs reasonable as production efficiency has improved. The currency exchange rate has remained relatively steady during the year, which helped earnings development also when measured in euro.

Olvi Group has continued strong investments in developing its future business. Investments for the year totalled 31 million euro. The most important of these were capacity increases in beer production in Finland and juice production in Estonia, as well as the start-up of a natural mineral water plant in Lithuania.

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

Oli Group's sales volume in 2019 reached its all-time high at 718.3 (701.3) million litres. This represents an increase of 17.0 million litres or 2.4 percent on the previous year.

The Group's sales volume increased in Belarus and Finland, but the largest change was in Lithuania as domestic market shares increased and the development of exports was strong.

The Group's fourth-quarter sales volume increased by 6.0 percent, in line with the full-year trend.

Sales volume, million litres	10-12/ 2019	10-12/ 2018	Change %	1-12/ 2019	1-12/ 2018	Change %
Finland	53.3	51.4	3.8	219.3	213.2	2.8
Estonia	23.3	23.4	-0.4	109.5	110.7	-1.1
Latvia	14.9	15.2	-2.0	70.9	75.6	-6.2
Lithuania	25.3	20.4	24.2	107.6	95.4	12.8
Belarus	47.0	43.9	7.2	233.1	228.2	2.2
Eliminations	-4.6	-3.9		-22.0	-21.8	
Total	159.3	150.3	6.0	718.3	701.3	2.4

The Group's full-year net sales increased by 6.4 percent and amounted to 408.7 (384.3) million euro. Net sales increased in almost all geographical segments except Latvia.

The Group's net sales growth strengthened in the fourth quarter, particularly thanks to good business development in Lithuania and Belarus. However, it can be positively noted that all operating countries were able to improve their net sales.

Net sales, million euro	10-12/ 2019	10-12/ 2018	Change %	1-12/ 2019	1-12/ 2018	Change %
Finland	41.2	39.5	4.3	169.1	159.3	6.2
Estonia	15.2	14.7	2.8	71.3	70.4	1.3
Latvia	8.2	8.1	1.2	38.9	39.8	-2.4
Lithuania	11.6	9.4	24.2	49.3	43.1	14.5
Belarus	19.7	17.2	15.0	90.8	82.1	10.6
Eliminations	-2.3	-2.7		-10.6	-10.3	
Total	93.6	86.2	8.5	408.7	384.3	6.4

EARNINGS DEVELOPMENT

The Group's operating profit for January-December increased by 4.7 percent and amounted to 52.5 (50.1) million euro, or 12.8 (13.0) percent of net sales. With the exception of Latvia, operating profit improved across all countries.

The Group's fourth-quarter operating profit amounted to 7.6 (5.7) million euro. All operating countries were able to clearly improve their performance, with the exception of Finland, where operating profit for the comparison year included a non-recurring amount of 0.8 million euro attributable to an insurance compensation.



Operating profit, million euro	10-12/ 2019	10-12/ 2018	Change %	1-12/ 2019	1-12/ 2018	Change %
Finland	2.5	3.2	-23.6	18.7	18.5	0.8
Estonia	2.5	1.8	36.2	14.3	14.0	2.2
Latvia	0.5	0.2	133.5	4.3	4.3	-1.6
Lithuania	0.6	0.2	182.1	3.7	3.7	0.9
Belarus	1.9	0.7	166.8	12.8	10.3	23.8
Eliminations	-0.4	-0.5		-1.2	-0.7	
Total	7.6	5.7	32.9	52.5	50.1	4.7

The Group's net profit for 2019 increased by 2.7 percent and amounted to 42.2 (41.1) million euro. The Group's fourth-quarter net profit was 6.9 (5.1) million euro. In comparison to the previous year, net profit was hampered by increased taxes of approximately 1.6 million euro attributable to higher intra-Group distribution of dividends.

Earnings per share calculated from the profit belonging to parent company shareholders increased in January-December and stood at 2.02 (1.97) euro. Fourth-quarter earnings per share amounted to 0.33 (0.25) euro.

BALANCE SHEET, FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December 2019 was 397.4 (365.4) million euro. Equity per share at the end of 2019 stood at 12.58 (11.31) euro. The equity ratio was 66.4 (64.9) percent and the gearing ratio was -11.6 (-6.0) percent. The current ratio, which represents the Group's liquidity, was 1.3 (1.1). The Group's financial position has improved further.

The Group's cash flow from operations increased on the previous year, amounting to 67.3 (63.0) million euro. Cash flow from operations became stronger and investments fell short of the previous year by the amount spent on acquisitions.

Olvi Group's capital expenditure on extensions and replacements in 2019 amounted to 31.0 (34.2) million euro. The companies in Finland accounted for 14.2 million euro, the Baltic subsidiaries for 12.9 million euro and Lidskoe Pivo in Belarus for 3.9 million euro of the total. Olvi Group has invested in increasing and diversifying its production capacity, as well as the modernisation of production facilities.

IFRS 16 LEASES

Olvi has adopted IFRS 16 Leases as of 1 January 2019 without making adjustments to the comparison periods. As a consequence of the adoption, a total of 941 thousand euro of leased property, plant and equipment items were capitalised on the balance sheet as of 1 January 2019, along with a corresponding increase in lease liabilities. Due to the adoption of the standard, other operating expenses were 741 thousand euro lower and depreciation was 700 thousand euro higher in 2019. The change has a positive effect on cash flow from operations, as a part of payments associated with leases is now presented in cash flow from financing, as repayment of lease liabilities.

PERSONNEL

Olvi Group's average number of personnel in January-December was 1,837 (1,797). The Group's average number of personnel increased by 2.2 percent.



Olvi Group's average number of personnel by country:

	10-12/ 2019	10-12/ 2018	Change %	1-12/ 2019	1-12/ 2018	Change %
Finland	365	367	-0.5	386	371	4.0
Estonia	305	291	4.8	311	301	3.3
Latvia	183	184	-0.5	195	194	0.5
Lithuania	226	220	2.7	230	215	7.0
Belarus	719	707	1.7	715	716	-0.1
Total	1,798	1,769	1.6	1,837	1,797	2.2

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 IN THE REVIEW PERIOD

Annual General Meeting

Olvi plc's Annual General Meeting of 16 April 2019 adopted the financial statements and granted discharge from liability to the members of the Board of Directors and Managing Director for the accounting period that ended on 31 December 2018. In accordance with the Board's proposal, the General Meeting decided that a dividend of 0.90 (0.80) euro be paid on each A and K share for the accounting period 2018. The dividend was paid in two instalments on 9 May 2019 and 9 September 2019.

All decisions made at the General Meeting can be found in the bulletin released on 16 April 2019.

Changes in corporate structure

There were no substantial changes in Olvi's holdings in subsidiaries in 2019.

Olvi's holdings in subsidiaries are:

	31 Dec 2019	31 Dec 2018	Change
AS A. Le Coq, Estonia	100.00	100.00	-
A/S Cēsu Alus, Latvia	99.88	99.88	-
AB Volfas Engelman, Lithuania	99.66	99.58	0.08
OAO Lidskoe Pivo, Belarus	96.36	95.87	0.49
Servaali Oy, Finland	80.00	80.00	-
The Helsinki Distilling Company, Finland	67.00	67.00	-

Olvi plc holds 50 percent of Arctic Silence Oy. The company has not had any operating activities in 2019. In addition to these, Olvi plc's subsidiaries have holdings in other companies. A. Le Coq has a 49.0 percent holding in AS Karne and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia. AB Volfas Engelman has a 100 percent holding in UAB Lamate. OAO Lidskoe Pivo has a 100 percent holding in Trade House Lidskoe Pivo.

Share-based payments

At the beginning of the year, Olvi plc initiated a share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. Detailed information on the incentive plan is provided in Table 5, Section 4 of the tables attached to this financial statements bulletin.



BUSINESS RISKS AND THEIR MANAGEMENT

Risk management

Risk management is a part of Olvi Group's everyday management and operations. The objective of risk management is to ensure the realisation of the company's strategy and secure its financial development and the continuity of business. The task of risk management is to operate proactively and create operating conditions in which business risks are managed comprehensively and systematically in all of the Group companies and all levels of the organisation.

Business risks and uncertainties in the near term

The most substantial factor hampering the predictability of Olvi Group's business relates to Belarus and its economic and political outlook for the next few years. Furthermore, changes in the Russian economy may impose challenges on the Belarusian operating environment.

Operations in Belarus involve foreign exchange risks arising from the cash flows of purchases and sales in foreign currency, as well as the investment in the Belarusian subsidiary and the conversion of its income statement and balance sheet items into euro. The Group's other foreign exchange risks can be considered minor.

Other short-term risks and uncertainties are related to development of the general economic circumstances, changes in the competitive situation, as well as the impacts these may have on the company's operations. In addition to the risks described above, there have been no significant changes in Olvi Group's business risks. A more detailed description of the risks is provided in the Board of Directors' report and the notes to the financial statements, as well as in the Investors/Corporate Governance/Internal Control section of the company's Web site.

EVENTS AFTER THE REVIEW PERIOD

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

NEAR-TERM OUTLOOK

Olvi's operating profit for fiscal year 2020 is expected to remain on the previous year's good level.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company Olvi plc had 89.4 (70.3) million euro of distributable funds on 31 December 2019, of which profit for the period accounted for 37.7 (35.2) million euro.

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

1) A dividend of 1.00 (0.90) euro shall be paid for 2019 on each Series K and Series A share, totalling 20.7 (18.6) million euro. The dividend represents 49.6 (45.7) percent of Olvi Group's earnings per share. The dividends will be paid in two instalments. The first instalment of 0.50 euro per share will be paid on 8 May 2020 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 14 April 2020. The second instalment of 0.50 euro per share will be paid on 8 September 2020 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 1 September 2020.

No dividend shall be paid on treasury shares.

2) 68.7 million euro shall be retained in the parent company's non-restricted equity.



FINANCIAL REPORTS IN 2020

Olvi Group's Annual Report will be published in week 12. The Annual Report will include the Board of Directors' report and corporate responsibility report, the consolidated and the parent company's financial statements and the auditors' report for the financial year 1 January to 31 December 2019. At the same time, the company will issue its corporate governance statement and a report on wages, salaries and emoluments in fiscal year 2019.

The notice to convene Olvi plc's Annual General Meeting, which will be held on 8 April 2020 in Helsinki, will be published in week 12. The financial statements, Board of Directors' report and notice to convene the AGM will be available on Olvi plc's Web site on the same day.

The following interim reports will be released in 2020:

Interim Report for January-March on 30 April 2020, Interim Report for January-June on 18 August 2020 and Interim Report for January-September on 29 October 2020.

OLVI PLC
Board of Directors

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TABLES:

- Statement of comprehensive income, Table 1
- Balance sheet, Table 2
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DISTRIBUTION:

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OLVI GROUP

TABLE 1

STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000

	10-12/ 2019	10-12/ 2018	1-12/ 2019	1-12/ 2018
Net sales	93,579	86,217	408,706	384,302
Other operating income	166	963	1,417	2,144
Operating expenses	-79,490	-76,021	-333,423	-315,694
Depreciation and impairment	-6,677	-5,456	-24,186	-20,602
Operating profit	7,578	5,703	52,514	50,150
Financial income	377	101	1488	432
Financial expenses	-126	-184	-492	-1,429
Share of profit in associates	13	23	13	23
Earnings before tax	7,842	5,643	53,523	49,176
Income taxes *)	-960	-557	-11,293	-8,039
NET PROFIT FOR THE PERIOD	6,882	5,086	42,230	41,137
Other comprehensive income items that may be subsequently reclassified to profit and loss:				
Translation differences related to foreign subsidiaries	-2,774	-476	2,887	-2,844
Change in fair value, other investments	369	0	369	0
Taxes related to these items	67	23	-130	131
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,544	4,633	45,356	38,424
Distribution of profit:				
- parent company shareholders	6,816	5,132	41,760	40,809
- non-controlling interests	66	-46	470	328
Distribution of comprehensive income:				
- parent company shareholders	4,552	4,691	44,814	38,169
- non-controlling interests	-8	-58	542	255
Earnings per share calculated from the profit belonging to parent company shareholders, EUR				
- undiluted	0.33	0.25	2.02	1.97
- diluted	0.33	0.25	2.02	1.97

*) Income taxes calculated from the profit for the review period.



OLVI GROUP

TABLE 2

BALANCE SHEET

EUR 1,000

31 Dec 2019 31 Dec 2018

ASSETS

Non-current assets

Tangible assets	208,701	195,599
Goodwill	26,360	26,134
Other intangible assets	10,598	11,481
Shares in associates	1,016	1,016
Other investments	836	543
Loans receivable and other non-current receivables	967	235
Deferred tax receivables	475	558
Total non-current assets	248,953	235,566

Current assets

Inventories	43,056	39,882
Accounts receivable and other receivables	70,685	71,038
Income tax receivable	871	440
Liquid assets	33,832	18,520
Total current assets	148,444	129,880
TOTAL ASSETS	397,397	365,446

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity held by parent company shareholders

Share capital	20,759	20,759
Other reserves	1,387	1,092
Treasury shares	-503	-956
Translation differences	-43,987	-46,746
Retained earnings	282,895	259,864
	260,551	234,013
Share belonging to non-controlling interests	3,318	3,165
Total shareholders' equity	263,869	237,178

Non-current liabilities

Financial liabilities	2,337	1,167
Other liabilities	4,777	4,765
Deferred tax liabilities	7,859	8,085

Current liabilities

Financial liabilities	1,325	3,554
Accounts payable and other liabilities	117,100	110,222
Income tax liability	130	475
Total liabilities	133,528	128,268
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	397,397	365,446



CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares account	Fair value reserve	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity								
1 Jan 2018	20,759	1,092	-228	0	-44,106	238,242	1,228	216,987
Comprehensive income:								
Net profit for the period						40,809	328	41,137
Other comprehensive income items:								
Translation differences					-2,640		-73	-2,713
Total comprehensive income for the period					-2,640	40,809	255	38,424
Transactions with shareholders:								
Payment of dividends						-16,574	-200	-16,774
Acquisition of treasury shares			-1,770					-1,770
Issue of treasury shares to employees			1,042			-1,042		0
Share-based incentives, value of work performed						391		391
Adjustment to previous periods						37	2	39
Total transactions with shareholders			-728			-17,188	-198	-18,114
Changes in holdings in subsidiaries:								
Obligation to redeem shares from non-controlling interests						-1,999		-1,999
Change in share belonging to non-controlling interests							1,880	1,880
Total changes in holdings in subsidiaries						-1,999	1,880	-119
Shareholders' equity								
31 Dec 2018	20,759	1,092	-956	0	-46,746	259,864	3,165	237,178
EUR 1,000	Share capital	Other reserves	Treasury shares account	Fair value reserve	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity								
1 Jan 2019	20,759	1,092	-956	0	-46,746	259,864	3,165	237,178
Comprehensive income:								
Net profit for the period						41,760	470	42,230
Other comprehensive income items:								
Translation differences					2,759		72	2,831
Change in fair value, other investments				295				295
Total comprehensive income for the period				295	2,759	41,760	542	45,356
Transactions with shareholders:								
Payment of dividends						-18,640	-137	-18,777
Acquisition of treasury shares			-726					-726
Sales of treasury shares to employees			1,179					1,179
Share-based incentives, value of work performed						539		539
Adjustment to previous periods						-667		-667
Total transactions with shareholders			453			-18,768	-137	-18,452
Changes in holdings in subsidiaries:								
Acquisition of shares from non-controlling interests						-213		-213
Change in share belonging to non-controlling interests						252	-252	0
Total changes in holdings in subsidiaries						39	-252	-213
Shareholders' equity								
31 Dec 2019	20,759	1,092	-503	295	-43,987	282,895	3,318	263,869

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

**CASH FLOW STATEMENT**

EUR 1,000

	1-12/2019	1-12/2018
Net profit for the period	42,230	41,137
Adjustments to profit for the period	34,859	31,061
Change in net working capital	1,548	1,409
Interest paid	-288	-603
Interest received	258	440
Dividends received	3	123
Taxes paid	-11,298	-10,525
Cash flow from operations (A)	67,312	63,042
Investments in tangible and intangible assets	-31,347	-32,315
Sales gains from tangible and intangible assets	1,815	1,796
Acquisition of shares from non-controlling interests	-213	0
Acquired shares in subsidiaries and associates	-50	-16,059
Dividends received	63	0
Cash flow from investments (B)	-29,732	-46,578
Withdrawals of loans	2,445	13,543
Repayments of loans	-6,522	-21,641
Acquisition of treasury shares	-726	-1,770
Sales of treasury shares to employees	1,179	0
Dividends paid	-18,787	-16,587
Increase (-) / decrease (+) in current interest-bearing business receivables	-1	316
Cash flow from financing (C)	-22,412	-26,139
Increase (+)/decrease (-) in liquid assets (A+B+C)	15,168	-9,675
Liquid assets 1 January	18,520	28,625
Effect of exchange rate changes	144	-430
Liquid assets 31 December	33,832	18,520



NOTES TO THE FINANCIAL STATEMENTS

The financial statements for 1 January to 31 December 2019 have been prepared in compliance with the International Financial Reporting Standards (IFRS), including IFRS 16 Leases, observing the IAS and IFRS standards as well as the official SIC and IFRIC interpretations valid on 31 December 2019.

Preparation of financial statements in accordance with the IFRS standards requires the company's management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the accounting period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views on the date of the financial statements, they include risks and uncertainties. Actual results may differ from the estimates and assumptions.

The accounting policies used for the preparation of this financial statements bulletin are the same as those used for the annual financial statements 2018, with the exception of IFRS 16 Leases. IFRS 16 Leases has been applied as of 1 January 2019 without making adjustments to the comparison periods. The accounting policies are presented in the Annual Report 2018, which was published on 22 March 2019.

The information in the financial statements bulletin is presented in thousands of euros (EUR 1000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions. The ratios are calculated from exact amounts in euros. The information disclosed in the financial statements bulletin is unaudited.

1. SEGMENT INFORMATION

NET SALES BY SEGMENT 1-12/2019

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
INCOME							
External sales	167,579	67,297	37,014	46,266	90,550	0	408,706
Beverage sales	165,965	67,297	37,014	46,266	90,550	0	407,092
Equipment services	1,614	0	0	0	0	0	1,614
Internal sales	1,523	3,990	1,867	3,014	222	-10,616	0
Total net sales	169,102	71,287	38,881	49,280	90,772	-10,616	408,706

NET SALES BY SEGMENT 1-12/2018

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
INCOME							
External sales	158,397	65,626	37,630	40,862	81,787	0	384,302
Beverage sales	156,733	65,626	37,630	40,862	81,787	0	382,638
Equipment services	1,664	0	0	0	0	0	1,664
Internal sales	899	4,751	2,201	2,189	306	-10,346	0
Total net sales	159,296	70,377	39,831	43,051	82,093	-10,346	384,302



2. RELATED PARTY TRANSACTIONS

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director

EUR 1,000

	1-12/2019	1-12/2018
Managing Director	766	823
Chairman of the Board	71	71
Other members of the Board	171	164
Total	1,008	1,058

Olvi Group has no other substantial related party transactions.

3. SHARES AND SHARE CAPITAL

	31 Dec 2019	%
Number of A shares	16,989,976	82.0
Number of K shares	3,732,256	18.0
Total	20,722,232	100.0
Total votes carried by A shares	16,989,976	18.5
Total votes carried by K shares	74,645,120	81.5
Total number of votes	91,635,096	100.0
Votes per Series A share	1	
Votes per Series K share	20	

The registered share capital on 31 December 2019 totalled 20,759 thousand euro.

Olvi plc's shares received a dividend of 0.90 euro per share for 2018 (0.80 euro per share for 2017), totalling 18.6 (16.6) million euro. The dividends were paid in two instalments. The first instalment of 0,45 euro per share was paid on 9 May 2019. The second instalment of 0,45 euro per share was paid on 9 September 2019. 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

The aim of Olvi plc's share-based incentive plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to make the key employees committed to the company, and to offer them a competitive reward plan based on earning the company's shares.

Olvi plc initiated a new share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. The plan is directed to approximately 60 people. In accordance with the share-based incentive plan, Olvi plc sold a total of 36,450 treasury shares to the target group members for a price of 1,179,330.37 euro. In 2019, costs associated with the plan were recognised for a total of 1,210.0 thousand euro. Olvi Group does not have any other share-based plans or option plans.



5. TREASURY SHARES

At the beginning of January 2019, Olvi plc held 25,728 of its own shares as treasury shares. During January–December 2019, the following changes have occurred in treasury shares.

In the beginning of December 2018, 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 16 April 2018. On this basis, the Board will repurchase a maximum of 43,000 Series A shares. The acquired shares shall be used 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. The acquisition of shares started on 11 December 2018 and ended on 21 January 2019. At the start of the repurchase scheme, Olvi plc held 4,999 Series A shares as treasury shares. After the end of the scheme, Olvi plc held 47,999 Series A shares as treasury shares. The purchase price for treasury shares in January 2019 totalled 725,826.47 euro.

Olvi plc initiated a new share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. The plan is directed to approximately 60 people. In accordance with the share-based incentive plan, Olvi plc sold a total of 36,450 treasury shares to the target group members for a price of 1,179,330.37 euro. The number of Series A shares held by Olvi plc as treasury shares on 31 December 2019 is 11,549 and the total acquisition price up to the end of the year is 502,956.28 euro.

6. NUMBER OF SHARES *)	1-12/2019	1-12/2018
- average	20,708,204	20,711,397
- at end of period	20,710,683	20,696,504

*) Treasury shares deducted.

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

	1-12/2019	1-12/2018
Trading volume of Olvi A shares	1,575,876	1,741,051
Total trading volume, EUR 1,000	56,680	52,140
Traded shares in proportion to all Series A shares, %	9.3	10.2
Average share price, EUR	36.01	29.95
Price on the closing date, EUR	41.20	31.50
Highest quote, EUR	42.60	34.00
Lowest quote, EUR	31.20	27.00

8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 DECEMBER 2019

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	15,450,550	74.56	86,363,414	94.25	12,178	99.55
Foreign total	652,570	3.15	652,570	0.71	45	0.37
Nominee-registered (foreign) total	141,622	0.68	141,622	0.15	4	0.03
Nominee-registered (Finnish) total	4,477,490	21.61	4,477,490	4.89	6	0.05
Total	20,722,232	100.00	91,635,096	100.00	12,233	100.00



9. LARGEST SHAREHOLDERS ON 31 DECEMBER 2019

	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	49,257	261,857	1.26	4,301,257	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		2,318,825	2,318,825	11.19	2,318,825	2.53
6. Nordea Bank Abp, nominee register		1,672,458	1,672,458	8.07	1,672,458	1.83
7. Varma Mutual Pension Insurance Company		828,075	828,075	4.00	828,075	0.90
8. Ilmarinen Mutual Pension Insurance Company		750,000	750,000	3.62	750,000	0.82
9. Odin Norden		524,870	524,870	2.53	524,870	0.57
10. Hortling Pia Johanna	23,388	23,566	46,954	0.23	491,326	0.54
Others	79,812	9,814,333	9,894,145	47.74	11,410,573	12.45
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 2019, Olvi plc has received one flagging notice in accordance with Chapter 2, Section 10 of the Securities Markets Act, from FMR LLC on 13 December 2019.

10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000

	1-12/2019	1-12/2018
Opening balance	195,599	188,155
Effect of IFRS 16	941	0
Additions	34,197	32,833
Deductions and transfers	-2,286	-4,395
Depreciation	-21,978	-18,922
Exchange rate differences	2,228	-2,072
Total	208,701	195,599

11. CONTINGENT LIABILITIES

EUR 1,000

	31 Dec 2019	31 Dec 2018
Pledges and contingent liabilities		
For own commitments	1,938	2,114
Leasing and rental liabilities:		
Due within one year	804	1,129
Due within 1 to 5 years	306	805
Due in more than 5 years	0	2
Leasing and rental liabilities total	1,110	1,936
Other liabilities	60	57



12. 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.

The definition of gross margin is operating profit plus depreciation and impairment.

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