



## Apetit Plc's Half-Year Report 1 January–30 June 2023: Apetit's operating profit improved year-on-year – sales volumes increased in both businesses

April–June 2023, continuing operations\*)

- In continuing operations, comparable net sales were EUR 45.0 (47.3) million. EBITDA was EUR 2.0 (0.4) million. Operating profit was EUR 0.7 (-1.0) million. Decrease in net sales was due to Oilseed Products, of which the market prices were exceptionally high in the comparison period.
- The net sales of Food Solutions were EUR 16.7 (14.7) million and operating profit EUR -0.1 (-0.4) million. Sales volumes increased in all channels. Price increases made as a response to the general increase in costs influenced net sales development.
- The net sales of Oilseed Products were EUR 28.5 (32.8) million and operating profit EUR 1.4 (-0.2) million. Positive profit performance was boosted by successful raw material sourcing and active pricing efforts.

January–June 2023, continuing operations\*)

- In continuing operations, comparable net sales increased by 4 per cent to EUR 93.2 (89.9) million. EBITDA was EUR 5.5 (1.5) million. Operating profit was EUR 2.7 (-1.2) million.
- The net sales of Food Solutions were EUR 36.3 (31.9) million and operating profit EUR 1.5 (0.7) million.
- The net sales of Oilseed Products were EUR 57.2 (58.2) million and operating profit EUR 2.7 (-0.8) million.

April–June 2023, Group, incl. discontinued operations\*\*)

- Net sales decreased by 31 per cent to EUR 45.0 (64.9) million. EBITDA was EUR 2.0 (2.8) million. Operating profit was EUR 0.6 (1.2) million.
- The net sales of Grain Trade were EUR 0.0 (21.9) million and operating profit EUR -0.1 (2.2) million.

January–June 2023, Group, incl. discontinued operations\*\*)

- Net sales decreased by 33 per cent to EUR 93.2 (139.7) million. EBITDA was EUR 5.4 (4.6) million. Operating profit was EUR 2.6 (1.4) million.
- The net sales of Grain Trade were EUR 0.0 (64.0) million and operating profit EUR -0.1 (2.6) million.

\*) Apetit's continuing operations are Food Solutions and Oilseed Products. In addition, Apetit reports Group Functions, consisting of the expenses related to Group management, strategic projects and listing on the stock exchange, that are not allocated to the business segments.

\*\*\*) Grain Trade is reported as a discontinued operation starting from the Q1/2022 Business Review. The divestment of the Grain Trade business was completed in stages during the first half of 2022.

The information in this report is unaudited. The figures in brackets refer to the corresponding period in 2022, and the comparison period means the corresponding period in the previous year, unless otherwise stated.

PROFIT GUIDANCE FOR 2023 UNCHANGED  
(Published on 16 February 2023)

The full-year operating profit from continuing operations is expected to improve year-on-year (EUR 3.5 million in 2022).

KEY FIGURES

EUR million	4-6/2023	4-6/2022	Change	1-6/2023	1-6/2022	Change	1-12/2022
<b>Continuing operations</b>							
Net sales	45.0	47.3	-5 %	93.2	89.9	4 %	181.7
EBITDA	2.0	0.4		5.5	1.5		9.2
Operating profit	0.7	-1.0		2.7	-1.2		3.5
Share of profit of associated company Sucros	0.5	-0.1		0.9	-0.4		0.5
Profit for the period	0.8	-0.9		2.8	-1.4		3.2
Earnings per share, EUR	0.14	-0.14		0.45	-0.22		0.51
Investments				2.5	3.0		5.0
<b>Group (incl. discontinued operations)</b>							
Net sales	45.0	64.9	-31 %	93.2	139.7	-33 %	231.8
EBITDA	2.0	2.8		5.4	4.6		12.4
Operating profit	0.6	1.2		2.6	1.4		6.2
Profit for the period	0.8	0.9		2.8	0.6		5.2
Earnings per share, EUR	0.14	0.14		0.45	0.09		0.83
Equity per share, EUR				15.48	14.68		15.38
ROCE-%				7.7	3.8		5.7
Working capital, end of period				17.5	22.1		18.7
Net cash flow from operating activities				7.7	17.8		28.4
Equity ratio, %				85.8	82.7		81.8
Net gearing, %				-15.2	-4.8		-13.2

Esa Mäki, CEO:

“Apetit’s result continued to develop positively. In the second quarter, the Group’s operating profit improved year-on-year. Both businesses improved their results. In Oilseed Products, the result has been improved by successful raw material sourcing. In Food Solutions, the improvement in result was influenced by successful product launches and by the price increases, made as a response to the general increase in costs. Result for the first half of the year improved clearly year-on-year.

In the second quarter, Apetit Group’s net sales decreased slightly from the comparison period. The prices of oilseed products were exceptionally high in the comparison period, and the stabilisation of market prices could be seen as a decrease in net sales. However, sales volumes increased year-on-year. In Food Solutions, sales volumes and net sales have increased in all channels.

The effects of cost inflation can be seen in consumer purchasing behavior. When buying food, consumers prefer more affordable products. At the same time, traditional, easy-to-prepare dishes, such as casseroles, have again become more popular. This can also be seen as changes in the demand for Apetit’s products as demand varies between different product groups. Our product range meet the consumers’ needs well. Frozen vegetables are an easy way to eat healthy and at the same time reduce food waste.

The harvest season has proceeded fairly well. The hot and dry weather in the early summer reduced the first batch of the frozen pea harvest. The pea fields harvested later have yielded a harvest that is in line with expectations, in terms of both quality and quantity. For root vegetables, the growing season is still ongoing. The outlook is good, thanks to rains that came at a good time in July.

For domestic spring oilseed plants, the growing season has been hampered by the hot and dry early summer. The rapeseed cultivation area has decreased year-on-year, which is not in line with our targets. As Finland is not entirely self-sufficient in oilseed plants, there is a genuine need to increase the cultivation area.

In June, we announced a significant step in promoting the cultivation of domestic oilseed plants. Apetit was the driving force in the establishment of the new oilseed plant production development group, RypsiRapsi-foorumi. The forum brings together different stakeholders in the oilseed plant sector. It compiles the results of earlier research activities and produces new farming knowledge. Through this forum, we want to provide farmers with practical information and efficient methods for the cultivation of oilseed plants. The goal is to promote the cultivation of rapeseed and its profitability in Finland.

The work to commercialize the rapeseed ingredient BlackGrain continues. During the first half of the year, we have focused on developing the production process. Measures to start commercial scale production are underway. BlackGrain offers the food industry a new domestic plant protein alternative that supports the implementation of the circular economy and the development of sustainable and high-quality food solutions.

The use of steam produced with biogas was started in harvest-time production at the Säkylä frozen foods plant as part of the plant’s new energy solution. The new energy solution, based on renewable energy sources and heat recovery, will reduce the plant’s CO<sub>2</sub> emissions by approximately 80 per cent. From now on, steam used at the Säkylä frozen foods plant is mainly produced with bioenergy. At the same time, the amount of primary energy needed decreases by approximately one third. As a result of the deployment of the new energy solution, the Group now uses mainly renewable energy sources. Already in 2022, a total of 76 per cent of the energy used by Apetit came from renewable sources.

During the review period, we made a lot of progress towards our corporate responsibility programme’s goal of increasing the recyclability of packaging. Early this year, the use of recyclable plastic started in the Apetit Potato Onion product family, accounting for high sales volumes. The first frozen soups

packaged in PEFC-certified paperboard will be available in shops in the autumn. All frozen soups will be packaged in PEFC-certified paperboard by the end of 2024.”

## NET SALES AND PROFIT OF CONTINUING OPERATIONS

### *April–June*

Net sales in the second quarter were EUR 45.0 (47.3) million. Operating profit was EUR 0.7 (-1.0) million. The operating profit includes the effect of the IAS 2 activation of fixed costs arising from harvest-time production and change in stocks in the amount of EUR -1.0 (-1.0) million.

The share of the profit of the associated company Sucros was EUR 0.5 (-0.1) million in April–June. The good development of the sugar market improved the result.

The profit before taxes was EUR 1.0 (-1.1) million, and taxes on the profit for the period came to EUR -0.2 (0.2) million. Profit for the period came to EUR 0.8 (-0.9) million, and earnings per share amounted to EUR 0.14 (-0.14).

### *January–June*

Net sales in January–June amounted to EUR 93.2 (89.9) million. Operating profit was EUR 2.7 (-1.2) million. The operating profit includes the effect of the IAS 2 activation of fixed costs arising from harvest-time production and change in stocks in the amount of EUR -1.5 (-1.9) million.

The share of the profit of the associated company Sucros was EUR 0.9 (-0.4) million in January–June. The good development of the sugar market improved the result.

Financial income and expenses totalled EUR -0.2 (0.0) million.

The profit before taxes was EUR 3.4 (-1.6) million, and taxes on the profit for the period came to EUR -0.6 (0.2) million. Profit for the period came to EUR 2.8 (-1.4) million, and earnings per share amounted to EUR 0.45 (-0.22).

## CASH FLOWS, FINANCING AND BALANCE SHEET

Apetit Group’s balance sheet position remained strong in terms of the equity ratio as well as liquidity.

The consolidated cash flow from operating activities amounted to EUR 7.7 (17.8) million in January–June. The impact of the change in working capital was EUR 2.4 (15.7) million. The effect of seasonality on the change in working capital is presented under the heading *Seasonality of operations*.

The net cash flow from investing activities was EUR -2.6 (13.4) million. The cash flow from financing activities came to EUR -3.5 (-30.8) million, which includes EUR 0.0 (-27.6) million in net loan repayments and EUR -3.1 (-2.5) million in dividend payments.

At the end of the period, the Group’s interest-bearing liabilities amounted to EUR 1.7 (3.5) million and liquid assets to EUR 16.4 (7.9) million. Net interest-bearing liabilities totalled EUR -14.7 (-4.4) million.

The consolidated balance sheet total stood at EUR 112.8 (110.8) million. At the end of the review period, equity totalled EUR 96.8 (91.6) million. The equity ratio was 85.8 (82.7) per cent, and gearing was -15.2 (-4.8) per cent. The Group’s liquidity is managed by committed credit facilities, fixed loans

and a commercial paper programme. At the end of the period, the available credit facilities amounted to EUR 29 (29) million. The total of commercial papers issued stood at EUR 0.0 (0.0) million.

## INVESTMENT

Investment by continuing operations in non-current assets came to EUR 2.5 (3.0) million in January–June. Investment was divided as follows: Food Solutions EUR 1.6 (2.5) million, Oilseed Products EUR 0.6 (0.4) million and Group Functions EUR 0.4 (0.0) million.

## PERSONNEL

In January–June 2023, the continuing operations had 291 (270) employees in full-time equivalents. Apetit Group had 357 employees at the end of June. The number of employees at Apetit's Säskylä plant varies during the year based on the harvest seasons.

## THE DIVESTMENT OF THE GRAIN TRADE BUSINESS

Grain Trade is reported as a discontinued operation starting from the Q1/2022 Business Review. The divestment of the Grain Trade business was completed in stages during the first half of 2022.

Operating profit for Discontinued operations for 2022 includes EUR 2.3 million in gains on sale resulting from the sale of the Baltic and Finnish business operations.

## STRATEGY

### *Strategy period 2023–2025*

Achieving growth from diverse plant-based food solutions and added-value products is at the heart of Apetit's strategy. As the cornerstone of our business, we continue to invest in cooperation with growers and in Finnish primary production.

Apetit's four strategic focus areas for 2023–2025 are:

#### *Stronger together*

As the cornerstone of our business, we invest in cooperation with growers and in Finnish primary production. We strengthen business synergies and shared processes. We foster a culture of continuous improvement. We look after our competitive advantages: our motivated and skilled employees, strong brand and differentiating factors.

#### *Diverse plant-based food products*

We develop added-value food products and increase the refining rate in vegetable oil products. We increase food exports and strengthen our position in Sweden. We increase the volume and cultivation area of strategically significant plants. We make strategic investments to speed up organic growth. We are open for business acquisitions to allow inorganic growth.

#### *More domestic plant proteins*

We continue the commercialisation of the BlackGrain rapeseed ingredient towards an industrial scale. We promote the cultivation of domestic pulses. We explore opportunities to produce Finnish pea protein. We use domestic plant proteins in our own production in diverse ways.

#### *Sustainable value chain*

We promote sustainable primary production and food choices. We reduce the impact of our operations on the climate and the environment. We make sure that our sourcing processes are transparent and sustainable. We ensure that social responsibility is realised throughout the value chain.

## *Financial objectives*

EBIT > EUR 9.0 million (2022: continuing operations EUR 3.5 million)

ROCE > 8.0 % (2022: 5.7 %)

The realisation of set strategic objectives is based on regular harvest development and systematic execution of strategic measures.

## OPERATING ENVIRONMENT

### *Factors affecting demand*

The value of the retail sales of food has continued to grow. Grocery sales increased by 7.5 per cent in January–June. During the same period, grocery prices rose by 12.2 per cent\*. In the retail segment, the frozen foods category (excluding ice cream products) grew by 7.0 per cent\*\* in Finland during the first half of the year. Wholesale food service sales increased by 13.8 per cent\* in January–June. Demand for vegetable oil products was at the established level.

Consumer consciousness of quality and sustainability as well as valuing domestic products are already established food-related trends. Inflation decreases consumer purchasing power and directs consumption to affordable products. According to Statistics Finland (Consumer Price Index, 14 July 2023), food inflation in June 2023 was 9.2 per cent when compared to June last year.

Consumers value products that help make meals quick, easy, diverse and healthy. Interest in comprehensive well-being is also continuing to grow. Apetit's product portfolio is based on plant- and fish-based products that make daily life easier and increase well-being, and the demand for these products is expected to grow further. The position of Apetit's brand and products remains strong in the retail segment in frozen vegetables, frozen ready meals and vegetable oils.

\*Source: The Finnish Grocery Trade Association

\*\*Source: Nielsen Homescan Finland

## SUSTAINABLE VALUE CHAIN

Apetit's corporate responsibility is based on sustainable food choices: Through its operations, Apetit wants to contribute to a food supply chain that supports the well-being of people and the environment. Apetit's products are based on domestic ingredients, vegetables and local fish.

In its corporate responsibility programme published in March 2021, Apetit made commitments including a 75 per cent reduction in emissions from its own operations\* and transitioning to 100 per cent recyclable packaging materials\*\*.

Apetit engages in and develops sustainable business in accordance with the objectives specified in the corporate responsibility programme. The key measures taken to support sustainable business are as follows:

### *New energy solutions*

The use of steam produced with biogas was started in harvest-time production at the Säkylä frozen foods plant as part of the plant's new energy solution. The new energy solution, based on renewable energy sources and heat recovery, will reduce the plant's CO<sub>2</sub> emissions by approximately 80 per cent. The new energy solution will increase the share of renewable energy used at the plant to about 70 per cent while significantly improving energy efficiency through heat recovery.

Previously, Apetit built a bioenergy plant at the Kirkkonummi vegetable oil milling plant. The bioenergy plant was commissioned in autumn 2021. It replaced the earlier energy solution that used non-renewable fuels and significantly reduced the vegetable oil milling plant's and the Group's CO<sub>2</sub> emissions. From 2019 to 2022, the CO<sub>2</sub> emissions of the Kantvik vegetable oil milling plant have decreased by more than 90 per cent.

#### *Cultivation development and contract farming*

Through research carried out at Apetit's Råpi experimental farm, Apetit is looking for alternatives to chemical plant protection products and seeking ways to improve soil fertility and promote carbon sequestration, for example. Research topics include optimised crop rotation, the use of insect nets and mechanical weed separation. The improvement of soil fertility aims not only at carbon sequestration but also at the reduction of nutrient runoffs. In plant-related development work, the Råpi farm focuses especially on the cultivation of domestic pulses.

#### *Sustainable packaging solutions*

As part of the long-term development of packaging solutions, Apetit is committed to increasing the recyclability of packaging, improving the clarity of recycling indications and instructions on packaging as well as choosing materials manufactured from renewable natural resources where possible. At the end of 2022, the share of recyclable packaging materials was 70 per cent, and at the beginning of 2023, the use of recyclable packages started in Apetit Potato Onion Mix products. Apetit's frozen soups will be packaged in PEFC-certified paperboard. The first soups in PEFC-certified paperboard packages will be available in shops in autumn 2023 and the transition will be completed towards the end of 2024.

#### *Utilisation of side streams*

The Säkylä frozen foods plant started using steam produced with biogas. Biogas is produced partly from side streams of harvest-time production, such as peeling waste and vegetables and vegetable parts discarded during quality assurance processes. One of the side streams at the Kantvik vegetable oil milling plant is straw waste and its use as fuel for the Kantvik bioenergy plant has been developed further. Now side streams can be used almost fully in biogas production.

#### *Products made from domestic lakefish*

Apetit's product family based on domestic local fish has established its position on Finnish consumers' dinner tables. Research has shown that local fish products help curb eutrophication and have a moderate carbon footprint. The products in this product family include domestic freshwater fish fingers and patties as well as Baltic Sea fish fingers and patties. Apetit has increased the use of domestic local fish by more than a quarter when compared to 2019.

#### *Reduction of climate impacts*

All of the electricity used by Apetit Group's production facilities has been generated with wind power starting from 1 April 2020. Following the adoption of wind power and the commissioning of the bioenergy plant at the Kantvik vegetable oil milling plant, Apetit Group's own energy-based CO<sub>2</sub> emissions have decreased by 71 per cent from the comparison year 2019. The new energy solution adopted at the Säkylä plant in July 2023 will reduce the plant's annual CO<sub>2</sub> emissions by approximately 80 per cent.

#### *Investments in occupational safety*

The number of occupational accidents in Apetit Group has decreased during the first half of the year. In January–June, there were 1 (4) LTA1 accidents in the Group. The number of safety observations has increased in line with Apetit's targets.

## SEASONALITY OF OPERATIONS

In accordance with the IAS 2 standard, the historical cost of inventories includes a systematically allocated portion of the fixed production overheads. With production focusing on harvest time, raw materials are mainly processed into finished products during the second half of the year. This means that more fixed production overheads are recognized on the balance sheet in the second half of the year. Due to this accounting practice, most of the Group's annual profit is accrued during the second half of the year. The timing of end of the harvest season can affect the comparability between financial years. The seasonal nature of profit accumulation is most marked in the Food Solutions segment and in the associated company Sucros, where production reflects the crop harvesting season.

Harvesting seasons also cause seasonal variation in the amount of working capital tied up in operations. Working capital tied up in Oilseed Products is at its highest towards the end of the year and decreases to its lowest in the summer before the next harvest season. As production in the Food Solutions segment is seasonal and follows the harvest period, the working capital tied up in operations is at its highest around the turn of the year in that segment.

## OVERVIEW OF OPERATING SEGMENTS

### Food Solutions

Frozen vegetable products and frozen ready meals

EUR million	4–6/ 2023	4–6/ 2022	Change	1–6/ 2023	1–6/ 2022	Change	1–12/ 2022
<b>Net sales</b>	<b>16.7</b>	14.7	14 %	<b>36.3</b>	31.9	14 %	64.2
<b>EBITDA</b>	<b>0.8</b>	0.5		<b>3.2</b>	2.4		7.6
<b>Operating profit</b>	<b>-0.1</b>	-0.4		<b>1.5</b>	0.7		4.2

#### *Financial and operational performance in April–June*

Net sales grew and amounted to EUR 16.7 (14.7) million in April–June. Net sales grew clearly from the comparison period in all sales channels. Net sales growth was driven by price increases and the year-on-year increase of sales volumes. In the Food service sector, sales have continued to grow strongly.

Operating profit was EUR -0.1 (-0.4) million. As a response to the general increase in costs, selling prices were increased. Successful product launches contributed to profit performance. Delivery reliability was at a good level during the reporting period.

#### *Summary of January–June*

The net sales of Food Solutions increased clearly and were EUR 36.3 (31.9) million. Profitability of business improved, and operating profit was EUR 1.5 (0.7) million.

Exports accounted for 12 per cent of net sales (1–6/2022: 8%) and were mainly targeted at Sweden, Italy and the United Kingdom. One of the factors that contributed to the increase in net sales from exports was frozen pea sales that were carried out in an exceptional time when compared to the comparison period.

The Food Solutions segment's investments totalled EUR 1.6 (2.5) million and were mainly associated with production efficiency improvements at the Säkylä frozen foods plant.



## Operating environment

The harvest expectations for field vegetables are fairly good. The hot and dry weather in the early summer reduced the first spinach harvest and the first batch of the pea harvest. The rains that followed the hot period helped peas that had been sown later as well as the beginning of the root vegetable growing season.

In the retail segment, the frozen foods category\* (excluding ice cream products) grew by 7.0 per cent year-on-year in Finland. Wholesale food service sales\*\* increased by 13.8 per cent in January–June. In June, wholesale food service sales\*\* grew by 3.1 per cent compared to June of last year.

\*Source: Nielsen Homescan Finland

\*\*Source: Finnish Grocery Trade Association (PTY)

## Oilseed Products

Vegetable oils and rapeseed expeller

EUR million	4–6/ 2023	4–6/ 2022	Change	1–6/ 2023	1–6/ 2022	Change	1–12/ 2022
<b>Net sales</b>	<b>28.5</b>	32.8	-13 %	<b>57.2</b>	58.2	-2 %	118.2
<b>EBITDA</b>	<b>1.8</b>	0.2		<b>3.5</b>	-0.0		3.2
<b>Operating profit</b>	<b>1.4</b>	-0.2		<b>2.7</b>	-0.8		1.5

### Financial and operational performance in April–June

Net sales in April–June were EUR 28.5 (32.8) million. Net sales decreased from the high level of the comparison period. During the comparison period, market prices were exceptionally high. Sales volumes increased slightly year-on-year.

Operating profit was EUR 1.4 (-0.2) million. Operating profit was boosted by successful raw material sourcing and active pricing efforts.

### Summary of January–June

The net sales of Oilseed Products decreased slightly from the comparison period and totalled EUR 57.2 (58.2) million. Operating profit was EUR 2.7 (-0.8) million.

The sales of the strategically important refined vegetable oil increased by 6 per cent year-on-year. The main export markets were Norway, Sweden and Estonia, with exports representing 24 per cent of net sales.

The majority of the small-scale production of the rapeseed ingredient BlackGrain is delivered for production testing by customers as well as Apetit's own product development. The development of BlackGrain in the first half of year has focused on the production process. Measures to start production on the commercial scale are under way.

Investment for the period totalled EUR 0.6 (0.4) million.

## Operating environment

According to the Natural Resources Institute Finland's preliminary statistics, the total cultivation area of rapeseed in this growing season is 38,400 hectares, with the share of *Brassica rapa* being 30,100 hectares and that of *Brassica napus* 8,300 hectares. As a whole, this is a decrease of approximately 11 per cent when compared to the previous year (2022). The amount of winter rapeseed sown in the autumn, roughly 6,000 hectares, was clearly lower than last year.

The average total rapeseed cultivation area in the past five years (2018–2022) in Finland has been 41,200 hectares. The conditions during the summer growing season were impaired by the hot and dry weather in the early summer. In addition to weakening growth, the weather conditions increased pest pressure. In the Baltic countries, the Group's nearby sourcing area, harvesting is in its final stages and the harvest levels are expected to be on a par with last year.

## Group Functions

EUR million	4–6/ 2023	4–6/ 2022	Change	1–6/ 2023	1–6/ 2022	Change	1–12/ 2022
Net sales	-	-		-	-		-
EBITDA	-0.5	-0.3		-1.3	-0.8		-1.6
Operating profit	-0.6	-0.5		-1.5	-1.1		-2.2

Group Functions, consisting of the expenses related to Group management, strategic projects and listing on the stock exchange, are reported as expenses that are not allocated to the business segments.

## DISCONTINUED OPERATIONS

### Grain Trade

Finnish and international trade in grains, oilseeds, pulses and raw materials for animal feed

EUR million	4–6/ 2023	4–6/ 2022	Change	1–6/ 2023	1–6/ 2022	Change	1–12/ 2022
Net sales	-	21.9	-100 %	-	64.0	-100 %	67.2
EBITDA	-0.1	2.5		-0.1	3.1		3.2
Operating profit	-0.1	2.2		-0.1	2.6		2.7

### Financial and operational performance in April–June

Net sales in April–June were EUR 0.0 (21.9) million. Operating profit was EUR -0.1 (2.2) million.

The divestment of the Grain Trade business was completed in stages during the first half of 2022. Operating profit from comparison period includes EUR 2.3 million in gains on sale.

*Summary of January–June*

Net sales amounted to EUR 0.0 (64.0) million. Operating profit was EUR -0.1 (2.6) million. Operating profit from comparison period includes EUR 2.3 million in gains on sale resulting from the sale of the Baltic and Finnish business operations.

Investment in the Grain Trade business totalled EUR 0.0 (0.0) million.

## CORPORATE GOVERNANCE

### Corporate Governance Statement and Remuneration Statement

Apetit's Corporate Governance Statement and Remuneration Report were published on 10 March 2023 in connection with the publication of the Annual Report. The statement and report are available on Apetit's website.

### Annual General Meeting 2023

Apetit Plc's Annual General Meeting was held in Säkylä on 13 April 2023. The Annual General Meeting adopted the parent company's financial statements and the consolidated financial statements, and discharged the members of the Supervisory Board, the Board of Directors and the CEO from liability for the financial year 2022.

### Decisions of the Annual General Meeting 2023

#### *Dividend distribution*

The Annual General Meeting decided according to the Board of Director's proposal that a dividend of EUR 0.50 per share will be paid for the financial year 2022. The dividend will be paid to shareholders who are registered in the company's share-holder register maintained by Euroclear Finland Ltd on the record date of 17 April 2023. The dividend is paid 25 April 2023. No dividend will be paid on shares held by the company.

#### *Election of the Supervisory Board, the Nomination Committee of the Supervisory Board and the auditors and deciding on their fees*

The Annual General Meeting voted of the number of the members of the Supervisory Board. The Annual General Meeting decided that the Supervisory Board will have 16 members elected by the Annual General Meeting.

5 persons were appointed as re-elected to replace members of the Supervisory Board completing their term and 2 persons were elected as new members. Jaakko Halkilahti, Maisa Mikola, Petri Rakkolainen, Olli Saaristo and Mauno Ylinen were re-elected to the Supervisory Board. Juha Junnila and Samu Pere were elected as a new members to the Supervisory Board.

According to the shareholders' proposal Henrika Vikman was re-elected as the member of the Supervisory Board's Nomination Committee and Nicolas Berner was elected as a new member of the Supervisory Board's Nomination Committee.

The Annual General Meeting decided according to the shareholders' proposal that the monthly fee paid to the Supervisory Board's chairman is EUR 1,000, and to the deputy chairman EUR 665. The meeting allowance paid to the members of the Supervisory Board and the members of the Supervisory Board's Nomination Committee is EUR 300. In addition, compensation for travelling expenses are paid in accordance with the general travel rules of Apetit Plc.

#### *The election of the auditors and remuneration*

According to the Board of Director's proposal two auditors were elected for the company. According to the Board of Director's proposal Ernst & Young Oy, authorized public accountants, with Erika Grönlund, APA as the auditor with principal responsibility and Osmo Valovirta, APA were re-elected as auditors. The auditors were elected until the end of the 2024 Annual General Meeting.

The auditors' fees are paid according to an invoice approved by the company.

#### *Authorizing the board of directors to decide on the repurchase of company's own shares*

According to the Board of Director's proposal the Annual General Meeting decided to authorize the Board of Directors to decide on the repurchase of a maximum of 80,000 (eighty thousand) of the company's own shares using the unrestricted equity of the company representing about 1,27 per cent of all the shares in the company. The authorization includes the right to accept company's own shares as a pledge.

The authorization is valid until the closing of the Annual General Meeting 2024, however no longer than until 31 May 2024. The authorization replaces the earlier authorization for repurchasing the Company's shares given on 5 May 2022.

## SHARES AND SHARE OWNERSHIP

### Shares, share capital and trading

The shares of Apetit Plc are all in one series. All shares carry the same voting and dividend rights. The Articles of Association specify that the number of votes a shareholder is entitled to exercise cannot exceed one tenth of the votes represented at a general meeting. The nominal value of each of the company's shares is EUR 2. At both the beginning and the end of the review period, the total number of shares issued by the company stood at 6,317,576, and the registered share capital totalled EUR 12,635,152. The minimum amount of share capital is EUR 10 million, and the maximum amount is EUR 40 million.

### Treasury shares

At the end of the review period, the company held a total of 63,268 treasury shares acquired during previous years. These treasury shares represent 1.0 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

### Share price and trading

The number of Apetit Plc shares traded on the stock exchange during the review period was 258,493 (317,291), representing 4.1 (5.0) per cent of the total number of shares. The highest share price quoted was EUR 13.50 (13.90) and the lowest was EUR 10.10 (9.62). The average price of shares traded was EUR 12.12 (11.30). The share turnover for the period was EUR 3.1 (3.6) million. At the end of the review period, the market capitalisation was EUR 76.4 (61.9) million.

### Managers' transactions

Apetit's managers' transactions related to Apetit's securities during the review period have been published as stock exchange releases and can be read on the company's website.

## SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for Apetit Group are related to the management of raw material price changes, the availability of raw materials, the harvest quality and quantity of oilseed plants and field vegetables, the functioning of the financing markets, the solvency of customers as well as consumer purchasing power, the delivery performance of suppliers and service providers, and changes in the Group's business areas and customer relationships.

## MATERIAL EVENTS AFTER THE END OF THE REVIEW PERIOD

The Group had no material events after the end of the review period.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6 2023	4-6 2022	1-6 2023	1-6 2022	1-12 2022
<b>Continuing Operations</b>					
<b>NET SALES</b>	<b>45.0</b>	47.3	<b>93.2</b>	89.9	181.7
Other operating income	<b>0.3</b>	0.3	<b>0.5</b>	0.5	1.2
Material and services	<b>-34.0</b>	-38.9	<b>-68.8</b>	-71.9	-137.3
Employee benefits expense	<b>-4.5</b>	-3.9	<b>-9.4</b>	-8.0	-17.9
Depreciation and amortisation	<b>-1.4</b>	-1.4	<b>-2.8</b>	-2.7	-5.7
Impairment	-	-	-	-	-0.0
Other operating expenses	<b>-4.7</b>	-4.5	<b>-10.0</b>	-9.0	-18.5
<b>OPERATING PROFIT</b>	<b>0.7</b>	-1.0	<b>2.7</b>	-1.2	3.5
Financial income	<b>0.1</b>	0.2	<b>0.2</b>	0.4	0.6
Financial expenses	<b>-0.2</b>	-0.2	<b>-0.3</b>	-0.4	-0.8
Share of profit/loss accounted for using the equity method	<b>0.5</b>	-0.1	<b>0.9</b>	-0.4	0.5
<b>PROFIT/LOSS BEFORE TAX</b>	<b>1.0</b>	-1.1	<b>3.4</b>	-1.6	3.8
Tax on income from operations	<b>-0.2</b>	0.2	<b>-0.6</b>	0.2	-0.7
<b>Profit/loss from continuing operations</b>	<b>0.8</b>	-0.9	<b>2.8</b>	-1.4	3.2
<b>Discontinued Operations</b>					
<b>Profit/loss from discontinued operations</b>	<b>-0.0</b>	1.8	<b>-0.0</b>	2.0	2.0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>0.8</b>	0.9	<b>2.8</b>	0.6	5.2
<b>Basic earnings per share calculated on profit attributable to equity holders of the parent</b>					
Continuing operations	<b>0.14</b>	-0.14	<b>0.45</b>	-0.22	0.51
Discontinued operations	<b>-0.00</b>	0.28	<b>-0.00</b>	0.31	0.33
<b>To the shareholders of the parent company</b>	<b>0.14</b>	0.14	<b>0.45</b>	0.09	0.83
<b>Diluted earnings per share calculated on profit attributable to equity holders of the parent</b>					
Continuing operations	<b>0.14</b>	-0.14	<b>0.45</b>	-0.22	0.51
Discontinued operations	<b>-0.00</b>	0.28	<b>-0.00</b>	0.31	0.33
<b>To the shareholders of the parent company</b>	<b>0.13</b>	0.14	<b>0.45</b>	0.09	0.83
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations	<b>0.0</b>	-0.0	<b>0.0</b>	-0.0	-0.0
Cash flow hedges	<b>1.7</b>	-2.8	<b>0.9</b>	0.2	-0.0
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>1.7</b>	-2.8	<b>1.0</b>	0.2	-0.0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2.6</b>	-1.9	<b>3.8</b>	0.8	5.1

**Total comprehensive income attributable to:**

Owners of the parent company	<b>2.6</b>	-1.9	<b>3.8</b>	0.8	5.1
------------------------------	------------	------	------------	-----	-----

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

EUR million	<b>30.6.2023</b>	30.6.2022	31.12.2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	<b>1.7</b>	1.3	1.2
Goodwill	<b>0.4</b>	0.4	0.4
Property, plant, equipment	<b>37.3</b>	37.9	37.6
Right-of-use assets	<b>1.7</b>	1.9	2.1
Shares in associated companies	<b>21.0</b>	19.6	20.1
Other non-current financial assets	<b>0.4</b>	0.3	0.3
Non-current trade and other receivables	<b>0.0</b>	0.0	0.0
Deferred tax assets	<b>2.4</b>	4.0	3.2
<b>NON-CURRENT ASSETS</b>	<b>64.9</b>	65.5	64.9
<b>CURRENT ASSETS</b>			
Inventories	<b>25.9</b>	26.5	30.1
Trade receivables and other receivables	<b>5.7</b>	10.9	7.5
Cash and cash equivalents	<b>16.4</b>	7.9	14.8
<b>CURRENT ASSETS</b>	<b>48.0</b>	45.3	52.4
<b>Non-current assets held for sale</b>	-	-	-
<b>ASSETS</b>	<b>112.8</b>	110.8	117.3
	<b>30.6.2023</b>	30.6.2022	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
Owners of the parent company	<b>96.8</b>	91.6	96.0
<b>EQUITY</b>	<b>96.8</b>	91.6	96.0
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	<b>0.0</b>	0.1	0.1
Non-current liabilities, interest-bearing	<b>0.9</b>	1.1	1.2
Non-current interest-free liabilities	-	-	-
Liabilities from defined benefit plan	<b>0.2</b>	0.2	0.2
<b>NON-CURRENT LIABILITIES</b>	<b>1.1</b>	1.4	1.5
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	<b>0.9</b>	2.4	0.9
Trade Payables and Other Liabilities	<b>14.1</b>	15.4	18.9
<b>CURRENT LIABILITIES</b>	<b>14.9</b>	17.7	19.8
<b>Liabilities of a disposal group held for sale</b>	-	-	-



<b>LIABILITIES</b>	<b>16.0</b>	19.1	21.3
<b>EQUITY AND LIABILITIES</b>	<b>112.8</b>	110.8	117.3

### CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-6/2023	1-6/2022	1-12/2022
PROFIT/LOSS FOR THE PERIOD	<b>2.8</b>	0.6	5.2
Adjustments to cash flow from operating activities	<b>2.6</b>	1.9	5.3
Working capital changes	<b>2.4</b>	15.7	18.5
Interest paid	<b>-0.2</b>	-0.2	-0.3
Interest received	<b>0.1</b>	0.0	0.0
Other financial items from business operations	<b>-0.0</b>	-0.1	-0.2
Income taxes paid	<b>-0.0</b>	-0.1	-0.1
<b>Net cash from operating activities</b>	<b>7.7</b>	<b>17.8</b>	<b>28.4</b>
Purchase of tangible and intangible assets	<b>-2.5</b>	-3.0	-5.0
Proceeds from sale of tangible and intangible assets	-	0.0	-0.0
Proceeds from disposal of discontinued operations	-	16.4	16.4
Dividends received	<b>0.0</b>	0.0	0.3
<b>Net cash used in investing activities</b>	<b>-2.6</b>	<b>13.4</b>	<b>11.7</b>
Proceeds from sale of treasury shares	<b>0.1</b>	-	-
Addition / deduction of current borrowings	-	-27.6	-29.1
Payment of lease liabilities	<b>-0.4</b>	-0.7	-1.1
Dividends paid	<b>-3.1</b>	-2.5	-2.5
<b>Net cash used in financing activities</b>	<b>-3.5</b>	<b>-30.8</b>	<b>-32.7</b>
<b>Net change in cash and cash equivalents</b>	<b>1.6</b>	<b>0.4</b>	<b>7.3</b>
Cash and cash equivalents at the beginning of the period	<b>14.8</b>	7.5	7.5
Cash and cash equivalents at the end of the period	<b>16.4</b>	7.9	14.8

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital  
 B = Share premium  
 C = Treasury shares  
 D = Invested non-restricted equity capital  
 E = Fair value reserve  
 F = Other reserves  
 G = Translation differences  
 H = Retained earnings  
 I = Total equity

**1-6/2023**

EUR million	A	B	C	D	E	F	G	H	I
			-						
<b>Equity 1.1.</b>	<b>12.6</b>	<b>23.4</b>	<b>1.1</b>	<b>0.1</b>	<b>-1.1</b>	<b>7.2</b>	<b>-0.0</b>	<b>54.9</b>	<b>96.0</b>
Profit/loss for the period	-	-	-	-	-	-	-	2.8	2.8
Cash flow hedges	-	-	-	-	0.9	-	-	-	0.9
Translation differences	0.0	-	-	-	-	-	0.0	-0.0	0.0
<b>Comprehensive income</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>0.0</b>	<b>2.8</b>	<b>3.8</b>
Dividend distribution	-	-	-	-	-	-	-	-3.1	-3.1
Share-based payments	-	-	0.1	0.1	-	-	-	0.0	0.2
Transfer of treasury shares	-	-	0.1	-	-	-	-	-	0.1
Other changes	-0.0	-	-	-	-	-	-	-0.2	-0.2
<b>Muutokset yhteensä</b>	<b>0.0</b>	<b>-</b>	<b>0.2</b>	<b>0.1</b>	<b>0.9</b>	<b>-</b>	<b>0.1</b>	<b>-0.4</b>	<b>0.9</b>
			-						
<b>Equity 30.6.</b>	<b>12.6</b>	<b>23.4</b>	<b>1.0</b>	<b>0.2</b>	<b>-0.1</b>	<b>7.2</b>	<b>0.0</b>	<b>54.4</b>	<b>96.9</b>

**1-6/2022**

EUR million	A	B	C	D	E	F	G	H	I
			-						
<b>Equity 1.1.</b>	<b>12.6</b>	<b>23.4</b>	<b>1.2</b>	<b>0.1</b>	<b>-1.0</b>	<b>7.2</b>	<b>-0.0</b>	<b>52.1</b>	<b>93.3</b>
Profit/loss for the period	-	-	-	-	-	-	-	0.6	0.6
Cash flow hedges	-	-	-	-	0.2	-	-	-	0.2
Translation differences	-0.0	-	-	-	-	-	0.0	-0.0	-0.0
<b>Comprehensive income</b>	<b>-0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>0.0</b>	<b>0.6</b>	<b>0.8</b>
Dividend distribution	-	-	-	-	-	-	-	-2.5	-2.5
Share-based payments	-	-	0.0	-	-	-	-	0.0	0.0
Other changes	-	-	-	-	-	-	-	-0.0	-0.0
Changes in equity total	-0.0	-	0.0	-	0.2	-	0.0	-1.9	-1.7
			-						
<b>Equity 30.6.</b>	<b>12.6</b>	<b>23.4</b>	<b>1.1</b>	<b>0.1</b>	<b>-0.8</b>	<b>7.2</b>	<b>-0.0</b>	<b>50.2</b>	<b>91.6</b>

**ACCOUNTING PRINCIPLES**

The half year report has been prepared in accordance with the IAS 34-standard (Interim Financial Reporting). The accounting policies adopted are consistent with those described in the annual financial statements for 2022.

## SEGMENT INFORMATION

A = Food solutions  
 B = Oilseed products  
 C = Group Functions  
 D = Continuing Operations  
 E = Discontinued Operations  
 F = Apetit Group

**1-6/2023**

EUR million

	A	B	C	D	E	F
Segment net sales	36.3	57.2	-	<b>93.5</b>	-	<b>93.5</b>
Intra-group net sales	-0.0	-0.3	-	<b>-0.3</b>	-	<b>-0.3</b>
Net sales	36.3	56.9	-	<b>93.2</b>	-	<b>93.2</b>
Operating profit	1.5	2.7	-1.5	<b>2.7</b>	-0.1	<b>2.6</b>
Gross investments in non-current assets	1.6	0.6	0.4	<b>2.5</b>	-	<b>2.5</b>
Business acquisitions and other investments	0.1	-	-	<b>0.1</b>	-	<b>0.1</b>
Depreciation and amortisation	1.7	0.8	0.2	<b>2.8</b>	-	<b>2.8</b>
Impairment	-	-	-	-	-	-
Personnel, FTE	228	50	13	<b>291</b>	-	<b>291</b>

**1-6/2022**

EUR million

	A	B	C	D	E	F
Segment net sales	31.9	58.2	-	<b>90.1</b>	64.0	<b>154.1</b>
Intra-group net sales	-0.0	-0.3	-	<b>-0.3</b>	-14.2	<b>-14.4</b>
Net sales	31.9	57.9	-	<b>89.9</b>	49.8	<b>139.7</b>
Operating profit	0.7	-0.8	-1.1	<b>-1.2</b>	2.6	<b>1.4</b>
Gross investments in non-current assets	2.5	0.4	0.0	<b>3.0</b>	-	<b>3.0</b>
Business acquisitions and other investments	-	-	0.0	<b>0.0</b>	-	<b>0.0</b>
Depreciation and amortisation	1.6	0.8	0.3	<b>2.7</b>	0.4	<b>3.1</b>
Impairment	-	-	-	-	0.1	<b>0.1</b>
Personnel, FTE	215	44	12	<b>270</b>	30	<b>300</b>

## DISCONTINUED OPERATIONS

Discontinued operations includes the Grain Trading business unit, which was classified as a discontinued operation in March 2022. On March 23, 2022, Apetit announced that it had agreed to sell Avena's domestic grain trading business and the grain warehouses and port operations located in Finland to Berner Ltd. The transaction was completed on May 31, 2022. Already on December 28, 2021, Apetit announced that its subsidiary Avena Nordic Grain had agreed to sell the Baltic operations of the Grain Trade business unit to the Scandagra Group, including the business of Avena's Estonian and Lithuanian companies. The transaction with Scandagra Group was completed in March 2022.

### Result from discontinued operations

EUR million	1-6/2023	1-6/2022	1-12/2022
Income	-	64.0	67.2
Expenses	-0.1	-61.4	-64.5
Operating profit	-0.1	2.6	2.7
Financial income and expense	-0.0	-0.2	-0.2
Profit before taxes	-0.1	2.4	2.5
Income taxes	0.1	-0.4	-0.4
Profit for the period, discontinued operations	-0.0	2.0	2.0

### Cash flow

EUR million	1-6/2023	1-6/2022	1-12/2022
Net cash from operating activities	-0.0	6.1	6.9
Net cash used in investing activities	-	16.4	16.4
Net cash used in financing activities	0.0	-22.5	-23.3
Net change in cash and cash equivalents	-	-	-

### Consideration received

EUR million	1-6/2023	1-6/2022	1-12/2022
Cash received	-	16.8	16.8
Costs directly attributable to the sales of business and adjustments to consideration	-	-0.4	-0.4
Carrying amount of net assets sold	-	-14.0	-14.0
Gain on sale before income tax	-	2.3	2.3
Income tax expense	-	-0.5	-0.5
Gain on sale after income tax	-	1.9	1.9

### Carrying amount of net assets sold

EUR million	1-6/2023	1-6/2022	1-12/2022
Tangible assets	-	1.2	1.2
Inventories	-	13.1	13.1
Trade receivables and other receivables	-	-	-
Trade payables and other liabilities	-	-0.3	-0.3
Net assets sold	-	14.0	14.0

<b>GROUP KEY INDICATORS</b>	<b>1-6/2023</b>	1-6/2022	1-12/2022
Shareholders' equity per share, EUR	<b>15.48</b>	14.68	15.38
Equity ratio, %	<b>85.8</b>	82.7	81.8
Net gearing, %	<b>-15.2</b>	-4.8	-13.2
Gross investments in non-current assets, EUR million	<b>2.5</b>	3.0	5.0
Personnel, FTE	<b>291</b>	300	303
Average adjusted number of shares	<b>6,249,508</b>	6,239,580	6,239,744

The formulas for the key indicators are presented in the 2022 annual financial statements.

#### **COLLATERAL, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS**

EUR million	<b>30.6.2023</b>	30.6.2022	31.12.2022
<b>Pledges given for debts</b>			
Guarantees	<b>2.2</b>	2.2	2.2
<b>Binding agreements not recognised in the balance sheet</b>			
Within one year	<b>0.5</b>	1.8	0.6
After one year but not more than five years	<b>0.5</b>	3.0	0.6
Total	<b>1.0</b>	4.8	1.3
<b>Nominal values of derivative instruments</b>			
Commodity derivatives, cash flow hedge accounting	<b>19.0</b>	20.1	36.2
Interest rate swaps, no cash flow hedge accounting	-	10.0	10.0
<b>Investment commitments</b>			
Food Solutions	<b>2.4</b>	1.9	2.1
Oilseed products	<b>0.9</b>	0.2	0.0

#### **CHANGES IN TANGIBLE ASSETS**

EUR million	<b>1-6/2023</b>	1-6/2022	1-12/2022
Book value at the beginning of the period	<b>39.7</b>	41.3	41.3
Additions	<b>1.9</b>	3.2	5.8
Disposals	-	-2.0	-1.9
Depreciation, amortisation and impairment	<b>-2.6</b>	-2.9	-5.6
Other changes	-	0.3	0.1
Book value at the end of the period	<b>39.0</b>	39.9	39.7

Tangible assets include right-of-use items in accordance with IFRS16

## RELATED PARTY TRANSACTIONS

EUR million	1-6/2023	1-6/2022	1-12/2022
Sales to associated companies	0.2	0.1	0.7
Purchases from associated companies	1.4	1.1	3.1
Trade receivables and other receivables from associated companies	0.0	0.0	0.2
Trade payables and other liabilities to associated companies	0.3	0.4	1.0

Helsinki, 16 August 2023  
APETIT PLC  
Board of Directors