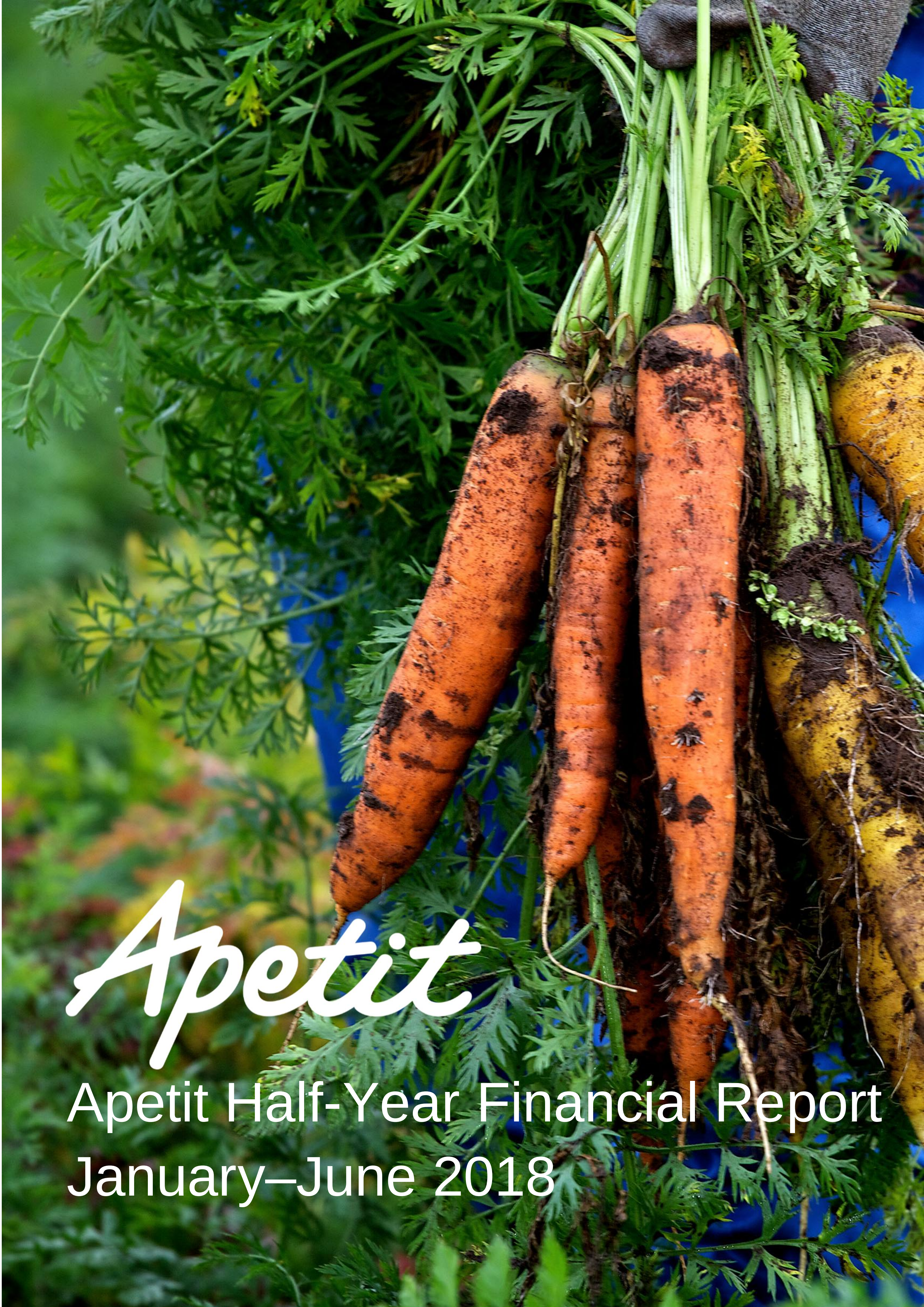

Apetit Half-Year Financial Report January–June 2018

Apetit Half-Year Financial Report 1 January–30 June 2018

A weak harvest lowered Grain Trade volumes and Group result - strategic measures lay foundations for future

April–June, continuing operations*

- Net sales from continuing operations were EUR 72.8 (76.8) million
- Operational EBITDA was EUR 0.1 (0.8) million
- Operational EBIT was EUR -1.4 (-0.5) million

January–June, continuing operations*

- Net sales from continuing operations were EUR 132.5 (150.8) million
- Operational EBITDA was EUR 0.1 (1.2) million
- Operational EBIT was EUR -2.8 (-1.5) million

Key events during the period

- Apetit invests EUR 9.7 million in a new patty and ball production line in Säkylä.
- Apetit invests EUR 3.7 million in the construction of a bioenergy plant in conjunction with the Avena Kantvik Oy rapeseed oil milling plant in Kirkkonummi.
- Avena Nordic Grain Oy and Viljelijän Berner joined their purchasing and sales organisations in production input and grain trade under a new operating model based on partnership.
- Apetit Vegepops Porkkana-mango was chosen as the Finnish Food of the Year 2018

**Continuing operations include Food Solutions, Oilseed Products and the Grain Trade.*

The information has not been audited. The figures in parentheses are the equivalent figures for the same period in 2017, and the comparison period means the corresponding period in the previous year, unless otherwise stated.

Revised profit guidance for 2018:

The Group's full-year operational EBIT from continuing operations is expected to fall short of the 2017 level (2017: EUR 1.3 million). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year. Sales volumes and the profit outlook for 2018 are burdened by the weak harvest of 2017 and the poor harvest outlook of the current year.

Juha Vanhainen, CEO:

“Apetit has continued with the measures of the strategy announced in March 2018 in its focus areas, which are internationalisation, renewal and efficiency improvement. These measures reinforce Apetit’s position as number one in vegetables and help in building a foundation for the further development of the business.

In June, we announced that we invest nearly EUR 10 million in a new patty and ball production line at our Säkylä plant. The new line will double our production capacity, meet current demand and enable us to produce new products for the Finnish and international markets.

As a part of the project to improve efficiency, Apetit is building a bioenergy plant in conjunction with the Avena Kantvik Oy rapeseed oil milling plant in Kirkkonummi. The bioenergy plant will replace the current energy solution that uses non-renewable fuels and will significantly reduce the carbon dioxide emissions of the entire Group.

Apetit participated in the share issue of the food business development company Foodwest which took place in May-June. Apetit’s holding in the company will promote our strategic goals to focus on product development and to renew and lead the way in vegetable-based diets. One result of the work we have done to date is the nomination of Apetit Vegepops Porkkana-mango as the Finnish Food of the Year 2018 in May. We also continued work on a project to develop a rapeseed ingredient in order to develop a new ingredient with high nutritional content for the international food market.

The goals of renewal and continuous development of operations took concrete form when Apetit’s subsidiary Avena Nordic Grain Oy and Viljelijän Berner joined their purchasing and sales organisations in production input and grain trade under a new operating model based on partnership. Business will be conducted under the name Viljelijän Avena Berner and it will offer Finnish farmers a one-stop-shop for production input and grain trade services.

Increasing the share of food sales abroad has proceeded according to plan. At the end of August Apetit will launch a new selection for the Swedish market called Free From which includes five patty and ball products. In Russia we are continuing work on reinforcing our position through local food product chains.

As expected, the aftermath of the weak harvest of 2017 continued in the first half of 2018 and substantially lowered grain trade volumes and consolidated net sales on the comparison period. The shrinking of the Sales Services network had a negative impact on the net sales of Food Solutions. Oilseed Products’ performance remained stable as volumes slightly grew on the comparison period. The low price of sugar on the global market led to a weaker result for the associated company Sucros.

During the spring Apetit has carried out adjustment measures to improve profitability, including personnel reductions and other cost saving measures. Their combined impact in 2018 will be EUR 1.0 million and the annual total impact will be EUR 1.8 million.

It is likely that the 2018 harvest season will also be significantly worse than average, as was the 2017 season, which will have a negative impact on the Group’s profit-earning capacity in the second half of the year. The Finnish grain harvest is estimated to be the weakest of the 21st century, which will limit trade opportunities especially in exports. The harvest of field vegetables is also likely to be lower than usual.”

KEY FIGURES

EUR million	4-6 2018	4-6 2017	Change	1-6 2018	1-6 2017	Change	2017
Continuing operations							
Net sales	72.8	76.8	-5%	132.5	150.8	-12%	311.8
Operational EBITDA	0.1	0.8		0.1	1.2		6.8
Operational EBIT	-1.4	-0.5		-2.8	-1.5		1.3
Operating profit	-2.7	-0.7		-4.1	-1.7		1.1
Share of profit of associated company Sucros	-0.4	0.2		-0.9	-0.5		1.0
Profit for the period	-2.8	-0.5		-4.5	-2.0		2.9
Earnings per share, EUR	-0.45	-0.08		-0.72	-0.32		0.46
Working capital, at end of period				28.5	25.3		30.0
Investment				1.8	2.5		5.2
Group (incl. discontinued operations during comparison period)							
Earnings per share, EUR	-0.45	-0.27		-0.72	-0.56		-0.10
Equity per share, EUR				16.75	17.58		18.10
Return on capital employed (ROCE), %				0.9%	1.9%		2.4%
Net cash flow from operating activities				-0.1	23.1		20.0
Equity ratio				76.1%	71.1%		72.6%
Gearing				-4.7%	-1.5%		-9.6%

NET SALES AND PROFIT OF CONTINUING OPERATIONS

April–June

Net sales in the second quarter of 2018 were EUR 72.8 (76.8) million. Operational EBIT was EUR -1.4 (-0.5) million and the reported operating profit was EUR -2.7 (-0.7) million. The reported operating profit includes a EUR -1.3 million non-recurring cost as a result of a breach of contract by a foreign grain supplier. The share of the profit of the associated company Sucros was EUR -0.4 (0.2) million.

The profit before taxes was EUR -3.4 (-0.7) 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 (-0.5) million, and earnings per share amounted to EUR -0.45 (-0.08).

January–June

Net sales in January–June were EUR 132.5 (150.8) million. Operational EBIT was EUR -2.8 (-1.5) million, and the reported operating profit was EUR -4.1 (-1.7) million. The share of the profit of the associated company Sucros was EUR -0.9 (-0.5) million in January–June.

Financial income and expenses totalled EUR -0.4 (-0.2) million. Financial expenses included EUR -0.1 (-0.3) million as the share of the Avena Nordic Grain Group's profit attributable to the employee owners.

The profit before taxes was EUR -5.4 (-2.4) million, and taxes on the profit for the period came to EUR 0.9 (0.4) million. Profit for the period came to EUR -4.5 (-2.0) million, and earnings per share amounted to EUR -0.72 (-0.32).

CASH FLOWS, FINANCING AND BALANCE SHEET

The Group's liquidity was good, and its financial position is strong.

Consolidated cash flow from operating activities after interest and taxes amounted to EUR -0.1 (23.1) million in January–June. The impact of the change in working capital was EUR 1.1 (22.5) million. The effect of seasonality on the change in working capital is presented below under 'Seasonality of operations'.

The net cash flow from investing activities was EUR -1.4 (-2.6) million. The cash flow from financing activities came to EUR -4.8 (-14.2) million, including EUR -4.3 (-4.3) million in dividend payments and EUR -0.5 (-9.9) million in loan repayments.

At the end of the period, the continuing operations had EUR 4.4 (7.2) million in interest-bearing liabilities and EUR 9.3 (10.9) million in liquid assets. Net interest-bearing liabilities totalled EUR -4.9 (-3.6) million.

The consolidated balance sheet total stood at EUR 136.7 (153.4) million. At the end of the review period, equity totalled EUR 104.0 (109.0) million. The equity ratio was 76.1 (71.1) per cent, and gearing was -4.7 (-1.5) per cent. The Group's liquidity is secured with committed credit facilities. EUR 15 million in credit facilities was cancelled in the period, and EUR 25 (40) million was available in credit at the end of the period. The total of commercial papers issued stood at EUR 0.0 (2.0) million.

INVESTMENT

The Group's gross investment in non-current assets came to EUR 1.8 (2.5) million and was divided as follows: Investment in Food Solutions totalled EUR 1.4 (2.0) million, in Oilseed Products EUR 0.4 (0.4) million and in Grain Trade EUR 0.1 (0.1) million.

PERSONNEL

In January–June, the Apetit Group's continuing operations employed an average of 563 (531) people. The increase on the comparison year is mainly the result of replacing agency employees at the Kivikko plant in Helsinki with own personnel and higher production volumes.

STRATEGY

Apetit updated its strategy for 2018–2020 in spring 2018. Its focus areas are renewal, international operations and efficiency improvement. Apetit seeks to lead the way in vegetable-based food solutions and be the best-known brand specialising in vegetable-based diets in Finland.

Apetit is focusing on continuous renewal by increasing product and service development and on stronger international operations by increasing international trade and surveying potential new purchasing areas in grain trade while reinforcing its footing in the Baltic countries and improving efficiency improvement in all of its business operations.

Apetit's financial targets for 2020

An increase of at least 100% in operational EBITDA (2017: EUR 6.8 million in continuing operations)

Return on capital employed (ROCE), > 8 % (2017: 2.4%)

The achievement of these strategic targets is based on customary crop development, systematic operational efficiency improvement, innovative and timely product launches and the development of international food trade. The company is open to corporate transactions that are in line with its strategy.

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 final quarter of the year. This means that more fixed production overheads are recognised on the balance sheet in the fourth quarter than during the other quarters of the year. Due to this accounting practice, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of profit accumulation is most marked in the frozen foods group of 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 Grain Trade and 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 the production of frozen products is also seasonal and follows the harvest period, the working capital tied up in operations is at its highest around the turn of the year in the Food Solutions segment.

Net sales in Grain Trade vary from one year and quarter to the next, even quite considerably, being dependent on the demand and supply situation and on the price level in Finland and other markets.

Food Solutions

The Food Solutions segment comprises frozen vegetable products, frozen ready meals, ready meals, fresh products and service sales.

EUR million	1-6 2018	1-6 2017	Change	2017
Net sales	**49.9**	50.3	-1%	100.2
Operational EBIT	**-2.8**	-2.5		-1.3
Operating profit	**-2.8**	-2.7		-1.5

Financial and operational performance in January–June

Food Solutions net sales for January–June came to EUR 49.9 (50.3) million. Sales of frozen products increased on the comparison period even though the strong demand of the first half of the year did take a downturn due to the unseasonable warm weather in the spring. In fresh products sales grew on the comparison period. Conversely, the reduction of the service sales network reduced net sales. The volume and value of sales grew on the comparison period especially in the professional food service sector and exports. The sales of patty and ball products, pizzas and pre-prepared vegetables and salad meals continued to be strong.

In Food Solutions, operational EBIT was EUR -2.8 (-2.5) million. In frozen products profitability improved somewhat thanks to higher sales, while that of fresh products remained unchanged. The reorganisation resulting from the reduction in the service sales network had a negative impact on segment profitability. The capitalisation of fixed costs in inventories had an effect of EUR +0.2 million on the result in comparison with the previous year. The reported operating profit was EUR -2.8 (-2.7) million.

Food Solutions' investments totalled EUR 1.4 (2.0) million and were mainly related to production development at the Säkylä frozen vegetables and frozen ready meals plant and the planning of its new patty and ball production line.

Apetit invests EUR 9.7 million in a new patty and ball production line at the Säkylä plant. The new line will double production capacity. Construction of the line will commence in August 2018 and it is expected start production in June 2019.

As the number one in vegetables, Apetit has led the way in vegetable-based diets and invested strongly in research and development in recent years. In recognition of its achievements in processing Finnish-grown vegetables, Apetit's Vegepops Porkkana-mango was chosen as the Finnish Food of the Year 2018 in May.

Operating environment

Grocery trade (source: the Finnish Grocery Trade Association) and Foodservice wholesale trade grew some 4 per cent in the first half of the year, of which the price factor accounts for 2.3 per cent. The growth of Apetit's frozen food and fresh food product groups has outpaced the market. The increase in vegetable consumption is seen in the demand for new vegetable-based food solutions, which is expected to remain strong in the future.

The harvest season of field vegetables is suffering from a long drought. Currently, the harvest outlook is weaker than normal but the outlook will become more reliable as we approach autumn.

Oilseed Products

The Oilseed Products business includes the processing and sale of vegetable oils and expeller meals.

EUR million	1-6 2018	1-6 2017	Change	2017
Net sales	**33.8**	33.1	+ 2%	65.3
Operational EBIT	**1.0**	0.8		1.8
Operating profit	**1.0**	0.8		1.8

Financial and operational performance in January–June

The Oilseed Products segment's net sales and delivery volumes in tonnes increased slightly year-on-year in January–June. The segment's net sales amounted to EUR 33.8 (33.1) million. The main export markets were Norway and Sweden, with exports representing 29 per cent of net sales.

Consolidated operational EBIT was EUR 1.0 (0.8) million in January–June.

Investment in the period totalled EUR 0.4 (0.4) million and was mainly related to maintenance at the Kirkkonummi oil milling plant.

Apetit is building a bioenergy plant in conjunction with the Avena Kantvik Oy rapeseed oil milling plant in Kirkkonummi. The value of the investment is about EUR 3.7 million. The bioenergy plant will replace the current energy solution that uses non-renewable fuels and will significantly reduce the carbon dioxide emissions of the entire Group. The project will require an environmental permit.

Apetit also continued work on a project to develop a rapeseed ingredient in order to develop a new ingredient with high nutritional content for the international food market. The ingredient has a unique composition of vegetable protein, fibre and essential fatty acids. It has numerous uses in various product categories including baked goods, mueslis, cereals and snack bars.

Operating environment

The Finnish 2018 oilseed harvest is likely to be clearly weaker than in 2017. According to the estimate of the Natural Resources Institute Finland (Luke) dated 16 July 2018, the expected harvest will be approximately 82,000 thousand tonnes. In 2017, the total harvest was 90,400 (96,000) thousand tonnes according to Luke.

Successful growing of spring rapeseed in Finland requires effective protection against flea beetles, which may cause significant damage in rapeseed fields. Flea beetles may cause significant damage to growths and are controlled with seed treatment. The Finnish Safety and Chemicals Agency (Tukes) has issued a special permit to use neonicotinoids in oilseed treatment in the 2018 growing season. Apetit has actively participated in growing trials of a new seed treatment.

Grain Trade

The Grain Trade business comprises the Finnish and international trade in grains, oilseeds, pulses and raw materials for feeds.

EUR million	1-6 2018	1-6 2017	Change	2017
Net sales	**57.8**	72.4	-20%	162.9
Operational EBIT	**-0.9**	0.2		0.8
Operating profit	**-2.2**	0.2		0.8

Financial and operational performance in January–June

The Grain Trade segment's net sales in January–June decreased to EUR 57.8 (72.4) million. The decrease was due to a decline in delivery volumes on the comparison period. Due to the weak crop, grain exports from Finland represented only 23 (34) per cent of net sales as the exportable surplus was small.

The segment's operational EBIT was EUR -0.9 (0.2) million. The grain crop was weak in our areas of supply, in terms of volumes and partly in terms of quality as well. This decreased sales margins in the grain trade as especially export volumes were lower than in the comparison period. Our stock levels and the amount of tied-up working capital were higher at the end of June than in the comparison period. The reported operating profit was EUR -2.2 (0.2) million and includes a EUR -1.3 million non-recurring cost as a result of a breach of contract by a foreign grain supplier. This non-recurring item is presented in more detail under the heading Disputes.

The Grain Trade segment's investment totalled EUR 0.1 (0.1) million.

Avena Nordic Grain Oy and Viljelijän Berner joined their purchasing and sales organisations in June in a production input and grain trade deal. The operating model of the new venture is based on partnership and a common field organisation. Business will be conducted under the name Viljelijän Avena Berner. Under the new operating model, companies will offer Finnish farmers a Finnish-owned partner for grain and oilseed trade and the use and procurement of agricultural production inputs.

Operating environment

According to the estimate of the Natural Resources Institute Finland (Luke), the 2018 grain crop may be the weakest in Finland in this century due to an unusually dry summer. The rye crop is likely to be half and the wheat crop will be two thirds of last year's. This is the third consecutive poor year in Finland. Furthermore, the Baltic countries have also suffered from a drought. Their outlook is better than that of Finland, however, because of the higher proportion of autumn sowing. Finland is more dependent on sowing in the spring.

TREASURY SHARES

At the end of the review period, the company had in its possession a total of 106,426 of its own shares acquired during previous years. These treasury shares represent 1.7 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

SHARE TURNOVER

The number of Apetit Plc shares traded on the stock exchange during the review period was 182,162 (506,815), representing 2.9 (8.0) per cent of the total number of shares. The highest share price quoted was EUR 15.25 (14.36), and the lowest was EUR 13.15 (12.91). The average price of shares traded was EUR 14.19 (13.46). The share turnover for the year was EUR 2.6 (11.5) million. At the end of the review period, the market capitalisation was EUR 84.3 (88.4) million.

DECISIONS OF THE ANNUAL GENERAL MEETING

Apetit Plc's Annual General Meeting was held in Säkylä on 27 March 2018. The Annual General Meeting adopted the parent company's financial statements and the consolidated financial statements, and discharged the members of the Board of Directors and of the Supervisory Board and the Chief Executive Officer from liability for the financial year 2017. The Board of Directors' proposals to the Annual General Meeting were approved without changes.

Dividend distribution

The Annual General Meeting decided to distribute a dividend of EUR 0.70 per share, in accordance with the Board's proposal. The dividend was paid on 10 April 2018.

ORGANISATIONAL MEETING OF THE SUPERVISORY BOARD AND ELECTION OF THE BOARD OF DIRECTORS

At its organisational meeting on 16 April 2018, Apetit Plc's Supervisory Board appointed Harri Eela as Chairman and Marja-Liisa Mikola-Luoto as Vice Chairman.

The Supervisory Board decided to elect six members to Apetit Plc's Board of Directors. Lasse Aho, Annikka Hurme, Esa Härmälä, Seppo Laine, Veijo Meriläinen and Niko Simula were elected as members of the Board of Directors. Veijo Meriläinen was appointed as Chair of the Board of Directors and Esa Härmälä as Deputy Chair.

It was decided that the Board members be paid an annual remuneration of EUR 19,560 and that the Chair and Deputy Chair receive an annual remuneration of EUR 39,060 and EUR 24,120, respectively. A total of 60 per cent of the annual remuneration will be paid in cash and 40 per cent in the form of Apetit Plc shares held by the company at the current value of the shares at the time of transfer. The remuneration will be paid once a year in December. It was also decided that the Chair and members of the Board of Directors will be paid a meeting allowance of EUR 510 and EUR 300, respectively.

AUDIT COMMITTEE

On 7 May 2018, Apetit Plc's Board of Directors elected members to its Audit Committee from among its members until the end of the Board's term of office. Seppo Laine was elected as Chairman of the Audit Committee, and Lasse Aho and Esa Härmälä were elected as its members.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Apetit Group are related to the management of changes in the prices of raw materials; the availability of raw materials; the quality and volume of grain, oilseed and field vegetable crops; the solvency of customers; the delivery performance of suppliers and service providers; and changes in the Group's business areas and customer relationships.

DISPUTES

Avena Nordic Grain Oy, which belongs to the Apetit Group, has initiated arbitration proceedings against a foreign grain supplier. In Apetit's opinion the supplier has breached contract and caused a loss of EUR 1.3 million to Apetit as a result of failing to supply grain as agreed. In Apetit's opinion it is entitled to receive damages from the supplier. This receivable does not meet the near absolute certainty requirement of IAS 37 which would allow the recognition of the receivable. Apetit is presenting the item as a contingent asset outside of the balance sheet. In addition, the Group's other receivables includes EUR 1.2 million from the same supplier.

MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REVIEW PERIOD

On 3 August 2018, Apetit Plc updated its estimate of the 2018 operating result. The company estimates that the full-year operational EBIT from continuing operations will be lower than in the comparison year (2017: EUR 1.3 million). Sales volumes and the profit outlook for 2018 are burdened by the weak harvest of 2017 and the poor harvest outlook for 2018.

On 16 August 2018 Apetit announced that it invests EUR 3.7 million in the construction of a bioenergy plant in conjunction with the Avena Kantvik Oy rapeseed oil milling plant in Kirkkonummi.

REVISED PROFIT GUIDANCE FOR 2018

The Group's full-year operational EBIT from continuing operations is expected to be lower year-on-year (2017: EUR 1.3 million). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year. Sales volumes and the profit outlook for 2018 are burdened by the weak harvest of 2017 and the poor harvest outlook for 2018.

CONSOLIDATED INCOME STATEMENT

EUR million

	4-6/ 2018	4-6/ 2017	**1-6/ 2018**	1-6/ 2017	1-12/ 2017
Net sales	**72.8**	76.8	**132.5**	150.8	311.8
Other operating income	**0.3**	0.1	**0.5**	0.3	0.7
Other operating expenses	**-74.3**	-76.3	**-134.2**	-150.1	-305.8
Depreciation	**-1.5**	-1.4	**-2.9**	-2.7	-5.6
Impairments		0.0		0.0	0.0
Operating profit	**-2.7**	-0.7	**-4.1**	-1.7	1.1
Share of profit of associated companies	**-0.4**	0.2	**-0.9**	-0.5	1.0
Financial income and expenses	**-0.3**	-0.2	**-0.4**	-0.2	-0.5
Profit before taxes	**-3.4**	-0.7	**-5.4**	-2.4	1.6
Income taxes	**0.6**	0.2	**0.9**	0.4	1.2
Profit for the period, continuing operations	**-2.8**	-0.5	**-4.5**	-2.0	2.9
Profit for the period, discontinued operations		-1.2		-1.5	-3.5
Profit for the period, shareholders of the parent	**-2.8**	-1.7	**-4.5**	-3.5	-0.6
Earnings per share, calculated on the profit attributable to shareholders of the parent company					
Basic and diluted earnings per share, EUR					
Continuing operations	**-0.45**	-0.08	**-0.72**	-0.32	0.46
Discontinued operations		-0.19		-0.25	-0.56
Shareholders of the parent company	**-0.45**	-0.27	**-0.72**	-0.56	-0.10

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	4-6/ 2018	4-6/ 2017	**1-6/ 2018**	1-6/ 2017	1-12/ 2017
Profit for the period	**-2.8**	-1.7	**-4.5**	-3.5	-0.6
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	**0.3**	-1.5	**0.9**	-0.8	-1.1
Taxes related to cash flow hedges	**-0.1**	0.2	**-0.2**	0.1	0.2
Translation differences	**0.0**	-0.2	**0.0**	-0.3	0.1
Total comprehensive income	**-2.5**	-3.1	**-3.8**	-4.5	-1.4
Attributable to:					
Continuing operations, equity holders of the parent	**-2.5**	-1.9	**-3.8**	-2.9	2.0
Discontinued operations, equity holders of the parent		-1.2		-1.5	-3.4

CONSOLIDATED BALANCE SHEET
EUR million

	30 June 2018	30 June 2017	31 Dec 2017
ASSETS			
Non-current provisions			
intangible assets	**6.8**	6.2	6.8
Goodwill	**0.4**	0.4	0.4
Tangible assets	**36.4**	38.1	37.5
Investment in associated companies	**22.4**	22.4	23.4
Available-for-sale investments	**0.0**	0.1	0.1
Receivables	**1.3**	0.3	1.3
Deferred tax assets	**6.0**	4.1	5.3
Non-current assets, total	**73.3**	71.5	74.7
Current assets			
Inventories	**38.9**	28.7	45.8
Trade receivables and other receivables	**14.7**	19.2	18.3
Income taxes receivables	**0.4**	0.1	0.2
Cash and cash equivalents	**9.3**	10.9	15.7
Current assets, total	**63.4**	58.9	80.0
Non-current assets held for sale		23.0	
Total assets	**136.7**	153.4	154.7

CONSOLIDATED BALANCE SHEET
EUR million

	30 June 2018	30 June 2017	31 Dec 2017
TOTAL EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company	**104.0**	109.0	112.3
Total equity	**104.0**	109.0	112.3
Non-current liabilities			
Deferred tax liabilities	**2.6**	2.7	3.1
Non-current financial liabilities	**3.4**	4.0	3.4
Non-current provisions	**0.2**	0.2	0.2
Other liabilities	**0.2**	0.2	0.2
Non-current liabilities, total	**6.4**	7.1	6.9
Current liabilities			
Current financial liabilities	**1.0**	3.3	1.5
Income tax payables	**0.0**	0.2	0.0
Trade payables and other liabilities	**25.1**	22.6	34.1
Current provisions	**0.1**		
Current liabilities, total	**26.3**	26.0	35.5
Liabilities associated with non-current assets held for sale		11.2	
Total liabilities	**32.7**	44.3	42.5
Total equity and liabilities	**136.7**	153.4	154.7

CONSOLIDATED CASH FLOW STATEMENT

EUR million

	1-6/ 2018	1-6/ 2017	1-12/ 2017
Profit for the period	**-4.5**	-3.5	-0.6
Adjustments to profit for the period	**4.6**	5.0	-0.7
Change in working capital	**1.1**	22.5	22.5
Interests paid from operating activities	**-0.8**	-0.8	-1.0
Interest received from operating activities	**0.0**	0.0	0.0
Taxes paid from operating activities	**-0.5**	-0.2	-0.2
Net cash flow from operating activities	**-0.1**	23.1	20.0
Investment in tangible and intangible assets	**-1.8**	-2.9	-5.9
Gains and losses on sales of tangible and intangible assets	**0.0**	0.0	0.1
Proceeds from sales of business operations			13.6
Investments in associated companies	**-0.4**	-0.1	-0.4
Proceeds from sales of associated companies	**0.6**	0.2	0.2
Dividends received from investing activities	**0.2**	0.2	1.3
Cash flow from investing activities	**-1.4**	-2.6	8.9
Advances and repayment of short-term loans		-9.2	-12.8
Proceeds from long-term loans		0.1	0.1
Repayments of long-term loans	**-0.5**	-0.7	-0.8
Dividends paid	**-4.3**	-4.3	-4.3
Cash flow from financing activities	**-4.8**	-14.2	-17.8
Net change in cash and cash equivalents	**-6.4**	6.3	11.1
Cash and cash equivalents at the beginning of the period	**15.7**	4.6	4.6
Cash and cash equivalents at the end of the period	**9.3**	10.9	15.7

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

A = Equity on 1 Jan
B = Dividend distribution
C = Other change
D = Comprehensive income for the period
E = Equity on 30 June

1-6/2018

EUR million	A	B	C	D	E
Share capital	**12.6**				**12.6**
Share premium account	**23.4**				**23.4**
Revaluation reserve	**-0.8**			**0.7**	**-0.1**
Other reserves	**7.2**				**7.2**
Treasury shares	**-1.5**		**0.1**		**-1.4**
Translation differences	**-0.2**			**0.0**	**-0.2**
Retained earnings	**71.4**	**-4.3**	**-0.2**	**-4.5**	**62.4**
Equity attributable to shareholders of the parent company, total	**112.3**	**-4.3**	**-0.1**	**-3.8**	**104.0**

1-6/2017

EUR million	A	B	C	D	E
Share capital	12.6				12.6
Share premium account	23.4				23.4
Revaluation reserve	0.1			-0.6	-0.6
Other reserves	7.2				7.2
Treasury shares	-1.6		0.0		-1.6
Translation differences	-0.3			-0.3	-0.6
Retained earnings	76.3	-4.3	0.0	-3.5	68.4
Equity attributable to shareholders of the parent company, total	117.7	-4.3	0.0	4.4	109.0

ACCOUNTING POLICIES

This Half-Year Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in compliance with the drafting principles described in the annual financial statements for 2017. Apetit is applying the IFRS 15 Revenue Recognition standard as of 1 January 2018. Adjustments based partly on volume will be recognised as an adjustment to net sales. These items were previously recognised in expenses. The change will not have an impact on the operating profit. As a result of the change, net sales will decline by about EUR 2 million per year. The updated net sales for Q1 2017 is EUR 74.0 (previously 74.6) million, for Q2 EUR 76.8 (77.3) million and for the full year 2017 EUR 311.8 (314.0). IFRS 9 Financial Instruments standards introduced new requirements for the classification and measurement of financial assets. In summary, it includes a revised guidance on the classification and measurement of financial assets, new general hedge accounting requirements and a new expected credit loss model for calculating impairment on financial assets. Furthermore, IFRS 9 introduced new disclosures. Adoption of the standard on 1 January 2018 did not have a material effect on Apetit group Half-Year Report's profit or balance sheet, for example due to credit loss valuation or utilisation of hedge accounting. Other standards and interpretations that came into effect at the beginning of 2018 did not have a material effect on the Half-Year Report.

RECONCILIATION OF OPERATIONAL EBIT AND OPERATING PROFIT

EUR million	**1-6/ 2018**	1-6/ 2017	1-12/ 2017
Continuing operations			
Operational EBIT	**-2.8**	-1.5	1.3
Non-recurring cost associated with a breach of contract by foreign grain supplier	**-1.3**		
Cost of the dispute concerning the Pakastepizza brand		-0.2	-0.2
Operating profit, Continuing operations	**-4.1**	-1.7	1.1
Discontinued operations, Seafood segment			
Operational EBIT		0.1	0.4
Loss from the sale of the Seafood segment and the reorganisation costs of the business structure		-1.4	-4.1
Operating profit, Discontinued operations		-1.3	-3.6
Operating profit, Group total	**-4.1**	-3.1	-2.5

DISCONTINUED OPERATIONS, SEAFOOD SEGMENT

Apetit Plc signed an agreement on selling its seafood business in Finland, Sweden and Norway to Insula AS, a Norwegian company specialising in seafood business operations. The transaction was executed at the end of October 2017 as a business transfer in Finland and as a share transaction of Maritim Food Group in Norway and Sweden. In Finland, Apetit will remain a minority shareholder of the seafood business, with a holding of less than 20 per cent.

Discontinued operations comprises Apetit Kala Oy fish processing business in Finland and Maritim Food Group in Norway and Sweden. Apetit Kala is one of the major manufacturers of salmon and rainbow trout fish products in Finland. Maritim Food Group produces high quality fish and shellfish products in Norway and in Sweden. In 2016, the net sales of Apetit's Seafood segment's operations were EUR 87.8 million and the operational EBIT was EUR 0.1 million. Apetit's Seafood operations employ 82 persons in Finland, 71 in Norway and 15 in Sweden.

EUR million	**1-6/2018**	1-6/2017	1-12/2017
Income		40.4	63.6
Costs		-41.7	-67.3
Operating profit		-1.3	-3.6
Financial income and expenses		-0.2	-0.3
Profit before taxes		-1.5	-4.0
Income taxes		0.0	0.5
Profit for the period, Discontinued operations		-1.5	-3.5

The result for January–December 2017 includes the loss from the sale of the Seafood business and expert costs related to the transaction, including tax effects, totalling EUR -3.7 million. The Group's outlook on the usability of previously unrecognised tax losses improved as a result of the corporate transaction. In continuing operations, EUR 1.3 million was recognised in deferred tax assets. The total effect on the Group's result is EUR -2.3 million.

Cash flows

EUR million	**1-6/2018**	1-6/2017	1-12/2017
Cash flows from operating activities		0.5	-1.1
Cash flows from investing activities		-0.4	-0.7
Cash flows from financing activities		-0.1	1.9
Total cash flows		0.0	0.0

The change in the net working capital has a significant effect on the operating cash flows.

Details of the assets classified as held-for-sale

EUR million	31 Dec 2017
Tangible and intangible assets and non-current receivables	5.6
Deferred tax assets	1.1
Inventories	9.2
Trade receivables and other receivables	3.8
Cash and cash equivalents	0.1
Total assets	19.7
Non-current liabilities	0.4
Current liabilities	8.7
Total liabilities	9.1

Assets classified as held-for-sale does not include common group assets allocations to the discontinued operations.

Cash flows of operations sold

EUR million	1-12/2017
Consideration received	13.7
Cash flows of operations sold	0.0
Net cash inflows	13.6

SEGMENT INFORMATION

A = Food Solutions
B = Oilseed Products
C = Grain Trade
D = Continuing operations
E = Discontinued operations, Seafood
F = Total

Operating segments 1-6/2018
EUR million

	A	B	C	D	E	F
Segment's total sales	**49.9**	**33.8**	**57.8**	**141.5**		**141.5**
Intra-segment sales	**0.0**	**-0.1**	**-8.9**	**-9.0**		**-9.0**
Net sales	**49.9**	**33.6**	**48.9**	**132.5**		**132.5**
Operating profit	**-2.8**	**1.0**	**-2.2**	**-4.1**		**-4.1**
Gross investment in non-current assets	**1.4**	**0.4**	**0.1**	**1.8**		**1.8**
Corporate acquisitions and other share purchases	**0.4**			**0.4**		**0.4**
Depreciation	**2.3**	**0.4**	**0.2**	**2.9**		**2.9**
Impairments						
Average number of employees	**454**	**47**	**62**	**563**		**563**

Operating segments 1-6/2017
EUR million

	A	B	C	D	E	F
Segment's total sales	50.3	33.1	72.4	155.8	40.4	196.2
Intra-segment sales	-0.1	-0.1	-4.8	-5.0	-5.8	-10.8
Net sales	50.2	33.0	67.6	150.8	34.6	185.4
Operating profit	-2.7	0.8	0.2	-1.7	-1.3	-3.1
Gross investment in non-current assets	2.0	0.4	0.1	2.5	0.4	2.9
Corporate acquisitions and other share purchases			0.0	0.0		0.0
Depreciation	2.2	0.4	0.1	2.7	0.9	3.6
Impairments	0.0	0.0	0.0	0.0	1.0	1.0
Average number of employees	431	44	56	531	175	706

Operating segments 1-12/2017
EUR million

	A	B	C	D	E	F
Segment's total sales	100.2	65.3	162.9	328.4	63.6	392.0
Intra-segment sales	-0.2	-0.3	-16.1	-16.6	-9.5	-26.1
Net sales	100.0	65.0	146.8	311.8	54.1	365.9
Operating profit	-1.5	1.8	0.8	1.1	-3.6	-2.5
Gross investment in non-current assets	3.7	1.1	0.4	5.2	0.7	5.9
Corporate acquisitions and other share purchases			0.4	0.4		0.4
Depreciation	4.5	0.8	0.3	5.6	0.8	6.5
Impairments	0.0	0.0	0.0	0.0	0.0	0.1
Average number of employees	451	45	61	557	140	697

KEY FIGURES	**30 June 2018**	30 June 2017	31 Dec 2017
Equity per share, EUR	**16.75**	17.58	18.10
Equity ratio, %	**76.1**	71.1	72.6
Gearing, %	**-4.7**	-1.5	-9.6
Gross investments in non- current assets, EUR million, Continuing operations	**1.8**	2.5	5.2
Corporate acquisitions and other share purchases, EUR million, Continuing operations	**0.4**	0.0	0.4
Average number of personnel, Continuing operations	**563**	531	557
Average number of shares, 1 000 pcs	**6 209**	6 202	6 202

The key figures in this Half-Year Report are calculated with same accounting principles than presented in the 2017 annual financial statements.

GROUP COLLATERAL, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million

	30 June 2018	30 June 2017	31 Dec 2017
Mortgages given for debts			
Corporate mortgages		2.4	
Pledges and other collateral	**3.1**	10.7	3.1
Non-cancellable other leases, minimum lease payments			
Real estate leases	**9.8**	9.0	8.0
Other leases	**0.8**	1.0	0.9
DERIVATIVES			
Nominal values of derivative instruments			
Interest-rate swaps	**14.3**	4.8	4.8
Forward currency contracts		2.6	
Commodity derivative instruments	**48.9**	25.8	14.2
CONTINGENT ASSETS			
The fair value of proceeds from the sale of shares in the joint entry account	**0.7**	0.7	0.7
Claim for damages associated with the foreign grain supplier's neglect of delivery	**1.3**		
INVESTMENT COMMITMENTS			
Food Solutions	**4.4**	1.1	1.0
Oilseed Products		0.4	

CHANGES IN NON-CURRENT TANGIBLE ASSETS

EUR million

	30 June 2018	30 June 2017	31 Dec 2017
Carrying amount at beginning of period	**37.5**	47.7	47.7
Increases	**1.2**	2.6	3.9
Reductions	**0.0**	-8.1	-9.4
Depreciation and impairments	**-2.3**	-3.9	-4.5
Other changes	**0.0**	-0.2	-0.2
Carrying amount at end of period	**36.4**	38.1	37.5

RELATED-PARTY TRANSACTIONS

EUR million

	1-6/ 2018	1-6/ 2017	1-12/ 2017
Sales to associated companies	**0.2**	0.2	0.8
Purchases from associated companies	**1.7**	1.3	3.0
Trade receivables and other receivables from associated companies	**0.0**	0.0	0.1
Trade payables and other liabilities to associated companies	**0.4**	0.2	0.3

Helsinki, 16 August 2018
APETIT PLC
Board of Directors